

v. b. b.

SPECIAL NUMBER

English Edition.

Unpublished Manuscripts - Please reprint

- INTERNATIONAL -
PRESS
CORRESPONDENCE

Vol. 6. No. 5

15th January 1926

Editorial Offices and Central Despatching Department: Berggasse 31, Vienna IX. — Postal Address, to which all remittances should be sent by registered mail: Postamt 66, Schliessfach 213, Vienna IX. Telegraphic Address: Inprekorr, Vienna.

The XIV. Party Congress of the Communist Party of Russia.

Reports of Comrades Stalin and Molotov. — Co-Report of Comrade Zinoviev. — First Speaker in the Discussion Comrade Bucharin.

Political Report of the Central Committee.

Speaker Comrade Stalin.

(Special telegraphic report to the "Inprekor".)

Comrade Stalin, in his five hours' political report, spoke on behalf of the Central Committee of the Russia C.P. as follows:

The International Situation.

Firstly, with regard to the political situation: The decisive factor of the international situation as affecting the Soviet Union is the attainment of a certain provisional equilibrium of forces between our country of socialist construction and the capitalist countries. The capitalist world is no longer powerful enough to suppress the country of the Soviets, and the immediate result is a description of peaceful relation between the Soviet Union and the bourgeois world. This is to be attributed to the inner weakness of world capitalism, to the growth of the revolutionary labour movement in general, and to the increasing strength of the Soviet republics in particular.

Antagonism of World Capitalism.

The weakness of the capitalist world is due to five antagonisms inevitably inherent in capitalism: 1. The antagonism between

the proletariat and the bourgeoisie in the bourgeois countries; 2. The antagonism between imperialism and the emancipation movement in the colonies and dependent countries; 3. The antagonism between the victorious and the vanquished countries; 4. The antagonism between the victorious countries themselves; 5. The antagonism between our Soviet country and the capitalist countries.

With regard to the first of these antagonisms, capitalism is at the present time in a state which we may call a partial and provisional stabilisation, that is, a state in which the chaos in production and finance is less acute than during the post-war crisis, a state of relative strengthening of the political power of the bourgeoisie.

This may be seen from the statistical material referring to the production of the capitalist countries, which has almost or completely attained the pre-war level. The majority of the States have succeeded in balancing their budgets in one way or another, but with the aid of a terrific increase in the burden of taxation imposed upon the working population. The high tide of revolution which rose during the post-war crisis has ebbed again all over Europe. The question of the seizure of power is not a

question of the day at the present time in Europe; we are passing through a period of collecting of proletarian forces, a period of profoundest importance with regard to the creation of new forms for the proletarian movement, especially in the direction of the existence and development of the mass movement under the flag of the fight for trade union unity, which possesses a profound revolutionary importance, and especially in the direction of the creation of a firmly-welded alliance between the labour movement of the West and the labour movement of the Soviet Union, as evidenced, for instance, in the swing to the Left of the English labour movement, the decay of Amsterdam, etc. We are living in an epoch of the accumulation of proletarian forces, which is of enormous importance for the revolutionary actions of the future. We are living in a period in which the conquest of the proletarian mass organisations, for instance the trade unions, forms the slogan of the Communist movement.

Special emphasis must be laid on the shifting of the financial power of the capitalist world from Europe to America, which has become the sole country exporting any considerable amount of capital. The provisional stabilisation of European capitalism has been accomplished chiefly with the aid of American capital, at the expense of the financial subjection of Europe by America. Europe is seeking a way of escape in the increase of the burden of taxation, involving a lowered standard of life for the working class. The impending payment of debts and interest will mean increased taxes for most countries, and this again means worsened material conditions for the working people of Europe, and the resultant revolutionisation of the working class. The symptoms of these developments are already observable in England and other European countries.

Even should Europe's economic life regain its pre-war standard, which is not entirely impossible, capitalism will nevertheless never regain its pre-war stability, for Europe has bought its provisional stabilisation at the price of financial subjection to America, that is, with the imposition of higher taxation in the countries of Europe. The number of leading exploiter states has been reduced to a minimum, and is now limited to America and, to a certain extent, to her accomplice England. The European countries have not yet sunk to the level of colonies, but they have fallen into the utmost financial dependence on America. This is one of the main causes of the uncertainty of the present stabilisation of European capitalism.

With regard to the second category of capitalist antagonisms, here the decisive factor is the development of industry and of the proletariat in the colonial countries, especially since the war, growth of the national revolutionary movement, and the general crisis in the world dominance of capitalism. The great Powers are faced by the danger of losing their colonial hinterlands. In Morocco, Syria, and China the revolutionary movement is assuming the form of a directly anti-imperialist war, and is endangering capitalist stabilisation. The bourgeois press is only flattering the Bolsheviki when it declares us to be the originators of the colonial wars. Unfortunately we are not strong enough to lend direct help to all the colonial countries in their struggle for emancipation. The actual cause of these crises lies in the fact that the countries of Europe, pressed by their debts to America, are intensifying the exploitation of the colonies, and this is bound to lead to the intensification of the crises and the revolutionary movement in the colonies and dependent countries.

It is true that European capitalism has contrived to effect a certain degree of stabilisation with respect to the first category of antagonisms, so that here the seizure of power by the proletariat does not come into question at the moment; but in the colonies the crisis has reached its culminating point, and the expulsion of imperialism is an immediate and burning question in many of the colonies.

The antagonisms between the victorious and the vanquished states are expressed in the new methods of exploiting the defeated countries, in the Dawes system. The effects are to be seen in the worsened economic situation in Germany, in the bankruptcies of industrial undertakings, in the increased unemployment, etc. For the German people the Dawes plan signifies a twofold pressure: pressure on the part of the German bourgeoisie upon the German proletariat, and pressure on the part of foreign countries upon the whole German people. The further effects of the Dawes plan in these directions will inevitably lead to a revolutionary explosion in Germany. America would like to secure Germany's solvency by a German exploitation of the Russian markets, but leave

has not been asked of the Soviet Union, which is by no means inclined — not even for the sake of Germany — to be transformed into an agrarian country, but is, on the contrary, aiming at becoming an industrial country. The Dawes plan stands on feet of clay.

Locarno is the continuation of Versailles; Locarno signifies nothing more nor less than the maintenance of the status quo ante, the maintenance of the existing frontiers of Germany in favour of Poland and France. To believe that a stronger Germany would content herself with this is to believe in a miracle. Just as the solution of the Alsace Lorraine question after the Franco-Prussian war became one of the main causes of the imperialist war, in the same way Versailles and its continuation at Locarno, sanctioning as they do Germany's loss of Upper Silesia and the Danzig Corridor, White Russia's loss of Ukrainian Galicia and West Volhynia, Lithuania's loss of Vilna, etc., and thus creating fresh bones of contention, will share the fate of the Franco-Prussian treaty. Just as the Dawes plan bears within it the seed of the revolution in Germany, Locarno carries within it the new European war.

Ample historical instances might be adduced in support of the thesis that the peace treaties concluded after European wars have invariably borne within them the elements forming the basis of future wars, and have invariably been accompanied by any amount of pacifist nonsense. After 1871, for instance, Bismarck and France strove for the maintenance of the status quo, but Germany's paeans in praise of peace did not prevent coming to a very peaceful looking agreement with Austria in 1879, actually directed against Russia and France, and in reality the germ and the first preparation for the imperialist war of 1914; this is now universally recognised. France and Russia concluded an equally peaceful treaty in 1898, supplemented in secret by the figures stating the strength of the armies to be put in the field. The further maturing of the existing antagonisms was again veiled behind all sorts of pacific demonstrations, such as the Hague Conference in 1899. And today Locarno is a mustering of forces, not for peace, but for war, and no amount of declarations of love on the part of Briand, Chamberlain, and Stresemann are likely to deceive us on this point.

The II. International, which is most enthusiastically boosting Locarno to the working class as instrument of peace and the League of Nations as the home of the peacemaker, proves by this attitude, and by its attempts to represent the Bolsheviki as destroyers of peace, that the II. International is not only an organisation for the bourgeois corruption of the working class, but is at the same time an organisation for the moral justification of all the injustices contained in the Versailles peace treaty, and further an organisation in aid of the Entente.

With respect to the fourth category of capitalist antagonisms, the antagonisms between the victorious countries, it is important to note that, despite a certain co-operation between England and America on the basis of the agreement against the annulment of the interallied debts, the Anglo-American conflict of interests does not tend to lessen, but rather to become intensified, especially in the world struggle for oil, that main nerve of the economic and military activity of the great Powers, and the main ground upon which America invariably encounters the resistance of England. This struggle to the death between the American and English oil companies is being carried on all over the world, sometimes openly, sometimes secretly: in South America, in Persia, Roumania, Galicia, etc. Besides this there is a half-concealed struggle going on between England and America in China, where America, pursuing a more elastic policy than that of the brutal English colonial diplomacy, often contrives to place England at a disadvantage.

The Anglo-French antagonisms are not restricted to the Continent, but extend to the colonies. This is confirmed beyond doubt by the reports of the press as regards aid being lent by the English to the anti-French actions in Morocco and Syria. The Japano-American antagonisms in the Pacific Ocean and in China are generally known. And finally, the unceasing piling up of armaments of the victorious states is highly significant, for now these states can no longer make use of the German danger as a pretext, and the armaments are obviously for the Allies themselves. But the II. International, which resembles the League of Nations in doing nothing towards disarmament, pretends not to see this. The II. International and the other pacifist mouthpieces have lent no support whatever to the repeated endeavours towards

general disarmament made by the Bolsheviki ever since the Genoa conference. The peace obtaining among the victorious states at the present time is not a friendly peace, but precisely such an emphatically armed "peace" as that obtaining before 1914. This means that the stabilisation which Europe has purchased at the price of serfdom is not a lasting one for, apart from the growing acuteness of the antagonisms between the victorious and the vanquished states, the antagonisms between the victorious states themselves are maturing more rapidly from day to day.

The Soviet Union and the Capitalist World.

The fifth category of antagonisms embraces those dividing the Soviet Union from the capitalist world. Here it is of basic importance that a world-embracing capitalism no longer exists. The world has split up into two camps: into the camp of imperialism and the camp of anti-imperialism. Two countries, England and America, possess the hegemony in the camp of capitalism. The hegemony in the camp of the anti-imperialists is in the hands of the Soviet Union. Two fundamental and antithetic centres of attraction have been formed: England and America for the bourgeois governments, the Soviet Union for the proletariat of the West and the revolutionists of the East.

The conflict of interests among the victorious states, in respect of the colonies, etc., prevents any possibility of unity in the capitalist camp. The stabilisation of this camp is very insecure. Our country has accomplished a sound and firmly established stabilisation in the growth of socialist construction. The revolutionists of the West and the East are one and all rallying round the Soviet Union. The pilgrimages being made to our country by the revolutionary and socialist elements of the whole world are worthy of being accorded special attention. What is the purport of these workers' delegations? All our commissariats have rendered their accounts to these delegations. This means that the working class of Europe regards our state as its child. We are responsible to it for our actions. This means that the revolutionary proletariat of Europe will defend us against all interventions. We have gained the confidence of the working class. This is the foundation of the relations between the Soviet state and the world proletariat.

Consequently: the weakness of capitalism increases hourly. Without the support of the workers it cannot wage war against us. We shall exert our utmost endeavours for the strengthening of the contact between our working class and the working class of the West.

What conclusion is to be drawn from the sum of capitalist antagonisms here enumerated? World capitalism is falling deeper and deeper into decay, eaten away from within by its inherent contradictions; on the other hand the world of Socialism gains an ever firmer footing. On this basis a provisional equilibrium is being maintained at the present juncture. As a result we experience an era of peaceful relations between the Soviet state and the capitalist state. This era is characterised by two facts: In the first place, America does not want any war in Europe; she wants peaceful work and punctual payment of the interest on capital invested. The second fact is the withdrawal from the capitalist system of a country possessing enormous markets and sources of raw materials. This compels capitalist Europe to restrict its production, and the victory of the October revolution has thus been the means of shaking European capitalist economics to their foundations. The equilibrium of forces between the camp of Socialism and the camp of capitalism affords us the possibility of co-operating to a certain extent with the capitalist world.

A few words upon the number of recognitions of Soviet Russia on the part of the capitalist Powers, and on the extension of Soviet Russian foreign trade. The current year will witness a large-scale expansion of commercial relations. This raises the question of the payment of debts. Our debts are calculated as follows: Pre-war debt to Europe 6 milliards, war debts 7 milliards, a total of 13 milliards. As a result of the depreciation of the currency, and when the frontier country debts are deducted, our debt to Western Europe amounts to about 7 milliards. But our counter claims on account of the intervention amount to 50 milliards. This the capitalist countries refuse to acknowledge, and here is the greatest stumbling block to negotiations.

The attitude taken by the CC. in this question remains the same as at the time of the conclusion of the agreement with MacDonald. We cannot cancel the law passed in 1917 on the

annulment of the Tsarist debts. We cannot cancel the laws on the expropriation of the expropriators. We stand on, and will continue to stand on the basis of these laws. We may make an exception and pay something to France and England of the Tsarist debts, in order to obtain something. We can satisfy private creditors by means of concessions, if the conditions are acceptable. It was on this footing that we arrived at an agreement with MacDonald. The precondition was the actual annulment of the war debts. It is said that the agreement with MacDonald was annulled by the interference of America, who did not wish to see a precedent created in the annulment of war debts. We continue to maintain our standpoint as shown during our negotiations with MacDonald.

There are two questions of special interest in foreign politics at present: 1. The questions of propaganda; 2. The question of the Communist International. The English Conservatives accuse the Russian Communists of wanting to break up the British Empire. I here declare: We need no special propaganda either in the West or in the East. In every country of the West the workers' delegations are reporting on our life and work. This is the most effective propaganda. The peoples of the East are well aware that our State Order is founded on the fraternal co-existence of all nations. Every Chinese, Egyptian, and Hindu knows that our country is the only one ready to help his oppressed nation. We need no other agitation and propaganda in the East. There is only one force which can and will destroy the English world empire. This is the English Conservatives themselves and their policy of force in Egypt, India, and China. The English lords are incapable of any other policy. And this will be their undoing.

A few words on the Comintern: Those who accuse the Communist Parties of individual terror are either ignorant or are paid traitors. The theory and practice of the Comintern consist in the organisation of the revolutionary mass movement against capitalism. It rejects individual terror, and will continue to reject it.

The Far Eastern question: The forces represented by the revolutionary movement in China are gigantic. China is confronted by the task of uniting into one national state as did North America, Italy, and Germany in certain periods of their history. We stand for the emancipation of China from the imperialists. Japan too must reckon with the growing power of the national movement in China.

I now pass to the questions concerning our Party in connection with the world situation. The tasks of the Party lie in two spheres: 1. In the sphere of the international revolutionary movement; 2. In the sphere of the foreign policy of the Soviet Union. In this first sphere we must work for the firmer establishment of the Communist Parties in the West, and for the winning over of the majority of the working masses. This includes an even more energetic struggle on the part of the proletariat of the West for trade union unity. Further, a firm contact must be established between the proletariat of the Soviet Union and the emancipation movement in the oppressed countries. Special attention should be accorded to the development and maintenance of the socialist elements in the Soviet State, the more so as constructive socialist work is of international significance. Our country is the basis of the world revolution.

The tasks of the Party in the sphere of the foreign politics of the Soviet Union are as follows: War against fresh wars, the fight for the maintenance of peace, and the securing of the so-called normal relations with the capitalist countries. The axis upon which our policy revolves is: the idea of peace. This is why we do not enter the League of Nations. Our further task consists in the extension of our commercial relations on the basis afforded by a stronger foreign trade monopoly. In the third place we must redouble our efforts towards a rapprochement to all the countries defeated in the great war. And in the fourth place we must strengthen our contact with the colonial and dependent countries. These are the tasks confronting the Party in the spheres of international relations and the international labour movement.

The Inner Situation of the Soviet Union.

Now we come to the inner situation of the Soviet Union! The following are the factors determining the development of our economic structure: The capitalist neighbours on all sides,

involving a socialist development surrounded by contradictions, with collisions between our economics and those of the capitalist system, not only in our relations to abroad, but in the antagonisms between socialist and capitalist elements in Soviet economics. This means that we have to develop our economics along such lines that they do not become an auxiliary of international capitalism, but form an independent economic unit.

There are two fundamental tendencies. In the opinion of those inclining to the first, our country will still remain an agrarian country for a long time; will have to export agricultural products and import industrial ones. This tendency demands the limitation of industry. The present speaker rejects this tendency. The second tendency affirms that we should concentrate our forces on making the country economically independent, secure in its own inner power. This tendency demands a maximum development of industry, consistent with the available means.

Should the revolution succeed in Germany or France, then we can pass over from our policy of converting the Soviet Union into an independent economic unit, to the policy enabling our country to fall into its proper position in the general socialist development. Until this point is reached the country must be secured from economic subjection by international capitalism.

The second factor influencing our economic development is as follows: In the capitalist countries the errors committed by the separate trusts, syndicates, etc. are corrected by the marked by means of crises. But in our case every serious mistake does not mean an individual crisis, but damages our collective economics. Thus we are compelled to proceed very carefully in our economic construction. The work must be carried on systematically. We must work with reserves. The many accidental circumstances, the dependence of the home market on natural forces, the dependence of our foreign trade on the attitude of the West European capitalists, etc., all this demand an accumulation of reserves which shall be ready to hand to stop all leaks.

Five economic groups may be distinguished in the Soviet Union, as follows: 1. Undertakings producing and dealing almost exclusively in kind, 2. Farming undertakings combined with the production of goods, 3. Private capitalism, 4. State capitalism and 5. Socialist industry. In this connection the discussion on state capitalism and state industry must be dealt with. State industry cannot be called state capitalism, for state capitalism is an organisation of production in which two classes are represented — the exploited class possessing no means of production, and the exploiting class in possession of the means of production. Every state capitalism is essentially capitalistic. When Lenin analysed state capitalism he directed his main attention to the concessions. The concessions imply: The exploiting capitalist class, temporarily in possession of the means of production, and the proletarian class, exploited by the concession holders. Here we find no element of Socialism. The state undertakings cannot however be classed as state capitalist undertakings, for two classes are not represented in these enterprises, but only one class, the working class, in possession of the means of production and not exposed to exploitation, since all gains beyond what is required to pay the wages are utilised for the further development of the industry, and in improving the standard of life of the whole working class.

It may be asserted that this is still not Socialism, since a certain bureaucracy still exists in the leading organs of our undertakings. This is true, but is not inconsistent with the fact that state industry is a socialist type of production. There are two types of production: the capitalist or state capitalist, in which two classes co-operate, and in which the production is adapted to earning profit for the capitalists, and the other type, free from all exploitation, in which the means of production belong to the working class, and the undertaking is not run for the profit of one class, but aims at extending the industry for the benefit of the working class. Lenin called the state undertakings the consistently socialist type of undertakings. Our state is not a bourgeois state, since the state apparatus does not serve the purpose of oppressing the working class, but the purpose of emancipating this class from the bourgeois yoke. Our state is thus a proletarian state, even though the residue of the old regime has not yet been completely swept away. Lenin was very severe on the Soviet state for adhering to this residue of bureaucracy, but never ceased to emphasise that our state represents a new type, the proletarian state. We must distinguish this actual difference

of type from the residue still clinging to the state apparatus. This applies equally to the economic apparatus. This difference in principle must not be forgotten. A mere residue of bureaucracy in the leading organs of the state undertakings is no reason for failing to recognise the essentially socialist character of these undertakings.

The Situation and Character of the Economics of the Soviet Union.

As compared with 1913, agricultural production has increased to 71%. An increase up to 88% of pre-war production is planned for next year. Industry has yielded the following results: 7 milliard roubles in 1913, 5 milliard roubles in 1924/25, amounting to 71% of the pre-war standard. An increase up to 95% of the pre-war standard is planned for next year. Industry has developed more rapidly than agriculture this year.

The electrification is making such rapid strides that, if it continues at the same speed, the whole of the project for the electrification of the Soviet Union will have been realised by 1932. The electrical industry is developing at the same pace, and its programme for 1925/26 is calculated at 170% of the pre-war standard. In 1923/24 the production of state and co-operative industry amounted to 76%, that of private industry to 24%; in 1924/25, on the other hand, the corresponding figures were 79.3% and 20.7%. The specific weight of private industry has declined. The estimates for the coming year give the figures at 80% for state and co-operative industry, 20% for private industry. Taken absolutely, private industry is on the increase; but since state and co-operative industry is growing even more rapidly, the specific weight of private industry is sinking successively. The end result is: An undoubted ascendancy of socialist industry over private industry.

With regard to the comparative capital in the possession of the state and of private persons, the preponderance is again on the side of the state. Capital to the amount of 11.7% milliard, 80% for state and co-operative industry, 20% for private subjects, chiefly farmers, amounts to 7.5 milliards. This means that the comparative amount of nationalised capital is extremely high. Nevertheless our social order cannot be designated as either capitalist or socialist.

Our present state of society represents a transitional stage from capitalism to socialism. Reckoned on the basis of the extent of production, the private economic enterprises predominate. But the participation of socialist industry is increasing from day to day. The participation of socialist industry grows steadily thanks to its concentration and organisation, thanks to the existence of the proletarian dictatorship, thanks to the fact that our transport service, our credit system, and our banks, are in the hands of the state. Our industry is steadily subordinating private industry, and every other form of economics, beneath its influence. The agricultural undertakings are destined to follow in the footsteps of the city and of big industry. These are conclusions which we have to draw with regard to the character of our present order.

The state budget has been raised to four milliard roubles. When the amount of the municipal budgets is added to this the sum total amounts to 74.6% as compared with 1913. It is important to note that the revenue from non-taxation sources have been much greater than those from the taxes. Special attention should be accorded to the question of the surplus earnings yielded by our state and co-operative undertakings during the past year. State industry and the associated metal undertaking yielded a surplus of 142 million roubles in 1923/24. Of this 41 millions fell to the share of the state treasury. In 1924/25 the surplus yielded by these undertakings amounted to 315 million roubles, of which 173 millions, or 54%, fell to the state.

State home trade yielded 37 millions in 1923/24, the share of the state treasury being 14 millions. In 1924/25 state home trade yielded a profit of only 22 million roubles, owing to the price reduction policy; 10 millions of this fell to the state treasury. The foreign trade gains for 1925 an amount of 44 million of which 29 millions go to the state. Compared with 1913, we attained 21% of our pre-war foreign trade standard in 1923/24 and 26% in 1924/25.

For last year an adverse trade balance to the amount of 140 millions is to be recorded. This question demands serious

attention. The XII. Party Congress gave express directions for a favourable trade balance. The Soviet organs and the C. C., in failing to carry out these directions, have committed a grave error. It is the duty of the present Party Congress to correct this error. The C. C. had already resolved however, in November 1925, that next year's foreign trade balance has to be favourable at least to the amount of 100 million roubles. It is only possible for our payment balance to maintain its equilibrium when our trade balance is favourable, since we are importing no capital from abroad. The maintenance of a stable currency and the further development of our industry and agriculture depend upon this factor.

In the questions of industry and agriculture the facts are the following: The Soviet Union is still an agrarian country. Industry approaches the pre-war standard, and further strides forward signify developments along new technical lines, new equipments, new works. The transition from the policy of the maximum utilisation of every existing industrial possibility to the policy of building up a new industry demands extensive capital. The shortage of capital will prevent industry from continuing to develop at the same rate of speed as hitherto. In agriculture, on the other hand, the existing possibilities are by no means exhausted. Agriculture can continue to develop with its present rapidity on its present technical basis, and thus the future industrial balance will fail to keep pace with the agricultural balance for some time to come. In the sphere of agriculture there are still inner potential possibilities not yet fully utilised.

Here it is the task of the Party to raise big state industry at all costs. Further, to aid the Soviet industries of the provincial type. We cannot solve the problem of the development of constructive initiative in the outlying districts, nor the problem of the rapid industrialisation of the country, unless the industrial forces in various regions are encouraged to develop, unless the interests and advantages of the centre are made to coincide with the interests and advantages of the provinces. A period of over-production of fuel is now being succeeded by a crisis for want of fuel, industry having developed more rapidly than fuel production. The Soviet Union has almost reached the stage where Russia stood during the bourgeois regime, when fuel was so scarce that it had to be imported. The fuel balance fails to correspond with the industrial balance. It is our task to increase the production of fuel. The technique of fuel production must be improved; they must be made to keep pace with industrial development. A certain incongruity exists between the metal balance and the balance of our collective economics. When the minimum demand for metal and the maximum possibilities of metal production are compared, there is a shortage of about ten millions. This must receive special attention. Metal is the foundation of industry, and its balance must be made to agree with the balance of industry and transport service. With reference to the lack of agreement between the balance of skilled labour and the industrial balance, the demand for qualified workers in our collective industries amounts to 433,000 workers for the year 1925/26. We are not in a position to meet more than one quarter of these demands.

To pass to the question of trade, the statistical data at our disposal show the supremacy of state trade over private capitalist trade. In 1923/24 the home trade total amounted to 51% of the pre-war standard, in 1924/25 to 71%. The growth of home trade is incontestable. The state participated to the extent of 45% of the total home trade in 1923/24, the co-operatives to 19%, private capital 35%. In 1924/25 state participation amounted to 50%, co-operative participation 24.7%, private capital 24.9%. The participation of private capital is sinking, the participation of the state and the co-operatives is increasing. We observe the same tendency when we examine wholesale and retail trade separately. In 1923/24 the state participated to the extent of more than 62% of the total wholesale trade, in 1924/25 68.9%. The participation of the co-operatives rose in this time from 15% to 19%. The participation of private capital has sunk from 21% to 11%. The state participated in retail trade amounted to 16% in 1923/24, and to almost 23% in 1924/25. Co-operative participation increased from 25.9% to 32.9%. Private capitalist participation fell from 57% to 44.3%.

State participation in grain transactions has not grown so rapidly as in last year. This is the result of the mistakes made. Not only did the state organs miscalculate, but also the Party Central, since this is responsible for everything. The miscalculation arose out of the fact that the plan did not take into ac-

count the new special conditions ruling the market, the new conditions under which the required quantities of grain were to be procured. This year is the first in which the Soviet state exercised no administrative pressure. The peasants and the representatives of the government have appeared in the market for the first time as equal factors. The agricultural organs intend raising 70% of the projected amount of grain by 1. January 1926. It has not been taken into account that the peasant likes to manoeuvre on his own account, that the peasant holds his wheat back in the hope of higher prices, and that the peasant prefers to place less valuable sorts of grain on the market at present. In this connection the grain plan is to be revised, the grain export plan restricted, and the import plan subjected to corresponding limitations. The new import and export plan will have to close with a favourable balance of a minimum of 100 millions.

Class Relations.

The development of the national economy of the country has led to an improvement in the material position, especially among the whole proletariat. The working class is no longer declassed; the restoration and growth of the working class are proceeding rapidly. This is best illustrated by the following figures: On 1. April 1924 the sum total of workers, including agricultural labourers, amounted to 5,500,000 workers, including one million agricultural workers and 760,000 unemployed. By 1. October 1925 the number of workers had risen to seven million, including 1,200,000 agricultural labourers and 715,000 unemployed. This proves the incontestable growth of the working class.

The average monthly wages of the industrial workers expressed in goods roubles, have been as follows: April 1924 35 roubles or 62% of the pre-war wage, September 1925 50 roubles or 95% of the pre-war wage. In many branches of industry the pre-war wage has already been exceeded. This increase in wages is accompanied by increased labour productivity.

The total number of socially insured workers amounted to 6,700,000 in 1924/25, and in 1925/26 the number will probably be 7,000,000. Aid was given to the impoverished peasantry to the amount of 105 million roubles in 1924/25, this including relief from taxation, aid in the struggle against the results of the failure of crops in 1924, credit, etc. The state budget provided 71,000,000 for this purpose, besides another 77,000,000 for the fight against the drought. The prerequisites towards an improvement in the material situation of the working class and the peasantry already exist.

The political activity of the workers and peasants has also greatly increased. They have begun to judge critically the errors committed by the state organs. We are entering a period of revival among all classes and groups of society. This revival may be observed as well among the new bourgeois and their agents, the rich farmers and the intellegenzia. It was on this basis that the XIV. National Conference passed its decisions on the activation of the Soviets, on the concessions to the peasants in the sense of concretising the question of land leases, and wage labour, on the material support to be given to the peasant poor, on the policy of a firm alliance with the middle farmers, and on the liquidation of the last remains of war Communism. All these decisions aimed at regulating conditions in the country side, at increasing the authority of the proletariat and of the Party, and at securing the firm alliance between the proletariat and the poor and middle peasantry. This policy has been fully justified.

The Peasant Question.

As regards the decision that we should direct our course towards the middle peasants, we must repeat that the II. Congress of the Comintern passed a resolution to the effect that during the period of struggle the sole ally of the proletariat is to be found in the poor peasantry, whilst the most that can be done with of the middle peasants is to neutralise them. This is true. Lenin wrote this resolution for the parties seeking to seize power. But now we are a Party already in the full possession of power. There is a tremendous difference in the peasant question when viewed in this light.

Leninism comprehends three fundamental slogans, each corresponding to one of the three periods of revolution. It is of

decisive importance to adapt each slogan to its appropriate period. 1. When we were advancing to the bourgeois revolution, Lenin proclaimed: alliance with the whole of the peasantry against the Tsar and the large land owners, neutralisation of the liberal bourgeoisie. With this slogan we won the victory.

2. In the second stage, in October, Lenin issued the new slogan: alliance of the proletariat with the poor peasantry, against the whole bourgeoisie, the middle peasantry being neutralised. This is the slogan for a party about to seize power.

3. In the third stage, after the victory over the attacks of the imperialists, and at the commencement of the work of socialist construction, Lenin gave out the third slogan: a firm alliance of the proletariat and poor peasantry with the middle peasantry. This is the sole correct slogan for the period of far-reaching socialisation, for Socialism is not confined to the city only. Socialism is an economic organisation uniting industry and agriculture on the basis of the socialisation of the means of production. Lenin drew attention to this as early as the VIII. Party Conference. Those desirous of revoking this theoretical standpoint by referring to the resolution passed by the II. Congress of the Comintern should state this straightforwardly. Lenin's propositions should not be torn from their context.

In actual practice the position with regard to the peasant question is as follows: After the October revolution a certain percentage of the poor peasantry acquired the position of middle peasants. At the present time the middle peasants form the majority of the peasantry. The differentiation in the peasantry exists, but is proceeding slowly.

The idea that the poor peasants and the rich peasants have numerically increased, while the middle peasants are greatly on the decrease, is erroneous. Another equally ridiculous idea is that 61% of the grain surplus is in the hands of the rich peasants, the poor peasantry have nothing, while the rest is in the hands of the middle peasants.

The middle peasants thus being in the majority in the peasantry, despite other trends of development, and the constructive and co-operative plans laid down by Lenin demanding that the main masses of the peasantry be induced to co-operate with us, the policy of alliance with the middle peasants, in the NEP, is the sole possible correct line of action. The October plenary session of the Central passed resolutions aiming at the further confirmation of the policy laid down by the XIV. National Party Conference. It was incumbent upon the October plenary session not to permit the policy of the XIV. National Party Conference to be disorganised, but to combat the currents which have risen in the Party, according to which the policy of a firm alliance with the middle peasantry is wrong and unacceptable. Some comrades have even asserted that the policy of a firm alliance with the middle peasants signifies disregarding the poor peasantry. This is nonsense. The question of the poor peasantry is not new, and was therefore not raised at the October plenary conference. The question of the poor peasantry was only raised in connection with the activation of the Soviets. Soviet democracy signifies the leadership by the working class. Soviet democracy under the leadership of the proletariat signifies that the proletariat must have its representatives in the villages. These are the representatives of the poor peasantry.

In order to liquidate these currents, the XIV. National Party Conference was set the task of: 1. Determining the conditions, means, and extent of the material support to be given to the poor peasantry; 2. Issuing the slogan of the organisation of special groups and fractions among the poor peasantry, with the object of a political struggle attracting the middle peasantry to us and isolating the rich peasants. Both of these tasks were carried out by comrade Molotov in co-operation with the village commission central.

The poor peasantry is still permeated with the psychology of war Communism. The result is a certain passivity. We must impress upon the poor peasantry that they must take independent action, that they must, with the help of the Communist Party and the State, organise groups, must work in the Soviets, co-operatives, and peasants' committees, must fight against the rich peasantry, not by means of administrative pressure, but by means of political struggle.

Two deviations have arisen in the peasant policy, both of which we must combat: The deviation which under-estimates the

danger represented by the richer peasantry, and the deviation of over-estimating this danger and under-estimating the importance of the middle peasantry. The deviation with reference to the over-estimation of the rich peasantry danger would have arisen in any case, since the present line of development tends to a revival of capitalism, bound to bring about a certain degree of confusion in the Party.

But on the other hand socialist industry is growing, and a struggle is going on between it and private capital. At the present time the socialist elements have already gained the ascendancy over private capital. The rich peasantry is however growing all the same. This danger must not be under-estimated, for the rich peasant represents an agent of capitalism among the peasantry.

But there is still another deviation: The uncertainty engendered by the danger represented by the rich peasantry, the panic in face of this danger. This uncertainty has even reached such a point that the middle peasantry has been almost forgotten. But our main task among the peasantry at the present time is: The fight for capturing the middle peasantry, the fight for the separation of the middle peasantry from the rich peasants, the fight for the isolation of the rich peasantry by means of a firmly established alliance between us and the middle peasantry.

Both of these deviations are rooted in the following factors: The first deviation consists of the under-estimation of the importance of the rich peasantry, the capitalist elements in the villages. This deviation arises out of a denial of the differentiation existing among the peasantry; it asserts that the rich peasant is disappearing. This deviation leads to a denial of the class struggle among the peasantry. The second deviation consists of an over-estimation of the importance of the rich peasantry, in a state of panic in face of these capitalist elements. This deviation lets loose class warfare among the peasantry, leads to the proclamation of civil war, to the disorganisation of constructive socialisation, to the denial of Lenin's co-operative plans. Both deviations are equally pernicious. Happily, the Party possesses forces enabling both deviations to be nipped in the bud. (Applause.) None the less, the Party must concentrate its full efforts against the second deviation. (Applause.)

The Next Tasks.

The leading tasks of our home politics are above all: The increase of the country's production. The transformation of our country from an agrarian country into an industrial one. The securing of the decisive preponderance of the socialist elements in our national economy over the capitalist. Security for the necessary economic independence of the Soviet Union in the midst of its capitalist surroundings. Increased specific weight of state revenues from sources other than taxation.

In industry and agriculture the following are our tasks: The development of socialist industry by the improvement of the technical apparatus; increased productivity of labour; acceleration of the turnover; equilibration of the raw material and metal balances, and of the ground capital balance. Development of the railway transport service to correspond with the growing needs of industry, increased development of municipal industry. The technical intensification of agricultural production and its industrialisation. The drawing of the scattered farms in the socialist structure by means of mass co-operation and by raising the cultural level of the peasantry.

In the sphere of trade our tasks are as follows: The expansion and qualitative improvement of the system of goods distribution, of co-operation, and of state commerce. The creation of a uniform apparatus and plan for the organs entrusted with the procurement of grain. Increased trade in goods with the capitalist countries, a favourable foreign trade balance being ensured, and with this a favourable payment balance securing the stability of the currency and safeguarding against inflation. As an integral part of state planned economics: the accumulation of the necessary reserves.

With regard to class relations, the following are our tasks: We must ensure the alliance between the proletariat and the poor peasantry and the middle peasantry. We must secure the leading role for the proletariat in this alliance. We must aim at the political isolation and economic repression of the village Kulaks and of the city capitalists.

In the sphere of Soviet constructive work an energetic light must be put up against bureaucracy, and the broad masses of the workers called upon to lend their aid.

A new ideology has taken possession of the bourgeoisie. They talk of an unconscious degeneration among the Bolsheviks, and of a gradual return to the bourgeois republic. It is scarcely necessary to refute this piece of foolishness. Our Party cadres are not made of the material likely to succumb to degeneration. They have Lenin's works in their hands, and they learn and understand Leninism. This outcry over degeneration will not alarm anybody. Even the author of this ideology, Ustralov, has to serve us. He may dream about degeneration, but he has to carry on our work. Or it will go badly with him. (Applause!)

Internal Party Questions.

In conclusion we must touch upon the questions of the Party. The successes recorded by the proletarian dictatorship would have been impossible if our Party had not faithfully fulfilled its tasks. The proletarian dictatorship cannot exist of itself, but solely by means of the forces of the Party and its leadership. Those who undermine and weaken the Party weaken the proletarian dictatorship. The Party is the leading force in our state. But the Soviet organs should not be identified with the Party. The assertion that the political bureau is the highest organ of the state is false. The C. C. and the political bureau are Party organs, and the leading role in all questions concerning politics falls to the Party. The kind of members composing the Party cadres is of great importance. The comprehensive statistic material at our disposal shows the increased proportion of proletarians in the Party.

The increase of the numbers of the workers in the Party keeps pace with the increase of the industrial proletariat. On 1. July of this year the sum total of the workers had reached 5,500,000; of these 534,000, or 8% of the whole of the workers, are members of the Party. On the 1. October the sum total of workers had reached 7 millions, of which 570,000, or 8%, are in the Party. The proportion of workers in big industrial undertakings who are members of the Party is still greater. The percentage is 25.5%. The question has been raised as to whether it is possible to increase the workers contingent in the Party to 90%. This is nonsense. We have now 380,000 workers in the Party, actually employed in shops and factories. The number of the other members is 200,000. If these latter are to form only 10%, then the Party must increase to more than 5 million. It is an incontestable fact that the specific weight of the Party in the working class, has enormously increased. In the country mat-

ters are less favourable in this respect. In proportion to the whole of the agricultural population we have only 0.37% of peasants. The best elements of the peasantry must join our Party. The ideological training of the Party cadres has made great progress. The best proof of this is the polemics against Trotskyism. We are now in the midst of a fresh discussion. I am fully confident that the Party will emerge with equal ease from this discussion. (Applause.) I reserve the right of dealing with the opposition of the Leningrad comrades again in my concluding words.

To sum up: The antagonisms in the capitalist world can only be overcome by the workers' revolution in the West. The antagonisms existing in the relations between the Soviet Union and the capitalist countries are expressed in the attempt being made by these latter to reduce our country to an appendage of the capitalist system. We shall defend ourselves against this with the aid of the whole proletariat of the West. The antagonism between world capitalism and world socialism cannot, however, be overcome by us alone. That is the task of the victorious revolution in a number of other countries. We shall overcome the inconsistencies between the capitalist and socialist elements in our own country unaided. He who does not believe this is a liquidator. We are not afraid of the difficulties. He who is afraid should step back and make room for someone with more courage. (Applause.)

To encounter obstacles, and to overcome them, is all part of being a Bolshevik. The Party has not only great successes to record, but mistakes as well. Lenin has taught us not to be proud. But we must point out our successes. The Bolshevik attack upon the economic front has shown the whole world: We are not only capable of destroying capitalism, but of building up the new society, Socialism. Nobody can deprive us of these conquests.

We must show them to the whole working class of the West and to the suppressed peoples of the East. We prove that the workers, after they have seized power know how to govern a country and to build up Socialism under difficult conditions.

What does the proletariat of the West need to lead it to victory? Above all it needs faith in its own powers, and the consciousness that the working class can do more than merely destroy — that it can construct something new.

When this has been attained, then it is the beginning of the end, and the victory of the proletarian revolution is not far off. Thus we are not working for nothing when we work for constructive Socialism. In this work we shall succeed on an international scale. (Prolonged applause.)

Organisation Report of the Central Committee of the Russian C. P.

Speaker Comrade Molotov.

Comrade Molotov delivered the following organisation report on behalf of the Central Committee:

I shall deal with the following four groups of questions:

1. The Party and the leadership of the working class;
2. The Party and the leadership of the peasantry;
3. The Party and the leadership of the state apparatus;
4. The inner Party problems of leadership.

With regard to the first question:

The growth and increasing energy of the proletarian mass organisations, and the increase of non-party activity around the Party, demand that the Party should extend its influence in this sphere. The growing activity of the non-partisan proletariat is expressed in the increased numbers organised in the trade unions, which now number seven million members. At the same time the percentage of communists in all trade union organisations

increases proportionately, and is especially observable in the factory councils.

The activity of the non-party workers is developing in other directions besides the trade unions. The so-called production consultations, enabling the working masses to take immediate part in the work of socialist development, are specially worthy of attention. Moscow alone counts 371 of these production councils, participated in by 34,000 workers. The voluntary mass organisations, such as the organisation for combatting illiteracy, the cultural organisations in the country, and the Red Relief, have made enormous progress. An important rôle in socialist development is played by the workers' and peasants' correspondence movement. The chief faults of the leadership of these voluntary organisations have been bureaucracy and patronage.

Now to the Communist Youth. The Communist Youth is a workers' and peasants' organisation, but its main core must remain proletarian. The Communist Youth now counts 1,633,000 members. The main task of the Party is to see that the right work is done, and the communist youth educated in the Leninist spirit.

The tasks to be classed under Party and leadership of the working class may be summed up as follows:

The further activation of the mass organisations in proportion to their growth. The question of quantitative increase demands intensified attention to the quality of the work. All proletarian mass organisations must develop a maximum participation in the work of the Soviet organs and of constructive socialism. The growing influence of the Party in the mass organisations is a fact, and implies a decisive battle against bureaucracy. The active non-party elements surrounding the Party must be converted into a reservoir from which new cadres can be formed, schooled by careful political and cultural education.

The next question is the Party and the leadership of the peasantry. This question is characterised by the increased influence of the party, and its increased control, among the peasantry. Further, by the growth of an active element composed of non-Party but sympathising peasants.

The Party realises its leadership of the peasantry by means of the joint workers' and peasants' organisations, as for instance, the Soviets and the consumers' cooperative societies, or by means of the purely peasant organisations co-operating with the village Soviets, as for instance, the agricultural co-operatives, credit organisations, peasants' committees, village cultural organisations, etc.

During the latter part of the period covered by this report the Party has concentrated its efforts on the activation of the work of the village Soviets. An increased participation in the Soviet elections on the part of the peasants is to be recorded. Although the number of communists in the Soviet organs has relatively sunk conspicuously, the communist influence has been greatly enhanced by the creation of a broad stratum of active and sympathising peasantry.

The Party has devoted great attention to the organisation of the poor peasantry. The Party stands for the principle of a firm alliance between the poor and middle peasantry against the rich peasant usurers, free from any opposing of the interests of the poor peasantry and the middle peasantry. The Party has to state that the question of the organisation of the poor peasantry is extremely urgent.

With respect to the development of the agricultural cooperatives. Between January 1924 and July 1925 the number of members increased to five millions, that is, threefold. 95% of the cooperative members are middle peasants and poor peasants.

Our tasks here are: 1. The further activation of all workers' mass organisations among the peasantry. Replacement of the petty exercise of patronage by a really proletarian leadership by the Party. 2. Improvement of the methods of leadership among the non-partisan but active peasantry. 3. The improvement and strengthening of the development and leadership of the organisations of the poor peasantry and agricultural labourers.

The Party and the leadership of the state apparatus. Here our chief task is to induce ever greater numbers of workers and peasants to take part in the work of the Soviet apparatus. The proportion of communists has increased in the leading organs of the state. The general number of civil servants has increased to 1,850,000. But at the same time there is to be observed a growing tendency on the part of the working class to participate in the work of the state apparatus. The working class itself is training new administrators and economists in its production councils, and in the local and central trade unions, as is proved by the statistics published on the participation of the workers in the

practical trade union work in Leningrad and Moscow. The activation of the Soviets and of the proletarian mass organisations leads to the gradual realisation of Soviet democracy.

To sum up these tasks:

1. We must march forward at the head of the workers' and peasants' organisations, towards the realisation of Socialism, and to the fight against bureaucracy. 2. It is necessary to improve the quality of the civil servants, and to increase the responsibility of the communists for the work of the state apparatus.

Now to the last point: The question of the inner Party leadership.

First the question of the growth of the Party membership. On 1. November the Party counted 1,025,000 members. The social composition of the party is as follows: workers 57.4%, peasants 25%, employees 17.6%. The workers' contingent forms three fifths of the total. The proletarianisation of the Party has made great progress since 1922.

The admittance of fresh members is regulated by the following considerations: When non-workers are admitted, the greatest attention must be paid to the quality of the candidate. The same is the case with the peasants. Here again individual selection according to the instructions of the Party is necessary. With regard to the admittance of workers, the directions issued by the XIII. Party Conference remain valid, that is, that at least one half of the members of the Party must be workers from the bench. These instructions have not yet been fulfilled; the XIV. Party Conference will have to emphasise them.

The view held by the Leningrad comrades on the increase of the workers' contingent to 90% is unacceptable. With regard to the character of the leading cadres, the attraction of younger elements is observable. Further, increased participation of the general mass of members in Party work. New Party forms have evolved, as for instance the institution of the Agitprop organisers, the institution of group organisers in the factories, and in the work of activation among the women.

The proletarianisation of the leading cadre is deserving of notice. Thus the Central Committee comprises 53% of workers. The number of workers in the Central Control Commission has increased in the same manner. A great revival is observable in Party education and in mass education, and in the circulation of the Party press. The development of the peasants' press and the press of the national minorities is especially remarkable. The growing activity of the Party masses brings with it the necessity of a higher development of the inner Party democracy.

To sum up the various currents of inner Party work:

The growth of the Party membership is still insufficiently regulated: More members should be recruited from the working class; an enlargement of the workers' contingent in the Party is necessary. The Party cadres are to be reinforced by tried and tested members, and especially by the training of workers for the leading work. The work of Party education is to be further developed, the Leninist principles being emphasised. The growth of Party activity involves the increased importance of collective leadership. This is a pre-requisite for the growth of inner Party democracy. It is absolutely necessary that inner Party democracy be developed.

Despite all difficulties, we are none the less striding forward towards the realisation of Socialism. (Applause.)

Co-Report of Comrade Zinoviev.

The time has come for the differences of opinion existing in the Party to be laid before the whole Party for discussion. Doubtless a solution will be found enabling the Party to continue its great work undisturbed.

The situation in which the Party Conference meets may be summed up as follows:

Firstly: After almost five years of the New Economic Policy, Soviet Russia is beginning constructive economic and cultural work on an extensive scale.

Secondly: These five years have proved that the means to socialism chosen in the New Economic Policy have been perfectly right.

Thirdly: It is an incontestable fact that in Soviet Russia socialism is being built up. The only point upon which there is disagreement is the question: is it possible for a socialist state of society to be completely realised and maintained in an agrarian country such as the Soviet Union. We throw no doubts whatever upon the possibility of the socialist development of the Soviet Union, since the economic and political prerequisites exist, but the final realisation of socialism is only possible on an international scale.

Fourthly: It is certain that socialism is being built up, and must be built up in closest alliance with the middle and small peasants.

Fifthly: Characteristic for our progress is the extraordinary increase of political activity among the whole population of the Soviet Union, especially of the working population.

The following difficulties exist:

1. The delay of the world revolution and the partial stabilisation of capitalism, extending over a whole period.
2. The development of a socialist state of society in a backward country with a preponderating peasant population.
3. The difficulties of forming a collective Party leadership after the death of Lenin.

Under these conditions it is only natural that errors and deviations should occur among some of us, and the Party Conference should not pass over this fact. The present peaceful period involves the danger of stabilisation and liquidation tendencies.

Comrade Zinoviev then proceeded to deal with the real character of the differences of opinion, and declared: In the discussion on state capitalism there is a tendency to deny the existence of any capitalism in the Soviet Union, to idealise the New Economic Policy, and to proclaim the NEP. as socialism. The point at issue is not merely one of formulation, but touches our system of politics and the estimation of the economic structure of our country. There is no doubt whatever that our state industry represents, as Lenin himself said, an industry of a consistently socialist nature. But this does not imply that our state undertakings are completely socialist.

State socialism is not confined to undertaking on leases and concessions, as is now being declared, but extends to free trading, and to the growth of capitalism in the individual agricultural enterprises. It need not be said that state capitalism develops into socialism, and represents, as Lenin declared, a three quarter socialism.

Comrade Zinoviev recalled how comrade Bucharin wrote an article in February 1922 in which he refused to recognise the state undertakings as socialist in the strict sense of the term. Comrade Zinoviev asked how it was possible that this reservation was attacked as liquidatory and heretical. The question of state capitalism is not a mere terminological quarrel, but a serious political question, which cannot be passed over.

In the peasant question comrade Zinoviev declared: It is only those who will not realise the whole truth as to the growth of the rich peasantry, who accuse the other comrades of under-estimating the middle peasantry. Comrade Zinoviev quoted from a report issued by him on the peasant question in November 1918, in which he took his stand precisely against the under-estimation of the middle peasantry. During the present year he again dealt with the matter, at the Leningrad Party

Conference in January 1925, where he declared that the economic interests of the middle peasantry should be respected. He thus repudiated the reproach of having under-estimated the importance of the middle peasant, the leading figure among the Russian peasantry.

Comrade Zinoviev declared to be entirely false the assertion that he is not in agreement with the decisions of the XIV. National Party Conference, and is anxious to reverse these decisions. We are, and continue to be, solid with the decisions of the XIV. National Party Conference, which decisions are perfectly right. The slogan of the development of the productive forces of agriculture is right, as are also the Party decisions referring to certain concessions made to the richer strata of peasantry, especially in the questions of land leasing and employment of wage workers. Comrade Zinoviev declared that when he designated these measures of peasant policy as a retreat (at the session of the Communist Fraction of the Soviet Congress), the majority of the political bureau raised no objection. In the course of the same speech he had declared that this partial retreat was a part of the main retreat of 1921, of the NEP., which had proved necessary and useful.

The real differences of opinion began at the time of the XIV. National Party Conference, when comrade Bucharin sent forth to the peasantry the winged words of: "Enrich yourselves!" We shall fight consistently against such an interpretation of the decisions of the XIV. National Party Conference. It is true that comrade Bucharin now withdraws these words, but they have been seized upon by others, and some comrades have even gone so far as to propose an extension of the NEP. to agriculture, which would almost realise the NEO-NEP. desired by our enemies. Had the Party struggle been concentrated against these people, instead of against the Leningrad comrades, many differences of opinion would have been spared. If you are fully convinced that a deviation regarding over-estimating the rich peasantry danger is more dangerous for the Party than a deviation of under-estimating this danger, then say this straight-forwardly, and add at the same time that the decisions come to by the XIV. National Party Conference should be revised.

Is it not sufficiently symptomatic that there have been people in Georgia who have even begun to speak in the Party press of a partial denationalisation of the land, and have had to be rebuked by the Georgian Party Committee? It must be remembered that such ideas may gain ground during the present protracted period of stabilisation.

The numerical strength of the kulak peasantry is insignificant, totalling 3 to 4% of the whole peasantry. The absolute number is about 1.5 million, approximately the same as the number of agricultural labourers. The economic power represented by the rich peasant is, however, enormously greater. The rich peasant has his complement in the city, in the new city bourgeoisie, and among some of the specialist and employee elements, who are anxious to establish political contact with a rich peasantry growing in strength. Besides this, the rich peasant has the support of the whole bourgeois environment of the Soviet Union.

We might be accused of being in a state of panic with regard to the rich peasant danger, were we merely to name the danger, and not the means of checking the growth of the rich peasant class: The economic support of the poor peasantry, a firm alliance with the poor and middle peasantry, and the isolation of the rich peasantry.

The accusation of panic is however not justified, for we join the Party in prescribing this remedy. We must not idealise the middle peasant, we must not deny that he is a petty bourgeois. We must not assert too hastily that petty bourgeois capitalism no longer predominates in our country, we must not ignore millions of peasant undertakings and ten milliard roubles worth of agricultural products.

The new peasant policy adopted by the Party has occasioned some confusion among the communists in the country, for it is interpreted as a withdrawal of the peasant policy based on aid given to the poor peasantry. It has even been asserted in a communist peasant newspaper that today one middle peasant is of more value in the Party than ten poor peasants!

Such mutilations of Bolshevik peasant policy have nothing in common with true Leninism. It is not necessary to state that we are entirely opposed to any arousing of civil war among the peasantry.

The Soviet power is strong enough today not to be forced to resort again to the methods of war Communism for combating the rich peasant danger. We must however show the poor peasantry plainly that we shall not allow the rich peasantry to pillage the poor. We need not seek refuge in war communism again; we must hold to the decisions of the XIV. National Party Conference, but at the same time we must never permit the carrying of economic measures for developing the productive forces of agriculture to cause us to overlook the political character and importance of the rich peasant.

We shall of course build up socialism with the aid of the New Economic Policy, but we must not endeavour to sweeten the latter. We must not accede to comrade Bubnov's proposal to strike out the words "not for ever" in the formula "The New Economic Policy to be pursued seriously, and for a long time, but not for ever."

The proletariat has become stronger; its influence among the peasantry has increased. But if our further increase of strength is to proceed more rapidly and with less friction, we must repulse all tendencies inconsistent with Leninism.

With respect to the third category of differences of opinion, these relate to the composition and the collective leadership of the Party. In this regard we should simply confirm the decision of the XIII. Party Conference, which commissioned the C. C. so to adapt its working methods that in the near future the majority of the Party membership consists of workers actually employed in the work of production. It is incomprehensible that the concrete proposal made by the Leningrad comrades on this subject should have been attacked so sharply.

Industry has almost reached its pre-war standard. The proletariat is no longer declassed. The cultural level and activity of

the working class have increased enormously. Why is it feared that the joining of large numbers of workers would dilute the Party, and why is it believed that the Party is to be extended by workers belonging to the peasant class? It must be remembered that the old cadre of the proletariat influences the new comers, not the reverse.

The statistical data show that since the XIII. Party Conference the percentage of factory workers in the Party has fallen by 3%, despite the fact that their actual number in the Party has increased.

With respect to the leadership of the Party, deviations have occurred in fundamental questions. A firmly established policy has not always existed, otherwise such a slogan as Bucharin's "enrich yourselves" would never have been tolerated for a moment. It need not be said that our C. C. is composed of the best of the Party, but we must not therefore degenerate into self-glorification, and confuse gestures with firm policy.

Even if no inner differences of opinion existed, and Lenin were still at the head of the Party, this would not abolish the actual objective difficulties now existing, and differing entirely from the difficulties of a few years ago. Our present difficulties are those of growth, of the stabilisation, of the peasant question as affected by the present international situation.

The differences of opinion have been laid before the whole Party rather too late than too soon. Deviations exist, but not those named here. We do not under-estimate the importance of the middle peasantry. No single difference of opinion has existed as to the practical measures to be adopted with reference to the middle peasantry since the XIV. National Party Conference. But with respect to the under-estimation of the kulak danger, we can name dozens of deviations. It is not we who suffer from liquidatory lack of faith, but those comrades who try to represent the NEP. to be Socialism.

These are our views, and we shall not depart from them. (Applause from the Leningrad delegation.)

Discussion on the Political Report.

Comrade Bucharin.

Comrade Bucharin, who was welcomed with enthusiastic applause, rose as first speaker in the discussion on the political report of the Central Committee.

I must first draw attention to the special significance of the fact that a member of the political bureau gives a co-report on the report of the Central Committee. At every Gouvernement Conference the opposition has emphasised that it opposes no other line to that laid down by the C. C. This is contradicted by the fact of the co-report which is without precedent in the history of the Party. In past struggles with various oppositional groups a co-report has never been given.

I ask: What practical measures does the opposition suggest? What new proposals does the opposition make for helping the poor peasantry? Nothing. The Fourteenth National Party Conference stated the necessity of establishing a material fund for aiding the poor peasantry, and of forming groups among the poor peasantry. The opposition is not in a position to bring forward new proposals, a proof of its political impotence.

The opposition has two propositions:

The first proposal is to organise delegates' unions of the non-party middle peasant youth, in connection with the Young Communist League. This was rejected by the C. C., since the activity of the peasantry is such that these associations would become parallel organisations, incurring the danger of losing the proletarian leadership of the peasantry. This would be a capitulation of the proletariat to the petty bourgeoisie.

The second proposal has been made by a Leningrad comrade named Sarkis, who moved that by the time the Fifteenth Party Conference meets the character of the membership of the Party shall be so arranged that 90% of the members are workers in shops and factories. This would only be possible when the

Party has 6 million members. This proposal thus means the extraordinary admittance of 5 million members to the Party within a year. The significance of this is not merely arithmetical but political. To follow this piece of advice implies the admittance of enormous numbers of peasant elements into the proletarian Party.

The opposition accuses us of abandoning our position under the pressure of the petty bourgeoisie. Both of the above proposals of the opposition are however precisely a capitulation to petty bourgeois peasant tendencies. These oppositional propositions cannot stand criticism.

The present discussion must be regarded in the light of the two preceding discussions against Trotsky.

At the present time we are in the midst of new economic conditions and a new international situation. The Party is seeking feverishly for its correct position in the peasant question under the new circumstances. The first discussion raised the question of inner Party democracy, etc. It turned out in the end that the actual question was the peasant question. By the second discussion the Party was better aware of the nature of the struggle. It is not by accident that the problems now placed in the foreground deal with state capitalism, the possibility of realising socialism in one single country, etc.

The nature of the two previous discussions was an enquiry into the relations between the working class and the peasantry. The present discussion is the continuation of the two first; at the present time the Party participates in the discussion with a fuller consciousness of the point at issue, the problems no longer being presented with different labels, but directly. In the earlier discussions the peasant question was raised as a whole, this time the various strata of the peasantry are discussed.

I am firmly convinced that the Party will emerge from this discussion ideologically strengthened and consolidated.

The present discussion is based on a social foundation characterised by three facts:

Firstly: The growth of bourgeois strata in town and country.

Secondly: The increased activity shown by all classes, especially by the peasant class.

Thirdly: The appearance of a new stratum: The semi-peasant and semi-worker is leaving the villages for the towns, and asking whether he is being exploited or not; he is asking in what way the new factory differs from the old.

On the other hand, our policy has not yet had time enough to aid the poor peasantry to the extent projected. The poor peasantry naturally raises a number of questions. The Party is the sole political organisation which must and will solve these questions.

The questions under discussion must be considered in connection with practical politics. At an earlier discussion the question of permanent revolution was raised, as the standpoint of the opposition concealed the doubt as to the possibility of realising socialism in our country. This means the denial of the idea of realising socialism in co-operation with the peasantry under proletarian leadership, a denial based on the notion that the peasantry is entirely antagonist to the working class, and is even an ally of the counter-revolutionaries. It was proved at the time that the building up of socialism on a wretched technical basis is a very slow process, but nevertheless a possible one.

At a session of the Political Bureau comrades Zinoviev and Kamenev maintained that socialism could not be carried out completely on account of the technical backwardness. We maintained that only an international socialist revolution would afford a guarantee against intervention, against new wars, and against a restoration of capitalism with the aid of capitalist armies. But at the same time we most energetically rejected the idea that we were destined to ruin on account of our technical backwardness.

This represents an attempt to shunt us back to a track which we have already left behind us. There is a tremendous difference between the assertion of the impossibility of the realisation of socialism in a country in the sense that there is no guarantee for this realisation owing to the danger of intervention, and the assertion of the impossibility of overcoming the difficulties of the transition to socialism on account of the backwardness of technics and economics, and on account of an overwhelming majority of peasantry.

Comrade Zinoviev must be reproached for not having dealt with this difference in his lately published work. Comrade Zinoviev maintains in his book that the error which he committed in 1917 consisted in his having continued Lenin's standpoint on compromises for some days further. This declaration appears simply ridiculous. In October 1917 comrades Zinoviev and Kamenev were not taken by surprise, but had formed their own judgment on the question. From April 1917 onwards comrade Kamenev had maintained that the peasants could not become the allies of the proletariat, that the socialist revolution could not pre-suppose the co-operation of the proletariat and the peasantry. Comrade Zinoviev first combatted this standpoint in a weakened form, then he supported it, again in a weakened form.

This is the standpoint of lack of faith in the powers of the working class. At that time they maintained that nothing would come of the armed insurrection. Now they maintain that we are ruined unless the international revolution comes. This is the repetition of the same error in another form.

Comrade Zinoviev, in his book on the history of the Russian Communist Party, does not mention the peasantry when treating of class relations in 1905. But in the revolution of 1905 the peasant question was the main problem. Comrade Zinoviev has not admitted and corrected this error, and this is exceedingly harmful since the whole of the youth of the Party is educated in this spirit.

Now to the question of the NEP.

Comrade Zinoviev declares war on all who identify the NEP with socialism. We support this holy war to the utmost extent of our powers. Comrade Zinoviev declares war on all who con-

fuse the NEP. with socialism. We are fully in accord with him. But there still remains a fundamental difference between us. Comrade Zinoviev treats the NEP. almost exclusively as a retreat. Comrade Zinoviev formulates this as follows: The NEP. is the broadest path of retreat in Leninism.

How did Lenin regard the NEP.? Lenin said: The NEP. is a strategic manoeuvre on a large scale, comprising firstly an element of retreat, secondly a regrouping of forces, and thirdly an advance upon a reorganised front line.

Whilst Lenin expressly declared the retreat to be ended, the definition of the NEP. as formulated by comrade Zinoviev is exactly on a par with the lack of faith in the possibility of socialist development under conditions of technical backwardness.

We are passing through a period of retardation in the world revolution. Comrade Salutzky has drawn from this the conclusion of a possible degeneration. (Laughter.) We decidedly contest the standpoint that the NEP. is only a retreat. Here we stand on a thoroughly Leninist standpoint.

A question closely bound up with the NEP. is that of state capitalism. Many comrades would prefer to evade the proper treatment of the question as now formulated. Instead of answering the question in the light of the most essential problem of the present moment, they put the question as it stood in 1921. The Leningrad comrades maintain that the accusation laid against them, that they deny the consistently socialist character of state industry, is false. Thus they have abandoned their former position, and accept the formulation: The state undertakings are undertakings of a consistently socialist type.

Comrade Zinoviev too is now in favour of this formula. But in his book: "Leninism" there is not a word about it in the chapter on "state industry". On the other hand comrade Zinoviev expressly asserts that even in our state trusts, in their work system, and even in our co-operatives, there are capitalist elements. We must not deceive the workers with sweet words as to all this being socialism. This is one of the leading passages in comrade Zinoviev's book.

Without doubt there are capitalist elements everywhere. But why is there no mention of the consistently socialist type of undertakings in comrade Zinoviev's chapter on state industry?

Objections must also be made to the interpretation of the resolution passed by the Eleventh Party Conference of the Russian C. P., moved by comrade Lenin, on the role and tasks of the trade unions under the conditions created by the NEP. Comrade Zinoviev maintains that in this resolution Lenin declared the state undertakings to be state capitalism. In reality there is nothing of the kind in the resolution.

Special emphasis must be laid on the fact that comrade Zinoviev does not refer in his book to Lenin's opinion on the consistently socialist undertakings. And comrade Zinoviev opposed the draft of the theses on the youth question, drawn up by the present speaker, and intended to be laid before the Fourteenth Party Conference, for the reason that he considered our undertakings to be state capitalist. Others of the Leningrad comrades, comrade Jevdokimov for instance, have failed to give a definite answer to the question: What are state undertakings? But the Party will have to reply to this question, for the whole proletariat demands it.

Now to the question of the character of state capitalism. This question must be put chiefly from the standpoint of our practical aims. It was from this standpoint that Lenin regarded it, and his article: "On Co-operatives" states that the practical aim of the NEP. was the obtaining of concessions. This viewpoint is important, for it answers the question of the difference of opinion existing at one time between Lenin and the present speaker.

Life has erased this difference of opinion in two ways: in the first place we have experienced an enormous rise in state industry; secondly, we have not granted concessions to the extent anticipated. At that time we had almost no industry but only plans for concessions; now we have our own industry, built up by our own powers. Thus the whole question must be put concretely and practically, in accordance with immediate actuality.

A few remarks on comrade Zinoviev's assertion: Since we have free trade, we have complete capitalism in so far as free trade exists. It is true that Lenin said: "Free trade is capitalism". But this merely means: Capitalism is being continually born on

the basis of free trade. But this is no reason for regarding capitalism and free trade as synonymous. For instance: One of our state undertakings of the consistently socialist type buys from another similar undertaking. This is a form of exchange of commodities, not a form of socialist distribution. But it is surely not capitalism. Only on the broadest lines can capitalism be identified with free trade. Nobody will deny that we have elements of state capitalism, elements of private capitalism, and elements of petty bourgeois economics. But the fundamental question is the judgment passed on the state undertakings.

Now to the question of the middle peasantry. I ask: Do many comrades under-estimate the middle peasantry? This question must be replied to in the affirmative. In a programmatic article by comrade Zinoviev, entitled "The philosophy of the Epoch", we found at first no middle peasantry. It was only put in later. The decisions of the Fourteenth Conference are again dealt with differently by comrade Zinoviev than by the Party. These decisions chiefly represent the policy of the firm establishment of a close alliance with the middle peasantry.

Comrade Zinoviev, in his book: "Leninism", writes that: "We must now grant supplementary concessions to precisely the capitalist elements of agriculture."

What does this mean: "Precisely to the capitalist elements of agriculture?" It means that the NEP. is a concession to precisely the big bourgeoisie. If we want to formulate the decisions of the Fourteenth National Party Conference precisely as concessions to the village usurers, nobody will lend us an ear. The resolution passed at the Fourteenth National Conference aims precisely at a firm alliance with the middle peasantry. But comrade Zinoviev deems it a resolution in favour of the village kulak!

I expressly declare that it was I who wrote the fundamental part of the resolution for the Fourteenth National Party Conference and the October plenary session, without however encountering an objection from any side.

Comrade Zinoviev, in his "Leninism", fails to deal with the most important question of the alteration of the slogan of "civil war" into "civil peace". Comrade Zinoviev does not touch upon

this with as much as one word. Lenin's words on the reformist methods, in his article: "The meaning of gold" are also lacking. Comrade Zinoviev quotes Lenin's formulation of the question of the rich peasantry, his designations of bloodsuckers, vampires, etc. But this dates from the year 1918. And comrade Zinoviev adds that these words should be repeated more than once.

Comrade Zinoviev's book deals with the burning questions of the day, but the immediate line of Party action consists of the extermination of the last remains of war communism. At the present moment we are fighting with other weapons against the rich peasant.

In Comrade Zinoviev's words there lies hidden the idea of a disorganisation of the decisions passed by the Fourteenth National Party Conference: We are to take into account a growing differentiation in the peasantry; in other words, we are to reckon with an intensification of the class struggle in the near future.

Many dangers of an international character exist, since we participate in the international markets. And inner dangers exist as well, for class activity and class differentiation are advancing rapidly. The most important task of all is to unite the working class. The pessimists have not yet grasped that we are confronted with the enormous task of educating fresh strata of the workers.

The Leningrad delegation must admit its errors, just as the one-time secretary of the Leningrad organisation, Salutzky, has admitted his error on the subject of state capitalism. I must strongly condemn the action of the Leningrad delegation in not sending a tested fighter like comrade Komarov to the Party Conference, merely because he is loyal to the C. C.

Unity, proletarian discipline, and loyalty to the leading organs are constituents of Bolshevism. We may disagree, criticise, attack; but we must not form factions. The iron discipline of the Party must be maintained. (Applause.) I am fully convinced that the whole of the delegates will submit to the decision of the Party Conference, like one man, and will acknowledge it to be the sole and final interpretation of the Leninist line of the Party. (Applause.)

V. b. b.
English Edition.

Unpublished Manuscripts - Please return

- INTERNATIONAL -

PRESS

CORRESPONDENCE

Vol. 6 No. 6

21st January 1926

Editorial Offices and Central Despatching Department: Berggasse 31, Vienna IX. — Postal Address, to which all remittances should be sent by registered mail: Postamt 66, Schliessfach 213, Vienna IX. Telegraphic Address: Inprecorr, Vienna.

CONTENTS

Letter of the Central Committee of the Communist Party of the Soviet Union to All Sections of the Comintern.
The Presidium of the E. C. C. I. to All Sections of the Comintern.
Politics.
The Soviet Union, Switzerland, and the Disarmament Conference.
Karl Kreibich: The Hungarian Forgery Affair and Czechoslovakia.
Th. Neubauer: The Robber Campaign of the German Princes against the German People.
J. B. Ibn Saud, the Victor in Arabia.

The Balkans.
The Fight for the Amnesty for the Victims of the White Terror in Bulgaria.
The Labour Movement.
The Red International of Labour Unions to the Sixth All-India Trade Union Congress.
G. Germanetto: The "Trade Union Law" of the Italian Reformists.
In the International.
The Central Committee of the C. P. of the Soviet Union on the Closing of the Discussion.
Our Martyrs.
Edda Baum: Anna Majmunkova.

Letter of the Central Committee of the Communist Party of the Soviet Union to All Sections of the Comintern.

Moscow, 13th. January 1926.

The Central Committee of the Communist Party of the Soviet Union has sent to all sections of the Comintern the following information letter on the results of the XIV. Party Conference:

In view of the special interest which is to be observed among our brother parties with regard to the discussion that has taken place in our Party, and in view of the fact that the attitude of the opposition in the Communist Party of the Union of Soviet Republics has naturally aroused great concern among the proletarians and Communists of the whole world, and finally, in view of the fact that the social democratic and bourgeois press are exaggerating our discussion in every possible way and systematically distorting the true state of affairs, the C. C. of the C. P. of the USSR. has decided, through the medium of the Executive Committee of the Comintern, to send this letter of information to all the sections of the Comintern.

The situation in which the differences of opinion in our Party have arisen consists in the tremendously rapid growth of the economy of the Soviet Union and in the extreme complexity of the tasks confronting the C. P. The foreign comrades must clearly bear in mind that with us, under the conditions of the proletarian dictatorship, not only the entire attitude to the every day political questions is changing (for we are exercising the power which we have captured for the purpose of developing socialist construction, while our brother parties have still to pass through the revolutionary fight for power), but all our concrete tasks are becoming extremely complicated. Every word, every decision of the

Party must mean a deed. Only thus can and must a Party work which is leading a victorious proletariat.

The past year was a year of great economic growth. The industrial and agricultural production almost reached the pre-war level. The socialist economic elements have developed very considerably and their specific weight has increased. On the other hand the contradictory transition character of our society, when the majority of the population consists of peasants, inevitably finds expression in that, along with the development of socialist economic forms, the elements of capitalism, particularly in the sphere of commercial capital, and in the country in the form of the so-called kulak-undertakings have grown stronger, even if not to the same extent. The sharpening of the social contradictions in the present state of development of relations, when in the village there exist a great number of superfluous peasant workers and in the town there exists unemployment and sections of semi-skilled workers who are still badly paid, which is especially the case with those who have come from the villages, confronts the Party with the question of the concrete path of development of the Soviet country to socialism.

The retardation of the international revolution and the relative stabilisation of capitalism on the one side, and the strengthening of the class-antagonism within the country on the other side, have created in the Party a certain feeling of depression. This mood has obtained a certain ideological form as a result of several assertions put forward by the opposition, and have become the object of differences of opinion.

They deal with the question of the possibility of socialist construction in one country, in spite of the technical backwardness of our country! Connected with this is the