



THE SUCCESS  
OF THE  
5 YEAR PLAN

V. M. Molotov

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# THE SUCCESS OF THE FIVE YEAR PLAN

*By*

V. M. Molotov

*Chairman of the Council of People's  
Commissars.*

*This book contains the full report of two  
speeches by V. M. Molotov delivered at  
the Sixth All-Union Soviet Congress held  
in the Grand Opera House, Moscow, com-  
mencing March 8th, 1931.*

*The first is the Report on the activity of  
the Government of the Soviet Union, while  
the second is from his concluding speech.*

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## THE INTERNATIONAL AND INNER SITUATION OF THE SOVIET UNION.

*Full Text of the Report on the Activity of the Government  
of the Soviet Union, Delivered at the VIth All-Union  
Soviet Congress.*

Great changes have taken place in the Soviet Union and in the international situation since the Vth Soviet Congress. This is of importance to us from the standpoint of the alterations involved in the relations of the class forces in the Soviet Union and in the mutual relations between the Soviet Union and its capitalist environment.

What is the basis of the change which has taken place in the relations of class forces in our country?

The answer to this question is not difficult. It must be sought in the changed roles of the Socialist elements of our economy.

As result of the successes of Socialist industry, and of the growth of the Soviet and collective farms, the socialised sector of our economy has gained absolute supremacy. At the time of the Vth Soviet Congress this was not yet the case, but now the preponderance of the socialised elements in the economy of the country is perfectly obvious. This fact determines the essentials of the present correlation of the class forces **within** the Soviet Union.

The change thus taking place within the country itself signifies at the same time a decisive change in the mutual relations between the Soviet Union and the capitalist countries surrounding it. The successful building up of Socialism in our country, particularly in view of the absolute ascendancy of the Socialist sector of our economy, plays a leading part in determining the mutual relations between the Soviet Union and the capitalist world. The unprecedented rise of Socialism in the Soviet Union coincides with a period of acutest crisis in the capitalist countries, and this, in view of the fundamental difference of the two systems of society, causes an intensification of the antagonism between the development of the Soviet Union and world capitalism. Under the conditions imposed by the advancing international crisis, the changes which have taken place in the relation of class forces in the Soviet Union find especially emphatic expression in the changed relations of the Soviet Union towards its **foreign environment**.

In order to stress the difference between the present period and the period of the Vth Soviet Congress, it suffices to deal with fundamentals. And what has been fundamental here is the decisive turn of the great masses of the peasantry towards collectivisation.

At the time of the Vth Congress the question of the Socialist reorganisation of the village was raised as one of utmost importance for the whole advance of our Socialist construction. It was for us a decisive factor in the struggle for the middle peasant, in the struggle for the collectivisation of the village. But at that time this question was not yet decided: as yet there had been no turn towards collectivisation on the part of the middle peasants: the kulak, defending himself savagely, was endeavouring to organise a counter-attack. Even in the ranks of the Bolsheviks there were still strong opportunist tendencies. The Right elements intensified their attacks upon the policy of the Party. Our class foes rubbed their hands in malicious delight, for they calculated on the speedy collapse of the Soviet power.

But in the working class there were already clear and definite signs of a change in favour of the Socialist advance along the whole front. It suffices to point to the fact of the Socialist competition, which began to become a mass movement of the workers just at the beginning of 1929. This turn towards Socialism in the vanguard of the workers—the working class—was a forerunner of the change to follow in the feelings of the masses of the peasantry. And as a matter of fact, in the second half of 1929, the final turn towards collectivisation took shape among the middle peasants.

During the last few years the collective farming movement has grown rapidly, but since the autumn of 1929 it has passed a new and decisive stage. From this time onwards it began to take the form of the complete collectivisation of whole districts, at first only small ones, but gradually incorporating districts of tremendous size and economic importance. On this basis of complete collectivisation the most advanced districts went forward to the policy of the attack upon the kulak, the policy of the liquidation of the kulak as a class. Hence, we have to-day, at the time of the VIth Soviet Congress, a situation differing fundamentally from that obtaining at the time of the last Congress. We have achieved the change towards Socialist reorganisation among the peasant masses, a turn towards Socialism.

The situation now is such that the Socialist sector already predominates in national economy, whilst the capitalist elements (the kulak class), after evincing a certain growth until recently, are now approaching liquidation. This determines the fundamental change which has taken place in the rural districts in the last eighteen months. The successes of Socialist construction enable a new answer to be given to the question of where the Soviet Union is going. The reply to this question is the fact that we have entered the period of direct Socialist construction, the period of Socialism. This means that from the standpoint of our inner forces the question of the victory of Socialism in our

country has been decided, and that the victory of Socialism is completely and fully assured. (Applause.)

The fulfilment of the tasks set by the national economic plan for the current year signifies the going over of no fewer than one half of the peasant farms to collectivisation. This, combined with the accomplishment of other tasks of Socialist construction set for the present year, secures for us the building of the foundation of the Socialist economy of the Soviet Union (Applause.) Under this banner we are now developing our Socialist offensive all along the line, despite the unceasing and furious resistance of the capitalist elements. The class enemy within the Soviet Union itself, losing strength from day to day, is particularly obstinate in his efforts to find support among bourgeois forces abroad. Therefore, the decisive advance of Socialism in the Soviet Union is inevitably bound up with the intensification of the struggle between the Soviet Union and the hostile imperialist countries surrounding it. Precisely at the present juncture, the struggle for the victory of Socialism in the Soviet Union is becoming more and more closely interwoven with the tasks imposed by the struggle against each and every attempt on the part of the international bourgeoisie to hinder our work. The increasingly open endeavours of war-mongering international imperialism to organise a disruption of the building up of Socialism in our country must be replied to by us with the necessary **preparations** for the struggle. (Applause.)

All this demands a sober Bolshevik assessment of the class forces at home and abroad, of their relations to one another, and of the changes which have taken place among them.

At such a moment any **over-estimation** of our own powers, any hastiness or rashness in the steps taken, is **dangerous**. We should not thereby ensure the needful timely preparation of our forces, and at the critical moment this would lead to annihilation.

An **under-estimation** of our own powers and of possibilities given by the struggle for the work of Socialism, is, however, no less **impermissible**. This would lead to a loss of tempo, and a slackening of the tempo of our Socialist construction forms a very decisive factor in the plans of our enemies abroad. Therefore we must not forget that under the present circumstances to slacken the pace, to lose time, would mean a risk dangerous to the life of the Soviet Union.

# I. THE STRUGGLE FOR PEACE AND THE EXTERNAL SITUATION OF THE SOVIET UNION.

## (a) *The Aggravation of the World Crisis and the Intensification of Capitalist Contradictions.*

The extremely acute economic crisis now advancing in the capitalist countries brings with it an extraordinary intensification of all the contradictions inherent in capitalism. It intensifies both the inner and the international antagonisms of the capitalist system.

It is now clear that the appraisal given by the Communists from the beginning of the international economic crisis is completely confirmed by facts. As opposed to the opinions of the bourgeois economists and statesmen, the crisis has not only not diminished in the course of the last 1½ years, but has increased in acuteness. A few figures suffice to confirm this:

In the great capitalist countries we observe the following **decline in production** at the beginning of the present year, as compared with the highest point of industrial development attained before the crisis (that is to say, as compared with the situation in the middle of 1929): United States, 32 per cent. decline in production; Germany 28 per cent.; England 19 per cent.; Poland 25 per cent.; France—where the crisis began to develop somewhat later—at present 7 per cent.\*

The industrial crisis is accompanied by a further aggravation of the **agricultural crisis**. This is finding expression in a perfectly unprecedented and catastrophic drop in prices. The wholesale trading prices of a number of the most important agricultural products, upon which the incomes of hundreds of millions of peasants all over the capitalist world depend, have sunk to one half and even to one third of their former level. Quite frequently they have sunk below the level of the expense incurred in their production. These prices are a crushing blow to hundreds of millions of peasant farms.

The **world stocks** of important industrial and agricultural goods increased considerably during the past year, and at the same time unemployment, want, and misery, have spread to an

\*These data for the United States have been obtained from the "Annalist" of 14th October, 1930, and 13th February, 1931, for England from the "Economist" of 31st January, 1931, for all other countries from the Statistical Bulletin of the League of Nations, the "Bulletin Mensuel de Statistique," January, 1930 and 1931. For the United States, July, 1929, has been taken as the highest level of production attained, for Germany, June, 1929, for England, the fourth quarter of 1929, for Poland, January, 1929, for France, May, 1930.

unprecedented extent in the cities and rural districts of the capitalist countries and their colonies. One criterion of the international nature of the crisis is afforded by the abrupt falling off of both exports and imports in **all** capitalist countries, without exception, in 1930.

Whilst a year ago, at the beginning of the crisis, there were not a few people ready to believe the optimistic declarations of the bourgeois governments regarding the speedy termination of the crisis and the coming of a fresh period of "prosperity," now precisely the opposite is spreading. Even the bourgeois press is obliged to admit this.

The year 1931 not only failed to bring the slightest sign of improvement in the economic situation in the capitalist countries, but evidenced precisely the contrary. The crisis has increased in acuteness. It has not yet reached its lowest point. During the last few months there has been a conspicuous increase in the number of bankruptcies of capitalist firms and banks. The lowest point of the economic crisis is still ahead. The affairs of capitalism have become involved in such inextricable confusion that not a single loophole of escape from the crisis is visible.

It must be admitted that the bourgeois economists are in a difficult position. They are incessantly obliged to find fresh explanations of the present "economic crisis." Incapable of grasping the Marxist—that is, the actual scientific recognition of the causes of the crisis—these economists are lost in a maze of endless contradictions.

"We have landed in an incredible chaos"—states the well-known English economist Keynes—"for whilst having to do with an extremely sensitive machine, whose laws are unknown to us, we have committed some bad blunder." (Wirtschaftsdienst of 19th December, 1930.)

The bourgeois politicians are in a no happier position. Their predictions regarding the brief duration of the crisis have proved entirely wrong. Their impotence in the struggle against the crisis is only too obvious. Mistrust towards both the economists and the politicians of the bourgeoisie is growing among the masses in the capitalist countries.

That there is growing dissatisfaction with capitalism may be easily demonstrated even with the aid of the bourgeois press. A voice betraying this dissatisfaction sounds louder day by day in the bourgeois press. The distinguished German economist Bonn publishes an article entitled: "The import and meaning of the American crisis." In this article Bonn declares:

"In the minds of thousands of people an extremely naive question has arisen: **Does the capitalist system still possess any right to exist,**\* if it is incapable, in the richest country

\*The emphasis is mine. V. M.

in the world, comparatively thinly populated with industries and capable people, of securing for this population the means of living in accordance with the demands developing in human beings by modern technique, without from time to time forcing millions of persons to suffer deprivation, or to resort to charity and night shelters? The import and meaning of the American crisis lie in the fact that at the present juncture it is not merely a question of economic leadership or politics, but of the existence of the **capitalist system as such.**" ("Die Neue Rundschau," February, 1931.)

Obviously the worthy professor designates the question put him as "extremely naive" solely for the purpose of diverting attention. And it is equally obvious that the question whether the capitalist system possesses any "right of existence" is one arising in the minds of "thousands of people" not only in America, but in all countries in which the capitalist system rules.

The organ of the Austrian big bourgeoisie, the "Neue Freie Presse," wrote in its New Year survey:

"Many are troubled by the question whether the capitalist economic system is not to blame for all this misery."

Indeed, the growing international crisis in economics intensifies the contradiction of capitalism to the breaking point, and confronts the masses ever more insistently with the question of what justification the capitalist system possesses for its existence.

In this connection the statement of the leader of the English Liberals, Lloyd George, is easily comprehensible:

"If we had not the dole there would have been a revolution in this country years ago . . . You would not keep a dog on your premises unless you had a bone to give him." ("Manchester Guardian," January 7th, 1931.)

These words, born of an innermost conviction, express the hatred felt by the capitalists towards the working class, and at the same time their fear of the growing number of this class.

Whilst the affairs of the ruling classes in the capitalist countries fall into ever deepening confusion, their relations with one another are in no better state.

It cannot be asserted that the mutual relations between the imperialist powers and their colonies have improved of late.

Can it be maintained, for instance, that the agreements and semi-agreements arrived at with the leaders of the Liberal Indian landowners and bourgeoisie have improved the stability of mutual relations in **India** itself, even for a short time? In a situation in which the standards of living of the working class and working peasantry do not improve in the very least, but on the contrary worsen steadily, stability cannot be reckoned on in India. The slightest attempts on the part of the workers of **Indo-China** to defend their interests are designated by the French bourgeois press

as "Bolshevist intrigues." But such a panic-stricken outcry on the "Bolshevist danger" cannot give capitalist rule a firm footing: it merely increases the popularity of Bolshevist ideas among the colonial masses.

In **China** the generals' cliques work hand in hand with the representatives of the imperialist states, but here too the ruling classes have proved in the course of years their impotence to create the conditions necessary for an upward development of economics and for the improvement of the situation of the masses.

With respect to the immediate relations existing among the capitalist countries, there is again no real sign of the overcoming of the instability and lack of faith in the morrow, although there is an endless bargaining among the representatives of the bourgeois governments about the drafting of all manner of agreements. The representatives of certain bourgeois circles in Germany are "unofficially" exploring the possibilities of an agreement in Paris. The official representatives of Great Britain aid the bringing about of an understanding between France and Italy in the question of increased naval armaments. The League of Nations, on the initiative of the representatives of France, Great Britain, Germany, and Italy, issues a declaration on the "Removal of Doubt as to the Constancy of Peace in Europe." But as soon as actual and great economic interests are involved, such as finally determine the political relations of the states to one another, no progress can be recorded. Not without reason did the president of the European Customs Conference, the former Dutch minister, **Colyn**, find himself obliged to declare openly at the inaugural meeting of the conference of the European Commission of the League of Nations: "The peoples have lost all faith in the work of the League of Nations."

In reality, the struggle among the capitalist countries for markets and spheres of influence and for the preparations for a re-division of the world is becoming more acute every day. The crisis intensifies all these antagonisms. The crisis affects some countries more than others, weakens these, and awakens in the others the hope that they may carry off an additional share in the re-division of the world. In connection with this grows the danger of new imperialist wars.

The long duration of the crisis and its increasing intensity are proved by the futility of the measures adopted against it. The capitalist countries erect ever higher protective tariff walls against each other. The international economic conferences, especially the "agrarian conferences," end in nothing. The capitalist countries are proceeding obstinately with their increased armaments: they enlarge their war industries, they prepare to take up arms in the struggle for power. The general peace is threatened to an ever-increasing extent. The world has already been divided among the capitalist countries, and now the danger is growing of

a war among the imperialist countries for the re-division of the world.

*(b) The Attitude of the Capitalist Countries towards the Soviet Union, and the Preparations for an Intervention.*

The alteration in the relation of forces between the Soviet Union and the capitalist encirclement is expressed at every step in the relations between the capitalist countries and the Soviet Union.

At the time of the last Soviet Congress, at which the Five-Year Plan was ratified, our enemies based their calculations on the assumed inevitability of the collapse of the Five-Year Plan. Our class enemies expected that our attempts to put the Five-Year Plan into execution would fail. However, as time showed, they had miscalculated.

A considerable change has since taken place in the attitude of the dominant classes in the capitalist countries towards the Soviet Union. Evidences of panic in their midst in connection with the Five-Year Plan are becoming more and more frequent. A number of bourgeois newspapers have even gone so far as to declare that "The Five-Year Plan is the most suitable means for the destruction of the capitalist countries." The prophecies concerning the inevitability of the collapse of the Five-Year Plan have proved themselves to be empty phrases. Whilst the bourgeois politicians were engaged in making these prophecies they were themselves overtaken by an unparalleled economic crisis. The effects of the present world economic crisis are even more severe than the effects of the deep economic crisis which followed immediately on the heels of the imperialist world war. The Soviet Union is not only untouched by this world crisis, but it is engaged in carrying out a gigantic programme for the development of its economic system.

Under these circumstances, the former hopes of the world bourgeoisie that the Soviet Union would sooner or later degenerate into a capitalist development have collapsed. When the Soviet Union adopted the New Economic Policy, **Lloyd George** and with him other leading representatives of the world bourgeoisie expressed the opinion:

"In Russia at the moment a transition is taking place from barbaric aimless Communism, such as it existed one or two years ago, or even a few months ago, to milder forms. In Russia they are gradually realising that if human nature as it is taken as the basis, then a Communist order of society is impossible."

Lloyd George and many others interpreted the introduction of the New Economic Policy as "an absolute swing towards capitalism." These bourgeois gentlemen revealed the narrow limitations

of their social horizon, the incapacity of satisfied bourgeois to imagine any other order of society than that of capitalism. They hoped that as a result of the bourgeois degeneration of our country the Russian capitalists and landowners would again come to power, that the kulaks would triumph in the villages and that the imperialist generals would enter Moscow triumphantly at the head of their troops.

After that they lost no opportunity of announcing that "it" had already begun, that Soviet Russia was finally swinging into line with the other capitalist States. This illusion was harboured not only by the capitalists, but also by their "Socialist" lackeys, the Mensheviks, the Social-Revolutionaries, etc.

The first successes of the Five-Year Plan were sufficient to destroy these putrid illusions. And the bourgeoisie, at least certain of its sections, sobered up. The bourgeoisie was compelled to realise at last that its hopes for a gradual development of capitalism in the Soviet Union were without foundation, and in consequence it began to alter its tactics towards the Soviet Union. The bourgeoisie adopted new tactics, and the essence of the change was the beginning of preparations for an armed intervention against the Soviet Union.

The furious anti-Soviet campaigns, organised according to a uniform plan simultaneously in all capitalist countries, confirm this change of tactics.

Since the autumn of 1929 down to the present day, the capitalist encirclement of the Soviet Union has passed fairly quickly and logically through the various preliminary stages for the intervention. The preparatory work for the intervention has taken on various forms.

The role of the Second International in these preparations consists in directly supporting the plans of the bourgeoisie whilst concealing this support from the eyes of the workers by phrases concerning "normal" relations with the Soviet Union. The trial of the Menshevik interventionists in Moscow has completely exposed this counter-revolutionary "absolutely anti-proletarian" role of the Second International. In its plan for a new attack on the Soviet Union, the bourgeoisie pays particular attention to the preparation of public opinion for the intervention. To this end the leaders of the anti-Soviet campaign in the various capitalist countries use slogans calculated to deceive the masses of the people concerning the class-character of the war of intervention which is being prepared against the Soviet Union. In the hope of exploiting religious prejudices, particularly amongst the peasants, the organisers of the anti-Soviet campaign raised the cry against the alleged suppression of religion in the Soviet Union. A religious "crusade" against the Soviet Union was organised with the Roman Pope at the head.



The collapse of this campaign caused the inventive organisers to adopt new slogans, this time against "Soviet dumping," and against "forced labour" in the Soviet Union.

(I) The "Soviet Dumping" Campaign.

The aim of the "Soviet dumping" campaign was to whip up hostility to the Soviet Union amongst the workers and peasants of the capitalist countries. The bourgeoisie tried to conceal the breakdown of the capitalist economic system and its own inability to overcome the crisis, by making others responsible for its own guilt. The bourgeois press is therefore almost beside itself in its efforts to make the masses realise the danger which will allegedly result from the export of Soviet goods and their sale in capitalist countries at allegedly rockbottom prices. The bourgeois press pretends not to be aware of the absurd situation in which it finds itself.

Only **yesterday** the bourgeois press zealously informed the whole world that the Soviet economic system was bankrupt, that industry and agriculture in the hands of the Bolsheviks were doomed to collapse. **To-day**, however, it is compelled to spread new lies from a totally contradictory angle. To-day the bourgeois press of almost all shades of opinion is trying to prove that the Soviet economic system is developing so rapidly that the export of cheap Soviet goods is a menace for all capitalist countries. Both categories of lies show the perfidious methods adopted by the capitalist press. With such methods the bourgeoisie will not harm the Soviet Union, such methods will recoil upon the users of them.

It is clear, however, that no one in a strong position would resort to such methods. The class instinct of the bourgeoisie is causing a feeling of panic. The panic is spreading.

The elementary **facts** concerning Soviet foreign trade are sufficient to expose completely the real aim of the campaign against "Soviet dumping."

In 1913 the share of Russia in the world export trade was approximately 3.5 per cent. This share was not very large, but up to the moment the Soviet Union has not even reached this level. In 1930 our share of the world export trade was 1.9 per cent. Our whole export trade is hardly half the share of Tsarist Russia before the war. The share of the Soviet imports into other countries in 1929 varied between 0.5 per cent. (Great Britain, Italy and France) and 2.6 per cent. (Germany). The question arises, what sort of an economic system is that which can be threatened with destruction and collapse by such modest export figures?

Unfortunately, our export trade is considerably lower than the export trade of Tsarist Russia, considered in absolute figures. In 1913 the export trade of Tsarist Russia was valued at 1,500 million roubles, whilst our export trade in 1930 was valued at

1,000 million roubles, or 500 million roubles less. In 1913, however, no one thought about making a stir about Russian exports as the cause of the origin and intensification of capitalist crisis.

The absurdity of the explanation of the crisis as the result of "Soviet dumping" is underlined by the following facts: The economic crisis in Europe and the United States is most severe in those branches of industry in which our country, far from being an exporter, is a not unimportant purchaser!

Can one really seriously speak of the effect of "Soviet dumping" on the steel industry, which is experiencing an unparalleled slump at the moment? The Soviet Union does not export metal. On the contrary, it imports metals. Can the crisis in the European and American engineering industries be explained by "Soviet dumping"? In these industries the crisis is becoming more and more acute. It is a known fact, however, that the Soviet Union is the only country in the world which is steadily increasing its imports of engineering equipment from Europe and the United States. Perhaps, however, the catastrophic drop in the production of the automobile industry is to be explained by "Soviet dumping"? Absurd, particularly at the moment when we are compelled to increase considerably our imports of foreign motor cars!

These examples could be added to almost indefinitely. However, it is sufficient to say that last year, when the capitalist crisis was rapidly developing, the Soviet Union was the only country in the world which, far from reducing its imports, considerably increased them.

With this, however, I have no intention of saying that we do not want to increase our export trade now and in the future. On the contrary, we are engaged in increasing our export trade, and we are compelled to do so as the result of our increasing import trade which is growing with every passing year. However, this is favourable for both sides. Maybe the capitalists would like to make the Soviet Union subject to them, would like to extract tribute from us, would like to dictate conditions to us, would like to divide the Soviet Union in spheres of imperialist influence? The Soviet Union, however, is not a capitalist colony. (Applause.) The Soviet Union also bears no similarity to a country like Rumania where the boyars have their own "Five-Year Plan" which consists in selling out Rumania's railways and natural resources to the capitalists of other countries in the form of extensive concessions.

The landowners and rich peasants of the capitalist countries cannot control their rage at the idea that the Soviet Union is past that stage where it is necessary to import grain. To-day we are exporting grain. And further, the successes of our Socialist reconstruction of agriculture give us reason to hope that we shall

be able to continue the improvement of supplies inland and at the same time increase our exports of this commodity. And as far as the prices we shall demand are concerned, our enemies may rest assured that in our trade relations with foreign capitalism we shall not overlook the interests of the first workers' and peasants' State in the world. (Applause.) Of course, our competitors cannot deprive us of a most important advantage with regard to the costs of production, and that is that the country of the October Revolution has freed itself of the necessity of keeping parasitic classes (the rich landowners and junkers) and abolished absolute rents. By the way, our competitors will receive no hindrance from us if they feel inclined to take the same course. (Laughter and applause.)

The lying "Soviet dumping" campaign is thus exposed by simple facts. Our enemies who try to make "Soviet dumping" responsible for the world economic crisis and its resultant widespread misery, only succeed in causing utter confusion and losing the remaining shreds of confidence the masses may have had in them. The aim of this campaign is solely to whip up hostility against the Soviet Union as the ideological preparation for a war of intervention against the Soviet Union, and with this aim in view our enemies are not at all squeamish with regard to means.

Realising, however, that the "Soviet dumping" campaign has collapsed, our enemies seek to keep up the ring by bringing up further perfidious arguments. The chief of these is the slanderous allegation of "forced labour" in the Soviet Union.

## (II) "Forced Labour" in the Soviet Union.

In order to give the "Soviet dumping" campaign at least an appearance of plausibility, the bourgeois press protests that the Soviet Union is selling its goods on the world market at particularly low prices, and that these low prices are possible because the goods in question are produced by "forced labour."

Let us therefore examine what labour means in the Soviet Union and what it means in the capitalist countries.

If our enemies raise the question of forced labour, then let us raise the question of where it really exists: in the Soviet Union or in the countries of capitalism.

Let us begin with the question of principles. **Karl Marx** has given the following apt definition of the situation of the working class under capitalism:

"From the social point of view, the working class constitutes the same property of capital as the tools that are used by the workers . . . The Roman slave was fastened by chains, the hired labourer is tied to his owner by invisible threads, but this owner is not the individual capitalist but the capitalist class."

(Marx, "Capital," vol. 1, Russian Edition, p. 557.)

Or the following equally apt definition which Marx has given us:

"Only the form in which surplus labour is squeezed out of the immediate producers, the workers, distinguishes among the different social formations, e.g., between a society based on slavery and a society based on hired labour."

(Ibid. p. 169.)

The founders of scientific Socialism, Marx and Engels, have given the following exhaustive analysis of the capitalist system and proved its correctness to the hilt:

"To the bourgeoisie the present state of affairs is infinitely more advantageous than the old slavery: it may discharge its workpeople at any time without losing any invested capital, because labour comes much cheaper now than was the cost of maintaining slaves in the past."

(F. Engels.)

These words, taken from **Engels'** book, "The Situation of the Working Class in England," have not lost their significance for present day circumstances. On the contrary, capitalism has proceeded even further in its exploitation of the workers.

We must also not forget the words of **Marx** on the situation of the peasants under capitalism:

"Bourgeois society sucks the blood out of the hearts and the brains of the peasants, throwing it into the cauldron of this new alchemist, capitalism."

Is it necessary to prove that these words of Marx written down many decades ago are confirmed again and again at every opportunity where capitalist landowner and kulak rule in the villages?

Not to speak of the fact that in the colonies of France, Great Britain, the United States, Belgium and Holland, apart from all the usual forms of capitalist slavery, in many cases direct **slaveholding** has been retained, including the sale and purchase of individuals and of whole families.

The bourgeois press publishes deliberate lies concerning "forced labour" in the Soviet Union, but it has no time to mention the real fact concerning the wage slavery of the workers and toiling peasants in the capitalist countries. However, despite all the efforts of the bourgeois press, truth is making itself heard. The workers, and the toiling masses in general are beginning to realise more and more clearly the slave character of the capitalist system and the liberating significance of the Soviet system created by the October Revolution. When it began its "forced labour" campaign the capitalist press let itself into a very bad piece of business! This business will result in its final exposure!

The causes of capitalist slavery were revealed long ago. These causes are rooted in the fact that under capitalism the means of production are in the hands of the capitalists whilst the workers are robbed of these means. In consequence the workers are forced into a **slavish dependence** on the capitalists. The Soviet

system is totally different, as can be seen in our country. In the Soviet Union labour is **free**. The Soviet Union was able to create this state of affairs when it took the means of production out of the hands of the capitalists and drove the latter out of the country. In the Soviet Union the workers **work not for the capitalists, but for themselves**. In this way capitalist slavery has been abolished and labour is free, because the means of production are no longer in the hands of the few, but in the services of the whole people.

And now for the concrete facts:

(a) **Unemployment.** Apparently the fact that unprecedented unemployment exists in the capitalist countries, that from 30 to 35 million workers are on the streets, is a proof for the bourgeoisie that "free labour" exists under capitalism. The workers of the capitalist countries who are suffering from the privations of unemployment know very well what this means. They know that this is one of the worst forms of pressure, that it delivers millions and millions of families over to hunger and want.

Apparently also, the bourgeoisie finds it necessary to conceal as far as possible from their own workers the fact that unemployment in the Soviet Union has been abolished, or at least, to present this lack of unemployment as the result of the existence in the Soviet Union of general labour compulsion. However, the workers of the capitalist countries are learning the truth about the situation in the Soviet Union more and more every day. Even the most backward workers are beginning to realise that the abolition of unemployment in the Soviet Union is the direct result of the successful development of the work of Socialist construction in the first workers' and peasants' State.

(b) **The Working Day.** Despite the tremendous amount of unemployment which exists in the capitalist countries, the capitalists are still conducting an offensive against the working day. They are doing their best to lengthen it as far as possible. The best the workers of the capitalist countries can do at the moment is to fight for the maintenance of the 8-hour day where they have succeeded in obtaining it.

Let us take a look at the concrete facts concerning the working day. In **Great Britain** the working day of the miners is often 9 to 10 hours. Last year a Parliamentary decision lengthened the working day underground to  $7\frac{1}{2}$  hours. In the **United States** the working day underground is from  $9\frac{1}{2}$  to  $9\frac{3}{4}$  hours according to 1929 figures. In **Japan** the working day underground is 10 hours since the beginning of last year. And now a few words on the working day of the textile workers. In **Italy** a decree issued at the beginning of last year permits the lengthening of the working day in the textile industry without any limit or reservation being mentioned. In **Germany**, according to Trade Inspection reports, the working day is from 15 to 16 hours in a number of textile trade branches and in the ready-made clothing factories.

It is not necessary to say that as far as the colonies are concerned, the capitalists have no shame of any sort with regard to the length of the working day. The report of the Trade Inspector for India declares that actually the working day in India is from 14 to 15 hours instead of the 10 hours laid down for India in 1919 by the Washington Conference.

This is the situation of "free labour" under capitalism. This is the working day in the countries of capitalism.

Let us compare these facts with the situation in the Soviet Union. Whilst in the capitalist countries the workers must content themselves with defending the 8-hour day where they have been fortunate enough to win it on some previous occasion, the workers of the Union are going from **the 8-hour day to the 7-hour day**. And this is being done without reductions of wages. On the contrary, the wages are being increased. This year the industry of the Soviet Union will have completed the introduction of the 7-hour day. For various categories of labour, for instance, underground work in the mines, in certain branches of the chemical industry, etc., the 6-hour day has existed for a long time in the Soviet Union. How much the real facts resemble the stories of "forced labour" in the Soviet Union!

We must do our best to ensure that the broadest possible masses of the working class in the capitalist countries learn these facts.

(c) **Wages in the Soviet Union and in the Capitalist Countries.** At the moment, the capitalists are engaged in pressing forward an intensified wage offensive. According to the calculations of the well-known German economist, **J. Kutchinsky**, the German workers suffered a loss of 12 milliard marks in 1930 as the result of unemployment and short-time work. According to the calculations of the American bourgeois statistical bureau "Standard Statistics Co." (and also according to the American economic journal "The Annalist"), during 1930 the workers of the United States suffered a monthly loss of at least one milliard dollars as a result of the falling off of wages. For the whole year 1930 the loss will thus have totalled about 12 milliard dollars. Similar figures could be produced for the other capitalist countries. How typical this all is for the "freedom" of labour under capitalism!

The opposite process can be observed in the Soviet Union. During the whole period of the peaceful development of the Socialist constructive work the wages of the workers of the Soviet Union have suffered no drop. On the contrary, in the Soviet Union wages have risen every year, and they are continuing to rise this year also. During the first two years of the Five-Year Plan alone, the wage fund of the workers in the Soviet Union has increased from 7,800 million to 12,500 million roubles, or by 4,700 million roubles. The wage total in 1931 will increase by 2,860 million roubles as compared with 1930. Whatever the capitalists and

their press may say, the workers of the world will agree with us that such a rise in wages is directly due to the fact that the working class is in power in the Soviet Union.

(d) **Social Insurance and the Improvement of the Standards of Living.** There is no capitalist country in the world which possesses a **social insurance system for the workers financed exclusively by the State.** In the richest capitalist country in the world, in the United States of America, the bourgeoisie refuses to introduce any sort of social insurance system for the workers, although in these same United States there are about 10 million unemployed workers. According to the statement of the American senator Carraway (published in "The Daily Telegraph" on the 3rd February, 1931) a thousand people die every day in the United States of malnutrition. Despite this fact, no State unemployment insurance scheme exists in the United States. And this is the Eldorado of "free labour."

Despite the liquidation of unemployment in the Soviet Union, the funds at the disposal of the State social insurance scheme (sickness benefit, maternal assistance, old age pensions, etc.) are increasing every year. In the first two years of the Five-Year Plan, the social insurance funds in the Soviet Union increased from 980 million roubles to 1,514 million roubles. If all forms of State assistance for the workers in the Soviet Union are taken into consideration (social insurance, bonuses from net profit, free use of municipal institutions, tramways, etc., housing, education, public health services, public feeding services) then during the first two years of the Five-Year Plan the State funds in question increased from 3,372 million roubles to 6,571 million roubles, or by 3,199 million roubles. During the current year (1931) these funds will be increased still further to a total of 9,699 million roubles, or inside a year by 3,128 million roubles. No worker who is aware of these facts will believe the capitalist press and its lies about "forced labour" no matter how loudly it may shout. We are convinced that before very long the most backward workers in the capitalist countries will laugh at such blatant lies.

(e) **The Attitude towards Labour.** In the Soviet Union the labour enthusiasm of the masses is constantly growing. The Socialist competitive scheme is growing amongst the workers, and lately also amongst the collectivist peasants in the villages. Over half the workers of the Soviet Union are participating in Socialist competition. The number of workers who are members of the shock groups is also growing. The ranks of the heroes of the labour process are extending. It ought to be clear enough that this can only be the product of **free** labour. The situation in the capitalist countries is very different. There is no labour enthusiasm amongst the workers in the capitalist countries. Can it be any different when the lack of real freedom under the capitalist process of production reveals itself literally at every step? It is

clear that the situation of the worker whose labour has been freed from the yoke of capitalism is absolutely different from the situation of the worker under capitalism. Day and night are not more different.

(f) **The Fundamental Difference.** In the last resort it is not difficult to put one's finger on the real cause of the fundamental difference between working conditions in the Soviet Union and working conditions in the capitalist countries. The cause is that in the Soviet Union **political power is in the hands of the working class**, whereas in the capitalist countries it is in the hands of the exploiters. The campaign against "forced labour" in the Soviet Union whipped up by the capitalist press, forces the worker in the capitalist countries to face this question, the question of power.

These are the facts concerning the situation of the workers in the capitalist countries and the situation of the workers in the Soviet Union. It is sufficient that the workers of the capitalist countries should be made aware of these facts and the lies about "forced labour" in the Soviet Union are exposed. The facts underline heavily the difference between the capitalist system and the Soviet system which is engaged in the building up of Socialism. The difference is completely in favour of the Socialist system of society and against capitalism.

But the capitalists may yet regret that they entered on this business. The "forced labour" campaign which was begun with anti-Soviet aims is now turning its attack against capitalist slavery. So much the worse for the capitalists. So much the better for the cause of the workers.

The bourgeois press is particularly inventive with regard to the working conditions of our lumbermen in the **northern districts.** A tremendous amount of inventive genius and slander has been concentrated concerning the "forced labour" alleged to prevail in these districts. The campaign against the import of Soviet timber and other articles is being conducted with the assistance of the leading representatives of the bourgeoisie in Great Britain, France and the United States under the pretext that these products are the result of "forced labour," and in particular the result of prison labour. Needless to say, high moral considerations are brought into play. Partly from ignorance, but chiefly from deliberate malice, the facts concerning the working conditions of the various categories of the population of the Soviet Union have been most arbitrarily misrepresented by the venal press of the capitalist countries.

In this connection a step taken by the British Government must be recognised as very appropriate. The British Government has published a special paper entitled, "A Selection of Documents Relative to Labour Legislation in Force in the Union of Socialist Soviet Republics," and thus given those who really wish to inform themselves on the subject, the possibility of doing so. However,

this publication contains original passages from the labour legislation of the Soviet Union, even though they have been specially selected, and "The Morning Post," which has been the driving force in so many anti-Soviet actions, reproaches the British Government for issuing a book "which has no practical value." "The Morning Post" is dissatisfied because this publication offers no opportunity for slanderous allegations concerning "forced labour" in the Soviet Union!

In the United States, on the other hand, a special law was adopted last year in a great hurry against the import of goods "produced by prison labour, or with the assistance of forced labour, or with contract labour under the threat of penal sanctions." The alleged motives for the adoption of this law were also highly moral considerations. Recently, the customs and finance commission of the United States Senate has supplemented this law to the effect that it shall be directed against foreign goods "produced, manufactured, transported, carried, loaded or unloaded with the assistance of forced labour, or with contract labour regulated by penal sanctions." The enemies of the Soviet Union intend to use this legal handle with particular energy against the import of Soviet timber, under cover of the previously mentioned high moral considerations. The whole hypocrisy of the United States capitalists is revealed by an "innocent" clause tacked on to the supplement, added by the customs and finance commission of the U.S. Senate. This clause reads as follows:

"These provisions shall not apply to commodities of any kind, even if they should be produced, manufactured, transported, carried, loaded or unloaded with the assistance of forced labour, or with contract labour regulated by penal sanctions, providing such commodities are not produced in the United States in such measure as to satisfy the demand for such commodities in the United States."

From this it is clear that United States capitalists are not interested in the working conditions under which commodities are produced, but only in the possibility of competition with their own products.

Referring to this clause, even the bourgeois "New York World" cannot refrain from commenting ironically that "our horror at the idea of accepting commodities produced by forced labour is clearly limited by the exigencies of our demand for such commodities. Is our own production of such commodities sufficient to supply our needs? Then we may indulge in highly moral considerations."

Thus, as far as the bourgeoisie of the United States is concerned, there is no difference between "high moral considerations" and profit interests.

As innumerable newspapers abroad have spread lies and calumnies concerning "forced and prison labour" in the timber

trade of the Soviet Union, it is necessary for us to answer with the real facts of the situation in the northern districts. First of all, it must be pointed out that at this season, 1,314 workers are engaged in the logging work about which so much is written abroad, and that the normal conditions of voluntary labour prevail. No prison labour of any kind is used in the timber trade.

We have never denied the fact that healthy prisoners capable of normal labour are used for road and other public works. We have used such labour in the past, are using it now, and will continue to use it in the future. This is very good for society at large. It is also good for the prisoners themselves who are thereby accustomed to regular work and assisted to become useful members of society.

In a number of our northern districts, about which the bourgeois press has written so much in connection with the "forced labour" campaign, prison labour was used and is still being used for certain kinds of work, but the following facts show absolutely clearly that prison labour has no part in the production of any commodities exported by us.

Let us see for what purposes prison labour is being used in the northern districts of the Soviet Union:

In **Karelia** a **post road** has been built by prison labour on the 208 kilometres long stretch from **Kamj to Uchta**, and a further **post road** 190 kilometres long from **Parandeyo to Lake Kiksch**. It is hardly possible to deny that these tasks are necessary and urgent in the interests of our country.

A work of particular importance is the **canal being cut in Karelia from the White Sea to the Baltic Sea**. This canal will be 914 kilometres long and utilise the chain of lakes in which Lake Ladoga and Lake Onega are the chief links. The cutting of this canal demands a great amount of digging and the deepening of the beds of the lakes and rivers involved. At the moment work is being performed in the Lake Wygo district. We aim at completing this work within the next two years. This is the truth concerning the employment of prison labour in Karelia.

The bourgeois press may rage as much as it likes, we shall not abandon this work, neither shall we refrain from using prison labour to carry it out. This form of prison labour is to the benefit of the peoples of the Soviet Union.

In the **northern districts** also, prison labour is used for road-building and other public works. Prison labour is being used to build a post road 313 kilometres long from Syktyvar to Uchta, 160 kilometres of which have already been completed. This road will open up the Uchta district where oil prospecting is proceeding. Prison labour is also being used in the building of the railway line from **Syktyvar to Pinyus**. This line is 305 kilometres long. The necessary buildings for this line are also being constructed by prison labour. 97 kilometres of this line have

already been built. This work will be of great importance for the new petroleum district in Uchta. And further, the new petroleum district, when it is opened up, will be of great importance for the whole economic system of the Soviet Union.

About 60,000 persons are engaged on all these works in all the districts mentioned.

And now for a few particulars concerning the living working conditions of these prisoners. The length of the working day may never exceed eight hours in all these prison camps. If the fact is taken into consideration that these prisoners receive board and lodging and all other necessities and in addition a monthly payment ranging from 20 to 30 roubles, it will be seen that the conditions under which they work are not much different from those employed by free workers. These prison camps are colonies within whose territory the inhabitants move about freely without being guarded. Intensive cultural and educational work is conducted in all these camps. Books and newspapers are widely read. Vocational training was given to 10,000 prisoners in the autumn of 1930 in the northern district. A fact, shameful enough for capitalism, is that many thousands of unemployed workers in the capitalist countries would envy our prisoners in the northern district for their wages and working conditions. This is the real truth concerning Soviet prison labour, and the workers in the capitalist countries must be told it.

Once again, prison labour and forced labour have nothing whatever to do with the timber trade or with any other commodities produced for export. No amount of anti-Soviet campaigning and no amount of lies concerning "forced labour" can alter this fact.

It is high time that the slanderous "forced labour" campaign against the Soviet Union came to an end. The representatives of foreign States in the Soviet Union and the representatives of the foreign press could help to establish the truth. Of course, the attempts being made abroad to set up special State commissions to "investigate" the situation in the Soviet Union, are unacceptable. The Soviet Government has always made this clear. Such suggestions are unacceptable because they are of a one-sided nature and are incompatible with the sovereignty of the State. Such a one-sided proposal could only be forced upon a **subject** State by the State to which it was subject. No free and independent State would accept any such one-sided "investigation." The representatives of foreign States and the representatives of foreign newspapers living in Moscow have the right to move about freely as they please in the Soviet Union. If they had wanted to they could have discovered with ease that the allegations made in the capitalist press concerning "forced labour," etc., in the Soviet Union are contemptible lies. If any one of these persons should feel inclined he can convince himself on the

spot that the labour power connected with the Soviet export trade, and in particular with the timber trade, has nothing whatever to do with prison labour and cannot be termed "forced labour." Such a person can also convince himself that the principle proclaimed by the November revolution in 1917 and formulated in "The Declaration of the Rights of the Working People" adopted by the Vth Congress of Soviets on the 10th July, 1928, is actually being carried out in the Soviet Union. The principle is formulated as follows:

"The Russian Socialist Federative Soviet Republic recognises labour as the duty of all Citizens of the Republic and proclaims the principle, 'No Citizen of the Republic may refrain from labour!'" (Applause.)

This principle is in direct contradiction to the bourgeois order of society. In the bourgeois world the members of the non-labouring, ruling classes enjoy all the material pleasures of the world, whilst the labouring classes are condemned to poverty and privation. In our country, on the other hand, we have extended the duty of labour also to those members of the former ruling classes. We need not fear the answer if the workers of any particular country are asked which principle they prefer to see in operation. If necessary we are prepared to agree on the principle of mutuality that delegations of foreign workers, elected by the workers themselves, should come to the Soviet Union and examine the working conditions prevailing here. Who is better able to judge working conditions in our country or in any other country, than the workers themselves? Let those upon whom this possibility depends give their workers the opportunity of examining the working conditions in our country. All we demand is that our workers should be given the same opportunity of examining working conditions in the countries of capitalism. (Applause.) We declare in advance that we would do everything possible to publish all material collected as the result of such investigations in the Soviet Union and in the capitalist countries. (Applause.)

We doubt, however, whether those who are now engaged in spreading lies concerning alleged forced labour in the Soviet Union will accept this proposal. These persons do not want to establish the truth; all they want is to create an atmosphere hostile to the Soviet Union as a preparation for an armed intervention against us.

### *(III) Preparations for Intervention against the Soviet Union.*

The anti-Soviet campaigns we have already dealt with are not the only proof that preparations are being made for an armed intervention against the Soviet Union. One of the warnings of the coming intervention is represented by the increasingly frequent measures being taken to organise an economic blockade against us.

The campaign against the Soviet export trade is being conducted with unusual vehemence; witness the adoption of a special law complete with supplements in the United States against our export trade, and the increased anti-Soviet pressure exerted by the Conservatives in Great Britain in the same direction. The action against us organised in France, however, is being pressed forward with particular energy. The French governmental Decree of the 3rd October, 1930 is sufficient proof of this fact. As is generally known, the aggressive anti-Soviet policy in France is also being developed in a number of other States at French initiative. The aim of this policy is to secure the organisation of an economic blockade against the Soviet Union.

In fact, the imperialists of Great Britain and France no longer hesitate at talking openly of an economic war against the Soviet Union. For instance, an appeal issued recently in Great Britain by the so-called Trade Defence Union, whose leading figure is Lord Brentford (Joynson Hicks), a man not unknown to us, speaks openly of the necessity of a "united front" for an economic war against the common enemy—Communism. In other words, the Soviet Union. Under the given circumstances the organisation of an economic blockade against the Soviet Union is the most important weapon for the preparation of an armed intervention.

The so-called Europa Committee, formed at the initiative of the French Foreign Minister, Briand, plays a prominent role in the creation of this anti-Soviet united front. Its task is to create a block of European States against the Soviet Union. The vehement resistance of Briand and the representatives of those States which are dependent on France to the invitation of the Soviet Government to the May conference for "the study of the world crisis" showed clearly that the leaders of the Europa Committee aimed at making this organisation a sort of General Staff for the preparation of a war of intervention against the Soviet Union. Despite the ambiguous interpretation of the invitation to the Soviet Government to take part in the conference of the Europa Committee, the Soviet Government considered it necessary to accept the invitation in order to be able to observe the plans and intentions of this organisation on the spot and to be able to take up the correct attitude towards them. The fact that the leaders of this Europa Committee with Briand at their head are still endeavouring to conduct the work of this organisation in such a fashion that no "outsiders," and above all, not the Soviet Union, should be able to take part in it, can be seen from the omission to invite representatives of the Soviet Government to take part in any of the three sub-committees which have been entrusted with the preparatory work for the May conference of the Europa Committee. This will make increased Bolshevik keenness and discipline necessary on the part of our representatives at

the May conference. We shall be even more energetic in exposing all anti-Soviet machinations for which our enemies are now attempting to exploit the Europa Committee.

In order to show that behind the phrases concerning disarmament persistent work is being actually carried on to prepare new imperialist wars, and in particular an armed intervention against the Soviet Union, we must take a look at the results of the work of the Preparatory Commission of the Disarmament Congress. Despite all the attempts of the Soviet delegation at the sessions of this commission to secure a real reduction of armaments, the commission adopted quite another principle for its work, as far as one can use the word "work" for its activities. It utilised phrases concerning disarmament as a cloak for the feverish armaments which are actually proceeding.

During the four years of the existence of this Preparatory Disarmament Commission, the armaments of the capitalist States have not only not been reduced, but they have been considerably increased. In this same period the danger of imperialist war has not been lessened, but has increased considerably. On the whole, the Preparatory Disarmament Commission has in its work taken that path along which it has been urged by the French delegation, which represents the most aggressive imperialist power in Europe to-day. In any case, this attitude of France, which has nothing in common with the interests of real peace, was completely supported by Great Britain and the United States. The Polish and Rumanian delegations showed particular activity and zeal in rejecting every proposal made to reduce armaments. The Japanese delegation, however, was the only delegation which made no bones about the fact that it was opposed to any form of armament limitation. Italy's standpoint was determined chiefly by a desire not to be less armed than any other continental power and particularly France. The German delegation took a special position in the Preparatory Disarmament Commission. The German delegation rightly pointed out that the prohibition of German armaments was declared at the time to be the beginning of general disarmament. However, the representatives of those imperialist powers at present dominant in Europe, do not like being reminded of this fact.

The results of the work of the last session of the Preparatory Disarmament Commission have been summed up in a Draft and Explanatory Report. The essence of the matter is that no limitation of any particular arm has been accepted, whilst the maintenance and increase of other arms has been justified. A travesty of the idea of disarmament is represented by the proposal of the American delegation, which was adopted, which gives each country the right to exceed the level of armament laid down by the Convention, when it itself registers the existence of circumstances representing a "threat," whereby it has only to inform the other



signatories to the Convention of its action. The other signatories will of course then seize upon the opportunity to increase their own armaments.

All this induced the Soviet delegation to dissociate itself clearly from the work of the Preparatory Commission and to expose openly the complete lack of all positive results, as far as disarmament was concerned, of the activity of the Preparatory Disarmament Commission.

The League of Nations Council has now convened the International Disarmament Conference for February, 1932. Those who really aim at disarmament and general peace can harbour no illusions about this congress. It is a known fact that where it is necessary to come to an agreement concerning the increase of armaments, conferences take place almost simultaneously with the session of the "Disarmament Commission," or at least without interfering with the activities of these commissions, as for instance the London Naval Conference. Or, as is now being done, secret diplomatic negotiations take place in order to settle all urgent matters of this sort. The preparations for new imperialist wars are according to all indications neither hindered nor delayed by this.

As far as the Soviet Union is concerned, it can only take part in the Disarmament Conference in so far as this Conference actually aims at securing disarmament or at least an appreciable reduction of armaments. Already we must warn the capitalist States that neither before the Congress nor at the Congress itself will we permit decisions or agreements to be forced upon us which were come to in our absence.

The lack of results which has attended all disarmament commissions and conferences of the bourgeois countries, and the fact that armaments are increasing rapidly in all imperialist countries, shows that these countries are not at all interested in a real consolidation of peace, and that everything is being done by them to prepare new imperialist wars. Here also the main threat, as can be plainly seen, is directed against the Soviet Union.

In **France** the Russian White Guardists are openly and systematically conducting an increasingly vehement campaign for a declaration of war on the Soviet Union. The article written by V. Riabushinsky and published last summer in the journal "Vozrozhdenie" and entitled "A Necessary War," is probably known to you all. This White-Guardist emigrant was at one time a director of the Okulov paper works, a manager of the Moscow bank and a prominent representative of the Moscow business world. The workers of Moscow, and not only the workers, remember this big business capitalist Riabushinsky, very well. To-day business is bad for Riabushinsky. His only hope is for a speedy capitalist intervention against the Soviet Union. As a good business man this Riabushinsky regards a war against the

Soviet Union from the point of view of capitalist profits. In the article mentioned, which of course refers to a war against the Soviet Union, he writes the following:

"No undertaking in the world is more economically justifiable and profitable than the emancipation of Russia. In return for the investment of a milliard roubles humanity would receive an income of at least five milliard roubles, or in other words, five hundred per cent. profit annually, and with the prospect of a further increase of this profit by from 100 to 200 per cent. Where is a better business investment to be found?"

The bankrupt business man Riabushinsky philosophises in this "profund" fashion concerning humanity whereby "humanity" is represented for him by his fellow-businessmen, and hopes with his absurd estimate to induce the foreign capitalists to undertake an armed intervention against the Soviet Union.

A little while ago, at the beginning of the year, we were able to read the boastful declaration of the leader of the White Guardist military detachments abroad, General Miller. This person blabs quite openly in the capitalist press concerning his plans:

"We are prepared to begin military operations. We are waiting only for a favourable international opportunity and for the financial assistance which will undoubtedly be granted to us by one of those powers which wishes the overthrow of Bolshevism."

It is unnecessary to say that this foolish boasting is as cheap as blackberries. However, it must not be forgotten that these declassed elements, Riabushinsky, Miller and Co., are enjoying the hospitality of imperialist France, which cannot be ignored when discussing the threat to world peace, and in particular the threat to the peaceful development of the Soviet Union.

That the armed intervention is no longer to be treated as a question of the distant future was shown in the disclosures made in connection with the recent trial of the members of the "Industrial Party" in Moscow. The evidence of the immediate co-operators and agents of the foreign interventionists and of the Trade and Industrial Committee in Paris run by Nobel, Riabushinsky, Konovalov, Denisov, Gukasov and the rest, showed that the intervention was fixed for 1930 and then later for 1931. This fact has since been confirmed by the Menshevik supporters of the intervention, Groman, Sukhanov, Sher, etc., during their trial. In other words, the preparations for the intervention are being carried on now.

However, our enemies have reckoned without their host. Their business has deteriorated considerably in connection with the economic crisis. On the other hand, however, our situation has been considerably improved as the result of our successes in the carrying out of the Five Year Plan. During the last years the



strength of the Soviet Union has increased considerably. We are continuing our work in this respect and at the same time consolidating the Red Army and the defensive capacities of our country. At the same time we know very well that our strength is increasing every day. (Applause.)

However, do not let us forget that we have already once been openly provoked into war. The raid on the Chinese Eastern Railway in the summer of 1929 was undoubtedly a trial balloon. Our enemies began to probe our strength with the bayonet. There is no doubt that this raid was not carried out on the sole responsibility of this or that Chinese general. Behind those who carried it out were powerful foreign imperialist wire-pullers. The raid failed. The Red Army of the workers and peasants of the Soviet Union proved itself master of the situation. (Applause.)

We must consolidate our position and make it invincible against all attacks of our enemies by continuing our work to build up our Socialist economic system, by consolidating the defensive capacities of our country, by continuing unswervingly our struggle for world peace and for the peaceful development of the Soviet Union. (Applause.)

### (c) *The Relations of the Soviet Union to the Capitalist Countries and our Struggle for Peace.*

As compared with the period of the Vth Soviet Congress, a change has taken place in the relations of the capitalist countries to the Soviet Union, a change in the direction of increased open hostility. This is the result, as already stated above, of the change in the correlation of forces in the Soviet Union and the capitalist countries surrounding it.

The Soviet Union, however, in spite of the increasing openly interventionist tendencies in the ruling bourgeois strata of the capitalist states, has successfully continued its struggle for peace. The Soviet power has relied upon the growing support given it by the working masses of the capitalist countries and on the growth of the economic power and defensive capacity of the country; it has strengthened its international position, and has indubitably attained not inconsiderable success in this direction.

Whilst the general and fundamental tendency of the capitalist environment of the Soviet Union is characterised by a growing hatred of the Socialist state, and by increasing alarm at our progress, still some differences in the relations of the *individual countries* must not be overlooked. Although the Soviet Union, despite all efforts towards peace, has not been able to improve its relations with some countries, such as France—to say nothing of Poland—on the other hand, the defeat of the Conservatives at the last parliamentary elections in England brought about a change in the British Government and made possible the restoration of

normal diplomatic relations between the Soviet Union and Great Britain. The interests of Socialist construction are inseparably bound up with the establishment of peaceful relations with the other countries, and with the development of commercial relations between the Soviet Union and these countries. These tasks, the tasks of the establishment of peaceful relations and of the development of economic contact with other countries, have consistently formed the real basis of the policy of the Soviet Union during the whole period just elapsed.

The international economic crisis has not only intensified and increased the old antagonisms, but has created new ones. While in some countries the crisis causes the ruling capitalist groups to resort to all manner of artificial measures such as customs tariffs, prohibition of imports, etc., for the maintenance of prices, and to wall themselves off against the Soviet Union, on the other hand there is an inevitable tendency in other countries, especially in those from which the Soviet Union imports considerable quantities of goods, to consolidate economic connections with the Soviet Union. In some of the capitalist countries, open attempts towards the suppression of Soviet exports are beginning to gain the upper hand, attempts at organising the preparation of an economic blockade and an armed attack on the Soviet Union. In other countries, on the other hand, where Soviet raw materials are needed, and where the Soviet Union offers a market for their exports, there is an increasing endeavour to come to an understanding with the Soviet Union in economic questions. The world economic crisis is not by any means leading to any alleviation of the real antagonisms within the capitalist camp. Therefore, the attempts at the formation of a united front against the Soviet Union encounter considerable difficulties from the beginning. The Soviet Union will continue to pursue this policy in the future, remembering that the establishment of peace is in the interests of not only the workers and toilers of our own country, but is at the same time in the interests of the workers of all countries.

I shall deal but briefly with our mutual relations with the individual countries.

I begin with **Germany**. The last two years which have passed since the Vth Soviet Congress may be divided into two periods. The first period ended with the close of 1929 and the beginning of 1930. In giving my report at the Soviet Congress, I cannot pass over in silence the fact that to our great regret the public and governmental circles in Germany, during the first period which I have here designated, were seized by the wave of the anti-Soviet "Crusade," thereby endangering for a time the consolidation and development of Russo-German relations. Since the middle of 1930, however, a certain favourable change has taken place in the relations between the Soviet Union and Germany which I record with satisfaction. The fundamental line

adopted by German foreign policy with respect to the Soviet Union has been of late a policy of amicable collaboration and of the firmer establishment of those relations which have stood a number of tests in the course of nine years, and which we are firmly convinced can and must be further developed in our mutual interests and in the interests of the maintenance of peace. The presence of the delegation of the leaders of German industry is a further proof of the realisation by Germany's leaders of the importance and value of Russo-German economic relations. I should like to express my conviction that the presence of this delegation, and their direct negotiations with the leaders of the Soviet industries, will bring favourable results and will further consolidate the foundation of our economic relations.

Our relations with **Italy** have developed normally during the last two years, and in general favourably. We can record a certain amount of progress with respect to commercial relations. The agreement concluded last summer, in accordance with which the Italian Government undertakes the guarantee for long term credits for the orders placed by our State organs in Italy has furnished the pre-requisites for a considerable extension of our purchases in Italy. This agreement was carried out in a shorter time than anticipated, and has even been extended beyond its original limits. At the same time, we observe in Italy considerable interest for our export articles, such as grain, coal, wood, etc. The experience gained in our economic relations with Italy represents the best proof of the possibility and mutual advantage of trade relations between the Soviet Union and the capitalist countries, even though the social-political systems of the countries be diametrically opposed.

The revival of Russo-Italian relations rendered expedient a personal meeting for the purpose of exchange of opinions between the Foreign Commissar of the Soviet Union, Comrade Litvinov, and the Italian foreign minister, Signor Grandi. Since the greatest danger to peace lies at the present time in the formation of an anti-Soviet bloc of the capitalist countries, every rapprochement of any country, the more so if it is a country so important as Italy, is bound to serve the cause of peace.

Of late, relations between the Soviet Union and **Turkey** have become more firmly established. This found expression in the visit to Turkey in December, 1929, of the deputy Foreign Commissar of the Soviet Union, Comrade Karakhan, and in the signing in Angora of the Soviet-Russo-Turkish protocol on the prolongation of the Paris Pact between the Soviet Union and Turkey for two further years. The Angora protocol supplements the Paris agreement by imposing increased obligations on both parties, both countries undertaking not to enter into any negotiations with the neighbouring States of the other contracting party without the knowledge of the latter, nor to conclude any agreement with

these countries without the agreement of the other signatory to the protocol. The visit paid by Tewfik Rushdi Bey to the Soviet Union in 1930 signifies a further consolidation of the personal contact between the leaders of the foreign policy of the Soviet Union and Turkey and furnishes a fresh proof of the friendly relations existing between the two countries.

The economic and cultural relations between the Soviet Union and Turkey have continued to develop. Negotiations were recently conducted regarding the conclusion of a Soviet-Russo-Turkish trade agreement, which will be signed in the near future. We observe, therefore, a general consolidation of friendly relations between Turkey and the Soviet Union, and their extension to various spheres of practical co-operation.

A telegram arrived from Angora to-day reporting the signing yesterday of the Soviet-Russo-Turkish agreement. Under this agreement, both parties undertake to inform one another six months beforehand with respect to newly ordered ships or ships on which construction has already been begun, intended for the Black Sea fleet. Needless to say, this agreement alters nothing in our disarmament proposals, but in the present case it furnishes fresh proof of the mutual confidence existing between the two countries.

As already mentioned, great changes have taken place in our relations to **Great Britain** since the Vth Soviet Congress. The defeat of the Conservatives at the election in 1929 was at the same time the defeat of their anti-Soviet foreign policy. The development of reciprocal economic relations is for the advantage of both the Soviet Union and Great Britain. We have already attained some success in this direction. During the first year of normal mutual relations, 1929/1930, Soviet imports from Great Britain rose from a value of 9,912,000 pounds sterling in the previous year to 15,395,000 pounds sterling, or by more than one half. We have reason to continue the development of our economic relations to Great Britain. It must be recorded, as positive fact, that at the present time a mixed Anglo-Soviet Russian export commission is conferring in London for the purpose of investigating the material claims of both countries.

We must, however, take into account that the British Parliament and a section of the British press form the platform for ceaseless and bitterly anti-Soviet demonstrations. Certain circles, especially in the Conservative Party, are exerting every effort to bring about a rupture of Anglo-Russian relations. The Soviet Government is compelled to warn the Soviet Congress of the necessity of devoting special attention to the development of the situation in Great Britain, for here the anti-Soviet campaign and the movement for the preparation of intervention are headed by the most influential leaders of the Conservative Party and its former members of the British Government. The success of the

endeavours of this Party and of these persons to return to power again, would undoubtedly raise the peace question again, for these imperialist circles in Great Britain must be recognised as the direct organisers of the fresh intervention planned against the Soviet Union, the direct organisers of the fresh world war.

Our relations with **Japan** are developing normally in the direction of a firmer consolidation of friendship and of the necessary mutual understanding whose foundations were laid in the Peking agreement.

I record with satisfaction that in the years which have passed since the agreement was signed, and especially during the last two years, no single political conflict has arisen between the Soviet Union and Japan. At the same time, trade relations have developed considerably, and commerce between the Soviet Union and Japan has already increased fourfold in comparison with that of pre-war Tsarist Russia and Japan.

The disagreements arising in connection with the carrying out of the Fishery Concession have been settled and we are convinced that in the future, too, all such questions will be settled amicably and strictly according to the agreements. The Soviet power has, of course, taken the proper measures to put a stop to the isolated attempts on the part of certain profit-seeking groups of capitalists to ignore the convention and the Soviet laws.

At the present juncture, the mutual regard for the interests of the countries and the strict observance of the obligations laid down in agreements must form the basis for the further development of our friendly relations.

Our friendly relations to **Persia** have not changed in the period under review. I may state that we have entered into negotiations for the conclusion of a Soviet-Russo-Persian agreement, which will contribute further to the consolidation of our relations.

In its relations to **Afghanistan**, the Soviet Government has maintained unaltered its standpoint of the consolidation of friendly relations and of the independence of Afghanistan. At the present time, our relations with Afghanistan are developing perfectly normally. I emphasise the development of our economic relations with Afghanistan, which are being systematically extended. The question of the signing of a trade agreement, the necessity of which is admitted by both parties, is under discussion. We have every reason to calculate on the further development and consolidation of our mutual relations with Afghanistan.

I have already referred to our relations with **France**, and this question was dealt with not long ago in my report to the Session of the Central Executive Committee of the Soviet Union. No essential changes have taken place since that time. The special rôle played by the leading circles in France in the recent anti-Soviet campaigns is sufficiently well known. The particular animosity of the anti-Soviet attitude of the French Government

might be illustrated with one of the latest interviews with Briand. According to a report in the "Matin," Briand has declined the post of President of the Ministerial Council for the present, in order to remain Foreign Minister, so that he may concentrate on the struggle against Bolshevism; for "Briand is tormented by the idea that Bolshevism might make use of the serious economic crisis and bend the world completely to its rule." ("Matin," 26th January.)

At the same time, great difficulties have been encountered during the last two years in the work of our trade delegation and our economic organs in France. I refer to the well-known and anti-Soviet law suits brought by all manner of shady personages who have come to Paris from all countries and who have invariably had their worthless claims recognised by the French law courts. In these affairs the French courts have not shrunk from bringing their judgments on obvious forgeries and falsifications brought forward by the plaintiffs against the Soviet Union.

After all that has been said, it is unnecessary for me to enter in detail into our relations with France. It is a regrettable fact that in the sphere of Franco-Soviet Russian relations there lies an extraordinarily serious and extreme danger for the world's peace. It is not without a reason that the French Government invariably refuses to sign the non-aggression pact proposed by us, as if the abolition of the danger of war were not in the interests of the French Government. Nevertheless, we are prepared to continue our efforts for the establishment of our mutual relations when we observe the sincere readiness on the part of France as well to consolidate Russo-French relations.

The mutual relations between the Soviet Union and **Poland**, unfortunately, still leave much to be desired. Although Poland accepted our proposal on the signing of the well-known Moscow Protocol, the repeated attempts on the part of the Soviet Government towards a consolidation of Soviet-Russo-Polish relations have not met with the necessary response. On the other hand, as Poland's immediate neighbour, we cannot but observe that at the last three conferences of the preparatory Disarmament Commission, Poland has taken an active and determined part in declining every proposal regarding actual disarmament, whether emanating from Soviet Russia or any other state.

Little has changed of late in our relations to the Baltic States—**Latvia, Estonia, and Finland**. All that can be said is that the influence exerted by foreign powers hostile to the Soviet Union continues to put no little pressure on the policy of these states.

Relations with **Lithuania** and with **Danzig** are perfectly normal, and have steadily improved.

Our economic relations with **Sweden, Norway, and Denmark**, as well as with **Austria**, are developing on normal lines.

**Greece** is the only Balkan state which has maintained, since as early as 1924, normal and friendly relations with the Soviet Union. I therefore think it necessary to lay special stress on the fact of the development and consolidation of Graeco-Soviet relations during the time which has elapsed since the Vth Soviet Congress.

I must further emphasise the development of our relations with **Hejaz and Yemen**.

At the moment there is no necessity to dwell on our relations with **China**. It is clear to all that the logical and determined peace policy pursued by the Soviet Union, unanimously supported by its workers, helped us to liquidate with the utmost rapidity the adventurous attack of the Chinese generals and to expose fully those imperialist forces which instigated this raid, and which strove up to the last moment to prevent the peaceful settlement of the conflict. In spite of these efforts, expressed candidly enough in the well-known declaration issued by the American, French, and English governments on December 3rd, 1929, the Soviet-Chinese conflict was settled by means of direct negotiations and by the signing of the protocol of Kharbarovsk, restoring for the Soviet Union the situation with regard to the Far East railway line and in Manchuria existing before the conflict.

We continue to hope for the successful termination of the work of the Soviet-Chinese conferences and shall at the same time follow the machinations of our enemies with the utmost attention, unmasking their activities as provocatory and inimical to the interests of the peoples of the Soviet Union and China, and realising the necessity of being in a state of readiness to resist any attempt to violate peace in the Far East. (Applause.)

Among the countries whose relations with the Soviet Union are not normal, the **United States of America** must still be mentioned.

In spite of the steady and considerable growth of our commercial relations with the United States, and especially of the increased imports to Soviet Russia from this country, the influence of those adventurous elements of the bourgeoisie who are inspired by brutal hatred of everything connected with the Soviets and to everything proletarian, continues to spread. It suffices to refer to the Fish Commission appointed by the American House of Representatives, which has earned sorry fame by its ignorant and lying "accusations" against our economic organisations, but which none the less fulfils some definite purpose towards the formation of a united front with those European groups which are preparing for an economic blockade and armed intervention against the Soviet Union. Only the powerlessness of the ruling classes with regard to overcoming the capitalist crisis in the United States and their anxiety to thrust the responsibility for the frightful suffering of the working class on to other shoulders than their

own can explain a state of affairs in which a Hamilton Fish is permitted to play a political rôle. In so far, however, as the anti-Soviet activities of Fish and Co. actually extend in the direction of a prohibition of the import of Soviet goods to America, the United States must be prepared to find this has an immediate and inevitable effect upon our imports from America.

This survey of international life would hardly be complete without a reference to a state which has hitherto been more connected in our minds with the Middle Ages than with the life of to-day. It is easy to guess that I am speaking of the **Vatican**, which has been attempting of late years to interfere actively in international life—this interference, it need not be said, being in the interests of the capitalists and landlords, for the protection of imperialism, for the protection of the adherents of intervention and the war-mongers. The fact has long been known that the Catholic padres are selected from persons suitable for carrying on espionage for the General Staffs. And now these gentlemen display increased zeal, not by any means in their prayers for "peace all over the world," but in the organisation of anti-Soviet campaigns on the orders and in return for the money of the capitalists. Since the Pope of Rome has himself openly headed the anti-Soviet campaigns of late, it is easily understood that it has not been difficult to obtain the patronage, in England for instance, of the Archbishop of Canterbury for one dirty anti-Soviet campaign, and of the Bishop of Durham for another equally base attack on the Republic of the workers and peasants.

The report of a non-official representative of the Vatican in Austria, Mr. Vidale, has accidentally come into our hands. This gentleman, a former colonel in the Austrian army, elaborates a plan for the convocation of an international anti-Bolshevist congress in Vienna: the main object of this agent of the Pope is, however, the promotion of preparations for a raid on the Soviet Union. On this point the above-mentioned document states:

"The struggle against Bolshevism means war, and this war will inevitably take place . . . Therefore there is no time, nor is it in place, to occupy ourselves with the question of ways and means of avoiding it, for this is only wasting energy on hopeless peace Utopias."

This would-be politician from the ranks of the Austrian colonels, after laying down a detailed if somewhat simple-minded plan for an anti-Soviet campaign, continues:

"After events have so far developed that the economic boycott has been declared and the above-mentioned political measures carried out (rupture of relations with the Soviet Union, advancement of all manner of claims, accompanied by the confiscation of Soviet property abroad, etc.), the inevitable result will be the struggle against Bolshevism by military means."

The "ingenious" plans developed in this document rely for support on the former White armies of Wrangel and Yudenitch, and on the assumption that "it will not be difficult to gather together for this purpose, out of the millions of unemployed swarming Europe and America at the present time, a sufficient number of war-experienced old soldiers and enterprising young ones . . ." And with respect to the raising of the funds required, great hopes are placed in the generosity of the "Holy Father" and on the contributions to be received from "well-to-do members of the nobility, the landowners, financiers, industrialists, and high state functionaries," among whom special mention is made of Churchill, Flandin, Gajda, Chang Kai-shek, etc.

These are the ideas occupying the agents of the Vatican. This is the rôle played by the "Holy Father" in the preparations for the new world massacre and the raid on the Soviet Union.

With this I conclude the survey of the international situation and the mutual relations between the Soviet Union and the foreign States.

It will be seen that considerable changes in the correlation of forces have taken place on an international scale during the period under review. The most important factor in connection therewith is the incontestable fact that the rôle played by the Soviet Union in international relations has grown considerably, and that at the same time the antagonism between the two fundamentally different social systems—the capitalist and the Soviet—becomes ever increasingly apparent. The importance of the Soviet Union as a country of emancipated labour, as the real power of the workers, as the true source of the protection of the interests of general peace and of the liberation of the workers from the yoke of capitalist crises, is growing day by day.

But it is precisely this which arouses the growing hatred against the Soviet republic in the imperialist world. The more energetic and determined the struggle of the Soviet Union for peace, whereby it steadily strengthens the economic foundations for the building up of Socialism, the more feverishly do the ruling circles of the aggressive bourgeoisie pursue their preparations for intervention against the Soviet Union and for the destruction of general peace. This imperialist policy is directed immediately against our Five-Year Plan, and our capitalist environment considers its most imperative task to be the frustration of this Plan at any price.

The leading slogan of the foreign policy of the Soviet Union has always been, and continues to be, the slogan of the strengthening of peace. With this slogan the Soviet power was born, and in the future it will continue to fight for it with determination by opposing each and every attempt made by the foreign interventionists, and thwarting the efforts of the "Trade and Industrial Committees" (Torgproms), and their counter-revolutionary agents in our own country.

The struggle for peaceful conditions for the development of the Soviet Union is indissolubly bound up with the cause of the establishment of fraternal relations to the other peoples. The struggle for peace signifies under present conditions the immediate struggle against the preparations now going on for an anti-Soviet intervention and against their imperial inspirers. We say openly to the workers of the Soviet Union and of all countries that the threats against the cause of peace are gathering. At the same time we express our unshakable conviction that an armed attack upon the Soviet Union signifies to-day the greatest danger for those who venture to break the peace and to attack the Soviet Union. (Enthusiastic and prolonged applause.)

## II. THE FIGHT FOR THE FIVE-YEAR PLAN AND THE BUILDING UP OF SOCIALISM.

### \* (a) *The Progress of the Five-Year Plan in the First Two Years.*

To discuss questions of internal politics means above all to discuss the struggle for the carrying out of the Five-Year Plan. The Five-Year Plan, the programme of Socialist construction adopted by the last Soviet Congress, has become the basis of our work. The political line of the Communist Party is expressed practically in the Five-Year Plan. The Five-Year Plan is the directing centre for all branches of our activity. The Five-Year Plan has become the central landmark for the working class.

Let us begin with the concrete results of the first two years of the Five-Year Plan. Before dealing with the figures, I will mention the political results of the period under review.

The first and most fundamental result is that during the past two years **the Five-Year Plan for the building up of Socialism has not only been carried out according to plan, but that, when all the decisive economic factors are taken into consideration, the achievements can be seen to exceed the level fixed by the plan.** The Five-Year Plan had many enemies. Our enemies based their hopes on the assumed inevitable collapse of the Five-Year Plan. They connected the fate of the Soviet power with this collapse. The Bolsheviks have robbed them of these hopes. The Soviet power not only carried out the first two years of the Five-Year Plan, but even exceeded its programme. That is the most important result.

The second result in the period under review is connected directly with the situation of the working class, namely, during this period we have succeeded in practically **abolishing unemployment.** The political significance of this fact is very striking, particularly in view of the fact that, as a result of the world economic crisis, there is an unparalleled amount of unemployment in the capitalist countries.

The third result is **the solution of the grain problem.** The solution of the grain problem was not only an economic question. It was one of the greatest political questions with which we were faced. Our success in this matter is connected with the successes of our work as a whole in the first period of the Five-Year Plan. We solved the grain problem in connection with the fundamental turning point in the development of the Soviet village.

The fourth result is the most important of all the various results of the two-year period under review, and is the **final turn of the peasant masses towards collectivisation.** For years our successes

in the building up of Socialism were limited chiefly to industry, commodity circulation, etc., whilst agriculture remained almost entirely in its old state, dominated by the small, isolated and ineffective individual farm. The definite turn of the masses of the middle peasants towards Socialism showed itself only in the twelfth year of the October Revolution. During the last two years this historical development has been consolidated.

And finally, the last result, which is directly connected with the change in the development of the village, is that since the masses of the poor and middle peasants have begun to interest themselves seriously in the collective farm, this movement has developed up to the point of the complete collectivisation of whole districts and then of whole areas. The result was that the question of our attitude towards the capitalist elements in the village, the kulaks, was raised afresh and under new conditions. The Soviet power has been able to proceed from the policy of hindering and ousting the capitalist elements, to the policy of **liquidating the kulaks as a class.** This was the fifth political result achieved in the period under review.

Let us now deal with the concrete figures concerning the growth of the economic system in the two years in question. The most important figures, according to the statistics of the State Planning Commission of the Soviet Union are as follows:

*Results of the First Two Years (1928/29 and 1929/30) of the Five-Year Plan.*

(In milliard Roubles)	Proposed Increase for the first 2 years	Absolute Increase	Percentage of set Tasks achieved
National Income . . . . .	58.3	59.5	102
State Budget . . . . .	17.0	21.0	124
Capital Investments in the basic capital of the Socialist sector	12.7	13.8	124
Total Production of the Socialist sector of industry, including the food and drink trades (on a 1926/27 price basis . . . . .	29.3	30.5	104
Area under seed (in million hectares) . . . . .	239.0	245.8	103
Production of market Grain (in millions of double cwts.) . . . . .	221.2	267.3	121
Goods Traffic (in millions of tons) . . . . .	350.9	409.2	117

This table shows that in such decisive matters as the increase of the national income, of the State budget, of the capital investments in the socialised sector of industry, of the production of Socialist industry, of the area under seed, of the production of grain for the market, of the goods traffic, we have not only

carried out the estimates of the Five-Year Plan, but have even exceeded them. It is true that as far as the total production of grain cultures is concerned, we have carried out the task set by the Five-Year Plan to the extent of 94 per cent. only; however, to set against that, we have considerably exceeded the figure set for the production of grain for the market.

We have achieved a general increase on the original figures set by the Five-Year Plan and have achieved our greatest successes in industry, 110 per cent. in the heavy industries, and 99 per cent. in the light industries. With certain exceptions, for instance, the production of pig-iron (99 per cent.), coal production (96 per cent.), and in particular the production of cotton fabric (84 per cent.), the greater part of industry, and in particular the industries producing the means of production, has considerably exceeded the plan confirmed by the last Soviet Congress.

The growth of the production of those industries under the control of the Supreme Economic Council has increased the value of production in the period under review from a total of 9,500 million roubles to a total of 15,600 million roubles, or by 64 per cent. as compared with the 41 per cent. which was the original estimate of the Five-Year Plan, whereby the production of heavy industry increased by 193 per cent., almost doubling its production. Our engineering industry has increased with particular rapidity. Its production in this period more than doubled, whilst the production of agricultural machinery was increased by **150 per cent.**

With regard to the generation of electrical power, we have already completely carried out the Goelro Plan.\* This year we shall make tremendous progress in this connection. We intend to double practically the capacities of our overland power centres. When the Five-Year Plan has been carried out completely, the Soviet Union will be the largest producer of electrical energy in Europe and second only to the United States in the world.

Let us now deal briefly with the tasks set by the Five-Year Plan with regard to the question of lowering **the costs of production.**

According to the Five-Year Plan, the costs of production were to be lowered by 14.5 per cent. in those industries controlled by the Supreme Economic Council. In fact, however, according to the statistics of the Supreme Economic Council, the decrease was only 11.4 per cent. As far as the lowering of the costs of production is concerned, we have not carried out the task set by the plan. The difference, however, was not very great and represents a proof that the task set was not impossible of accomplishment. This must be a lesson to us for the future.

\*The State Commission for the carrying out of the electrification plan worked out by Lenin.

The alteration in the relation between industry and agriculture can be seen best of all from the figures given for total production. These figures show that the share of industrial production in the total production of industry and agriculture in the two years (1928/29 and 1929/30) under review increased from 57 per cent. to 67 per cent. In other words, in these two years industrial production accounted for two-thirds of the total production of our economic system. This fact shows the rapid progress made by our country on the path to industrialisation. It also demonstrates the rapid growth of the Socialist share in the total production of our economic system.

There is no necessity for me to give any figures concerning the liquidation of unemployment. The situation is perfectly clear.

The solution of **the grain problem** can be seen from the following basic figures:

Last year, our grain purchase campaign produced 1,000 million poods, a figure which formerly seemed quite illusory to us. This year the total was 1,313 million poods, although the campaign is not yet at an end. In order to demonstrate the significance of this figure I must inform you that the total amount of market grain (i.e., excluding the grain needed by the peasants themselves) produced in 1913 was 1,300 million pood or, in other words, a little less than the total produced by us for the market by the 1930 harvest. Whereby it must be remembered that the 1,300 million pood produced in 1913 included 281 million pood produced by the landowners and 650 million pood produced by the kulaks. A total of 931 million pood, or 75 per cent. of the total market grain produced in 1913 was produced by the landowners and kulaks.

Particularly important is the way in which the grain problem is solved in the Soviet Union. The solution is achieved by the Socialist transformation of agriculture, by increasing the rôle of the **Soviet and collective farms.**

In this connection one cannot refrain from mentioning the prophecies made by the Right-wingers only two years ago. They declared: "The Soviet and collective farms will produce the necessary quantities of grain only in from five to ten years' time, but we must find a solution of the problem at once." Or they calculated: "One may assume that in five years the area held under seed by the collective farms will have increased more than fivefold." This was representative of the attitude of all elements suffering from the Right-wing deviation. With these prophecies the Right-wingers tried to cloak their own policy which was one of retreat before the enemy, one of abandoning the decisive positions of the Soviet power in face of the class enemy, instead of pursuing the Party policy of an offensive all along the line against the kulak elements.



Subsequent reality completely disposed of all these prophecies. The policy of the Party proved to be completely correct. Our successes in the solution of the grain problem were beyond all our expectations.

Let the facts speak. The most important point is that already mentioned, i.e., the fact that in the first two years the estimates of the Five-Year Plan have been exceeded as far as the production of grain for the **market** is concerned.

The following comparison is even more striking: At one time a table was published showing that in the year 1926/27 126 million pood of the total production of 630 million pood of grain produced for the market, was delivered by the kulaks, whilst the Soviet and collective farms together delivered only 38 million pood. Our task was to conduct an offensive against the kulak and to replace his grain production by the production of the Soviet and collective farms. This task was put forward as one of the most important tasks set by the Five-Year Plan. Have we carried out this task? We have not only carried out this task, we have even considerably exceeded it. This is proved by the fact that on the 1st March, 1931, the Soviet and collective farms together delivered 487 million pood of grain (not including the milling deduction).

And finally, this is also proved by the figures relating directly to the collective farms. According to the optimum variant of the Five-Year Plan ratified by the last Soviet Congress, the collective farms were to produce 300 million pood of grain for the market in the year 1933. And what is the actual situation? The harvest of 1930 has made it possible for us to deliver 460 million pood of grain for the market from the collective farms (including the milling deduction). In other words, the estimate of the Five-Year Plan for the market grain production of the collective farms in 1933 has already been exceeded by over 50 per cent. this year.

According to the optimum variant of the Five-Year Plan ratified by the last Soviet Congress, the Soviet farms were to produce 207 million pood of grain for the market in the year 1933. The development, however, has been so swift that we have every reason to hope for a production of market grain from the Soviet farms in 1931 of from 190 to 195 million pood. The aim to be achieved in the final year of the Five-Year Plan by the Soviet farms will almost be achieved this year. I would like to mention especially the successes of the Grain Trust. The speed and efficiency of this trust in its work is an example to all our economic organisations. The Soviet power is proud of the successes achieved by the Grain Trust.

Our press has already published numerous figures showing the rapid turn of the masses of the peasantry towards collectivisation. I will give the basic figures here. In this connection the following table is very interesting:

*The Individual Peasant Farms now embraced by the Collective Farms.\**

Date.	No. of individual farms embraced by the farms.	Per cent. of total individual farms collectivised.
1st October, 1927	286,000	1.1
1st October, 1928	595,000	2.3
1st October, 1929	2,131,000	8.1
1st October, 1930	5,565,000	22.2
1st March, 1931	8,830,000	35.3

This table shows that immediately prior to the XVth Party Congress, which made collectivisation the central slogan for the work of the Communist Party in the villages, only 1.1 per cent. of the individual peasant farms had been embraced by the collective movement. In the year following on the XVth Party Congress, the number of individual farms collectivised more than doubled. The decisive turning point, however, took place in the autumn of 1929, when over 8 per cent. of all individual peasant farms were won by the collective agricultural movement.

To-day, after the great successes we have achieved, this 8 per cent. seems insignificant. But at the time, in the autumn of 1929, this figure meant a tremendous speeding up of the rate of collectivisation. Further, individual large grain areas showed a considerably higher percentage of collectivised farms. A year later, in October, 1930, over 22 per cent. of all individual farms had been collectivised, and on the 1st March this year the figure was over 35 per cent.

As early as the autumn of 1929, the percentage of individual farms collectivised in certain districts, such as Northern Caucasia, was double the average percentage for the whole of the Soviet Union at the time. In other districts, such as the Lower Volga district, the Ukrainian steppes, etc., the number of collectivised farms also grew rapidly.

As is known, in a number of districts the practical work for the carrying out of the Party line suffered distortions. The Communist Party termed this phenomenon as "success going to the head" and determinedly made the necessary corrections and relieved the overstrain. The anti-Leninist character of these deviations from the collectivisation policy has been sufficiently demonstrated. The struggle against these deviations and above all against the violation of the principle of voluntarism in the collective movement, has already achieved results.

The turning point in the collective movement in 1929 was seen most clearly in the fact that whole districts proceeded to complete collectivisation in increasing numbers. This was the preliminary condition for the change of our policy in the village.

\*According to the statistics of the People's Commissariat for Agriculture of the Soviet Union.



On the basis of complete collectivisation, the Party proceeded from the policy of limiting and retarding the development of the kulak elements, to the policy of the liquidation of the kulaks as a class. This policy became the basis of the whole activity of the Soviet power. Our tasks in the present period in the village are also determined by this policy. This policy found its legal expression in the decree of the 1st February, 1930, "Concerning Measures for the Consolidation of the Socialist Transformation of Agriculture in the completely collectivised Districts, and for the Struggle against the Kulak Elements." This decree abolished the previously existing law permitting the leasing of land and the employment of wage-labour in the individual peasant undertakings as far as the completely collectivised districts were concerned. This decree empowered the local authorities in the completely collectivised districts, "to take all measures necessary for the struggle against the kulak elements, including the confiscation of the property of these elements and their expulsion from the districts."

The advantage of the collective undertaking compared with the individual undertaking is being recognised by the peasants more and more clearly. This can be seen from the fact that in such important agricultural areas as Northern Caucasia, the Ukrainian Steppes, the Central and Lower Volga districts (left bank of the Volga), in the German Volga Republic and in the Crimea, over 60 per cent. of the individual peasant farms are now collectivised. In most districts a new stream of peasants into the collective farms has taken place since the autumn of 1930. The following document is typical of many which are being signed in all parts of the country:

"I, Klavdiya Kurbatova, an individual peasant and a village correspondent, hereby join the shock group. I would consider it a shame to remain an individual peasant any longer, and I therefore join the collective farm on the day of the opening of the District Collectivisation Congress."

Such declarations have developed into a mass phenomenon. During the last six months, over three million individual peasant farms have been organised in the collective movement. The rate of this development can be seen from the fact that 1.5 million of these farms joined in February last alone.

The superiority of the collective farms as compared with the individual peasant farms is shown convincingly by the following examples: The collective farms have caused a very great increase of the area of land under seed. This can be seen from the fact that in 1930 the average area under summer grain in the Soviet Union was 2.7 hectares for the individual peasant farms and 5.2 hectares per farm in the collective undertakings. The harvest yield per unit last year offered a similar comparison. The average yield per hectare of the rye harvest in 1930 was 8.4 double cwts.

on the individual peasants' farms, and 9.1 cwts. on the collective farms. The corresponding figures for the wheat harvest (winter wheat) were 9.6 and 10.6, etc.

Then, too, the masses of the poor and middle peasantry have seen that the Soviet power affords great support to the development of the collective farms, and that this greatly facilitates the development of agriculture and the improvement of the material situation of the poor and middle peasants. The few million roubles granted by the State in the pre-revolutionary period for the needs of agriculture, including agronomical training, cannot be compared with the work of the Soviet power in support of the collective and Soviet farms. In this year alone the Soviet power has expended about 3,000 million roubles for the needs of agriculture. The supply of tractors, agricultural machinery, artificial fertilisers, etc., for agriculture is also being rapidly increased.

The formation of the **Central Administration for the Supply of Tractors**, which organised the tractor and agricultural machinery stations, was of great importance for the development of the collective movement. Together with the Soviet farms these stations have become the decisive levers at the disposal of the Soviet power for the collectivisation of the village.

In connection with the unexampled development of Socialist large-scale agriculture, the question of a **Union Commissariat for Agriculture** was decided. This People's Commissariat with all its local organs, has become a real productive Commissariat. It has become a sort of Supreme Economic Council for Agriculture. It is not necessary to say that this Commissariat takes into consideration the fundamental difference between the Soviet farms, in which the State is the owner, and the collective farms, in which the collectivised peasants are the owners. The task of this Commissariat is to consolidate and develop Socialist large-scale agriculture with all the means at its disposal.

The Soviet Congress will have the opportunity of hearing reports concerning the activity of this Union Commissariat for Agriculture, and of its most important organs.

The **fundamental significance** of the successes of the Soviet power in the building up of the collective and Soviet farms is tremendous. The development of Socialist large-scale agriculture in the Soviet Union solves a historic problem of far-reaching significance. Capitalism has shown itself incapable of completely replacing small-scale farming by large-scale farming. As early as 1850, **Marx** wrote the following in the "Neue Rheinische Zeitung":

"Although in France a development has set in from the allotments towards concentration, large-scale landowning in England is approaching its destruction with giant steps. This proves irrefutably that agriculture must move continuously in this circle of concentration and dissolution so long as bourgeois relations continue to exist."

Lenin formulated the same idea in the following words:

"Within the framework of the capitalist system of production one cannot reckon with the complete abolition of small-scale production in agriculture, for the capitalists themselves and the agrarians do their best to restore it when the ruin of the peasantry has proceeded too far." (Lenin Vol. IX. Page 31.)

Because the situation of capitalist large-scale agriculture is as described by Marx and Lenin, from this standpoint also, capitalism, with its incapacity to abolish completely small-scale production in agriculture, is doomed to destruction as a reactionary anachronism in this epoch of the triumphant advance of large-scale production on a high scientific and technical level. Capitalism has created agricultural undertakings on a high technical level. The achievements and the importance of large-scale agriculture under capitalism, however, cannot be compared, for instance, with the achievements of industrial large-scale production which has obtained complete domination in its field. On the contrary, capitalism supports the existence of a tremendous number of small peasant farms with their backward technical methods, with their low level of production and the pauperism of the overwhelming majority of the villagers. Only the building up of Socialism can bring any fundamental changes into the situation in the village, can guarantee the development of the great mass of peasant farms into Socialist large-scale agriculture.

Within the framework of capitalism, insoluble contradictions exist between town and country. The roots of these contradictions are to be found in private property in the means of production. Lenin writes: "The contradiction between industry and agriculture is not only not abolished by capitalism, but it is even increased and intensified." The building up of Socialism has exactly the contrary result. It leads to the abolition of the historical contradiction between town and country. The development from peasant small-scale production to Socialist large-scale production and the building up of the Soviet farms opens up the possibility of abolishing this contradiction between town and country. It is the historical task of the Soviet power to bring this about.

### (b) *The Current Year and the Fulfilment of the Five-Year Plan.*

The tasks set by the Five-Year Plan for the current year are of decisive importance for the success of the whole Five-Year Plan.

As far as agriculture is concerned, we are faced with the task of completing the collectivisation of 50 per cent. of all individual farms during the present year. The new stream of peasants into

the collective undertakings which began last autumn and which is accelerating, shows that this task can be carried out. Much will depend on the carrying out of the spring sowings campaign. The appeal of the Council of People's Commissars and of the Central Committee of the Communist Party of the Soviet Union in connection with the sowing contracts for summer crops, contains the practical programme of the spring sowings campaign. It contains everything necessary concerning both the duties of the State in the support of the collective farms, and the duties of the peasants towards the State. This programme must be carried out under all circumstances.

The collectivisation successes which we have already achieved have tremendously extended and consolidated the basis of the Soviet power in the villages. In connection with these successes, the theses of Comrades Yakovlev, Yurkin and Markevitch declare:

**"From now on, the peasants in the collective agricultural undertakings represent the decisive, the chief support of the Soviet power in the villages."**

But we must go still further, we must raise the question: "For or against the collective undertakings" before all poor and middle peasants. The theses contain also the following:

"To-day, when the million masses of the poor and middle peasants have convinced themselves of the advantages of the collective farms, and are turning towards collectivisation, whilst the kulaks as the chief opponents of collectivisation are being liquidated as a class, every poor and middle peasant who is not yet a member of the collective farm, is faced with the decisive question—for or against collectivisation"

"For or against collectivisation," this is now the question for the masses of the poor and middle peasants. For the collectivisation, for the support of the collective farms, means the support of the Soviet power and a decisive struggle against the kulaks. Against collectivisation, against the support of the collective farms, means support for the kulaks in their struggle against the Soviet power. This year each poor and middle peasant is faced directly with the question of his attitude towards collectivisation. He must make his choice. This fact alone means that 1931 is the decisive year for the whole collective agricultural movement, the decisive year for the whole work of Socialist construction. (Interjection, "Very true!" Applause.)

I shall not deal with the economic plan for the current year. It has been dealt with in the reports at the last session of the Central Executive Committee. I shall mention merely a few figures.

This year an increase of the national income by 39 per cent. is planned, a figure which is typical for the tremendous progress made by the whole economic system. Further, the plan provides

for an increase of the total production of the Socialist sector of industry (the industry under the control of the Supreme Economic Council and of the Commissariat for Supplies) by 45 per cent. And then the task must be mentioned of lowering the costs of production in the industries under the control of the Supreme Economic Council by 10 per cent., and in the industries under the control of the Commissariat for Supplies by 11 per cent. I shall limit myself to mentioning these decisive figures of the whole economic plan. When these tasks have been carried out we shall be able to judge the results of our struggle to secure a Bolshevik tempo of development.

In order to explain the significance of Bolshevik tempo I shall quote one example. In the four years from 1927 to 1930 inclusive we opened up 323 new factories. Compare this progress with the fact that in 1931 alone 518 new factories are to be set in motion according to plan. (Applause.) The value of the capital invested in these new buildings and their total production will be double the production of the new industrial undertakings during the last four years.

Bolshevik tempo has been expressed in the slogan: "Five-Year Plan in Four Years!" Shall we be able to put this slogan into execution? The facts give us the answer. In such branches of industry as the production of pig-iron, steel, milling works and also the production of cotton fabric, the Five-Year Plan will be carried out in four years on the whole. If the time needed for the production of cotton-fabric is a little longer than four years, certainly the time necessary for the production of pig-iron will be less than four years. With regard to the production of cement, the Five-Year Plan will be realised in three years and six months. In the electrical industry, coal mining, peat production and the sugar industry the period will be three years. In the petroleum industry, copper production, engineering, tractor and agricultural machinery production, shipbuilding and locomotive building, the period will be two years and six months. With regard to the industries under the control of the Supreme Economic Council as a whole, the Five-Year Plan will be carried out in about three years and six months. As can be seen, the slogan: "Five-Year Plan in Four Years!" is actually being put into execution, and there is even a possibility that the period may be still shorter.

It is particularly important that in the heavy industry as a whole the Five-Year Plan will be carried out in less than three years. This can be seen from the following figures: The industries in Group "A" will have a total production to the value of 17,200 million roubles in 1931 as compared with a total production to the value of 15,200 million roubles laid down in the original figures of the Five-Year Plan for the year 1932-33. In consequence, **our present plan is based on the carrying out of the Five-Year Plan in three years in the key industries.**

The question of the foundry industry is the most important question of all those connected with the Five-Year Plan. In this connection I shall deal in particular with the programme of pig-iron production.

The Five-Year Plan ratified by the last Soviet Congress provided for the production of 10 million tons of pig-iron in the last year of the plan (1932-33). In the meantime, however, it has been shown clearly that this amount is not sufficient to satisfy the most urgent needs of our growing economic system. It became necessary to revise the decision of the last Soviet Congress and set up a new programme of production. The programme of pig-iron production for the last year of the Five-Year Plan is now fixed at 17 million tons. I am convinced that the present Soviet Congress will fully approve of the decision of the Soviet Government to set the figure for the production of pig-iron in the last year of the Five-Year Plan at 17 million tons at least. (Applause.)

The carrying out of this programme is connected with great difficulties. However, the Communist Party has concentrated its forces with all energy on its carrying out in the firm conviction that the programme must be carried out in time under all circumstances. The recently-published decision of the Council of People's Commissars concerning the foundry industry was directed not only to carrying out this programme, but providing for its accelerated performance. The decision provides for the building of five new blast furnaces in the south of the Soviet Union with a productive capacity of from 1.4 to 1.5 million tons, and further, the building of three new works in the Tula, Lipetzk and Sinar districts each with a capacity of 350,000 tons. The decision also provides for the production of 700,000 tons of high quality rolled steel in the works in the Urals in the year 1933. In this current year we must make a start with the building of all these works and have them completed within a year. This is the pace of development of our foundry industry.

It is also necessary to mention the progress being made with regard to the carrying out of the decision of the Sixteenth Party Congress for the foundation of a new foundry industry in the east in addition to the already existing foundry industry in the south. Two figures show us this progress. Last year, the share of the Ural-Kusnetz coal and iron combination in the production of the Soviet foundry industry was one-fifth of the whole. According to the plan which has been ratified the Ural-Kusnetz coal and iron combination is to produce two-fifths of the total production of the foundry industry at the end of the Five-Year Plan, whereby this production will have increased tremendously. Thus the Ural-Kusnetz district will become the second foundry basis of the Soviet Union.

Finally, I would like to deal briefly with the results of the first few months of the current year. We already know that the carry-

ing out of the financial and production programmes in January and February was not satisfactory. We cannot accept this situation as normal. We cannot put up with this situation under any circumstances. The leeway must be made up. The economic plan must be carried out in full and in time.

We must not forget the quality of production. Up to the present we have not been able to bring about any decisive turning point in this matter. Very often no attention whatever is paid to the quality of production. This state of affairs must come to an end.

However, the Bolshevik policy is winning. This year the struggle for a Bolshevik tempo of development must be intensified. Unless we succeed in this respect our gigantic plan for the current year will be hindered in its execution. Let us draw the Bolshevik conclusions from this.

After the carrying out of the programme of production the Bolsheviks must judge the attitude of our organisations to the carrying out of the general policy of the Party. The struggle to secure the tempo of development laid down by the Soviet power is not only the duty of every Bolshevik, but of every worker and of every honest supporter of the Soviet State.

The Communist Party has defeated the Right-wing opportunists, but in practice Right-wing tendencies are still strong. These tendencies make a serious struggle necessary. Without this struggle we shall not be able to carry out the tasks of this, the third and decisive year of the Five-Year Plan. The Right-wing deviating tendencies in the practice of our organs come at a favourable moment for our enemies. Let us strengthen the struggle against this chief danger in our practical work.

At the same time we must aim a blow against the boastful carelessness, the ostrich policy, which is concealed under the cloak of left-wing phrases. We need less boasting and more preparedness for a real struggle to achieve the tempo laid down for the development of the economic system.

The Communist Party has pointed out the way. The programme is fixed. Let us approach the tasks before us in the correct fashion. The success of our cause depends on us. Each of us, whether he is a member of the Communist Party or not, must do his duty in the struggle for Bolshevik tempo in the struggle for the carrying out of the Five-Year Plan.

### *(c) The Central Task is the Mastery of Technique.*

This year we have taken on great and difficult tasks. It cannot be said that we have already been able to guarantee the carrying out of these tasks. At the moment it must be said that with the beginning of the work for the performance of these tasks great deficiencies have rapidly shown themselves in our

economic activity. One thing is already absolutely clear: **We cannot go on with the old methods of work.** At the moment there is no branch of our work in which the situation is such that all we need is to let ourselves drift along the stream in order to achieve our aim. The economic circumstances have also altered fundamentally in many cases, in particular in connection with the accelerated tempo of the development of the Socialist constructive work.

Our greatest weaknesses and the greatest difficulties at the moment are on those fields where our economic tasks are increasing rapidly and where we are behindhand in the reorganisation of the activity of our economic apparatus. The most striking examples are offered by the railway services and the coal production of the Don Basin.

Let us begin with our **transport system.** You are all acquainted with the appeals issued by the Council of People's Commissars and the Central Committee of the Communist Party concerning the railway and water transport services. The appeals were worked out at special conferences after a thorough discussion of the questions at issue. Numerous local officials, economists, experts and leaders of Party organisations took part in these conferences. The existing deficiencies and weaknesses of our railway and water transport services were investigated by these conferences.

What was the result of this investigation with regard to the railway service? It transpired that a mistake was made in introducing a certain measure. A few years ago an attempt was made on various lines to introduce a new working system whereby the locomotive crews were not always attached to the same locomotives. This system was then extended to the other lines. The result is the present bad condition of our locomotive sheds.

If this new system had been given sufficient attention and study at the time, if our central and local organs had exercised the necessary control, then we should not have had the serious consequences which have been accumulating for a number of years. This new system according to which the locomotive crews no longer remain on the same locomotives, was carried out on a wide scale without the necessary preparations. The result has been a series of negative and impermissible factors on the railways. This new system has severely damaged our locomotive sheds, not to speak of the loosening of labour discipline which also resulted.

The introduction of this false reform in our railway system gives us an example of the characteristic weakness of our economic apparatus. Even measures of widespread significance were not given sufficient care and attention, and there was no proper control of their results. How much the deficient activity of our economic organs was revealed by the introduction of this new

system can be seen from the fact that the People's Commissariat for Transport, and even the railway administration itself, was not informed concerning the most important facts of the situation of the locomotive sheds.

I shall quote only one example. A little while ago, the Council of People's Commissars received a report from the People's Commissariat for Transport concerning the state of the locomotive shed serving the southern lines. According to this report, 16 per cent. of the locomotives on the southern lines were in need of repairs in February. However, a control of these figures revealed the fact that they were not anywhere near the real situation. The comrades who conducted the control on the spot, the chairman of the Central Control Commission, **Comrade Andreyev**, and the Deputy People's Commissar for Transport, Comrade Mironov, declared in their report that in February there were 41 per cent. of all locomotives on the southern lines in need of repairs and not 16 per cent. as originally reported. This fact speaks for itself.

The Council of People's Commissars and the C.C. of the C.P. drew practical conclusions from this and similar facts. The appeal issued in connection with the situation on the railways deals with the matter clearly enough.

The facts mentioned stress the necessity of an increased struggle against one of our most malignant ailments. From what has been said it can be seen that this deficiency of our economic activity results from the lack of control over the carrying out of the tasks set. It would be easy to quote numerous examples showing the deficiencies of our organs in respect of the control work. We must not accept this situation philosophically. I think the Soviet Congress will agree that the decision of the Council of People's Commissars for the formation of a special commission to remedy this state of affairs was timely.

In this connection I would like to refer to Lenin's insistence on the particular importance of the control work. In March, 1922, **Lenin** referred to this necessity at the Metal Workers' Congress in the following urgent words:

"The control of the comrades carrying out the work, and the control of the carrying out of the work itself, that, and again that, and only that is now the essential factor of our whole work, of our whole policy. This is not a matter of a few months, or even of a year, but of several years."

Since then a long period has elapsed, but the practical control over the carrying out of the tasks set is still in many cases totally unsatisfactory. We must draw the necessary conclusions from this and attend to the control work with all energy.

I shall speak later on of the lessons of the facts which the control of the situation on our railways has revealed. However, I can say now that conclusions must be drawn from these facts which must apply to other branches of our economic system as well as to the railway system.

Let us take another example, the example of the **Don Basin**. We all know that the economic activity for the production of coal in this district has revealed deficiencies, and not only to-day. The question of the Don Basin is not only an immediately important economic matter, but it is also of political significance.

The C.P. has declared the mechanisation of this district as one of the most fundamental and urgent tasks in the coal-mining industry. Was this correct, was it timely, has it been confirmed by actual facts, does the working class approve of this decision?

The answer is definitely in the affirmative. Yes, the formulation of this task was correct, it was timely, the necessity of the carrying out of this task has been completely confirmed in practice, and the workers unreservedly support this decision of the Party. Nevertheless, the production of coal in the Don Basin is not satisfactory. The production programme is not being carried out, and even the mechanisation itself is being carried out very slowly.

Even in the autumn of last year, startling facts concerning the insufficient utilisation of the mechanical equipment in the Don Basin, the insufficient utilisation of the drilling machines and other machinery, were made known. The Soviet power immediately ordered a complete reorganisation of the activity of all organisations in the Don Basin in order to secure a proper utilisation of the mechanical equipment of the coal-mining industry. The affair, is, however, proceeding terribly slowly. Let us take a glance at the utilisation of the drilling and cutting machines recently. It was shown that in January, 1931, the heavy drilling machines were utilised only to 80 per cent. of their capacity, that the light drilling machines were utilised only to 58 per cent. of their capacity, whilst the cutting machines were also used only to 58 per cent. of their capacity. Where will such facts lead to?

Have we discovered practical ways and means of securing a better utilisation of the existing mechanical equipment in the Don Basin? The press has reported that considerable progress has been made during the last few months in this respect. As an example of this there is the carrying out of the proposals of Comrades Kartachev, Kossaurov, Filimonov and Libkardt. The proposals of the first three named comrades to facilitate the uninterrupted use of the cutting machines, and the proposal of Comrade Libkardt for the widespread use of conveyors, have been put into practice. The introduction of these new methods gave excellent results, as can be seen from the following report in "**Pravda**" of February 27th, 1931:

"Figures concerning the result of the introduction of uninterrupted production in twenty-one pits in the Stalinsk Rayon. Before the adoption of the new system the daily average production per level was 4,707 tons, and after the introduction of the new system 6,986 tons, or 37 per cent.

increase. Productivity was increased by 30.6 per cent., and the wage-share per ton dropped by 25 per cent."

The same telegram also reports the following:

"The mine management in Krasnodonsk has recently put two further mechanised pits on to the Kartachev system. On the first day of the reorganisation unexampled results were obtained. Level 70 of pit No. 2a which yielded 60 waggons daily until the reorganisation, increased its production to from 225 to 230 waggons daily under the Kartachev system. The east level 13 of pit No. 1 increased its production from a normal yield of 120 waggons to 345 waggons under the Kartachev system."

I could quote a number of similar examples. The splendid services of Comrades Kartachev, Kossaurov, Filimonov and Libkardt have received the necessary recognition from the central organs of the Soviet power. These heroes of the labour process have been decorated with the Lenin Order. The new methods of mechanical coal production mentioned are beginning to spread more and more throughout the pits of the Don Basin. In adopting the mechanical system, however, the deficient preparatory work of the past makes itself felt.

Here is an example: I have here a letter from a group of Leningrad workers who are at present in the Don Basin. The letter was handed on to me by Comrade Tchudov. These workers write the following:

"We, the undersigned mechanics, P. V. Vassiliev, N. D. Sokolov, A. P. Matutchenkov (Marty Factory), L. J. Egelstein (Factory for Military Equipment), N. Karnauchov (Vulkan Factory), M. Abramov (Gydravlika Factory), who were mobilised to make good the deficiencies in the Don Basin arrived in Soloto-Toshkovsko where the mine management of the pits 3, 5, 13 and 14 are. The average production of each of these pits is 12,500 tons, although according to plan they should each produce an average of 21,000 tons. These pits thus produce only about 50 per cent. of the plan quota, an impossible situation and particularly serious for the Leningrad industrial area."

As real Leningrad workers they of course do not forget their home town and that is absolutely correct. (Interjection, "Good boys!")

They then write the following concerning the mechanisation in the Don Basin:

"The only way to liquidate these very serious deficiencies is to mechanise the pits. And for this purpose we have been sent here. The great mistake, however, is that no preparations have been made for this mechanisation. There are no tools and no instruments."

Not only must they report that there are no tools and no instruments, but they write also the following:

"No wonder the drilling machines work only four hours a day instead of eighteen hours. The rest of the time is used for repair work which is carried out with utterly antiquated methods."

After this description the letter then asks that the comrades in Leningrad should send three simple work benches and a certain number of tools and 16 litres of hydrochloric acid. The letter then closes as follows:

"If the Leningrad Party organisation will do its best to send us these necessities and we receive them in time, then we can promise as Communists, first of all to bring the whole equipment here in order in shock group work and of course, to take no money from the mine management for this work, and secondly to liquidate all deficiencies."

This is the spirit of real proletarians, of real Bolsheviks. (Applause.)

This group appeals to the Leningrad organisation for comparatively simple assistance. We are all compelled to assist these comrades and all others who are working for the mechanisation of the Don Basin.

The letter of the Leningrad comrades shows how badly prepared our economic organs in the Don Basin are for the mechanisation of the pits. Even to-day, these preparations are being made very slowly. But we need coal urgently. The situation in a number of industries depends on the coal supply. It would be wrong to say that we do not know the practical significance of the tasks at present facing us in the Don Basin coal industry. The system of Comrade Kartachev and the other methods represent a good start. In the immediate future we shall certainly develop still further our methods for the mechanisation of coal production. At the moment our aim must be to speed up the mechanisation, to organise this work more quickly than before, to put the right people in the right place, to utilise the existing equipment to the full, to overcome dawdling and routine methods in the administrative apparatus and in the pits themselves. Only a hopeless opportunist looks for an opportunity to retreat when he meets with difficulties. For a Bolshevik there can be no retreat in such important questions as the mechanisation of the Don Basin, and no lowering of tempo in the carrying out of the tasks set.

The task of mechanising the Don Basin is not purely an economic task. Under the present circumstances it is an important political task. We shall attain success in this matter only if we concentrate our forces on carrying out the mechanisation and develop Bolshevik persistence on this task as one of the most

urgent and biggest political tasks before us. We must succeed at all costs and as quickly as possible.

I shall deal later on with the fundamental conclusions which we must draw from the example of the mechanisation of the Don Basin. These conclusions apply not only to the Don Basin.

Before I deal with these fundamental conclusions I shall deal with one further example, that of the **Stalingrad Tractor Works**.

As you know, this gigantic undertaking was finished ten months before the date originally fixed. The works were built at American tempo. However, you are also aware that up to the present the production of the Stalingrad works has not been satisfactory. For some months now the works have not been fulfilling their production programme. It has been shown that we are better able to build new great works than to organise their production afterwards. Here we are still stumbling and are subject to weaknesses. With building works, even on a gigantic scale, we are beginning to do comparatively well. However, it is quite another question to organise new branches of production. Our weakness in questions of production and our technical backwardness show themselves very acutely here.

And with this I have arrived at **the general conclusions** to be drawn from the facts mentioned. I refer to the facts revealed with regard to the railway system, the Don Basin and the Stalingrad tractor works. These general conclusions result logically.

When we put the question: What is absolutely necessary if we are to attain a level of efficiency on our railways in accordance with the demands of the rapid tempo of development of our whole economic system? Then there can be only one answer. We must master the technical side of the question. We must become real specialists in all technical questions connected with the railways.

What is to be done in order to carry out the mechanisation of the Don Basin? The solution of this problem cannot be postponed. Here too the answer is quite clear: the Bolsheviks in the Don Basin must become masters of all technical questions connected with the mechanisation of coal production. They must study the question themselves, and thoroughly, not relying on the old specialists. They must become real specialists for building work and master the most modern technique and even develop this technique. They must themselves become mining engineers and specialists.

It is hardly necessary to repeat that in order to secure the full development of the productive capacities of such economic giants as the Stalingrad tractor works we must pursue the same end.

It cannot be denied that in the mechanisation of various branches of industry and in the mastery of production technique

our industry has already achieved great successes. There are numerous examples to support this.

The best example is offered by the mechanisation of the **petroleum industry** in **Baku** and **Grozny**. Here the mechanisation was begun in the very first years after the establishment of the Soviet power. **Comrade Serebrevsky**, the initiator of the mechanisation of the Baku district, gave us a splendid example in this respect. The result is that the petroleum industry has been able to exceed the plan production quota, whilst the coal-mining industry has not fulfilled the quotas for production in the first two years of the Five-Year Plan. The present rapid development of the petroleum industry would not have been possible had not the mechanisation of the industry previously been carried out with such energy.

Let us take another example. You are all acquainted with the **Dnieprostroi** building operations. At one time we were justly proud of the building of the Volchovstroï works which took six years to finish. To-day, however, this works does not represent one of the largest power stations. The giant of the electrification plan, Dnieprostroi, will begin operations in 1932. The speed at which this work has been carried on is due to the services of the leaders of this work and to the local organisations. The cause of our success lies in the adoption of American mechanisation of the building work and in our own Bolshevik energy. In any case, without the mechanisation of the Dnieprostroi work, with the assistance of the American engineer Cooper, we could never have achieved such results as the world record achievement for cementing, an achievement of great importance for the acceleration of the whole work.

And finally, let us take the **Grain Trust**. The Grain Trust began its work two and a half years ago. The old-fashioned agricultural experts such as Markarov, Lyashtchenko and Doyarenko considered it impossible (Doyarenko declared, "Human nature will not permit it") that the tasks of the Grain Trust could be carried out at such a speed. However, we not only carried out the tasks set, but we carried them out in a shorter space of time than originally fixed. And in this the mechanisation introduced on the Soviet farms played a decisive role. It must be pointed out that the Grain Trust and its representatives in the provinces immediately took up mechanisation as the chief task and thus guaranteed the success of the trust in no small measure.

The examples of the petroleum industry, of the Dnieprostroi and the Grain Trust not only show the role of mechanisation in its narrow sense, but also what the Bolsheviks can do when they set themselves to master technique and the fundamental questions of production, the correct distribution of the necessary labour power at the correct labour points.



These examples, and also the examples mentioned in connection with the transport system, the Don Basin and the Stalingrad tractor works, show that the tempo of industry cannot be maintained unless technique is mastered, unless the decisive questions of production are mastered. The maintenance of a Bolshevik tempo of development and the mastery of technique are indissolubly connected.

These examples also show that in the present period of construction, in the period in which a fundamental transformation of the old basis of production is taking place, and in which new and extremely complicated processes of production must be mastered, our economic work cannot be carried out unless we really understand the essence of the tasks we have taken over, unless we become real specialists in technical production questions. In this period we shall not be able to perform our economic work unless we master the technical production questions.

It is hardly necessary to do so, but I will remind you that the revelations concerning sabotage in our economic system should abolish the last trace of uncertainty concerning the conclusions to be drawn in relation to the fundamental tasks of our economic work. The sabotage revelations showed how under certain circumstances the Bolsheviks can become playthings in the hands of counter-revolutionary saboteurs. We have suffered enough at the hands of the saboteurs as a result of our weakness in questions of production, and our technical deficiencies. Thanks to our ignorance and deficiencies, the saboteurs were able to thrust a stick into the spokes on almost all fields. We must remember Lenin's warning that the transformation period from capitalism to Socialism is a period of "intensely bitter struggle" (Lenin, "State and Revolution"). Despite the fact that we have delivered the saboteurs a number of very heavy blows and despite the fact that we have cleared out a number of sabotage nests, we are still faced with a hard struggle against the class enemy and against his agents in our apparatus. Only if we completely master work, only if we become real specialists at our jobs, can we hope to prevent sabotage and defend the Soviet Union from stabs in the back.

I must remind you of what Lenin said with regard to our attitude towards the specialists. He declared:

"Their (the bourgeois intellectuals) sabotage must be **broken**. They must be **subjected** to the Soviet power as a category or group. We Communists are not children and we are not childish, but we must learn from them, because neither the Party nor the advance-guard of the proletariat has experience in independent work for the creation of large-scale undertakings serving millions and millions of the population."

"The best workers of Russia have realised this, and they have begun to learn from the capitalist organisers, from the leading engineers and from the technical specialists."

Again and again Lenin repeats this exhortation not only to break the sabotage of the bourgeois specialists and subject them to the Soviet power, but also to learn from them. Here is a further quotation from a speech delivered by Lenin on the same subject:

"We must administer our economic system with the assistance of people from the class which we have overthrown, with the assistance of people who are permeated through and through with the prejudices of their class, and we must learn from them. At the same time we must obtain administrators from the ranks of our own class. We must so organise our whole State apparatus that the training, the education outside the schools, proceeds under the leadership of the Communists for the workers and for the toiling peasants."

From this can be seen once again the tremendous importance Lenin attached to the question of developing our own cadres for the carrying out of the tasks of economic construction in our country. Over ten years have passed since then. It is high time that serious progress was made in this connection. However, this is not so easy.

Comrade **Stalin** was perfectly right when he declared at the recent conference of responsible leaders of Socialist industry, that the task put forward by the Party in the first years of the Soviet power of learning the technique and science of productive administration, without for the moment interfering in this work, has led in practice in many cases to a misrepresentation of this policy and that this task was not satisfactorily carried out on the whole up to the present. In the meantime, such an attitude has become completely impermissible. Therefore, the conclusions drawn by Comrade Stalin in his speech at the conference mentioned are of very great immediate importance. Comrade Stalin declared:

"It is time, high time, to turn our attention towards the question of technique. The time has come to abandon our old slogan of not interfering in technical matters, and for us to become specialists ourselves, to become real experts and absolute masters of our work."

Another passage in this speech reads:

"The Bolsheviks must master technique. The Bolsheviks must themselves become specialists. In this period of Socialist construction technique determines everything."

We must recognise that in these words of Comrade Stalin the central task of the present period is formulated. This central task is formulated in the words: "The Bolsheviks must master technique."

This means that the Party demands from all of us that we learn the work with which we are entrusted, that we grasp the essence of our work, that we master the technical questions of



production, that we become real masters and specialists in our jobs. That is the essence of the matter.

The slogan of the mastery of technique is the central slogan. It has already been received enthusiastically by the broad masses of the workers. The struggle to put this slogan into practice has already been opened up in many factories in Moscow, Leningrad, Kharkov and other industrial centres. The carrying out of this slogan must raise our work to a higher level, not to speak of the fact that it will finally lance the abscess of bureaucracy.

During the last three years in which the Party has done a great amount of work in connection with the Shakhty trial to train technical cadres, great progress has been made in this respect. The technical graduates of our technical high schools, etc., are much better trained than those of two years ago. In industry the cadre of engineering and technical experts has been considerably increased, particularly by the influx of young technicians. This year we shall have about three times as many engineers and technicians (per hundred workers) as we had in 1927. The cadre of the scientific industrial workers alone grew by 110 per cent. last year, whilst the total number of co-operators of the scientific investigation organs increased by 106 per cent. This work must also be continued with all energy.

The turning point during the last few years in the training of technical cadres, and in particular in the training of technical cadres from the ranks of the working class is a sign of the beginning of the cultural revolution in our country. Last year the cultural work began to take on a real Bolshevik tempo. This can be seen, for instance, from the following: In 1928, 14.8 million persons were embraced by all forms of schooling, whereas in 1930 the number was 47.1 million. In these two years the work for the liquidation of illiteracy took on a very rapid tempo, and increased about thirteenfold. We are successfully introducing compulsory general education. This year alone we shall have 44.8 of all children in question in the elementary schools. We work on the basis of the fact that the liquidation of illiteracy amongst the toilers of the Soviet Union is connected with the whole struggle for the carrying-out of the Five-Year Plan and the building up of Socialism.

All these things create the necessary conditions for making the slogan of the mastery of technique a real driving force amongst the masses. The Bolsheviks must be at the head of this struggle.

The growth of the economic work and the alteration of its character have made carrying out of a number of alterations necessary. The Soviet power has therefore taken a series of measures for the reorganisation of the workers of its organs both above and below.

The decision to abolish the district administrations and to consolidate the Rayons as the most important basis for the building

up of Socialism in the villages, is of great significance. This decision brings the State apparatus and all our organs nearer to the masses, but at the same time gives the organs mentioned new and complicated administrative tasks.

Simultaneously, various alterations have been made recently in our central organs.

You are aware that according to a decision of the Soviet Government, two People's Commissariats have been separated, and the People's Commissariat for Supplies formed. The People's Commissariat for Foreign Trade is now enabled to organise its great work better. The work of this Commissariat is connected with great difficulties and is of great significance. And, as you know, the People's Commissariat for Water Transport was separated from the People's Commissariat for Ways and Communications. These and other alterations are the result of the fact that our economic constructive work is growing and making necessary a series of organisational alterations in our economic apparatus.

The Party has put forward the slogan of the reorganisation of the Soviets in accordance with the tasks of the period of Socialist construction. This slogan has been received warmly by the masses. The last electoral campaign proceeded under this slogan. New cadres of leading workers and peasants came into the Soviets, particularly workers and peasants from the shock groups and the collective farms. It is our task to carry out the reorganisation of the work of the Soviets and in this way to raise the role of the Soviets as the instrument for the carrying out of the general line of the Party.

#### *(d) The Balance of the Last Decade and our Political Line.*

The date of our Congress coincides with the completion of the first decade since the transition to the New Economic Policy. As this has been at the same time the first decade of Socialist construction under peaceful conditions, its results are of paramount political importance.

It has been our task to carry out the policy of the N.E.P. on Bolshevik lines. Our foes calculated on the carrying out of the N.E.P. on Menshevik—that is, capitalist—lines. An irreconcilable struggle has been carried on all over the world between these two political lines. This has not yet ceased to-day. The essence of this struggle is as follows: Our Party has staked, and continues to stake, on the victory of Socialism and on the annihilation of the remnants of capitalism. Our enemies have staked on the bourgeois degeneration of the Soviet Union and on the annihilation of the Socialist elements, and besides this—in pro-

portion as the ground was to slip from under our feet—on an armed foreign intervention against the Soviet Union.

Under the conditions of the régime of the proletarian dictatorship, the struggle of the capitalist elements against the Socialist elements could not take place openly, yet the pressure exerted by these elements has found its political expression not only in certain small strata of the working class, but even in a certain section of the Party, sometimes more and sometimes less, at one time in one form, at another time in another. The victory has gone to the Leninist policy, the policy of irreconcilable struggle against Trotskyism and the Right deviation, which expressed the bourgeois influence, if in varying forms, on some small strata of the vanguard of the proletariat.

Facts themselves afford eloquent proof of the victory of the Leninist policy.

With the aid of data supplied by the State Planning Commission of the Soviet Union, I cite a few figures characterising the economic growth of the Soviet Union during the period just past, between 1921 and 1930.

During this period the **national income** of the Union quadrupled: the **total production of industry** (census industry) increased to  $12\frac{1}{2}$  times the former output; the total **cultivated area** to  $1\frac{1}{2}$  times; the **goods turnover** to  $5\frac{1}{2}$  times; the **goods traffic** of the railways to more than 6 times.

A few figures enable an idea to be gained of the increasing importance of the **Socialist sector** in national economy, and of the corresponding reduction of the role played by the capitalist sector.

The figures are as follows: The share falling to the private sector of the total production of the census and small industries amounted in 1921 to 36 per cent.; in 1930 to only 5 per cent.; with respect to the cultivated area, the private sector dropped from 90 per cent. to 67 per cent. in this period; in the goods turnover (retail trade) the private sector dropped from 75 per cent. to 5.5 per cent. These figures bear witness to the victorious advance of Socialism.

A few figures may be given directly relating to the situation of the **working class**.

The **numerical strength** of the industrial workers increased in the period 1921-1930 from 2,430,000 to 6,359,000. The **wages** (monthly average) of a worker in the census industry increased from 14 roubles to 80.4 roubles, or almost six times. The **productivity of the labour** of the workers (monthly average) has increased fivefold.

These are the most important numerical results.

During the period just past great changes have taken place not only in economics; equally great changes have taken place in the social stratification.

It need not be said that the working class, from the moment when it seized power and came into possession of the means of production, ceased to be a working class in the strictly scientific sense of the term. The proletariat of our country, as the leading force in the Soviet State which is victoriously building up Socialism, has during this period passed through a stage in which it has not only grown considerably and been replenished by the influx of other elements, but has become such a social stratum that no bourgeoisie will ever be able to force it back to its former position, the position of the slave of capitalism.

For more than ten years of the existence of the Soviet power the peasant remained for the most part a small-holder. But at last the change began to affect the masses of the peasantry, who commenced to gather together as members of collectives. With this the social countenance of the former peasant began to change. In spite of the slowness with which the small property owner overcomes centuries of tradition and custom, our collective peasant is already something very different from the peasant of former days. Out of the peasantry in the collective undertakings a social stratum is being formed, a new Socialist type, and these collective peasants can no longer be forced back again into their former miserable petty-bourgeois existence. They are pressing forward to Socialism.

Profound changes too have taken place in the class strata hostile to us. Their roots are being washed away on all sides, and are already torn from the earth. Our class enemy, seeing the ground crumble beneath his feet, is already facing the fact that he no longer has any firm foothold in the country itself. Therefore, he places his stake on external imperialist forces, on intervention against the Soviet Union.

The trials of Ramzin, Groman, etc., have revealed the fact of the extreme political and moral decay of these elements. The "heroes" of these trials are but miserable creatures, defeated by the revolution. They are the last exhalation of the expiring bourgeoisie, among which the putrifying process of decomposition produces such evil-smelling products.

We see that a long stretch of road has already been traversed. We are already able to go forward with the aid of the great achievements attained by Socialist construction during the first decade of peaceful conditions. The decade which we have now entered is that decisive period in which we must not only overtake the capitalist countries which are more advanced than we in technique and economics, but must outdistance them. (Applause.)

The task of overtaking and passing the countries ahead of us technically and economically makes plain to us once more that the main task confronting the Bolsheviks at the present moment is the conquest of technique, the mastery of every branch of prac-

tical and theoretical activity, the presence amongst us of experts, and experts possessing the highest qualifications, for every single department of Socialist construction. The successes which we have gained during the first decade of the New Economic Policy are undoubtedly great. These successes serve to convince the masses of the worker of the final victory of Communism. But the duty of Bolshevism must not be forgotten—there must be none of that “giddiness from success” so dangerous for the champions of the cause of Socialism.

The elements of dissension present in the transitional period, whose fundamental and determinative characteristic is the growth of Socialism, too must not be forgotten. These elements of dissension are naturally not alike in character in the different stages of the building up of Socialism. Here the given concrete conditions must always be rightly judged. The peculiarities of the moment, of the district, and of the branch of construction, must be taken into account, without reference to any general formulae or recipes.

We have entered the period of Socialism, but at the same time we have not yet overcome the N.E.P. with its peculiarities. As Marxists we cannot forget that whilst we have entered the period of Socialism, we have not yet completely broken with the things of yesterday. In the question of the N.E.P. in its present stage, it is necessary to take sufficiently into account its concrete peculiarities.

Lenin, speaking of the N.E.P., said: “In the N.E.P. we have made concessions to the peasant as trader, to the principle of private trade . . . Now we have found that degree of the combination of private interest, of private trading interest, of the testing and controlling of these by the State, the degree of the subordination of these to the interests of the community, which was formerly the stumbling block to many Socialists.” (Lenin, Vol. XVIII., 2nd part, page 139, Russian edition.)

The N.E.P. has changed since these words were written. It suffices to say that we have already entered the period of the immediate building up of Socialism, but that this has been made possible solely by the unconditionally dominating position attained in national economy by the Socialist sector.

We must further remember what Lenin said of the first phase of Communism. To-day the following words from Lenin’s “State and Revolution” are of extreme importance:

“And so, in the first phase of Communist society (generally called Socialism) ‘bourgeois justice’ is **not** abolished in its entirety, but only in part, only in proportion to the economic transformation so far attained, that is, only in respect of the means of production. ‘Bourgeois law’ recognises them as the private property of individuals. Socialism converts them into

common property, and **to that extent**, and only to that extent, does ‘bourgeois law’ die out.

“But it continues to live as far as its other part is concerned, in the capacity of regulator or adjuster, dividing labour and allotting the products among the members of society. ‘He who does not work, neither shall he eat’—this Socialist principle is **already** realised. ‘For an equal quantity of labour an equal quantity of products’—this Socialist principle is also already realised. Nevertheless, this is not yet Communism, and this does not abolish ‘bourgeois law,’ which gives to unequal individuals, in return for an unequal (in reality) amount of work, an equal quantity of products.”

Lenin wrote his “State and Revolution” before the October revolution. At this time he wrote of Communism (of Socialism) taking only theoretical bases for his starting point.

The actual practice of Socialist construction in our country confirms the perfect correctness of Lenin’s theoretical analysis, which was founded on the teachings of Marx and Engels. The quotations from Lenin just given are of special practical significance to-day.

Let us take the example of the development of the collective farms.

The theses on collective farming development submitted to the opinion of the Congress point out—as one of the main shortcomings in the sphere of collective farming advancement—the division of the proceeds of the collective farms, not in accordance with the quantity and quality of the work done by the collective farmer, but in accordance with the number of persons. The removal of this great fault is one of the most urgent tasks of the present moment. Complete clarity is imperative on this question. It must be recognised that the Bolshevik conception of collective farming demands that the proceeds of the collective farms are divided in actual accordance with the amount and quality of the work accomplished, and not according to the number of persons involved, as promoted by the kulaks and their hangers-on to-day. Unless the share of the proceeds of collective farming products received coincides with the amount of effort exerted and with the actual productivity achieved, we shall have no collective farming movement. Unless this principle is carried out consistently in actual practice, of course in harmony with all other enactments of the collective farming statutes, our policy in the building up of collective farms will be in reality not Bolshevik, but petty bourgeois, that is to say, in reality it will not represent an aid to the Soviet power in the building up of Socialism, but rather an aid to the kulak in his struggle against the collective farm.

Let us take an example from the sphere of industry.

In **wages** policy we have always held, and continue to hold,

consistently to the line of increasing the wages of working men and women. We have been very careful to carry out this principle with regard to the lowest paid categories of workers. This has been perfectly right. But does this mean that we should pursue a line of levelling up (equalising) wages among highly-skilled workmen and workers just entering the process of production? Of course it does not. In actual practice, however, we have witnessed not a trifling number of distortions of our wages policy, in which wages have been roughly levelled up without any proper estimate of the importance and work of certain categories of skilled workers and technicians in our process of production. The essential character of this levelling idea is thoroughly petty bourgeois, and has nothing to do with the policy of Leninism. Without a severe struggle against such utterly petty bourgeois tendencies as this, it is perfectly impossible to secure a Bolshevik tempo of economic advance. This realisation has caused a number of corrections to be made in our wages policy of late. Among these corrections are the decisions raising the wages of the railway workers (engine drivers, engine drivers' assistants, etc.), and of the water transport workers (captains, dredger masters, mechanics, stokers, etc.). To these may be added the decision to raise the wages of the most important categories of the workers below ground in the coal industry. These corrections in the actual practice of our wages policy have been absolutely necessary.

Not only the question of wages, but in the question of **supplies** the Party has issued directives on the necessity of conferring advantages on certain categories of workers. The decisions passed by the last joint Plenum of the Central Committee and the Central Control Commission refer to the necessity of so reorganising the work of the consumers' co-operative societies as to secure "in the first place, the most important sections of Socialist construction and the combination of the supplies question with the questions of the fulfilment of the production plans, the increase of labour productivity, the struggle against the tendency to change the place of work, and the spurring on to participation in Socialist forms of work (Socialist competitions, shock brigades, etc.)." Only it is regrettable that up to the present very little has been done towards the actual carrying out of this decision, which is of no inconsiderable importance for the realisation of Bolshevik tempo in economic work.

In conclusion, I shall deal with the example furnished by our consumers' co-operative societies as a whole.

We have devoted much attention to the consumers' co-operatives of late. How has this come about? Owing to a number of shortcomings becoming apparent in this field of work. A recent leading article in "Pravda" characterised the situation in the co-operatives as follows: "The co-operatives, after attaining a monopoly of the markets, began to forget that they exist

for the sake of the customers, and not the consumers for the sake of the co-operatives." Our co-operatives began to forget that the rôle played by co-operative trade is not yet finished by far, and that we cannot yet reduce the matter to simple distribution and direct exchange of products. Things have even come to such a pass that the co-operative apparatus, instead of promoting Soviet trade, has at times, become an apparatus clogging the current of goods. Even when considerable quantities of goods have been available, the co-operative organisations have been so clever as to leave the consumers without goods. It must be perfectly clear to us that the co-operatives cannot attain a higher level, the level of exchange of products, unless they go through the school of real co-operative Soviet trade, and unless they combat in their organs all bureaucratic methods, all bureaucratic habits, and the "N.E.P. spirit."

I confine myself to these examples. They show us the line to be taken by our work, and the manner in which we must combat a distortion of this line.

Comrades! We have every reason to be proud of the results of our economic construction during this whole decade, and especially in the last few years. But the extent of the tasks still before us is so enormous that we must use these first successes as stepping stones to even greater tasks, even more important for the cause of Socialism.

The special importance of our work in the present year must be emphasised. 1931 is a special year. It is the decisive year for the fulfilment of the Five-Year Plan in four years. It demands of us especially intense effort for the overcoming of the existing difficulties, a higher degree of organisation, and unshakable constancy in adherence to the line laid down. Any tendency to assume that matters will come out all right by themselves without effort on our part, any tendency to continue work on old lines, or to shirk difficulties instead of combating them energetically, is not in the least compatible with the year 1931.

In order to ensure the complete success of our work, it is especially important to-day to make sure that all our organisations really follow one and the same line, and shoot, so to speak, at the same target. In this respect the central administrative organs set an example of unanimous action and unanimous endeavour in the accomplishment of the tasks set. This may serve as an example all over the country. Unanimous action on the lines of the Soviets and Party organisations secures the maximum of unity in the whole of our activities and the necessary mobilisation of forces under the leadership of the Leninist Party. 1931 is a special year for the cause of the Five-Year Plan, for the cause of the struggle for our practical programme of Socialist construction. After our shock troops have been distributed along our front, let us ensure that the work of all our organisations is really carried out at top speed!

Comrades. At one time the representatives of the Soviet power had to give special explanations on our views of the present period, as a period of the co-existence of two systems irreconcilable in principle, the system of capitalism and the system of Socialism in course of construction. In 1927 our representative made the following declaration at the European Economic Conference:

"Socialism does not merely represent a system of economic and social equality. Socialism means, above everything else, peace. The antagonisms between the two economic systems, inevitable in the course of a certain historical period, do not in any way exclude the possibility of a practical agreement between the two."

To-day we still hold the same standpoint.

We are further of the opinion that the standpoint thus adopted by the Soviet power has been politically justified by the course of events.

When we speak of the unavoidability of the co-existence, during a certain historical period, of two social systems incompatible in principle, the capitalist and the Socialist system, then we draw our own conclusions from this. We are aware at the same time that the bourgeoisie too is drawing its own conclusions.

The result of our conclusions is that we must make a maximum use of the above-mentioned historical period for the purpose of ensuring the victory of our system. Our class enemy has set himself the task of sweeping the Soviet system, the system of Socialism, from the face of the earth. Two worlds stand opposed to one another. The struggle develops and rages between these two worlds. We regard as our task the building up of Socialism in the Soviet Union, and the most determined and intense struggle for the cause of Communism, for the complete victory of the cause espoused by Marx, Engels, and Lenin! (Enthusiastic and prolonged applause, developing into an ovation.)

## THE DANGER OF INTERVENTION AND THE SOVIET UNION'S FIGHT FOR PEACE.

*From the Concluding Speech on the Report on the  
Activity of the Soviet Government Delivered at the VIth  
All-Union Soviet Congress.*

The contrast between the development of the Soviet Union and that of the capitalist countries is shown most clearly in the living conditions of the broad working masses here and abroad.

In the Soviet Union, the position of the broad working masses is improving every year. The growing demands of the workers are not yet completely satisfied by a long way, but the improvement of the material situation of the workers in the Soviet Republics is the most important and indubitable feature of the situation of the working class. There is now taking place everywhere an uninterrupted improvement in the standard of living of the masses of the poor and middle peasants in the village, particularly in connection with the rapid growth of the collective farming movement. Instead of the ever-increasing impoverishment and desolation of the village, as was the case under Tsarism, we have an obvious decline of village poverty and an improvement of the position of the masses of poor and middle peasants. The **reduction of poverty** in the Soviet Union is the most important event resulting from the existence of the Soviet Power and Socialist construction in our country.

The situation is quite different in the capitalist countries. The most important and decisive feature of the development of capitalism is increasing poverty among the workers and in the rural districts. The world economic crisis, with its accompanying unexampled unemployment and the ruin of the village, increases the poverty and misery of the workers and of the toiling peasants to an unbearable degree.

I have already shown in my report how far the path of development of the capitalist countries diverges from the path of development of the Soviet Union. The anti-Soviet campaign regarding "compulsory labour" will enable us repeatedly to emphasise the absolute antithesis between the position of the masses in the Soviet Union and that of the masses in the capitalist countries. It suffices now to cite an illustration from the bourgeois press itself. I quote a passage from an article which appeared recently by the well-known publicist **Stephen Graham** on the tendencies of the inner development of such a country as the United States:

"For many years the tendency has been for America to become the land of a hundred thousand very rich people and a

hundred million poor. The Wall Street debacle and the economic crisis has accelerated this dangerous process. It is true that the very rich complain that they also have lost a great deal of money. The market value of their fortune has depreciated 50 per cent. But this loss is illusory. In effect they are much richer. They hold the stock and the property. They hold very much more than they did before. And their wealth must be held to consist in the actual tangible property rather than in the market value in dollars of their possessions." ("Manchester Guardian," 13th February, 1931.)

Graham admits therefore that in America there has existed for many years a tendency for the land to become "a land of a hundred thousand rich people and a hundred million poor." This tendency, however, exists not only in the United States but in all countries in which capital dominates. The fundamental tendency consists in the increasing poverty and misery of the broad masses and in the growing wealth and luxury of the ruling, privileged capitalist groups.

It is not necessary to cite any further example in order to emphasise how far the capitalist countries are developing along a path directly contrary to the development of the Soviet Union.

In connection with the quotation just given from an article by a bourgeois publicist it is necessary to call attention to a characteristic feature.

One must recognise the perfect correctness of his conclusion that the handful of rich people of the ruling groups of the capitalist class, far from suffering loss as a result of the crisis are becoming even richer. That is a law of capitalism. The masses suffer under the crisis. The crisis brings unemployment and misery to the toiling rural population, but at the same time the crisis results in a still greater accumulation of riches in the hands of a handful of capitalists, who assure for themselves in the crisis an increase in their profits.

The case was the same in the war. For the broad masses of the workers and peasants the war meant incredible poverty and misery. But not so for the capitalists, especially for those who made profits out of the enormous war contracts and participated in the very lucrative business of providing food and equipment for the army. It is particularly necessary to point this out at the present time when the capitalist States are making increasing preparations for a fresh imperialist war and an armed attack on the Soviet Union.

The comrades who spoke in the discussion laid emphasis on their agreement with the foreign policy of the Soviet Union and with its fight for peace. To those comrades who considered our foreign policy to be even somewhat too peaceful I must reply that the Soviet Government considers it necessary also in the future to

conduct a consistent struggle for peace, to consolidate the peaceful conditions for the development of the Soviet Union.

Our main task is to realise the Five-Year Plan and to secure further successes of Socialist construction. This determines the inner policy of the Soviet Union and at the same time its foreign policy. Our slogan remains, struggle for the consolidation of general peace, struggle for the consolidation of peaceful relations with the other States.

It is quite clear to us that if our enemies in the imperialist countries had a Five-Year Plan, the meaning of this Five-Year Plan would be quite contrary to ours. The main presumption for our Five-Year Plan and of the whole of Socialist construction is peace, the consolidation of peaceful relations with the other States. The policy of the imperialist circles hostile to the Soviet Union pursue a directly contrary aim.

I have already mentioned in my report that even Rumania of the bourgeoisie and landowners has worked out a Five-Year Plan, a Five-Year Plan for selling its railways and mineral resources to foreign capital in the form of large and unlimited concessions. Even in France the question of a Five-Year Plan was discussed and proposals drawn up, and in England even **Winston Churchill** recently spoke of a "Five-Year Plan" for industry. The Five-Year Plan has become the fashion. But this talk about the Five-Year Plan in the capitalist countries cannot be taken seriously. If in France and England a Five-Year Plan was really being worked out, the aggressive imperialist circles would include in their Five-Year Plan the kindling of new imperialist wars and an attack upon our Union. But nothing is openly written about all this . . .

It is easy to prove that such an estimate of the policy of the imperialist Powers is fully and entirely justified. It suffices to mention the revelations, now known to the whole world, in connection with the trial in Moscow of the "Industrial Party" (**Ramin, Laritchev and Company**) and of the Menshevik organisation (**Groman, Sukhanov, etc.**). Nobody can now deny that these trials have proved that intervention against the Soviet Union was prepared for the year 1930, and in any case not later than the year 1931. For the anti-Soviet imperialist circles of France, armed attack on the Soviet Union forms not a part of their "Five-Year Plan" but of their "Two-Year Plan." We know also that this "Two-Year Plan" fell through. For the time being the plans of our enemies abroad have failed. But these facts cause us to call attention to the most important task of the moment, namely, that **we must be on our guard**. We must reply to the preparation for intervention against the Soviet Union with an all-round consolidation of the basis of our economy and defence. (Applause.)

Our struggle for peace is inseparably connected with the consolidation of economic relations with the other States. Despite

many attempts to disturb the development of our economic relations with other States, we have certain successes to record in this respect.

I am in a position to inform the Soviet Congress that between us and the German industrialists who have visited Russia, important agreements for both sides have been concluded regarding increasing the orders placed with Germany for the equipment of our factories. We have at the same time obtained a certain improvement in the credit conditions of our orders. We hope that the agreement will serve to consolidate our relations with Germany and lead to a further development of our economic connections.

I must come back to two speeches on our foreign policy delivered here during the discussion.

Comrade Borodavkin from the Far East mentioned the danger threatening our friendly relations with Japan in the shape of the recent anti-Soviet actions of certain avaricious groups of Japanese undertakings. I must mention in this connection that the Soviet Government is attentively following the attitude of these groups which are connected with the large Japanese fishery undertakings, and that the Soviet power still hopes to remove the obstacles to a settlement of the disputed questions and have already made proposals to Japan. I must, however, in the name of the Soviet Government, assure the Congress that the attempts of certain circles to violate the Soviet-Japanese Fishery Convention is encountering, and will encounter, our determined resistance. We consider it our duty to compel those who work within the territory of our State, strictly to observe the Soviet laws. (Applause.)

A further remark I wish to make regarding numerous speeches in the discussion relating to the calumnious campaign being conducted abroad regarding "compulsory labour" in the Soviet Union. In particular Comrade Bergavinov from the Northern district spoke at length on this point.

I must say the anti-Soviet campaign regarding "compulsory labour" on the part of the Soviet Government must call forth the most determined protest. We cannot, however, be satisfied with protest in words. We by no means consider our country to be helpless. We must adopt practical measures against such anti-Soviet campaigns. With regard to countries which, instead of contributing to the development of economic relations with the Soviet Union, hamper Soviet exports, using as a pretext some lying story regarding "forced labour," we shall have to adopt practical measures and cease our imports from these countries.

Finally, I must mention a document recently received by the Commissariat for Foreign Affairs.

During the trial of the Mensheviks, the Council of the People's Commissars received a declaration from **Vandervelde**, the representative of the so-called Labour and Socialist International. This document, dated 22nd February, states:

"The Executive of the International is in constant relation with the Russian Social Democratic Party, whose activity it follows with vigilance. It knows that in the struggle which it is carrying on against the Bolshevik dictatorship the Russian Social Democratic Party is resolutely hostile to any counter-revolutionary intervention in the U.S.S.R., that it is definitely opposed to any attempt at organising revolts with a view to a violent overthrow of the Soviet régime, and that there is no informed person who could in good faith deny that it has always acted in the most decided manner within the Labour and Socialist International in the sense of this opinion."

Proceeding from this standpoint, Vandervelde, in the name of the Executive of the Second International, raised a protest against the trial of the interventionist Mensheviks. Vandervelde's letter closes with the following words:

"I have been instructed by the Executive of the Labour and Socialist International to protest most energetically against such brutality and to state that Bolshevism, by acting in such a manner, only increases the great split within the international working class, whilst the vital interests of this class demand that in all countries it comes forward in a united front against the reactionary forces threatening it."

From this declaration it is to be seen that Vandervelde and his Executive were endeavouring with all their power to save the interventionist Mensheviks, who had confessed their crimes, from being tried by the open proletarian court. Of course, no honest worker, not a single real supporter of the interests of the working class could approve such a proposal. Now, when the trial of the Mensheviks has already taken place and the verdict and sentence of the Supreme Court has been published, it is no longer necessary to point out that the Council of the People's Commissars cannot pass over this rather strange "protest" by Vandervelde.

Even now it is not at all superfluous to deal with this document.

It is impossible to pass over Vandervelde's declaration on the "united front," the more so as our view of the united front differs fundamentally from that of Vandervelde and of the Second International.

As a result of the trial of the "All-Union Bureau" of the Mensheviks it became clear that the Menshevik organisation carried on sabotage activity in our industry, was engaged in wrecking the supplies to the workers, in organising famine in the towns and directly preparing for an armed intervention by the imperialists against the Soviet Union. The accused themselves admitted this before the Court and fully and completely confirmed it in the course of the trial. The accused have themselves admitted that they committed the most shameful acts, that they took part in an organisation which received money not only from German



Social Democracy, but also from the Trade and Industrial Committee (Torgprom) in Paris, and together with other counter-revolutionary organisations prepared for an armed intervention against the Soviet Union. The Court proved this all beyond a doubt. The accused unreservedly admitted it.

It is obvious that the declaration in Vandervelde's letter that the Executive of the Second International "is in constant relation with the Russian Social Democratic Party and follows its activity with vigilance" must be understood to mean that the Executive of the Second International was not unaware of the interventionist activity of the Mensheviks. We must further draw the conclusion that the authors, headed by Vandervelde, of the letter addressed to the Council of People's Commissars not only followed the activity of the interventionist Mensheviks, but also supported it. **Emile Vandervelde has on his own initiative confirmed this in the name of the Executive of the Second International.**

After all this, what is one to think of the declaration of Vandervelde regarding the "united front?" To what "united front" is the chairman of the Second International actually referring in his letter to the Council of People's Commissars? For what united front is he calling?

The facts I have cited show that the united front Vandervelde has in mind is the united front with the interventionist Mensheviks who are helping the foreign imperialists in the preparation for an armed attack on the Soviet Union. That is the "united front" of the aiders of the imperialist bourgeoisie against the Soviet Union. That is the "united front" of the interventionist Mensheviks and of the Socialists of the Second International against the first proletarian Republic, against the Soviet Union.

Is it, perchance, still necessary to say that we have nothing in common with such a "united front," that in fact **this** "united front" is directed against us, against the workers and peasants of the Soviet Union? We are for another, for the **real united front of the workers**. Our united front is built on another foundation, on the foundation of the alliance of the workers of the Soviet Republics with the workers of the whole world against intervention. That is our united front. (Applause.) Let Vandervelde and the other leaders of the Second International carry on their game, let them cloak their alliance with the interventionist Mensheviks with phrases regarding the united front of the working class. The facts expose the anti-proletarian, counter-revolutionary work of the Mensheviks in the Soviet Union and their "Socialist" allies outside the frontiers of the Soviet Union. All this leads to the complete destruction of the confidence of the workers in the Mensheviks and in the Second International as a whole. As a result, the workers will finally turn away from the leaders of international Menshevism and their Second International.

On the other hand, our forces and the brotherly support of the workers outside of the frontiers of the Soviet Union are growing and becoming stronger. We are convinced that the greatest obstacle to each and every intervention, no matter from what side they seek to commence their attack on the Soviet Union, will be the united front of the workers of our country with the whole of the international proletariat. (Applause.)

We are conducting a consistent policy of peace. We shall not only not give up our struggle for peace, but shall continue it all round. Our fight for the Five-Year Plan is inseparably bound up with the struggle for peace.

The facts prove the correctness of the Leninist policy of the Soviet Power. The correctness of the Bolshevist line finds its confirmation in the great achievements of the Soviet Power, in the successful carrying through of the Five-Year Plan. The Bolshevist line is victorious.

We must, however, think not only of to-day but also of tomorrow. Therefore, we declare: If under peaceful conditions of Socialist construction we are proving in practice the correctness of the Bolshevist line, also in the moment of our conflicts, when the imperialists attempt to break the peace and to prevent our Socialist construction by an armed attack upon the Soviet Union, we shall know how to prove the correctness of the Bolshevist line and our **Bolshevist force**. (Loud and prolonged applause.)



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