

**TWELFTH PLENUM OF THE E. C. C. I.**

THE  
**U. S. S. R.**  
AND THE  
**WORLD**  
**PROLETARIAT**

**REPORT BY D. Z. MANUILSKY**

## "TWELFTH PLENUM" SERIES

---

*Other pamphlets in this series containing indispensable material for the study of the Twelfth Plenum of the E.C.C.I.*

---

- Capitalist Stabilization Has Ended—*Thesis and Resolutions* ..... 10c
- The International Situation and the Tasks of the Sections of the Communist International—*Report by O. Kuusinen* ..... 10c
- Tasks of the Communist in the Struggle Against Imperialist War and Military Intervention in Connection with the Outbreak of War in the Far East—*Report by Okano, Japan* ..... 10c
- The Communist Parties of France and Germany and the Tasks of the Communists in the Trade Unions—*Report by O. Piatnitsky* ..... 10c
- The Next Steps in Great Britain, America and Ireland—*Speeches by Gusev, Pollitt, Troy and an American Comrade* ..... 10c
- Guide to the Twelfth Plenum—*Handbook for Propagandists* ..... 10c
- 

Order From

**WORKERS LIBRARY PUBLISHERS**

P. O. Box 148, Sta., D.

New York City

# The U.S.S.R. and the World Proletariat

Report at the XII Plenum of Executive  
Committee of the Communist International,  
September 14, 1932.

---

## CONTENTS.

THE MAIN FACTS OF WORLD HISTORICAL IMPORT- ANCE ... ..	3
SOCIALIST CONSTRUCTION AND CAPITALIST ENCIRCLEMENT ... ..	15
SOCIALIST INDUSTRIALISATION AND THE PROLE- TARIAN MASSES ABROAD ... ..	19
SOCIALIST CONSTRUCTION AND DIFFICULTIES OF GROWTH ... ..	25
THE MAIN TASKS OF CURRENT POLICY ... ..	33
THE PATH OF THE U.S.S.R. IS THE PATH OF REVOLUTION AND VICTORY ... ..	45

---

WORKERS' LIBRARY PUBLISHERS  
P.O. Box 148, Sta. D., New York City

# The U.S.S.R. and the World Proletariat

Report at the 20th Plenum of Executive  
Committee of the Communist International  
the autumn of 1922

## CONTENTS

THE MAIN PART OF THE REPORT

## The U.S.S.R. and the World Proletariat

### THE MAIN FACTS OF WORLD HISTORICAL IMPORTANCE.

As we know, our epoch of war and proletarian revolutions is characterised by the fact that the struggle between the two systems—the dying world of capitalism and the rising world of socialism—is becoming the key point of world politics and world economy. In the light of this struggle the political parties, their programmes, their methods of leading the masses, their words and their deeds are tested. Political doctrines pass from the sphere of demagogic promises into actual practice, which the masses perceive by their concrete experience. It is precisely the present universal crisis in the world of capitalism and the successes of Socialist construction in the first land of proletarian dictatorship which open up for the proletarian masses a wide field for observation, reflection, the weighing of facts and for making political deductions. The masses are now passing through a great political school, but they are passing through it by peculiar paths, corresponding to their “national” conditions. One of the tasks of this Plenum is to assist the toiling masses of all capitalist countries to give form to the doubt which is rising in their minds about traditional “common sense,” to compel them to ponder all the historical events of the post-war epoch.

This period has been inexhaustibly rich in experience, comrades. There is not only the experience of the proletarian revolution in Russia in 1917, but also the experience of revolution in Austria and Germany, the experience of so-called “democratic socialism” in all its varieties—political democracy, industrial democracy, constructive socialism; the experience of coalition and the experience of labour governments without coalitions, the experience of the so-called winning of the majority by legal, parliamentary methods, and the experience of dicta-

torship. Whatever country you look at provides a great lesson for the world proletariat.

Take for example U.S.A., the most classical land of the dictatorship of the bourgeoisie in the form of bourgeois democracy, where the bourgeoisie govern without even requiring the services of their scabby social-democracy. The bourgeoisie of the U.S.A. prided themselves on the fact that the U.S.A. was the incarnation of reason, justice and the eternity of the capitalist system, that all their experience refuted the socialist ravings of the European fantasts, that the U.S.A. had no social problem, that it was not only the land of the highest profits, but also of the highest wages, that in the U.S.A. every European emigrant, like Napoleon's soldiers, had a millionaire's baton in his knapsack, that there was not, is not and will never be a class struggle in the U.S.A., that the U.S.A. had eternal prosperity. Who, even among the most shameless apologists of capitalism, would dare to repeat these assertions, which have been refuted by the whole course of events of the world crisis, in the United States today, in this land where the working class in actual fact is absolutely deprived of rights?

Or take Great Britain, this living example of the bankruptcy of the idea of the prosperity of a country pursuing an imperialist, predatory policy. Precisely at this time, when the bourgeoisie of all capitalist countries, and Japan especially, are calling for a way out of the crisis by means of war, by seizing new territories, by enslaving new peoples, the experience of Great Britain shouts to the toiling masses of all countries against this panacea with which the ruling classes still fool the masses. Great Britain has carried on war, it has seized and plundered hundreds of millions of foreign peoples, has subjected whole continents, but this has not saved her from decay, which commenced long before the present world crisis. But the experience of Great Britain is also the experience of two labour (sic!) governments, the governments of Mr. MacDonald, who, unlike us Soviet Bolsheviks, the advocates of proletarian dictatorship, put into

practice his "programme of constructive socialism." We will say nothing about the first Labour Government; it is sufficient to recall the work of Mr. MacDonald's last Labour Government to realise what this programme means: an attack along the whole front on the wages of the British working class, the reduction of the unemployment dole, the crushing of strikes, air bombardments and gallows in India, and the open desertion of the most prominent leaders of the so-called Labour Party to the camp of the Conservatives.

And do we not get an instructive lesson from the post-war politics of the biggest Party in the Second International, the German Social-Democratic Party? The German Social-Democrats rose to power on the revolutionary wave of 1918. For years they had fooled the workers with promises to bring about socialism by democratic methods. They demanded the greatest sacrifices from the masses for the sake of the triumph of the "democratic" method. In practice their whole policy was food and drink for fascism. For years they had been paving the way for it piecemeal by their policy of the "lesser evil" until they finally surrendered all power to it without the slightest attempt at resistance. French social-democracy regarded the Versailles system as the "natural right" of French imperialism to exploit Germany, the whole of Central and Eastern Europe and their colonies, a guarantee of a privileged position for the upper circles of the French labour aristocracy. As a matter of fact, we see the complete bankruptcy of the Versailles system, and of the Dawes and Young plans, and the collapse of the legend about the impossibility of an economic crisis in France.

Let us next take fascism, the spread of which in the capitalist states indicates that there are large masses who still believe in the possibility of finding a way out of the present crisis along capitalist lines. But has not fascism, which has celebrated its tenth anniversary in Italy, brought in its trail, in addition

to bloody persecution, unprecedented destitution for the masses? Has not unbridled reaction in Yugo-Slavia, Bulgaria and Hungary, in Spain prior to the overthrow of Primo de Rivera's military dictatorship, shown the millions of workers and peasants of Europe what fascism brings them when it is victorious? Finally, no unimportant lesson is to be drawn from Spain with regard to the anarchist and the anarcho-syndicalist leadership of the working class in the Revolution. In words the anarchists in that country appeared as enemies of the bourgeois State, but both in words and in deeds they were the enemies of the revolutionary methods of the proletarian dictatorship. And this is why their leadership led the heroic working class of Spain from defeat to defeat—they disarmed the workers both politically and organizationally and put them at the mercy of the Spanish counter-revolution. Such are only a few of the facts of the development of a few of the capitalist countries.

In the main, these facts can be summed up as being: an extended attack upon the working class, fascism, war. And on the background of these facts the main achievements in the development of the land of proletarian dictatorship during the past few years. Facts which to a vast extent foster the growing revolutionary upsurge of the working class stand out in most striking relief. To-day the delegation of the C.P.S.U. in the Comintern desires to present these facts to the XIIth Plenum of the E.C.C.I.

In this lies the sense and significance of the report on the achievements of the first Five-Year Plan and the perspectives of the second Five-Year Plan. Despite the fact that the fourth and final year has not yet ended, we are able to state with conviction to-day that in the main the toiling masses of the U.S.S.R., under the leadership of the C.P.S.U., will fulfil the Five-Year Plan in four years, that only the successful fulfillment of the first Five-Year Plan enables the C.P.S.U. to map

out for the second Five-Year Plan such truly stupendous tasks as THE COMPLETE RECONSTRUCTION OF THE WHOLE OF NATIONAL ECONOMY, RAISING THE STANDARDS OF THE TOILERS THREE-FOLD AND THE CONSTRUCTION OF CLASSLESS, SOCIALIST SOCIETY. It is no easy task to build a classless society, a society in which all will be engaged in socialist labour; to do this in conditions of savage capitalist encirclement! It is no easy task to build this society in the historical period when millions in the capitalist world, as the result of the crisis, are being squeezed out of the process of production, are being declassed, doomed to destitution, to starvation, and extermination, when the class gulf in the camp of capitalism is becoming wider and deeper, when the social contrasts are growing ever sharper.

All our tremendous achievements in the economic and social and political fields may be summed up as follows:—

As the result of fulfilling in the main the first Five-Year Plan, a powerful industrial basis for socialism has been laid in the U.S.S.R. Not only have we ceased to be an agrarian country, we have ceased to be a land of small industry, which is a characteristic feature of all the backward colonial and semi-colonial countries. The share that large industry contributes to the national income has increased during the last four years from 27 per cent. to 35 per cent. We have now our own engineering industry, the output of which in 1931 amounted to almost 5 billion rubles. The output of iron and steel has almost doubled compared with pre-war output. We have created a second metallurgical base in the East (Urals-Kuzbas). We have re-equipped all our industries on the most up-to-date technical basis. Moreover, 75 per cent. of the equipment of our industries has been renewed during the period of the first Five-Year Plan. We have set up a number of new branches of industry which never before existed in this country. We are be-

coming a land of tractors, a land of automobile transport, a land of chemistry, a land that can build blooming mills, powerful turbine-generators, diesels, oil cracking plants, etc. We are changing the energetics base of our national economy, and we are uniting this base both for industry and agriculture.

Secondly, having become a land of heavy industry and heavy engineering, putting into operation the first blast furnaces at Magnitogorsk and Stalinsk, such enormous enterprises as the Sverdlovsk Engineering Works, our gigantic automobile and tractor plants at Nizhni-Novgorod, Stalingrad, Kharkov, and the A.M.O. works in Moscow, the ball-bearing plant, having built the Dniepr Dam and having laid the basis for providing our industries with raw materials (cotton in Central Asia, Azerbaidjan and Ukraine, synthetic rubber, etc.), we as a result of the first Five-Year Plan have taken a decisive step towards attaining our economic independence. The Leninist Electrification Plan, known as GOELRO, the plan to which Lenin attached particular importance, was fulfilled and surpassed as early as 1931.

Thirdly, by carrying out the first Five-Year Plan, we have solved the problem of the reconstruction of the basic funds of our industry, and yet the whole capitalist world prophesied that we should break down in solving this task, that we can only live as a spendthrift inheritor, at the expense of the resources left us by the old order.

Fourthly, as regards agriculture, we have laid an unshakable foundation for the mechanization of agriculture. By 1934-35 the existing productive possibilities guarantee the completion of the mechanization of agriculture, which is the technical-economic basis for consolidating the old and securing further successes in collectivization of agriculture in the U.S.S.R. We have created the largest scale agricultural industry in the world, and we are therefore able not only to mechanize as in America,

but also to apply chemistry to agriculture as in Germany. We have carried out the agrarian revolution, in the possibility of which, not only the capitalist world and its social-fascist hangers-on, but also the panic-mongers and opportunists in our own midst did not believe. Having organized more than 60 per cent. of the peasant farms in collective farms, having now whole regions completely collectivized, having put an end to the class differentiation in the countryside, we have abolished the age-long scourge of agrarian over-population, which in the past, under tsarism, created a vast army of unemployed, and enabled the capitalists to keep the standards of life of the working class in old Russia down to the verge of starvation and extinction.

But, comrades, our achievements are not merely confined simply to the growth of industry and agriculture. Among our achievements we must mention firstly, the raising of the material and cultural standard of the toiling masses. I am not speaking only of the fact that wages here are continually rising, that from 1928 to 1932 wages in all branches of national economy have risen on the average by 62 per cent. The general budget of our national economy increased from 11 billion rubles in 1928 to 26 billion rubles in 1932. I am speaking of the fact that we have no unemployment, that the number of factory and office workers from 1928 to 1932 has almost doubled, reaching a total of 21 millions, that the material and cultural requirements of the masses are constantly rising, that the outlay for social insurance, for cultural services, education, medical service, etc., has doubled during these four years, reaching an average of 200 rubles per worker in 1932. House building is developing in our industrial districts (from 1928 to 1931 we provided houses for 3 million workers, and in 1932 alone a further 3 million workers will be provided with house accommodation). New industrial centres are being built, public dining rooms are being developed and already provide for 35 per cent. of

the population. Opportunities have been created for every worker to improve his qualifications, the doors of our universities are wide open for the children of workers and peasants. There is a great increase in the number of clubs, reading rooms, parks of culture and rest. Feverish work is going on for the improvement of working class districts and suburbs where the working class population predominate. Sanitary conditions are continually improving, rest homes and workers' sanatoria are increasing in numbers.

Secondly, there is the development of the broadest proletarian democracy which is the very spirit of the regime of the proletarian dictatorship. Through the soviets, through the trade unions and the factory committees, millions of our toiling population have been drawn into the administration of the country, of industry and of agriculture.

Thirdly, we have consolidated our achievements in the sphere of national policy, in the matter of establishing equality and the brotherhood of the nations inhabiting the U.S.S.R., by fully carrying out the policy of the Soviet Government to provide a material and economic basis for the socialist industrialization of the remote regions of the country and provide such a planned distribution of the development of productive forces that will enable the nation that has been most backward in the past to overtake economically and culturally the foremost industrial districts in the country in the shortest possible time.

Further, as a result of the first Five-Year Plan, enormous social and political changes have taken place in the country, which have enormously strengthened the proletarian dictatorship in the U.S.S.R. and which are laying a granite social class foundation for the edifice of socialism which is being built. During the past Five-Year Plan (carried out in four years), we have continued the work started by the October Revolution. We have liquidated the kulaks as a class, and in the districts of complete

collectivization we have caused the middle peasants (now collective farmers) to take an irrevocable stand on the side of socialism, and become a firm bulwark of the Soviet state. We have enlarged the proletarian base of the Soviet state by drawing millions of new proletarians into industry, especially in the formerly backward regions.

All these achievements have enabled us to solve irrevocably the question of "who will conquer" in the internal arena in favour of socialism. Having entered upon the period of socialism, having completed the foundation of socialist economy, and having firmly entrenched ourselves on the socialist path, we are able by the living experience of our great work to prove to the millions of toilers in the capitalist countries the advantages of the socialist system of economy compared with the capitalist system.

The significance of the fulfilment of the first Five-Year Plan, comrades, lies in that we have provided a powerful material base for the world proletarian revolution, that the relative strength of even the smallest of our Communist parties increases tremendously as a result of the victory of the proletariat in the U.S.S.R., that the proletariat in capitalist countries, relying on this firm rock, will be able more easily to defeat their bourgeoisie, to overthrow capitalism and establish the dictatorship of the proletariat as the condition for winning socialism.

Finally, we have achieved these decisive successes of world historical importance in the course of a tireless struggle within the Communist Party against the Right deviation as the chief danger and against the "Left" deviation, which fosters it, on the basis of carrying out the correct general line of the Party.

The role of our Party and its Leninist Central Committee in attaining all these successes has been tremendous. Our Party, led by the Leninist Central Committee, was the initiator of the first Five-

Year Plan, the inspirer of the high socialist tempo and rejected the proposal of the right wingers for a "two-year plan," ruthlessly crushed the theory advanced by the opportunist disbelievers about the "declining curve."\* The Party and its Leninist Central Committee roused millions of toilers to action, for the struggle to fulfil the Five-Year Plan, acted everywhere as agitators, propagandists and organisers for the fulfilment of the Five-Year Plan. In the struggle for the Five-Year Plan our Party and its Leninist Central Committee still further extended and strengthened its deep-rooted connections with the broad masses of toilers, who, on their own initiative, and under the leadership of the Party, put forward, and in the main have carried out, the slogan of "The Five-Year Plan in Four Years." Historical truth obliges us to mention here the role of the man under whose firm and tried leadership the Party and its Central Committee marched through the difficult mountain pass after the death of Comrade Lenin. (Loud applause.) It is all the more necessary to mention this for the reason that soon we will celebrate the Fifteenth Anniversary of the October Revolution, and a little later the Tenth Anniversary of the death of Comrade Lenin, which was a severe and irreplaceable loss for us, for the working class of our country, and for the proletariat and toilers of the whole world.

Comrade Stalin, the true comrade-in-arms and best disciple of Comrade Lenin, led the Party, the working class, and the entire country over all the dangers that we encountered during the past decade, to surmount all the difficulties which stood in our way. (Loud applause.) Never yet has our Party been so firmly consolidated and united as it is now under the leadership of Comrade Stalin. The entire work of strengthening the internal and international position of the U.S.S.R., the whole of the stupendous work of socialist construction carried

---

\* *i.e.*, the theory that the rate of increase of production in the U.S.S.R. would diminish.

out during the past ten years in the conditions of capitalist encirclement which demanded the greatest Leninist firmness and flexibility, combined with steel-like determination, bears the direct impress of the mind, the will and the actions of Stalin.

Marx and Engels gave to the international proletariat the theory of scientific socialism—Marxism, and on the basis of an analysis of the laws of capitalist development and of the development of the class struggle, revealed the historic mission of the working class as the grave-digger of capitalism and the inevitability of the dictatorship of the proletariat by means of which the working class, after breaking the resistance of the exploiters, and leading the oppressed masses of the whole people, will organise planned socialist industry and prepare the ground for classless socialist society.

Lenin further developed the teachings of Marx and Engels for the epoch of imperialism and proletarian revolutions, analysed the problems of monopolist capitalism, the proletarian dictatorship, the hegemony of the proletariat in the revolution, the role of the national-colonial revolutions, the Party and the problem of the successful construction of socialism in the period of the proletarian dictatorship, and gave to the world proletariat the experience of the first proletarian revolution and the first proletarian dictatorship in the world, leading them through the most dangerous and difficult years of ruin caused by the imperialist and civil wars and of intervention, and at the same time laid firm foundations for the construction of socialism in the U.S.S.R. The great name of Lenin is linked with Leninism as Marxism of the epoch of imperialism and proletarian revolution.

The name of Stalin is linked in the minds of the toilers of our country and of the international proletariat with the entire phase of socialist construction and its triumph in the U.S.S.R. On the basis of the law of the uneven development of imperialism, he worked out and put into practice the Lenin-

ist teachings on the construction of socialism in a single country. In this Stalinist position, which has been studied by the whole of the Communist International, the task of preparing the international proletariat for a new round of wars and revolutions was actually realised. Under the leadership of Lenin, the C.P.S.U. defeated Menshevism, which stood in the path of the proletarian revolution in Russia; under the leadership of Stalin, in the period of socialist construction, a decisive blow was struck at the Menshevism of our epoch which sometimes appears in the form of counter-revolutionary Trotskyism and sometimes in the form of the Right opportunist deviation.

In the struggle against these deviations, Stalin not only successfully defended Marxism-Leninism from Trotskyist and Right opportunist distortions. In his reports, speeches and articles he developed the teachings of Marx and Lenin and adapted them to the first phase of Communism. (Socialism.) Stalin's articles, such as *Year of the Great Change*, his speeches as the one delivered at the Conference of Agrarian Marxists, or the one delivered at the Conference of Business Managers on the mastery of technique, Stalin's Six Points\*—are not only directives for our Party, not only historical landmarks of our achievements and victories, they are documents of tremendous theoretical importance for the whole of the Comintern, documents whose significance is not confined to our country, or to our times.

And, comrades, those who, because of our temporary difficulties fail to see these fundamental facts in the development of two opposite worlds, those who, impressed by these difficulties, are inclined to belittle the successes achieved in the U.S.S.R., in fact fraternize with the class enemy and are slipping to the other side of the barricade. For instance, can we forget that we have saved

---

\* See Stalin: *Task of the Workers. New Conditions, New Tasks.* Ed.

about 100 billion rubles since the end of the imperialist and civil wars and have invested this sum in the restoration and reconstruction of our national economy (in 1932 alone we are investing over 20 billion roubles in the socialized sector)? Can we leave out of account the fact that owing to collectivization we succeeded in 1930 and 1931 in extending the sown area of our fields by 17 million hectares, i.e., that in one or two years we travelled a road which took the U.S.A. 15 years and Canada 20 years to travel? Is not the fact that in spite of a big crop failure last year, we succeeded this year in reaching last year's sown area, although we did not quite fulfil the plan for this year, proof of the strength of our socialist organization of economy? Or the fact that we collected about  $1\frac{1}{2}$  billion poods of grain last year? How remote this is from those 285 million poods of which Comrade Lenin so triumphantly informed the Third Congress of the Comintern!

#### SOCIALIST CONSTRUCTION AND CAPITALIST ENCIRCLEMENT.

The significance of these successes is all the greater because they were achieved by the C.P.S.U. after overcoming a number of difficulties which were inherent in internal and international conditions.

First of all, a most serious obstacle to the success of our socialist construction was the extremely low level of productive forces which the U.S.S.R. inherited from the old capitalist system. Whereas in highly-developed capitalist countries the obsolete private capitalist relations are the obstacle to the further development of productive forces, the position in our country was exactly the reverse. We had a low level of productive forces which all the time restricted the development of high socialist relations. As we know, the Mensheviks drew the conclusion from this contradiction that neither a proletarian revolution nor socialism was possible in the U.S.S.R. Lenin, in his notes on Sukhanov, brilliantly refuted this argument of international

social democracy, if it can be described as an argument, with the question: Why cannot a country, exhausted and ruined by three years of imperialist war, just overthrow the power of the landlords and capitalists and then, on new, free and clear ground, set out to overtake economically, the foremost capitalist countries?

Comrades, we need only think a moment to realize what would have happened to our country at the present time of the world crisis if, in 1917, it had followed the line of the Mensheviks and had not overthrown capitalism. It would have become a colony of world capitalism like India or China. Its fragile economic organism would have fallen to pieces under the blows of the world crisis. It would have been the first European country to compensate at the expense of its own ruin world capital for the losses it is suffering by the present crisis and the toilers of India, China, Indo-China, and the other colonies of world imperialism should seriously think of the example of Russia, which, through the proletarian revolution, has taken the path towards socialist industrialization.

But this contradiction between socialist relations and the low level of our productive forces was the chief source of our difficulties. The liquidation of this contradiction was the main task of the first Five-Year Plan. The breaches that occur from time to time in the fulfilment of the industrial and financial plan, the inadequate increase in the efficiency of labour, due to the fluctuation of labour power in the factories, sometimes to inability to handle complicated machines, poor labour discipline, tendencies towards wage hogging, the low quality of our products, inadequate reduction of scrapped work, our organizational difficulties in the State farms, and especially in the collective farms, accompanied by individualist relapses (e.g., the reduction of the number of cattle during the first period of the organizational construction of collective farms, careless and in-

efficient cultivation of the fields leading to a drop in the yield, a slight non-fulfilment of the sowing plan this year), all this in the long run is due to the main contradiction, which we are eliminating in the process of socialist industry. All this is the dark heritage of the past, cultivated by the centuries of the capitalist and feudal systems of old tsarist Russia, and is being broken down by the proletarian dictatorship with the firm hand of the revolutionary transformer.

The routine, inertness, Asiatic quietism, the "terrible force of habit of millions" established by centuries, has been fearlessly broken down by the proletarian power in the U.S.S.R. Without having had any important "industrial culture" in the past, it has opened up the tundras, deserts and steppes, has conquered new industries such as the chemical industry (producing nitrates, potassium, super-phosphates), non-ferrous metal industry (copper, nickel, tin, aluminium), tractor and automobile building, engineering (blooming mills, oil cracking mills, complicated machines and tools, heavy engineering).

I cannot refrain at this juncture from recalling the shameful part international social-democracy has played and the struggle it has waged against socialist industrialization. It has continuously defended the capitalist-feudal heritage of the past in all its forms as against the socialist industrialization carried out by the C.P.S.U. It vilified industrialization, it qualified the technical revolution in agriculture as mere bluff, it prophesied the collapse of collectivization, it depicted the Machine and Tractor Stations, these strongholds of socialist reconstruction of the countryside, as Arakcheyev settlements.\* It defended kulak wage-hogging as against the new socialist attitude towards labour, socialist competition and the shock-brigade move-

---

\* Arakcheyev: a Minister under Alexander I who organised farm colonies of soldiers, in which strict military discipline was maintained.—Ed.

ment. It indiscriminately took under its protecting wing the liquidated kulak, the unemployed priest and traditional Russian backwardness. And in the same way as contemporary monopolist capitalism supports all the reactionary feudal institutions in the colonies (India, the countries of Latin America) in order to preserve the capitalist system as a whole, so contemporary social democracy, in order to save its position among the masses of workers in the capitalist countries who are becoming radicalized by the world crisis and also as a result of the achievements of socialist construction in the U.S.S.R., comes out in relation to the U.S.S.R. as the champion of capitalist-feudal obscurantism and social retrogression. This example alone illustrates the terribly strained conditions of capitalist encirclement in which our Party has carried out its first Five-Year Plan.

Frequently this irreconcilable struggle between two systems is forgotten, there are tendencies to consider the so-called "breathing space" as something more than the temporary equilibrium of forces of which Lenin spoke. Actually we never had a breathing space in the sense of a safe, calm situation for socialist construction.

Never in history has any country in the world had to build its economy in an atmosphere so highly charged with the class hatred of the bourgeoisie, with continual plots, intrigues, "legal" and illegal wrecking activities, systematically alternating with hostile campaigns, as the U.S.S.R. has had to do. We have not plundered other peoples as Great Britain has done, we have not waged wars as Germany and France have done, we have levied no contributions on anyone, we have received no long term loans for the purpose of developing our economy. We have built up our economy for the toilers, but only with the efforts and resources of the toilers of our union. If we have traded with the capitalist world during these years the capitalist world has received much profit from this trade. If we have

received technical aid we paid for the "instruction" a hundred-fold. If we have received equipment from abroad we paid cash for it; we have had no moratorium on credits, as Germany has had. And, moreover, never for a moment has the threat of war ceased to hang over the toilers of our union.

Finally, when characterizing the conditions under which the Five-Year Plan was carried out in four years, we must not forget the fact that the two last and decisive years of the Five-Year Plan (the third and the fourth) coincided with the time when the world crisis was at its height. Of course, our economy does not suffer from crises, and this is one of the chief features that distinguishes it from capitalist economy. But on one section of our front, in the sphere of foreign trade, we came in contact with the capitalist world which is deeply infected with crisis. Our country exported grain, lumber, flax, and raw materials, and was inevitably affected by the catastrophic fall of world prices for agricultural raw materials. At the same time, we paid trustified industry prices for machinery and equipment imported from abroad (and don't forget that our machinery imports in 1931 comprised 24 per cent. of the world imports of machinery), and these prices did not fluctuate to the same extent as the prices of other goods. Therefore, we were the losers in the foreign trade turnover. And while taking advantage of this situation, the capitalist world still had the effrontery to accuse the U.S.S.R. of dumping.

#### SOCIALIST INDUSTRIALISATION AND THE PROLETARIAN MASSES ABROAD.

And if, despite all these unfavourable circumstances, the C.P.S.U. has successfully attained the object it set itself, it is only because the realization of the Five-Year Plan in four years was the cause not only of the few million members of our Party, but was the cause of the vast masses of the toilers of our country. The strength of our Five-Year Plan lies in that it was detailed, corrected, augmented

and, what is most important, carried out by the broad masses, who put forward counter-plans, broadly developed the shock work movement and socialist competition; it lies in the fact that the Five-Year Plan became the socialist school for the masses, an instrument for stimulating the greatest self-activity and initiative of the masses.

And if, to-day, at a time when capitalism is affected by the greatest crisis it has ever experienced in its history, in recording the successes of the Communist Parties we are compelled to admit that the overwhelming majority of the workers have not yet turned towards Communism, that they still waver in some countries between social-democracy and fascism, it shows that the experience of the C.P.S.U. and the U.S.S.R. has not yet brought about a complete revolution in the minds of these millions. For us members of the C.P.S.U. it means that we must fight still more strenuously, still more determinedly for success, in order to consolidate, to organise the proletarian masses around the Communist International. And if *the first Five-Year Plan played a tremendous part in turning the workers in the capitalist countries towards Communism, the role of the second Five-Year Plan must become, and will be, decisive.*

What elements of our great experience in socialist construction are generally recognised by these broad proletarian masses—mark you, not the Communist vanguard—but precisely those masses who are only just looking around, cautiously feeling their way and slowly drawing nearer to Communism? This question is of great practical importance for the sections of the Comintern. The correct reply to this will enable the Communists in the capitalist countries to organise agitation around the U.S.S.R. properly.

Undoubtedly, in addition to the chief gain of the October Revolution, the overthrow of the power of the capitalists and the establishment of the power of the workers, a gain that has particularly im-

pressed the minds of the broad toiling masses of all countries we must ascribe first place to our successful *socialist industrialization*.

Social-democracy cannot dissuade the working class from recognising this. It is difficult to hide from the working class of the world, to lie about and gloss over facts like these; only three or four years ago the U.S.S.R. occupied fourth and fifth place in the world's output of iron and steel, and now comes forward to second place, immediately after the U.S.A.; that the U.S.S.R. fulfilled the Five-Year Plan for oil in  $2\frac{1}{2}$  years; that the Five-Year Plan for machine construction was already surpassed in 1931; that by creating gigantic tractor works the U.S.S.R. has insured for herself at the end of the second Five-Year Plan traction power amounting to 15 million h.p. for agriculture; that by the end of the first Five-Year Plan the U.S.S.R. will have increased the capacity of her electric stations to  $5\frac{1}{2}$  million kilowatts, with an output of electric power equal to 17 billion units, i.e., eight and nine times more than was consumed by pre-revolutionary Russia. These facts speak for themselves better than hundreds of books and speeches.

Even if the U.S.S.R. has not fulfilled the programme that was drawn up for the chemical industry, despite the starting of such enterprises as Berezniky, the workers in the capitalist countries know that the Soviet working class has to build its chemical industry on empty wastes, that it has neither cadres nor experience, nor its own chemical equipment, that the strict secrecy of chemical processes maintained by the capitalist states compels the U.S.S.R. to find ways of its own to give the country a chemical industry.

Do you remember, comrades, the sensation that was created throughout the whole of the capitalist world by the publication of the main outlines for the second Five-Year Plan, adopted by our Seventeenth Party Conference? That plan provides for 22 million tons of pig iron, 250 million tons of coal, 80-90

million tons of oil, 65 million tons of peat—our peat industry is now working hard to mechanise its output; it provides for 100 billion units of electric energy, 30,000 kilometres of new railways; it provides for new canals, such as the Volga-Moscow Canal, work on which has already been started; increased productivity of labour by 120-140 per cent. reduced costs of production by 30-35 per cent.—in a word, it provides for a threefold increase in production compared with 1932.

And this is no fantastic plan. It has been verified by persons of experience and knowledge, and it is still being verified at numerous conferences, such as conferences on the distribution of productive forces, on electrification, transport, national education, etc.—and it will certainly be carried out. The new metallurgical works, now under construction, will alone, when working at full capacity, provide as much as 20 million tons of pig iron; already, despite the seasonal interruptions in the output of pig iron, the productive capacity of our furnaces amounts to 20,000 tons a day. The new mine construction which we have widely developed ensures for 1935 already up to 150 million tons of coal. By a decision of the Central Committee of our Party, and of the Council of People's Commissars, the foundations are being laid for three new powerful electric power stations on the Volga and the Kama, which are to cater for the old and new industrial districts of the Volga. Finally, at Kamyshina, we are laying the foundations for a huge dam and electric power station, the projected capacity of which will amount to one-half of the present total electric energy of the country, which is to serve as a source of power for the artificial irrigation for the whole of the Trans-Volga, which will convert this region, which is periodically stricken by drought, into a most important wheat basis for the U.S.S.R., with an annual output of 300-400 million poods of wheat. In order to realize the significance of these gigantic undertakings, equal to three Dniepros-

troys, one must realise what a terrible scourge drought in our country has been for the peasant masses. Every three or four years such districts as the Trans-Volga, Kazakstan, the steppe region of the Ukraine were periodically stricken with drought. According to approximate estimates, during 11 years (from 1921 to 1931), our country lost as a result of drought about  $2\frac{1}{4}$  million poods of grain, which, together with the losses in cattle, amount to a financial loss calculated at  $4\frac{1}{2}$  million rubles. The enormous investment of many millions of rubles for the development of agriculture in the Volga district alone is the best reply the Soviet Union can give to the "theories" advanced by the social-fascist scoundrels to the effect that "primitive accumulation" is taking place in the U.S.S.R. at the expense of agriculture.

But these are not our only investments in agriculture. For instance, in the second Five-Year Plan our agricultural machinery industry is to supply agriculture with machinery to the value of 9 to 10 billion rubles, i.e., a sum four times larger than the value of the machinery now in use in agriculture. Our tractors, which at the present time number about 150,000, by the end of the second Five-Year Plan will increase to 700,000 to 750,000. Our automobiles, which serve agriculture, will amount to 750,000. Finally, in place of the approximate 2,000 Machine Tractor Stations that we have to-day, we will have about  $5\frac{1}{2}$  to 6 thousand stations with an aggregate power equal to an average textile mill, and the value of the mechanical equipment of each of these stations will be 3,000,000 rubles. This programme, however, is not a song of the remote future, part of this programme is already being carried out. And these achievements in the socialist industrialization of the U.S.S.R. cannot but demonstrate to the broad masses in the capitalist countries the powerful impetus that the productive forces will receive when they are liberated from the chains of capitalism.

Socialist industrialization, however, does not strike the workers of the capitalist countries from the purely technical aspects; they judge it by the results it brings for the Soviet working class. The U.S.S.R. is the only country where there is no unemployment, the bony hand of which is now strangling millions of people throughout the entire capitalist world. Everyone in the U.S.S.R. can find work. Here, the right to labour is the same as the right to be born, the right to live, to choose a free companion in life, to go to the theatre, to enjoy the beauties of nature. In the U.S.S.R. all forms of social insurance are continually increasing. When going to bed or getting up, there is no need to think of that terrible "rainy day." Here labour is "a matter of honour, a matter of glory, a matter of valour, a matter of heroism." It is respected in the U.S.S.R. more than money or aristocratic birth is respected in the capitalist world. Every able-bodied member of a worker's family is engaged in production. Factory kitchens are springing up, because the workers' wives are becoming the fellow workers of their husbands in the factories. The old petty-bourgeois life is disappearing, and the new life of socialism is being created. Nowhere is so much thought given to children as in the U.S.S.R. Nowhere is there such a complete emancipation of personality as in this land of severe proletarian dictatorship, nowhere is there such a realization of human dignity, of workers' freedom, of rights as a citizen of the Republic of Labour, as in the U.S.S.R., which denies "freedom" to the bourgeoisie to exploit, plunder and strangle the economically enslaved.

The workers in capitalist countries, who in their countries experience the very opposite of this, cannot but feel moved at the majesty of this land of socialist construction. They cannot but be fired by the stupendous cultural revolution that is taking place in this former land of illiteracy, where in the third year of the Five-Year Plan, those able to read

and write already represented more than 81 per cent. of the population. Among the peasant women already 50 per cent. were literate. It is only in the U.S.S.R. that science, art, and culture are for the toilers. The entire land of the toilers, under the proletarian dictatorship, has grown in stature by several heads. The intellectual level of the masses has grown, they have advanced from their own midst tens of thousands of talented organisers for new socialist economy. In 1932 the total circulation of newspapers reached 40 millions, i.e., ten times as much as in tsarist Russia. In 1932 there were 80 millions receiving various forms of education, half the entire population. In Universities alone, in 1931, about 400,000 students were being educated, while in the technicums there were 860,000—and in all educational institutions the overwhelming majority of the students are sons and daughters of workers and collective farmers. Take the unprecedented growth of national culture, now that it is freed from oppression. Or the growth and development of genuine workers and collective farm democracy, realizing itself to be the master of the country. The Soviet Government is the cheapest government in the world for the masses! Do not all of these facts bring about a change in the sentiments of the broad masses of toilers in capitalist countries towards the U.S.S.R.?

#### SOCIALIST CONSTRUCTION AND THE DIFFICULTIES OF GROWTH.

But doubts begin to arise in the minds of the social-democratic workers in capitalist countries when they hear of the difficulties of socialist construction in the U.S.S.R. And this is where the despicable role of international social democracy is made plain. During the whole of the existence of the proletarian dictatorship in the U.S.S.R., the social democrats have fed like parasites in their counter-revolutionary agitation against the U.S.S.R. and on our difficulties. Deprive them of

our difficulties and they appear before the masses naked as lepers.

Like the tempting spirit of the Bible they whisper to the worker in the capitalist desert: "Dost thou believe in this Bolshevik socialism? Enough! Where is the equality of consumption?"

"But this is only the first phase of Communism (socialism)," says our class-conscious worker, "when bourgeois right has been liquidated only with regard to the means of production, but is still in operation with regard to the distribution of the products of labour."

"But the worker does not receive the full product of his labour in the U.S.S.R."

"Well, even in the final phase of socialism deductions will be made from the product of the labour of the worker to cover depreciation, for the further extension of production, for social insurance, etc.

"How can it be avoided then in the country which, thanks to your social democratic treachery, is building socialism alone for the time being, in the face of the furious resistance of your world, of the whole capitalist world."

"But in the U.S.S.R. there is not enough meat, fats, clothes, boots; there is a card system of rationing, there are reserved stores for the workers, the marauders of the private market continues to operate."

"Yes, there is a shortage of things," say the proletarians of the U.S.S.R., because socialism has increased the requirements of the toiling population of 150 million who in the past dragged out miserable and wretched lives, lived amidst filth and vermin, etc., ate grass in famine years, died from epidemics. Before the war we made 25 million pairs of boots a year and now we make 80 million, i.e., three times as many, and still there is not enough, because our peasants no longer want to wear bark shoes, because the nomad tribesmen of yesterday, the Kirghis, now works in a factory, and now justly

demands a house with electric light, a bath, soap, working garments, factory made boots. The standard of life of the formerly privileged classes and groups has fallen. The relics of the old bourgeoisie and their hangers-on, the intelligentsia, the government officials, the urban petty-bourgeoisie, the ex-traders, the owners of small workshops, etc., have a lower standard than they formerly enjoyed, but we have improved the standard of life of the main strata of the toilers of the 108 nationalities which inhabit the U.S.S.R., and which the old system tried to convert into human manure for the benefit of Russian imperialism.

“ There is a shortage of things because we have to economise on the light industry so as to build up heavy industry as the basis of our economic independence and as a material guarantee against military surprises. There is a shortage because the population in this country is increasing at a faster rate than in any country in the capitalist world. The birth rate is rising, and this is the first sign of an improvement in the material conditions of the masses. At present we cannot feed, clothe and shoe the whole of the toiling population in this enormous country, provide them with sanitoriums, rest homes, decent dining rooms to the extent we would like; we cannot yet do away with queues because we have not enough clothes, boots, fats, and meat. Hence, the class principle of distribution. Hence, the card system of rationing, the reserved stores for the workers of our chief industrial centres and the chief branches of industry—things which will be abolished by the second Five-Year Plan.

“ But if the capitalist system which you social-democrats support, introduced the ration system in order to help carry on the imperialist war, and you, despised reptiles, called it war socialism, has not the class which is waging a desperate class war against the whole of the capitalist world and against the ‘terrible habits of the millions,’ within

the country, the right to introduce temporary restrictions to help strengthen the cause of socialism and the cause of the world revolution?

“ You complain that here and there in the crevices of the new system marauders of the private market are still to be found. But we have the apparatus of the class dictatorship of the proletariat to deal with the marauders of the market. We are now enforcing the death penalty against marauders of collective property, but we are sure that the social democrats will take these very marauders under their protecting wing just as they took the priests, the wreckers, the counter-revolutionary plotters and all the most bitter enemies of socialism.

“ But in the U.S.S.R. ” say the social democrats, “ in view of the difficulties arising in connection with the construction of socialism, the present generation has to make sacrifices for the benefit of future generations. But can socialism in the U.S.S.R. keep going merely on the sacrifices of the working class, can it continue to call forth the enthusiasm of the millions if there is no material basis for such an upsurge and such enthusiasm among the masses? ”

To think that our young generation of workers and peasants, which is growing up amidst the conditions of the greatest revolution in the world, of the most extensive proletarian democracy, which has not experienced capitalism or the tsarist regime, to think that this generation with its growing political, material and cultural requirements will accept socialism only in the form of sacrifices and deprivation, is sheer lunacy. The heroic struggle of this generation for the happiness of future generations, its advance under the flag of service to the interests of the world proletarian revolution, is not the detached romantic asceticism of the intelligentsia, but an all-embracing synthesis of the great social ideal with the immediate material interests of the masses. Therefore, it is for this very reason that social democracy and all the General Staffs in

the world have been unable to crush the proletarian revolution and to prevent socialist construction in the U.S.S.R.

The chief blame for the sacrifices which the proletariat of the U.S.S.R. is compelled to make must rest chiefly on the shoulders of social-democracy, which, in capitalist countries, has betrayed the ultimate aims and the temporary interests of the working class. And yet it has the effrontery to talk about sacrifices; 10 millions killed, 19 millions wounded and crippled, 30 millions dead from epidemics and famine during the world imperialist war, the destruction of productive forces of the warring governments to the amount of 200 billion dollars, the sharp reduction in the consumption of the masses during the world crisis, the halving of wages, the indescribable starvation and degeneration which is going on in the colonies, India, China, and the Latin-American countries, 50 million unemployed, not counting their families, the increase of suicides of whole families of workers, the terrible infant mortality, i.e., a second war without battles—these are some of the sacrifices which the working class has made and is still making for the salvation of capitalism and which the social democrats justify and call on the workers to continue!

Social democracy says to the masses: The Bolsheviks claim that the second Five-Year Plan will bring about the complete reconstruction of national economy in the U.S.S.R., but at the present the output of coal in the Donbas is declining and there are serious difficulties in iron and steel production and in transport. They are promising to increase the consumption per head of the population two or three-fold during the second Five-Year Plan, but in the Ukraine they have not sown enough because of the loss of horses. During the second Five-Year Plan they want to build classless society. But how does this square with the latest decree which gives the right to trade to collective farms, to individual collective farmers and to individual peasants?

Yes, comrades, we still have difficulties to contend against and will have in the immediate future, but, as Comrade Stalin emphasized at the XVI Congress of our Party, these difficulties are difficulties of growth, i.e., difficulties which contain within themselves the elements for overcoming them. For example, the *tempo* of our industrialization comes up against backwardness and lack of culture, against the absence of trained cadres, but industrialization itself provides the means for overcoming this evil. Take another example—the mechanization of agriculture, an auxiliary phenomenon of which was the drop in the number of horses. But mechanization itself is the key to the liquidation of the effects of the horse shortage. Our difficulties are of a different kind from the difficulties of capitalism, which is moving to destruction and therefore contains within itself the elements of further decay and disintegration.

Those who wish to understand our difficulties, not as class enemies, but as friends of the toilers, like Romain Rolland, Theodore Dreiser, Upton Sinclair, and others, first of all take into account the concrete international and internal situation in which socialist construction is going on in the U.S.S.R.

The question of which stage of socialism has been reached in the U.S.S.R. is of decisive importance for the understanding of our difficulties and for our practical policy in the construction of socialism. Do not forget, comrades, that we are only at the beginning of the first phase of communism, that we have only just entered the period of socialism. Our system still bears many "birthmarks" of the transition period, which are a feature not only of the present stage of socialism, but will not disappear entirely until the proletariat of the U.S.S.R. has built up complete socialist society and arrives at the second phase of communism when the ruling principle will be "from each according to his ability, to each according to his needs." Do not forget that we have not yet socialised all the means

of production. About one third of our farms are still individual peasant farms, and we have still to convince these individual peasants by practice, by concrete experience, of the advantages of the collective form of farming over the individual form. Another peculiar feature of our stage of socialism is the fact that in agriculture, except for the state farms and the machine tractor stations, a considerable part of the means of production does not belong to society as a whole (the State), but is the collective property of the population of each collective farm. Do not forget that the principle we apply in the distribution of goods is "according to the amount of labour performed." It is the kulaks, the wage-hogs and slackers who demand "equal" distribution and consumption. Do not forget that we still have the commodity-money form of circulation which, however, radically differs from the commodity-money form of capitalism. This is the system of the last stage of NEP,\* it will continue throughout the whole period of the first phase of communism and even in classless society it will become more and more a means of socialist accounting, control and distribution. Do not forget that we are strongly developing Soviet trading because we have not yet achieved the direct socialist exchange of products. We have payment by results, financial control. Do not forget that we shall enter classless society only with the completion of the second Five-Year Plan, that we are marching along the path of socialist construction in the midst of severe class struggle, that the struggle for a socialist attitude to labour, as one of the forms of the class struggle, will continue even after the liquidation of classes, as a prolonged and stubborn struggle for the "socialist remoulding of the mind of man." Do not forget that surrounded by capitalism as we are, the liquidated classes, which formally have submitted to the new system, will attempt to smash it by all means in their power, quietly, by in-

---

\* New Economic Policy.—Ed.

conspicuous sabotage, by wage-grabbing, by slacking at work, by bureaucracy, pilfering, profiteering, etc.

And those who fail to appreciate the concrete social-economic and political conditions under which we are constructing socialism in the U.S.S.R., will wander away from the general line of the Party. In the sphere of collective farm policy they will substitute bureaucratic administration for mass work among the peasant collective farmers. They will regard collective farm property as State property, and not as the collective property of the farmers. On distributing the harvest in the collective farms they will widely apply the equalization method on the principle, "distribution according to size of the family." They will have fantastic ideas about forming agrarian-industrial combines. In the sphere of socialist industrialization and circulation they will ignore the last stage of NEP, which is still essential for us—business accounting, financial control, the regime of economy, etc.

And these "left" dislocations interfere, and will in the future hamper the Party in fulfilling the important task of increasing the efficiency of labour and the problem connected with this—reducing cost of production and increasing quality, the organizational-economic strengthening of the collective farms and the improvement of supplies for the toilers of our country.

These "left" dislocations also foster Right opportunism which is the chief danger, opportunism which is trying to drag us in the direction of restoring capitalism and its methods of economy (drift, conniving at kulak tendencies, the dissipation of social property, etc.). It is true that since it was taught a lesson not long ago right-opportunism does not dare to come out openly with its platform. It dreams quietly about slowing down the rate of industrialization, about returning to the previous stages of NEP, the revizing of the collectivization policy. Our Bolshevik Party, which grew up and

became steeled in the struggle against opportunism, will strike mercilessly at it in future, even if it comes out without a platform and in the form of vague, amorphous sentiment.

#### THE MAIN TASKS OF CURRENT POLICY

What are the ways and means by which we can overcome our present difficulties? The Party has already received the answer to this question. It received it in the form of the six conditions of Comrade Stalin. The historic significance of these conditions lies in that in them Comrade Stalin did not merely propose them for the current situation; but as guidance for the Party and the working class which holds good for the whole historical period of the construction of socialism. In them the working class of our country, and of capitalist countries, found the reply to the question as to what was the concrete content of the present stage of socialism. To fight against "equalization," against "depersonalization," and for business accounting—are these tasks for one month, for one season, for one year? These are the tasks that correspond to the basic principles of Marx and Lenin regarding the first phase of communism, and the fulfilment of these tasks will take up the whole, or nearly the whole of the first phase of communism. By putting these tasks before us, Comrade Stalin put a check on those who had already jumped from the concrete, historical conditions of the beginning of the first phase of communism, and who in their practical policy reflected the illusion that it was possible to achieve the EQUALITY of the second phase of communism, direct socialist exchange of products, right at the present day, at the beginning of the first phase of communism.

Or take the problems of the organization of labour, labour power and skilled cadres—problems which have to be solved by our Party in completely new conditions—are these merely problems of the present day? No! They are problems of a whole

historic period. And the task of our Party, trade union, and business organizations is to apply concretely in their work the points of Comrade Stalin under the conditions actually prevailing on every sector of the economic front. This is the essence of concrete leadership, the absence of which frequently gives rise to such great difficulties. Concrete leadership presupposes a series of measures based on a calculation of the growing demands which the masses make on the new system, great initiative on the part of the lower economic units, a certain decentralization of the economic organizations within the framework of the general plan, liberating our economic system from useless forms of bureaucratic centralism (we have already begun to divide our chief commissariats and economic institutions into smaller units), and the application from top to bottom of the system of individual responsibility for given tasks, and above all, the adoption of business accounting and financial control.

It must be frankly stated that we have not yet applied business accounting and financial control. With regard to these, we still have in operation many relics of war communism, fostered from time to time by ideological leaps into the second phase of communism. We must introduce business accounting into all branches of our economy. For example, in practice we must enforce material responsibility (financial) for the factory which is to blame for disorganising the work of another factory. Let us suppose that a textile factory stops working five or six times in a day because the electric power station did not supply current, the station must pay the loss incurred and must itself demand compensation for loss from the organization which supplied poor quality peat and thus caused frequent stoppages at the power station.

But at the same time the Party must strike hard at everyone who, on the pretext of introducing business accounting, drags in the commercial methods

of the first years of NEP, and calls for the restoration of "freedom of trade" and the free market. A correct application of the methods of business accounting in the present stage of socialism presupposes a stern regime of economy, and this means that we must keep the expenditure on our new constructions within the limits of the estimates, that we must definitely fix the order in which they are to be built, avoid unproductive expenditures in the factories, avoid having superfluous people on central government supply, it means carefully handling complicated tools and machines—it means further the establishment of firm financial discipline, putting an end to the contemptuous attitude that some adopt towards the Soviet ruble, to accumulate necessary reserves which will enable the enterprises to meet contingent difficulties.

Business accounting is the surest way to increase the efficiency of labour and to improve the quality of our products, to strengthen the collective farms organizationally and economically, and consequently to improve supplies for the broad masses. Of course, we do not want a caricature of business accounting; but we need business accounting as the basic element of the plan, and applied to every machine group, every machine, and every worker, to the collective farm, the brigade and the individual collective farmer.

In 1919, Lenin said that "the efficiency of labour in the long run is the most important and the chief thing necessary for the victory of the new social order." Socialism will conquer because it shows a higher productivity of labour than capitalism can show. But the productivity of labour is determined by two factors—firstly, the level of technique, which includes the question of the equipment of our factories, the ability to operate complicated machines and tools, the training of skilled cadres for our industry, the proper organization of labour in the factories, etc. To ensure this condition—the rais-

ing of the productivity of labour—our Party has done, and is still doing, a great deal. It has reconstructed all our factories. Such factories as the "AMO" which has grown from the small automobile shop owned by Riabushinsky, into a giant, is far from being an exception. Every year it trains thousands of young Soviet engineers, who have already become prominent such as Kartashov in the Donbas, Kanemoshnikov in Baku, excellent workers whose qualifications far exceed those of the best specialists in capitalist industry.

Secondly, the productivity of labour is determined by a factor of a social-political character, namely, by the socialist attitude to labour. This opens up an enormous field for a prolonged, stubborn, revolutionary educational effort for the "socialist remoulding of the mind of man." This is one of the chief tasks of the second Five-Year Plan. Socialist competition and shock-brigade methods have raised the socialist attitude of our working class to labour to a tremendous height; 70 per cent. of the workers in the factories are now engaged in shock-brigade and socialist competition. They have developed also in the collective farms and are transforming the mentality of yesterday's individual farmer into that of collectivism. Socialist competition and shock-brigade work represent on a par with the heroism of the civil war, the finest and brightest page in the history of our revolution.

But it would be wrong to think that since socialist competition and shock-brigade work have strongly developed, we have already remoulded the minds of our toiling population in the spirit of socialism. The psychology of the masses cannot make dizzy leaps towards complete communism if the material conditions of human life have not yet emerged from the first phases of communism. If we, members of the C.P.S.U., the party of the social revolution and of socialism, cannot yet say that we are communists in the sense of the second phase of communism, then what can we expect of the non-Party workers

and the mass of collective farmers? The bulk of our proletariat represents a new stratum of the proletariat; the overwhelming majority of our industrial workers have only recently come from the country. The old stratum of the proletariat which has been in industry for years, is a very thin stratum, while the new stratum from the villages bring with them the sentiments of yesterday's small owner with which they are still imbued. And if we observe the process, how socialist competition, shock-brigade work and the work of our Party and trade unions turns these raw village masses into a new type of man and woman we shall see an amazing picture of the renaissance of human psychology under the new material conditions of socialism. But these are still far from being the communists of complete socialist society.

But still more difficult processes of the reconstruction of the human mind are taking place and will take place in the collective farms. In the year of the great change, the masses of middle peasants definitely turned in the direction of socialism. But we must know how to firmly consolidate these masses in the collective farms, to reorganize them under conditions which are new to them, to give them a new orientation, to re-educate them. And this is a very difficult task which may give us many a headache yet. In pursuing its policy our Party takes all these difficulties in the matter of the socialist re-education of the masses into account. Therefore, while greatly developing the new socialist stimuli, our Party does not neglect to use the stimulus of personal interest, either in socialist industry or in collective farm practice. Hence, in our wages policy, we employ the system of wage scales, we have introduced piece-work, wages depend on the quality of the work performed, etc.

It is well known that we are also experiencing difficulties in supplying the toiling masses. What measures is our Party taking at the present time to overcome these difficulties? Firstly, the rapid rate

of industrialization is the best method of overcoming the commodity shortage and of satisfying the growing demands of the toiling masses. In addition to increasing the sown area in the second Five-Year Plan to 160 million hectares, the extensive development of collective vegetable farms and state cattle ranches—which in the main have already overcome the difficulties of the organizational period and have brought their stock of sheep to 4½ millions, horned cattle to 2½ millions, and pigs to one million—in addition to more extensively developing light industry than previously, our Party in the last few months has introduced two important measures—the development of collective farm trading and the development of the production of articles for immediate consumption in the big factories (the chief role in which is played by the newly-organized scrap utilization departments of factories especially in the metal industry, for the manufacture of goods of general utility for the villages). And as these measures are not only calculated to improve supplies for town and country, but are the main lever for the organizational and economic strengthening of the collective farms, I shall have to deal with them in greater detail.

The decrees recently passed by the Soviet Government on collective farm trading are the economic and political continuation of the six conditions of Comrade Stalin, forming with them a complete system of measures calculated to secure a further rapid advance to socialism in our country and which rest on a combination of the stimuli of both social and individual interests in accordance with the stage of socialism through which we are passing.

The bourgeois and social-democratic press interpreted these decrees as marking the beginning of a return to the first period of NEP. Can this collective farm trading be compared with the first period of NEP? Of course not. The socialist sector now occupies the predominating position in the economics of our country, the arena of socialist

accounting, control and regulation has been widely extended, the apparatus of Soviet state and co-operative trading in spite of all its defects, handles practically the whole commodity turnover of the country, the kulaks have been liquidated as a class in the districts where complete collectivization has been established and a great blow has thus been struck at the parasitic elements, the strengthening of the proletarian dictatorship has given the Soviet Government great power in the struggle against speculators and traders. Only apologists of capitalism can deliberately spread the opinion that this is a step back from collectivization, a return to NEP of the first period, the abandonment by the Party of the construction of classless society.

At the beginning of NEP, Lenin, in reply to a question put to him by the English newspaper correspondent, Arthur Ransome, as to whether NEP would not lead to the dictatorship of the middle man on the market as the result of "free trading," quite reasonably answered: "How can that happen when production is in our hands and not in the hands of the middle man?" Now we can say more. Now we hold the predominant position in the market. What new positions can private capitalists seize in the villages if the land and the means of production (implements, tractor power) are socialized, if the machine-tractor stations are gradually helping to transfer the present *artel*\* form of the collectivization of agricultural implements to the higher stage of being an undertaking of the socialist type, not differing from the factory? The orchard and garden, private animal stock (cows, sheep, chickens), the share of the farm produce received by the collective farmer on the basis of the number of days he has worked, all remain the private property of the collective farmers, but all these are merely elements of the personal fund of consumption of the collective farmer and his family. They are not means of production, ownership of which would

---

\* Co-operative.—Ed.

create the conditions for the exploitation of man by man. If the consumption fund be compared with wages, because collectivization is not entirely the same as the relationships that exist in a socialist factory, and a collective farmer is still not entirely the same as a proletarian, nevertheless, this personal consumption fund of the collective farm family, realized through the market, cannot, on the other hand, be identified with small commodity farming. Although economically the market relations of the unsocialized part of a collective farm resembles those of small commodity farming, the social relations of the collective farm, however, are approximate to those of the socialist factory. To fail to see the dialectics of collective farming is to make a number of mistakes in practical collective farm policy. This means, to regard collective farm trading, not as the perfectly natural function of the *artel* form of the collective farms, but as a concession to "petty bourgeois" anarchy. But the theory of "concessions," i.e., statements that collective farm trading is a concession, a retreat, reflects in practice those excesses in collective farm practice which foster equalization and depersonalization, leading to the absolute disruption of some collective farms.

Why do we fight against equalization in wages in the socialist factory? Why do we employ the stimulus of the personal interest of the worker in order to raise his output, and pay wages according to results? Why is it that in enterprises of the consistently socialist type, i.e., higher forms than that of collective farms, we permit piece-work? And why is it that sometimes in our practical work in the collective farms, in the lower *artel* form, we have gone to such a length of bureaucratic distortions with this equalization in payment and lack of personal responsibility that we hinder both the social and the individual stimulus to labour? When our Party, on the initiative of Comrade Stalin, corrected this pernicious practice and, not in the least degree changing the basis of our collective farming policy,

by means of the new decree simply directed the entire attention of the Party and Soviet apparatus to the correct Leninist-Stalin application of this policy, the bourgeoisie and their social-fascist hangers-on raised a howl that we were returning to the NEP, that we were making "concessions" to elementary forces, etc. What is meant by a struggle against the equalizing tendency and lack of personal responsibility in collective farming? It means an increased fund for the personal consumption of the collective farmer and his family, here, too, making use of the incentive of personal interest, through the market, it is true, but a market which is directed, which is regulated by the proletarian state, a market which serves the interests of socialist construction, or, what is the same thing under the proletarian dictatorship, which serves to raise the standard of living of the toiling masses. But did our Party ever deny or entirely replace the socialist stimulus by the stimulus of personal interest in the collective farms? The very *artel* form of the collective farm is the best combination of personal and social stimuli, because we are now only at the beginning of the first phase of communism (socialism), and we chose this form of socialized agriculture and not the agricultural commune.

"The conditions are not yet ripe for agricultural communes as the PREVAILING form, in which not only production but distribution also is socialized."\*

The basic line laid down by Comrade Stalin still holds good.

And when certain people advise us to give up the new social stimulus and rely only on the individual stimulus of the peasants for the purpose of raising the level of agriculture, we cannot describe these counsellors otherwise than as the mouthpiece of the kulaks. We never rejected the personal stimulus of the collective farmer. But the increased emphasis

---

\* Stalin: *Dizzy with Success*.

which is now being put on the individual stimulus has a different political meaning. Behind the talk of restoring individualist stimuli there is hidden a cowardly attempt to revize the policy of collectivization.

As we know, the whole of bourgeois political economy has been built up on the idea that no society can exist without the individualist principle of personal interest, that socialism is impossible for the very reason that it destroys this "fundamental of fundamentals" of capitalist society. Not only our system, but monopolist capitalism itself, has proved the reverse.

Impersonality, the crushing of all individuality, the bureaucratization of the economic apparatus due to the growth of unproductive expenditure, that which Schmalenbach called the "bonds of business"—this is the direction of the development of monopolist capitalism.

And now, when the individualistic stimulus is passing through such fundamental perturbations in the capitalist world, we in the land of socialism are advised to return to it. And what does a return ENTIRELY to the stimulus of personal interest mean in agriculture except a return from collectivization to small commodity farming. Moreover, why should the stimulus of personal interest be interpreted to mean exclusively wage-hogging, the striving of the collective farmers to sell the whole of the marketable part of their crop on the private market at speculative prices, the restoration of the "personal" work of the collective farmer and his family on a separate, exclusive, isolated part of land, with the help of primitive implements of labour, a horse and plough?

And is not the advantage of large scale production over small production, the replacement of the barbarous peasant form of hand labour by the work of machines and the resulting enormous increase in the productivity of this labour, the shortening of the busy seasons in farming, the freeing of peasant hands from extra work, the penetration of

electricity into the villages, the introduction of artificial irrigation, which are possible only on a "collective" basis and which abolish the age-long worry of the peasant concerning rain, does not all this serve as a "stimulus of personal interest" for the peasant in the collective form of farming?

How otherwise can we explain the overfulfillment of the Five-Year Plan of collectivization which took place in the U.S.S.R. in 1929, the unquestionable historic fact that the middle peasants, not to speak of the poor peasants, irrevocably turned in the direction of socialism in the "year of great change," joining in solid ranks the collective farms and forming whole regions of complete collectivization?

What idealist motives, and what ideal measures of organization could have compelled millions of peasants who had lost the stimulus of personal interest, year after year, to plough and sow, to reap and mow, to plough up summer fallow, to sow in the autumn when the fields are almost like swamps? Why did the stimulus of personal interest of the collective farmer, which acted in combination with the new social stimulus in 1929, more or less correctly, fail to act in 1932? Is it merely a seasonal stimulus? Furthermore, why does it act fairly well at the present time in the middle Volga, where in spite of the drought last year, the sowing plan was fulfilled, the harvest was gathered in good time, or in the Moscow region, which has carried out all the agricultural campaigns of the last few years not at all badly, but for some reason this unfortunate stimulus breaks down in the Ukraine. One would think that this stimulus is subject to local variation. And this local variation exists not only in whole regions but in separate districts in that region and even in one and the same district, in individual collective farms. We can find two collective farms in one and the same district, where in one the stimulus fails to act, as in the Ukrainian, while in the other it acts as effectively as in the middle Volga and the Moscow Region. It is quite obvious that

the question is not one of "stimuli" but of the organization of the collective farm, that talk about stimuli is an attempt to throw the responsibility for organizational importance and inability on to objective causes, to turn away from the difficulties of organizational tasks, to choose the easiest path. The task of organizationally and economically strengthening the collective farms is now the main link which we must seize in order to pull the whole chain of tasks for raising the agriculture of our country. Without this it will be impossible to raise agriculture. We cannot improve the harvests by elimination of weeds, winter fallowing for crops like beet, we cannot restore and extend individual and collective cattle-raising, dairy farming, chicken farming, vegetable gardening, fruit growing, etc., if we do not increase the profitability of the collective farms. And this in turn presupposes the proper organization of labour in the collective farms based on a combination of social and personal stimuli, the introduction of piece-work in the collective farms, the ruthless elimination of equalization in wages and lack of responsibility which foster loafing on the job, careful supervision and control over the quality of the work, proper registration of this work and a sensible and economic division of labour among the brigades. This also presupposes reducing so-called capital construction in the collective farms to the limits of actual necessity, the ruthless cutting down of all kinds of management expenses, the organization of all kinds of supplementary handicraft work in addition to field work.

We shall not advance a single step forward in raising agriculture unless we increase the profitability of the working day. Millions of collective farmers must become convinced by personal experience of the greater economic advantages collective farming brings them compared with individual farming. It is not a matter of words and speeches and agitation, but a matter of facts which speak for themselves and convince the collective masses.

Finally, the problem of the organizational and

economical strengthening of the collective farms is connected with the development of the Soviet goods turn-over. Collective farm trading will receive a great impetus if, in exchange for the products of agriculture and stock rearing in the villages, a stream of manufactured goods for general use flows from the towns. We must not forget that our *smytchka*\* with the villages, which above all is of a productive character, does not exclude consumption. Our Party and the Soviet Government are now taking energetic measures to develop the manufacture of articles of general use by a supplementary mobilization of commodity resources.

Such are the measures by which the CPSU is strengthening the cause of socialism in the U.S.S.R.

THE PATH OF THE U.S.S.R. IS THE PATH OF  
REVOLUTION AND VICTORY.

When Lenin left us, he said: "Ten or twenty years of proper relations with the peasants and victory is assured, even if the proletarian revolutions, which are growing, should be delayed." Under conditions when the proletarian revolution in other countries is being delayed, we treasure this behest of Lenin like the apple of our eye. The relations of the proletariat to the peasants in the U.S.S.R. have already become not merely an alliance, not merely a *smytchka* as we called these relations in 1929. Thanks to collectivization they have become something more. The position now is not merely that class interests coincide; they have grown into the unity of class interests based on the unity of the social system.

The proletariat of the U.S.S.R., under the leadership of the CPSU, secured the victory of socialism with the support of the world proletariat, but for the time being, without the practical help of the world proletarian revolution.

But the cause of socialism would make im-

---

\* Bond.—Ed.

measurably greater progress in the U.S.S.R. if we got help from your side in the form of a proletarian revolution.

The world proletariat must know that its belatedness in the matter of the world proletarian revolution has created many additional difficulties for us. The fact that our proletariat was the first to break through the imperialist front without support from the proletarian revolution in other countries made this work particularly difficult, much more difficult than it will be for the workers of those countries which, in the approaching second round of revolutions and wars, will take the path of the proletarian revolution.

It is true that in the struggle for the proletarian revolution in your countries you will encounter many additional difficulties that did not exist for us Russians on the eve of the October Revolution. But you have many advantages which we had not when we marched to the October Revolution.

It is true that your capitalism is more firmly established than Russian capitalism was in 1917, but your proletariat is much more numerous and much stronger than ours was. It is true that your bourgeoisie is cleverer and has learned many lessons from the October Revolution, but it is also the task of the Communist Parties to learn from the experience of the October Revolution, so as to be more strongly armed against a cunning, deceptive and clever enemy.

It is true that we Bolsheviks were helped by the War, but you are being helped by the world crisis.

It is true that we were saved by the enormous width of our territory, but in your rear you have the enormous place d'armes of the proletarian revolution and socialism in the U.S.S.R.

It is true that social democracy is stronger in your countries than it was in the U.S.S.R., but if you have not been able to undermine the influence of social democracy in spite of the world war, the proletarian revolution in the U.S.S.R., the revolutions

in the Central Empires\* and the world crisis, the fault is yours.

It is true that fascism has come across the path of the proletarian revolution in your countries, which was not the *case with us*, but the appearance and growth of fascism are due to the over-ripeness of capitalism and the belatedness of the proletarian revolution.

At the Second Congress of the Comintern, we said that the proletarian struggle for power in capitalist countries would be more difficult than here. But, comrades, certain changes have taken place since then. The U.S.S.R. has victoriously fulfilled the first Five-Year Plan and is entering into the second. By this it renders enormous assistance to the world proletariat in the struggle for power. The country that next takes the path of proletarian revolution after the U.S.S.R. will have behind it, not the Socialist Republic of 1920 in the period of war communism, but a socialist, industrialized country, which has completed a Five-Year Plan. We rushed into the fight alone in the sense that we had behind us neither a victorious proletarian revolution nor a country which was victoriously building socialism. We had no ready-made models of practical socialism. You have an invincible fortress—a socialist country with a firm industrial basis. Our experience of the various stages of our revolution will help you to avoid many difficulties in the sphere of relations with the peasants, NEP, collectivization, the management of socialized industry, etc. We took a road hitherto untrodden by human feet. You will march along a beaten path. For you the construction of socialism will be many times easier than it was for us, because you will inherit from the past a higher level of productive forces than the October Revolution inherited. And if we were able to obtain our tremendous successes, in spite of the difficulties we had to overcome day after day owing to the low

---

\* *i.e.*—Austria and Germany in 1918.—Ed.

level of productive forces we inherited, then what unprecedented rates of development and expansion will you achieve when your productive forces are put on a socialist basis?

The experience of our first Five-Year Plan and the prospects of the second, tell the workers in capitalist countries who still fear the cost of revolution and the difficulties of constructing socialism that in 1918-19, after the end of the World War you feared the cost of revolution, but during the past fifteen years you have suffered greater loss by preserving the obsolete capitalist system. And will it be only fifteen years? You were afraid that revolution and civil war would destroy productive forces, but the world crisis of capitalism has destroyed them to a far larger extent than revolution would have done. You were afraid of the convulsions which might be caused by the proletarian revolution—unemployment, depreciation of currency, fierce class struggles, bloody war; but capitalism has put you into a zone of tremendous convulsions, fascism, war, the undermining of the material basis of existence of millions of human beings. You dreamt of "stabilized capitalism," but the relative, decayed capitalist stabilization which was established after the first round of revolution and wars has come to an end. You were afraid of the difficulties of socialist construction, but capitalism has compelled you to share with it all the sufferings of its own death agony—the closing of factories, the failure of banks, unemployment, and the loss of the savings of small depositors, wage cuts, the reduction and even the abolition of social insurance, the increase of exploitation. Proletarians, comrades, you must choose between capitalism and socialism, between reaction and revolution, between the dictatorship of the bourgeoisie and the dictatorship of your own class. There is no other way. And we have no doubt as to the choice which the working class of the world will make. It will choose the path of the proletariat of the U.S.S.R., the path of revolution and victory!

## REVOLUTIONARY EXPERIENCE

●  
"BOLSHEVIK HISTORY" SERIES

*A Series of Short Sketches Dealing with Various  
Aspects of the Pre-War Experiences  
of the Bolsheviki*

BOLSHEVIKS ON TRIAL.....	10c
BOOK PUBLISHING UNDER TSARISM	10c
ESCAPE FROM THE GALLOWS.....	10c
PROVOCATEURS I HAVE KNOWN.....	10c
THE STRIKE OF THE DREDGING FLEET, 1905.....	15c
UNEMPLOYED COUNCILS IN ST. PETERSBURG IN 1906.....	15c
THE REVOLT OF THE ARMoured CRUISER "POTEMKIN".....	10c
FROM THE FEBRUARY REVOLUTION TO THE OCTOBER REVOLUTION..	25c
BOLSHEVIK SMUGGLERS.....	10c

---

"BRIEF BIOGRAPHY" SERIES

IVAN BABUSHKIN— <i>Friend of Lenin</i> .....	10c
Y. M. SVERDLOV— <i>The First President of the Republic of Labour</i> .....	10c
KAMO— <i>The Life of a Great Revolutionist</i>	10c

---

Order From

**WORKERS LIBRARY PUBLISHERS**

P. O. Box 148, Sta., D.

New York City

