

Bukharin: The Party and the Opposition Block.

English Edition.

Unpublished Manuscripts - Please reprint

- INTERNATIONAL -

Vol. 6 No. 57

PRESS

19th August 1926

CORRESPONDENCE

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

CONTENTS

The Results of the Joint Plenary Meeting of the C. C. and of the C. C. C. of the C. P. S. U. Comrade Rykov's Report at the Moscow Functionaries' Meeting of the C. P. S. U. on 26. July 1926.

Politics.

M. Tainin: The Franco-German Block against England.
G. Péri: Prospects of the September Session at Geneva.

The Labour Movement.

M. Hollay: Sympathy Strike of the French Miners in Support of their English Comrades.

Union of Soviet Republics.

Resolution upon the Grain Provision Campaign.

For the Unity of the C. P. of the Soviet Union.

The Party and the Opposition Block. I. Report given by Comrade Bukharin at the Functionaries' Meeting of the Leningrad Organisation of the C. P. S. U., on 28. July, on the Results of the Plenary Session of the C. C. and the C. C. C. Resolution of the Political Bureau of the C. P. of Great Britain on the Discussion in the C. P. S. U.

Statement of the Central Committee of the Workers (Communist) Party of America.

The Results of the Joint Plenary Meeting of the C. C. and of the C. C. C. of the C. P. S. U.

Comrade Rykov's Report at the Moscow Functionaries' Meeting of the C. P. S. U. on 26. July 1926.

I have omitted some passages from the stenographic report of my speech at the Moscow Functionaries' Meeting, as I do not consider any purpose would be served by publishing them in the press. On the other hand the following revision of my report contains ideas not originally in the body of the speech, but which I first discussed in my concluding words. A. Rykov.

Comrades! The session held by the joint Plenum of the C. C. and of the C. C. C. was concluded on Friday (23. July). The resolutions intended for the press have already been published. It has not yet been possible to compile and examine the protocols and reports of the session in any systematic manner, so that I am unable to utilise this material for my report. The brief period of two days between the plenary session and the present meeting has naturally been entirely insufficient to enable me to work through the enormous amount of material which has accumulated during the sessions. But the resolutions passed by the Plenum are of such extreme importance, and are inevitably bound to attract the attention of the Party to such a wide extent, that I do not think I am acting wrongly in expressing my willingness to give the present report.

In my opinion the most important of the resolutions passed by the Plenum were those dealing with the affair of Comrade Lashevitch and others, and with the results of the Soviet Elections. I shall thus deal mainly with these two resolutions.

The Affair of Comrades Lashevitch, Byelenky, etc.

The resolution dealing with this matter states that Comrade Lashevitch is excluded from the list of candidates to the C. C. of the Party, and warns him at the same time that he will place himself outside of the Party if he continues fraction struggle. Further, the same resolution excludes Comrade Zinoviev from the Pol-Bureau, but he remains a member of the C. C.

I do not think I am making any mistake when I state that in the whole history of our Party it has never before been found necessary to take such determined steps against the violation of Party discipline as has been the case at the last Plenum. The history of our Party records no other occasion upon which such a resolution has had to be passed against so influential a member of the Party as Zinoviev. Personally, I can only remember one similar case, in connection with comrade Schljapnikov. As but few of the members of the Party are likely to be informed on this affair, I describe it here in detail.

It was in 1921, whilst Lenin was still alive. At that time Comrade Schljapnikov was still a member of the C. C. and of the Central Party Purging Commission. At a Party nucleus meeting he criticised some of the decisions of the government. Lenin was informed of this in a document which is still preserved, and which contains the following passage (I quote the original with slight corrections in style, but preserving its exact import):

"... At a nucleus meeting the former People's Commissary Schljapnikov gave a report — that is, not a report, for it cannot be called a report, strictly speaking — in which he criticised decrees issued by the Government, with special reference to the resolution passed by the Presidium of the Supreme Economic Council on the leasing of undertakings. He began with point I, which states: 'It must be admitted that the work has been carried on uneconomically'. To this Comrade Schljapnikov observed laughingly: 'What does that mean? How is that possible? Surely we have been working for four years without the owners'. He then criticised the passage in the resolution which states that: 'Although the workers have been provided with working clothes and food, the output has sunk to a minimum'. This point was subjected to particularly severe criticism by Comrade Schljapnikov. He stated that the workers received next to nothing, and that on the other hand the output was even higher than before the war in some undertakings. The third point criticised by Comrade Schljapnikov was the appropriations. He considered that it was not the workers who were to blame, but the economic organs which force the workers to become thieves. In his opinion the whole resolution was permeated by an anti-labour spirit, and the workers should be on their guard."

When Vladimir Hlych received this information, he demanded the convocation of an Extraordinary Plenary Session of the C. C. and the C. C. C. for discussion of his — Lenin's — motion for the exclusion of Comrade Schljapnikov from the C. C. of the Party on account of his breach of Party discipline. He substantiated his motion by stating that the C. C. could not allow individual members to undermine its policy. The members of the C. C. may have their own opinions within the C. C. itself, may discuss and contend; but once a decision has been passed, then they are bound, without exception, to carry out this decision unreservedly, whether they are in agreement with it or not, and to defend it both to outsiders and to the members of the Party. The criticism exercised by Comrade Schljapnikov, a member of the C. C., against a resolution passed by the Supreme Economic Council as a part of the general policy of the C. C., was sufficient reason in the eyes of Comrade Lenin for demanding the exclusion of Comrade Schljapnikov from the Central Committee of the Party. At that time the Plenum of the C. C. came to the following decision, proposed by Comrade Lenin:

"Comrade Schljapnikov's violation of Party discipline has been reported on. It has been decided that:

a) The organisatory intervention of the Central Committee is necessary. Tomorrow, 9. August, at 14 o'clock in the morning, the collegium provided by the decision of the X. Party Conference on the unity of the Party will be convoked from the members of the C. C. of the R. C. P., the candidates, and the members of the C. C. C., present in Moscow."

As already stated above, at this conference Comrade Lenin moved that Comrade Schljapnikov should be excluded from the C. C. of the Party. But he was in the minority. The majority contented themselves with excluding Comrade Schljapnikov from the Central Commission for the purging of the Party. The decision was as follows:

"a) With reference to the repeated violation of Party discipline on the part of Comrade Schljapnikov as member of the C. C., the meeting considers it entirely unallowable for Comrade Schljapnikov to deliver such speeches outside of the C. C., to make declarations, and to exercise criticism directed against the policy of the C. C. and against the decisions representing the actual opinion of the Party Conference. Should Comrade Schljapnikov continue this course of action, the possibility of his further activity in the C. C. will be called in question. The meeting thus calls categorically upon Comrade Schljapnikov to change his political attitude, and to adapt himself to the line of the C. C. to which he belongs. Should Comrade Schljapnikov not change his attitude, the C. C. is authorised to call a similar meeting for the purpose of inquiring into the matter again.

Passed unanimously, with three abstentions.

b) The above decision is to be made known at once, but in the Government committees only, and published in the 'Gazette of the C. C. of the R. C. P.'

c) Comrade Schljapnikov is removed from his position as member of the Central Commission for Party Purging." But Comrade Schljapnikov's offence pales into insignificance when compared with the case involving Lashevitch, Byelenky, etc. After all, Schljapnikov criticised the decisions of the Supreme Economic Council in a legal manner, and in a legal communist meeting, before the whole Party. And yet Lenin attached such enormous importance to questions of Party discipline, and was so relentless in his condemnation of actions weakening Party discipline even in the smallest degree, that he demanded Schljapnikov's exclusion from the C. C. for an offence entirely insignificant when compared with the schismatic tendencies of the actions of comrades Lashevitch, Byelenky, etc.

The joint plenary session of the C. C. and the C. C. C. has made a very careful inquiry into the matter regarding Comrades Lashevitch, Byelenky, etc. Some members of the Party have grossly contravened the statutes of the Party by undertaking practical measures towards the formation of a fraction, and in holding illegal meetings for this purpose, composing a secret code for their correspondence, establishing conspirative headquarters, etc.

One of these illegal meetings was held near Moscow, under the chairmanship of Comrade Byelenky. The speaker at this meeting was a candidate member of the C. C., Comrade Lashevitch. Besides this, the C. C. C. has ascertained further facts. Byelenky travelled to Odessa, organised a three member commission for the work of the fraction there, and corresponded with this tripartite commission in a secret code. It need not be said that the cipher was not composed by comrade Byelenky for personal purposes, but had for its sole object a conspirative correspondence with a fractional centre against the Party. In a number of cases which can be proved, secret documents of the Pol-Bureau have been sent to numerous addresses by members of the opposition. Only recently almost all the Moscow nuclei received a communication from a member of the opposition, with the postmark Leningrad, Nicolai Railway Station, attempting to incite these nuclei against the C. C. of the Party. It has also been ascertained that secret documents belonging to the Party have been duplicated by non-Party typists and circulated in non-Party circles. And there have been cases in which members of the opposition have negotiated with non-partisans with regard to the attitude to be adopted by the latter in the case of an open contest between the opposition and the majority of the C. C. of the Party.

Comrade Byelenky is a well-known responsible member of the C. I. Two other co-workers in the C. I., Gural'sky and Vujo-vitch, made a similar attempt at a fractional connection with various members and groups of foreign Communist parties after the XIV. Party Congress.

Comrade Byelenky and those in agreement with him have, of course, been obliged to carry on their illegal work entirely in accordance with the wishes and instructions of those comrades who are the political heads of the opposition. As numerous threads of fractional activity led to the President of the C. I., Comrade Zinoviev, the Plenum of the C. C. and of the C. C. C. found it impossible, when inquiring into the matter involving Comrade Lashevitch and others, to condemn the less responsible only, and to pass over in silence the question of Comrade Zinoviev's relations to the practical organisation of a fractional movement. If Comrade Zinoviev at the Plenum of the C. C. and the C. C. C., had drawn a sharp dividing line between himself and all these illegal fractional schismatic activities, the question of his person would never have arisen, either in the Control Commission, or at the Plenum of the C. C. and the C. C. C. But Comrade Zinoviev did not appear at the session of the C. C. C., although called upon several times to do so. He declared himself to be fully occupied with the preparation of the theses for the Soviet elections, and even in the Plenum he made no effort to dissociate himself from all the measures tending towards a split.

The Party Decisions and the Opposition.

The endeavours being made towards a split within the Party were discussed, in the Plenum of the C. C. and the C. C. C., without reference to the differences of political opinion existing between the majority of the Party and Comrades Zinoviev, Trotzky, and others. The differences of opinion between the Party and comrade Trotzky are, for instance, greater than those between the Party and Comrade Zinoviev, and those between

the Party and Comrade Medvedev are greater still than those dividing the Party from Comrades Trotzky and Zinoviev. But so long as the comrades holding views in various political questions differing from the Party as a whole do not form fractions, organise no split in the Party, and carry out the decisions of the Party, there can be no thought of any organisational measures. The differences of opinion existing between the majority and Comrade Trotzky began long before the XIV. Party Congress. The Party had already repeatedly stated its attitude towards Comrade Trotzky's political platform. The decisions of the XIII. Party Conference (January 1924) contain the following passage:

"As a balance of these differences and on the basis of the analysis of the whole character of the actions of the representatives of the opposition, the National Party Conference arrives at the conclusion, that the present opposition represents not only an attempt at revising Bolshevism, not only a direct deviation from Leninism, but at the same time an expressly petty bourgeois deviation. There is no doubt whatever that this 'opposition' objectively mirrors the pressure exercised by the petty bourgeoisie on the positions of the proletarian Party and its policy. The principles of inner party democracy are already being interpreted in a widened sense outside of the Party, and this interpretation is a weakening of the dictatorship of the proletariat and an expansion of the political rights of the new bourgeoisie.

In view of the fact that the R. C. P., which embodies the dictatorship of the proletariat, possesses the monopolist rights of legality in the country, it is unavoidable that those groups of communists whose convictions are least firmly established are liable to succumb at times to non-proletarian influences. The whole Party must be made aware of this danger, and stand determinedly for the maintenance of the proletarian line of the Party.

This petty bourgeois deviation calls for a systematic and energetic fight on the part of our whole Party."

This characterisation was confirmed to its full extent by the XIII. Party Congress. The Party laid special emphasis on the character of the ideology of the opposition as an expression of a petty bourgeois deviation. In the resolution on "The next tasks towards the building up of the Party" we find the following passage:

"... Besides the growth of political activity in the new bourgeois strata (peasant kulaks in the country, NEP-men in the cities), there is also to be recorded a penetration of petty bourgeois ideas into our Party itself. The XIII. National Party Congress has already designated the inner-Party opposition at the end of last year as an obviously petty bourgeois deviation."

The less resistant elements in the Party, mainly from non-proletarian districts and nuclei, have succumbed in part to this petty bourgeois influence. But these vacillations represent a very great danger for the Party not only in the anti-Leninism of their ideology, but in the possible consequences for the maintenance of the proletarian dictatorship in our country.

Our Party, which is the leading party of the proletarian dictatorship, must not only determinedly resist such vacillations within the Party, but must in the future take every ideological and organisational measure for the prevention of their formation..."

Further, the V. Congress of the Communist International, at which Comrade Zinoviev was chairman, likewise came to a decision with regard to the differences of opinion between the Party and Trotzky. The V. Congress of the C. I., in which Comrade Zinoviev actively took part, passed the following resolution regarding the opposition of 1923:

"The Congress finds that the opposition in the R. C. P. is supported by groups in the other Parties (in the Polish Party, some elements in the German and French Parties, etc.), which groups, like the opposition in the R. C. P., are an expression of the Right (opportunist) deviation in these Parties, and were condemned by the V. Congress of the Communist International.

After having heard a special report on the situation in the Soviet Union and in the R. C. P., and after examining the material to these questions in its Sections, the Congress resolves:

a) To confirm in the name of the V. Congress of the Communist International the resolutions of the XIII. Party Conference and of the XIII. Party Congress of the R. C. P., in which the platform of the opposition is condemned as a platform of petty bourgeois tendency, and its action as a threat against the unity of the party and thus against the dictatorship of the proletariat in the Soviet Union.

b) The resolutions passed by the XIII. Party Conference and the XIII. Party Congress are to be added to the report on this decision, and are to be published as the decision of the V. Congress of the Comintern."

Today comrade Zinoviev stands beside comrade Trotzky. With reference to the so-called "workers' opposition" the X. Party Congress, under Lenin's leadership, passed the following resolution:

"... The views held by the 'workers' opposition', and by the elements resembling it, are not only theoretically wrong, but represent in actual practice an expression of petty bourgeois and anarchist vacillations; they slacken the taut line of the Communist Party, and actually aid the class opponents of the proletarian revolution.

The Congress of the R. C. P. definitely rejects these ideas, which express syndicalist and anarchist deviations, and resolves that:

1. An unwearying and systematic fight against these ideas is necessary.

2. The propaganda of these ideas is incompatible with membership in the R. C. P."

The differences of opinion between comrades Zinoviev and Kamenev and the majority of the Party assumed a definite form at the XIV. Party Congress. The nature of these differences of opinion will be known to you, as also the careful manner in which they were discussed at the Party Congress, and the condemnation of the standpoint of the new opposition by the Party Congress. The error of this standpoint was characterised as follows:

"But at the same time the Party Congress condemns with equal decision (as it condemned the first deviation, the understatement of the rich peasant or kulak danger. A. R.) the attempts at ignoring the fundamental question of communist policy in the villages: the question of the struggle for the medium farmer as central figure in agriculture, and the question of co-operation as fundamental organisational form for inducing the movement towards socialism in the villages."

"... Under present conditions this second deviation threatens a return to the policy of combatting the rise of the peasant kulak by the methods of war communism, by abandoning the present tactics of the party in the villages, though this has already brought far-reaching political success, and thus destroying the alliance between proletariat and peasantry, that is, destroying the whole work which we have already built up."

I have quoted these passages in order to remind you of the most important fundamental factors in the fight being carried on by the Party, its Congresses and Conferences, against the deviations from the Leninist revolutionary proletarian Party policy. These Party resolutions have never been altered, and are still valid to their full extent. The fundamental differences of opinion with reference to the present opposition are discernible in principle in the resolutions of the Party and are determined by these. But they can no more form occasion for organisational conclusions in the Party at the present time than they could at any other time.

Neither are they the immediate cause of the organisational measures undertaken against comrades Zinoviev, Lashevitch, and the others. It would be damaging, unnecessary, and injurious, to apply such organisational measures to comrades who disagree with the party in separate political questions.

Inner Party Democracy and the Unity of the Party.

It is a perfectly natural phenomenon for various shades of opinion to exist in political questions. If differences of views were to expose us to persecution, inner Party democracy would be but an empty phrase. Organisational measures only become necessary when groups and fractions rise on the soil of these differences of opinion, when the Party statutes are violated, when a split threatens.

I repeat: the Party has differed much more greatly with comrade Trotzky than with comrades Kamenev and Zinoviev.

It must also be remembered that Trotzky defended political views rejected by the Party much sooner than the others did this. The Party has worked with comrades Zinoviev and Kamenev much longer than with comrade Trotzky. But since comrade Trotzky made no such attempts at a split, such measures were not employed against him as those resolved upon at the last Plenum against comrade Zinoviev.

It appears to me that from the standpoint of the best interests of the party this is the only right way of looking at the question, for it need not be emphasised that the greatest danger which can threaten the dictatorship of the working class is a split. I have adduced the case of Shlyapnikov for the purpose of showing with what energy comrade Lenin reacted upon it, though it was mere child's play in comparison with the affair of comrades Lashevitch, Byelenky etc.

The Plenum of the C. C. and the C. C. C. was much surprised to find that comrade Zinoviev drew no dividing line between himself and Lashevitch, Byelenky, Michaylov, and the others, and was equally surprised at the attitude taken by these comrades before the Central Control Commission and the Plenum of the C. C.

These comrades, when before their highest Party organ, conducted themselves as if they were members of a strange party; they kept their activities secret from our Party, and did not give the names of those who shared their endeavours towards a split. The Plenum of the C. C. and the C. C. C. saw from this the extent to which some comrades have gone in their schismatic activity and in their attempts to organise a faction within the Party. Up to now no case has been known in the history of the Bolshevik Party in which its members have kept their activities secret from the Party. But this conspiracy has reached a point at which Party members conceal their Party actions before the Plenum of the C. C. and the C. C. C. The following quotations show how those comrades who lead the opposition today once regarded such occurrences in Party life. At the Leningrad Conference held on 1. January 1924 comrade Zinoviev spoke as follows:

"It has often been said that all the misfortune which has overtaken the Party originated in the X. Party Congress. But why maintain this? It was precisely the X. Party Congress which recognised freedom of discussion and debate in the Party. But it was this same Party Congress which passed comrade Lenin's proposal on the prohibition of groups and fractions. And it is this which does not suit everyone.

The policy of the X. Party Congress is the policy of comrade Lenin. It is thus of the utmost importance to recognise clearly that here we are faced by an attack against the principles of Bolshevik policy, against the principles of Leninism, against the fundamentals laid down by the X. Party Congress. And thus the strictest differentiation must be made between a freedom of discussion and debate, which the situation permits, and the freedom to form groups and fractions. These are two different things.

The proletarian dictatorship consists precisely of the fact that it represents something united and firmly knit together. A double policy is dry water, so to speak; it is no longer a dictatorship, but the decline of a dictatorship. And therefore, comrades, we must insist that a difference is made between the freedom of discussion and the freedom to form groups and fractions."

The resolution here quoted was passed by the X. Party Congress. It was drawn up by comrade Lenin himself, and submitted by him to the Congress. It was confirmed at the XIII. Party Congress. In the period between the X. Party Congress and the XIII. Party Congress it was one of the secret documents of the Party, and it was not published until this was decided upon by the XIII. Party Conference. The resolution is as follows:

"In order to actualise strict discipline within the Party, and in all Soviet work, and to attain the greatest possible unity combined with the abolition of all fractional activity, the Party Congress authorises the C. C., in cases of offences against discipline or of renewed or permitted fractional activity, to take any measures of Party correction, including that of expulsion from the Party, in the case of members of the C. C. loss of position as members whilst retaining position as candidates for the C. C., or in extreme cases expulsion from the Party. Before such extreme measures can be applied to the members of the C. C., the candidates to

the C. C. and the members of the C. C. C., the Plenum of the C. C., participated in by the candidates to the C. C., and all the members of the C. C. C., is to be called. Should such a general meeting of the most responsible Party leaders confirm with two thirds majority the cancellation of the membership in the C. C. and reduction to position of candidate, or expulsion from the Party, this measure is to be executed at once."

I may further quote a passage from a speech held by comrade Zinoviev on 11. December 1924 in the Moscow functionaries' meeting, in which he expressed himself in even stronger terms against the formation of groups and fractions:

"We therefore beg you, the Moscow organisation, to give us a clear and unequivocal answer. If you believe the time to have come for legalising the fractions and groups, say so plainly. We do not believe that this time has come yet, or that it will come at all during the period of the dictatorship of the proletariat. (Enthusiastic applause.) It cannot come, for this is a question bound up with the question of the freedom of the press and the political rights of the whole of the non-proletarian strata of the population. Those who cannot grasp this do not understand anything whatever of the whole situation. It is our attitude towards the peasantry which is involved. We cannot permit a schism in the Party, for we should thereby permit a split in the state. The slightest disorder in the Party takes immediate effect upon the whole of the apparatus of state. Do you not see what is going on at the present moment? Just now there is not a single commissariat in which there is not a rumour spreading that extraordinary things are happening in our Party. Nobody knows how this may end. It is being discussed by both the specialists and the other categories of employees. Schism in the Party inevitably engenders schism in the whole state apparatus. Thus the question of fractions is a vital question for the Party." This is what comrade Zinoviev said at the end of 1924.

And at the beginning of 1925, in another place, he says:

"... The blow against fractional activity must be dealt at once, whilst it is still in course of formation, for it is frequently too late to destroy fractional activity after it has attained such dimensions as we have observed in another country. Then a split may be the result..."

I have quoted this last sentence because I wanted to show that, according to Zinoviev, we have been rather too late in dealing the blow. (Laughter.) This has been recognised by all the members of the C. C. and the C. C. C. At the Plenum of the C. C. and the C. C. C. were repeatedly reproached with the too mild methods of the Central Committee, and with being weak and irresolute in contending against the opposition. Some comrades proposed stronger methods against Lashevitch, Byelenky, and various other comrades. But in my opinion the XIV. Party Congress acted quite correctly in exerting every endeavour to overcome the differences of opinion peacefully by admitting the representatives of the opposition into the C. C.; and the C. C. acted correctly in admitting the representatives of the opposition into the Pol-Bureau.

This was necessary in order to give the opposition the opportunity of taking part in the actual work of the Party, and of having their views legally represented within the C. C. in the Pol-Bureau and in the C. C. C.

Six and half months have passed since the Party Congress, and during this time the Party, the C. C. and the C. C. C. have made every exertion towards securing, on the basis of common work, the unity of the Party and unity of action, and to overcome the differences of opinion. The opposition has however not only failed to show the necessary zeal in this direction, but has rather kept up such constant attacks upon the majority of the C. C., and has striven so constantly to aggravate and exaggerate all differences of opinion, seeking them where they did not exist, that it has created an atmosphere rendering a systematically planned leadership of the party and of the work of the state extremely difficult. The Party has been on the defensive, so to speak. But the moment has now come in which the interests of unity, and the maintenance of the proletarian dictatorship, require the Party to pass from the defensive to the offensive. The schismatic activity of comrades Lashevitch, Byelenky, etc. shows us plainly that at the present time the unity of the Party is more severely threatened than it has ever been. This is the most

dangerous that we no longer have comrade Lenin in our midst. Whilst Lenin was still alive, the Party passed through a series of crises in connection with the Brest peace, the trade union discussion, the "workers' opposition", etc. Supported by the majority of the Party, comrade Lenin took such determined measures against the opposition that it very speedily lost all political significance.

The most important question arising in Party life after comrade Lenin's death was how to best replace to the whole mass of the million members the extraordinary role played by comrade Lenin, by means of the closest unity in the Party cadres, of enhanced responsibility, and of concentrated attention on the part of every individual member of the Party to questions of Party discipline; to secure the unitedness and coherence of the Party; to fight determinedly for the maintenance of unity in the Party; and to educate the Party members in such a manner that they are able to ward off with the power and energy of a Lenin all attempts at bringing about a split in the Party, wherever these attempts may come from. The XIII. Party Conference, the XIII. and XIV. Party Congresses, the last joint Plenum of the C.C. and the C.C.C., have shown that the Party functionaries have already attained this stage of unitedness, so that they can call to order any member whose actions threaten Party unity.

The organisatory measures undertaken by the Party through the Plenum of the C.C. and the C.C.C. are a serious warning to those whose actions threaten to undermine the unity of the Party, no matter what their position in the Party may be. Our C.P.S.U. is the Party of the proletarian dictatorship, is the Party which is actualising this dictatorship under the extraordinarily difficult conditions created by bourgeois attacks on all sides, and by the struggle of class forces in the country itself. In our country the proletariat is still numerically in the minority. The C.P.S.U. must be supported by an inflexible and iron unity in the ranks of the Party, if it is to fulfil its historical task of building up a socialist state of society. If those who violate proletarian discipline during a strike are accounted strikebreakers, then those who offend against the discipline of the Party of the proletarian dictatorship, are even worse than strikebreakers. Should the Party prove at the present period unable to muster sufficient power, courage, and determination, to put a timely end to its leaders' attempts at a split, whether the attempt originates with Zinoviev, or Rykov, or Trotzky, or anybody else, this would prove that the C.P.S.U. is not yet ripe for the dictatorship of the proletariat.

Some comrades have asked: Would it not be better for the Party if the leaders of the majority and of the opposition were to come to an understanding on a basis of reciprocal concessions and compromises?

But this is not the right way to put the question. It is equivalent to regarding the Party as a federation or union of various currents, fractions and groups, whose leaders conclude political compromises and agreements. It means that the Party and the fraction are two parties to a contract, each with equal rights, whilst the Central Committee of the Party acts, as organ of coalition, as a sort of impartial coalition Party, cabinet composed of the representatives of various fractions and groups with independent platforms. This viewpoint presupposes the rejection of the principle of the subordination of the minority to the majority, or, in other words, it assumes the inevitability or the existence of a split. The sole right, sole proletarian and sole democratic means of determining the will of the proletarian Communist Party is the decision of its majority. Every other standpoint, every defence of free formation of fractions and groups, is the standpoint of the liberal intellectual, and is a denial of the fundamental principles upon which the Leninist Party is built up, of the whole history and the whole organisatory traditions of Bolshevism.

Our Party is not only the governing Party, but is at the same time the sole legal party in an immense country. The struggle going on outside the Party, and the class interests of the non-proletarian groups of the population, are bound to exercise their effect upon the individual members of the Party, and upon the individual shades of political opinion in the Party. Thus the free struggle of the fractions within the Party would be at bottom nothing more nor less than a substitute for the struggle of political parties in the country. And more than this, the struggle of the fractions within the Party is only the first step towards the organisation of various parties in the country,

and towards a bourgeois parliamentary system. Since the various shades of opinion within the Party represent at bottom various interests, these will tend to form fractions each with its own discipline and its own representatives in the central organ of the Party, thus transforming this into an organ of coalition. Consequently the slogan of "freedom for the fractions and groups", defended by the new opposition, is the slogan and the lure around which all the oppositional elements gather.

The case of Lashevitch and the other comrades is especially interesting because these comrades have taken the most definite steps towards the organisation of a fraction.

Recently a rumour was zealously spread about to the effect that the majority of the Party had also joined together to form a fraction, and that this fraction of the majority is the one most endangering and injuring the unity of the Party. The political justification of the defence of the freedom of fractions and groups is the difference in the political opinions and political platforms of a part of the Party members and the Party in its totality. The majority of the Party cannot have any such political views and political platforms, and has none differing from those of the collective Party, for the reason that the majority determines the platform and political activity of the Party. Thus there is no political sense whatever in the assertion that the majority of the Party has organised in a special fraction, the most dangerous and damaging of fractions. This does not signify that there is no possibility of consultations among the adherents of the general line of the Party in individual questions, especially during a period of inner Party conflict. This occurred often enough during comrade Lenin's lifetime, for instance during the Trotzky discussion on the trade union movement, when Lenin not only published a statement signed by 11 members of the Party, but repeatedly called upon the adherents of his standpoint to take a stand against the opposition.

The resolution on the Lashevitch case has been published in the press. The C.C. decided to take this step because the affair had reached a point at which it was necessary to call upon all the members of the Party to unite determinedly for the preservation of unity. The whole mass of the Party members must be mobilised around this burning and decisive question of Party unity. The Plenum of the C.C. and the C.C.C. has called influential members to order for violating the statutes and discipline of the Party. The whole Party must now support the Plenum with such overwhelming unanimity that nobody will try again to destroy the unity of the Party. (Applause.)

Comrades! I foresee that I shall be asked the question of what significance the recalling of comrade Zinoviev from the Pol-Bureau will have for the Communist International. The President of the Communist International is elected by the International Congress of the C.I. Therefore the Political Bureau of the C.P.S.U. can neither appoint nor recall the President of the C.I.

The sessions of the Plenum of the C.C. and the C.C.C. were attended by the Presidium of the E.C.C.I. and a number of influential members of foreign Communist Parties, including comrades Remmele, Ercoli, Smeral, Murphy, Neumann, etc., who declared on behalf of their parties that they were unreservedly solid with the majority of our Party, and regarded it as their revolutionary duty to support our Party in its contest against the opposition both in the U.S.S.R. and abroad. (Applause.)

Before concluding my remarks on the inner political position, I shall reply to a question sent me in writing, and formulated as follows: "Is it compatible with Party democracy for you to recall Zinoviev from the Pol-Bureau? Has the matter been discussed in members' meetings?" In the first place I must observe that the Pol-Bureau is not elected by the Congress, but by the C.C. of the Party. The Congress elects only the Central Committee and the Central Control Commission. The C.C., on the other hand, elects from its midst the Pol- and Org-Bureaus and the Secretariat. Democracy does not consist solely of having the members of the Party freely elect the Party organs, but in their being free to hold fresh elections, and to alter the composition of the organs. The Plenum of the C.C. and the C.C.C. has recalled Zinoviev from the Pol-Bureau with an overwhelming majority. We are told that this is "not democracy". But is it democracy for comrade Zinoviev to remain in the Pol-Bureau against the will and wish of the C.C., which represents the will of the collective Party in the periods between the Congresses? (Laughter.) Our Party is a proletarian Party built up on the

principles of democratic centralism, not on the theory of "born" leaders.

The Soviet Elections.

I now pass to another important question, which was discussed in detail at the Plenum: the question of the Soviet elections. These last elections were participated in with increased activity by all strata of the population and have been held under the conditions created by our new methods of working in the country; they are thus of special significance as forming a sort of test for our party, which has carried out this extremely difficult and responsible political campaign. The Plenum has had to test the correctness of the line pursued by the Party, to ascertain whether it ensures the firmer establishment of the dictatorship of the proletariat, whether it corresponds to the practical building up of socialism, whether it cements more firmly the alliance between the poor and the medium peasantry, etc.

The discussion dealt chiefly with the question of whether the Soviet elections have led to a weakening of the influence of the working class and to a deviation of the Soviet system in the direction of the bourgeois system, or whether on the contrary they have strengthened the dictatorship of the proletariat. I need not give the numerical results of the elections, they have been published in the press and can be referred to by everyone. It may be seen that in general the working class has participated more actively in the elections than the other classes of the population. The percentage of workers taking part in the elections has been greater, in proportion to the total of the working class, than the percentage of participants in the other strata of the population. But when we compare the speed at which the activity of the various social groups has increased, we find that the activity of certain strata has grown more rapidly than that of the working class. This is an established fact.

For the first time for many years the elections were preceded by extensive public election campaigns, and for the first time the elections took place under conditions of perfect civil peace and with the participation of the whole population of the U. S. S. R. The data published show that in the country the masses of medium peasantry were most active in their participation, whilst the poor peasantry are behind the other strata of the rural population both in this respect and with regard to the progress of their organisation. But if we draw a comparison between the activity of the poor peasantry during this last election and in past years, we find that the independence of action now possible to this class has enabled it for the first time to gain a firm public position. The Party must therefore continue its work among the poor of the villages with even greater energy and tenacity than before.

If we draw the balance of Party leadership of the election campaign, we shall see that serious errors were committed by the Party organisation in a number of districts. Cases are to be recorded in which our nuclei remained passive, set up no candidates of their own, and made no public announcement of their programme. In one word, they behaved like the "townline politicians" at one time in the labour movement. Other cases are on record of a certain violation of the constitution and the election regulations, or strictly speaking of attempts towards this, to the detriment of the enactments widening the suffrage of the non-proletarian population. These election regulations were revised on the suggestion of the Secretariat of the C. C.

It cannot be denied that errors and negative phenomena were observable during the election campaign. It is better to exaggerate these than to minimise them, for then they will be more easily eradicated. It would however be entirely wrong to conclude from these occasional negative phenomena that the election campaign has weakened the dictatorship of the proletariat, or the importance and influence of the Party. We must grasp what is most important of all, the fact that both with respect to the methods of working among the population and the methods of actualising Party influence in the country, and with respect to the forms of the relations between the working class and the peasantry, the dictatorship of the working class has been raised to a level higher than ever before. It is not long since the peasantry were ruled by simple commands, by arbitrary officialdom. There were no elections, solely appointments.

One speaker, I believe it was a delegate from North Caucasia, was right in stating that at one time the authoritative bodies in the village communities were headed by communists who did not possess adequate authority among the peasantry. At the present time, however, the subordinate organs of the Soviet power possess the confidence of the population. Where these organs are composed of peasants, they frequently include non-Party persons, but with few exceptions, these defend the Soviet system sincerely, and sympathise with the Party.

Despite a number of errors during the last elections, we have attained one great success for the first time, for we have succeeded in dividing the main mass of the peasantry, that is, the medium peasantry, from the exploiting elements, the rich peasants or kulaks. The formation of active peasant cadres, and the organisation of the poor peasantry, have made it possible to the Party to take up the fight against the rich peasant elements in a public political campaign aided by the latest methods of political competition. Hitherto the fight against the exploiters has been carried on mainly by commands, measures taken by the authorities, and the immediate expropriation of land from the exploiting elements. The Party has not hitherto organised such campaigns as the present one. The Plenum was perfectly right in emphasising the mistakes and omissions of both the Party and the Soviet organisations, and yet at the same time in pointing out that the elections have brought proofs of the enormous success won by the Party in leading political life, and have led to the firmer establishment of the dictatorship of the proletariat and of the alliance between the workers and the peasants.

I have frequently emphasised, at workers' and Party meetings, that the growing activity of the working masses of the Soviet Union is a great political factor in our economic uplift and in the practical realisation of socialism. The last election campaign has once more confirmed the fact of increasing activity among all the strata of the population, but has shown that this increase of activity is proceeding more slowly in the ranks of the working people than among other strata of the population. This fact may be explained to a certain extent by the circumstance that the activity of the non-revolutionary strata was formerly practically nil. This applies not only to the peasantry, but to such strata as for instance the women in the cities. When we remember the very slight proportion in which these have hitherto participated in the elections (10 to 20 per cent at the last elections), it has been no great work to double this activity. The working class, on the other hand, has to call up its last reserves if it is to increase its activity in election campaigns. In this last campaign working class activity has been concentrated on the economic and trade union organs; its dominating rôle in the Soviets has not been endangered. But the Party must nevertheless observe in this stagnation in the growth of working class activity a reason for devoting special attention to the question of strengthening the workers' democracy. If the working class is to maintain to the end its leading rôle among the other strata of the population, the development of its political activity must not remain behind that of the rest of the population, but must surpass it.

Is everything possible being done, in the actual practice of our daily tasks, towards educating the workers for this independent activity, and towards strengthening the workers' democracy?

It seems to me that this is not the case. It still happens that comrades employed in the administration, or the Party organs, adopt a hostile attitude against expert and frequently just criticism of some measure of the Party or Soviet organs. However, I do not think that this occurs often, but even should it only occur once in a thousand times, even this is abnormal. He who suppresses criticism, or fears criticism, has not made the policy of the Party a part of his own being, and for him the inner democracy of the Party, the increase of independent activity in the broad masses of the workers, remains an empty phrase. He does not grasp the complexity of our enormous tasks, and the impossibility of solving them without the most active participation of the population.

Besides these two most important questions (the Lashevitch case and the Soviet elections), three other points were on the agenda of the Plenum: erection of dwellings, grain provision, and English strike. In my opinion erection of dwellings and grain provision were accorded less attention and time in the Plenum

of the C. C. and the C. C. C. than should have been the case. This is to be attributed to the fact that the inner Party conflict, the conflict between the opposition and the majority, hampers our positive creative work. The Soviet elections, the English strike, and the Lashevitch case, have been discussed in numerous meetings. Both the whole of the opposition and the other members of the Plenum took an animated part in the debates. The erection of dwellings and grain provision questions paled in comparison, and received insufficient attention. This is a striking example of what will become of our positive work, the building up of socialism in our enormous country, if all our Party organisations take up far-reaching discussions on the differences of opinion held by the opposition. If the Party has to carry on the work of guiding the complicated structure of state and economics under these circumstances, then we shall scarcely be so successful in building up socialism as we should be under objective conditions.

Grain Provision and Erection of Dwellings.

The question of the grain provision is of far-reaching importance. This year the crops are good again. The process of building up our economics, the development of industry, and the industrialisation of the country, are all dependent to a great extent upon our utilising this year's crops to advantage, better than we did last year's; upon our accumulating sufficient stores of grain at acceptable prices to enable us to supply the country, to form a state reserve store, and to export the surplus. The degree to which we shall be successful next year in advancing and uplifting the whole economics of the Union, and in industrialising the country, depends upon this. There are however many difficulties in the way of a successful solution to this problem. This year's crops have been estimated, on the basis of provisional and still incomplete data, at 10 per cent more than last year's. The amount of grain coming on the market, the grain surplus beyond that consumed by the peasants, is estimated at approximately 1 milliard poods.

The natural result of this harvest is an increased exchange of goods between town and country. But is the city, the factory, the working class, better prepared than last year for this exchange of goods, or will these fresh crops prove that the role played by agriculture has increased in importance as compared with industry? The data submitted to me by the economic organs, and discussed by comrades Dzershinsky and Kviring in the Plenum of the C. C., go to show that, when this harvest is realised, our industries will be better able to supply the peasantry with goods than last year. The production of mass articles of use, expressed in value figures, will be 250 to 300 mill. roubles greater for the past half year than for the same time last year. The question is, if this increase in industrial production will suffice to meet the demands of the peasantry, especially after a good harvest. I do not think it will suffice, and am of the opinion that we shall scarcely be able to avoid another goods famine next year. But it will be a considerable step forward if we are able to cope to a certain extent with the lack of goods even in a year when the peasants' demands are great, without importing finished manufactures from abroad. Last year we endeavored to still the goods famine by importing stuffs, leather, etc., to the value of 75 million roubles, during the first three autumn months. This year we are realising the crops and organising the exchange of goods between town and country with the exclusive aid of the achievements gained by the increase of our industry.

The most important problem of the grain provision is the price. The income of the farmer is still calculated by the price obtained per pood, although this method is not quite correct. In other countries the proceeds of agricultural undertakings are calculated on the yield per areal unit.

When the grain yield is greater for the same area, then the receipts do not sink even when the grain price falls, but may even increase. Last year the price of grain was so high that it damaged the purchasing powers of the chervonetz, caused a rise in the prices of other goods, and rendered export to abroad unprofitable. This year the grain prices must be fixed, the results of this year's crops being taken into consideration, at a level acceptable to the peasants on the one hand, and on the other hand securing profitability for the export of surplus grain to foreign countries. This would have a most favorable influence upon the whole economics of the Soviet Union, and especially upon its monetary system. In my opinion the wheat prices for

this year, should level up at an average of about one rouble, with slight upward fluctuations, so that the average price for the four most important sorts of grain, rye, wheat, oats, and barley, would be 85 to 90 copekes. This price policy would have to be combined with an increase in the buying powers of the chervonetz, and with a reduction of industrial retail prices. The necessary measures have been taken by the Council for Labour and Defence, the Trade Commissariat, and the provincial authorities. We can already record an initial success with respect to the reduction of the industrial retail prices in the last two months. These are sinking gradually.

With reference to erection of dwellings I must first state that the Plenum of the C. C. removed one point of contention from the agenda, the question of the possibility of a levy based on the amount of paid wages, to be used for establishing a house building fund. The Plenum of the C. C. commissioned the Pol-Bureau to collaborate with the representatives of the trade unions and the economic organs in the solution of this problem, and to make its decision in accordance with accurate data and with due consideration to the various opinions existing.

The solution of the house building problem is at the present time the most important prerequisite for the development of industry, for the industrialisation of the country, and for the betterment of the position of the working class. Already the house building question is scarcely less acute than the wages question, and is likely to become even more acute in the future. In some districts it ranks even before the wages question. The Plenum of the C. C. and the C. C. C. thus recognised the necessity of devoting a special resolution to the erection of workers' dwellings.

The most important point in this resolution is the organisation of a special fund to be expended on giving a more effective and systematic form to the struggle against the shortage of dwellings for workers. We have already succeeded in preventing any further encroachment on reserves in all branches of industry, and in increasing basic capital everywhere. It is only the house building fund of the Soviet Union which continues to melt away. The sum which would be required to guarantee the minimum of needful housing area to the dwellers in the towns and factory settlements is extremely high, probably exceeding one milliard roubles. During the last two years we have expended a total of 350 million roubles for house building, but we have not been able to prevent a diminution of housing area per head. The organisation of an adequate special fund for house building will signify a great step forward in the fight against house shortage.

A question closely bound up with the housing question is that of rent. At the present time the rents do not cover the costs of wear and tear. They are so low that not even the most necessary repairs can be carried out, a fact leading to a general falling to pieces of the existing houses, and a further diminution of the housing area. A policy tending towards higher rents, enabling the houses to be kept in repair, is thus inevitable, but cannot be carried out at the present level of wages. Recently we made the first diffident and inadequate step towards the necessary raising of rents. In the future it will be necessary to raise rents in accordance with the rise in the real wages of the workers, until a rent has been reached enabling the houses to be amortised.

The Tasks of Constructive Socialism and the Unity of the Party.

The English strike was discussed in detail at the Plenum of the C. C. and the C. C. C. The resolution passed by the E. C. C. I. on the General Strike in England was published long before the Plenum assembled. The draft was thoroughly and carefully discussed in the Pol-Bureau. It was intended to submit an informative report only to the Plenum. But when the report was given, there was a repetition of the debates which had already taken place in the Pol-Bureau and the Commission of the Pol-Bureau.

I shall not enter into all the details of the differences of opinion in connection with the attitude adopted towards the English strike and towards the Anglo-Russian Committee, the more that not all of the members of the opposition have been in agreement with the standpoint of comrades Zinoviev and Trotsky. If I am correctly informed, comrades Rakovsky and Radek share the standpoint of the Party in the question of the Anglo-Russian Committee. The whole of the members of foreign Parties who spoke at the Plenum of the C. C. and the C. C. C.

were in favour of the decisions of the Pol-Bureau, the Central Committee of the C. P. S. U. and the Presidium of the E. C. C. I.

Comrades! The inner Party situation is beginning to have the effect that much time is being expended on consultations and decisions on the most varying questions in the central organs of the Party, in the C. C. and in the Pol-Bureau. The last Plenum of the C. C. sat for a week and a half. In the Pol-Bureau we are frequently unable to settle all the points on the agenda. This happens because the differences of opinion are continually bringing up again all the contentions in insignificant questions which have already been dealt with in general discussion. The working speed of the central organs of the Party is thus considerably lessened. It would be exceedingly dangerous for the Party, were a public discussion to be brought up again on the basis of the existing differences of opinion. As has already been stated, this greatly hampers all the work of the Party and of the Soviet organs, quite apart from the fact that it would scarcely be possible to limit the discussion within the confines of the Party. It is highly probable that it would go beyond these confines.

Comrades! I am of the opinion that with regard to the inner situation the most important fact before us is that the danger of an economic crisis, with which we were faced in the first half of the current economic year, has passed over. We have succeeded in maintaining the chervonetz, and in actualising in general the plan worked out for the development of industry. It must however be expressly emphasised that there are still very great difficulties to be overcome in the future. The reconstruction of our economics, the accumulation of means for the industrialisation of our country, and the improvement in the situation of the working class and of the peasantry, will be followed by adequate success only when the unity of the Party is preserved, and when the lines laid down by the Party are followed unitedly by the whole of the members of the Party, both in political matters and in the sphere of organisation of economics.

We shall only succeed in the accomplishment of the tasks before us if we first accomplish the prerequisite of the concentration of all Party forces upon the industrialisation of the country, upon the strengthening of the socialist elements in our economics, upon the securing of growth for the organisation and activity of the working class, upon the employment of workers in the state apparatus for the eradication of bureaucratic excrescences, and upon the firmer establishment of the alliance between the workers and the peasants. And for this, unity in the Party is necessary. At the present time, when we are in the midst of a most responsible period in the history of the Party, and when we have just begun to build up the socialist state of society, it is imperative that the whole of the forces of the Party be concentrated on the preservation of unity at any price, on the prevention of splits and disussions, and on the solution of those problems of constructive socialism so fundamentally important not only to the U. S. S. R., but to the whole international revolutionary labour movement. (Enthusiastic and prolonged applause.)

POLITICS

The Franco-German Block against England.

By M. T a n i n (Moscow).

The communications published a few days ago concerning the Franco-German iron trust and about the scare articles by the English diplomatic journalist "Augur" deserve serious attention. They throw light upon extraordinarily important modifications in the distribution of international political forces in Europe.

Recently we have observed actual attempts to bring about a Franco-German rapprochement, which, in contrast to earlier attempts, begin to assume concrete form. At the end of May, for example, there was a conference in Luxemburg between influential representatives of French and German economic and commercial circles. At this conference a committee was formed to promote collaboration between the two countries. In relation to this event, the German Press and the French Press published a number of articles in which it was remarked that the time had

come to forget the old ill-will and get on with the economic co-operation called for by the interests of both countries. The agreement arrived at in the question of the iron syndicate seems to create a basis for these endeavours.

What explanation can be found for these facts, which, at the first glance, appear to be anomalous in view of the return to power of that ferocious "Germanophile" Poincaré? The explanation lies chiefly in the strengthening of Germany, a circumstance which has compelled France to grant concessions, and also in the debilitation of France, which country is now forced to seek support in Germany against English (and in a certain measure American) domination.

One of the most important factors in the strengthening of Germany, who was bled white during the war, was deprived of the ore of Alsace-Lorraine, Upper Silesia, the Saar, and temporarily, of the Ruhr coal, robbed of her colonies and separated from her old markets, is constituted by the extraordinarily high level of her technical culture, in the possession of an educated, trained working-class, as well as of a mighty stratum of savants and experts of the highest qualification and of great economic organisers.

The success of Germany is especially astonishing in the decisive branch of political economy, namely, coal-mining. The report of the Royal Coal Commission in England deals thoroughly with this question and gives some very interesting data which show to what a high degree the Germans have advanced the exploitation of soft coal and indicates great efficiency in many branches of the science of heating. In the year 1925 Germany raised 138 million tons of soft coal against a yearly average of 73 million tons for the period 1909 to 1913; and in general Germany raises more coal now than she did before the war. Furthermore, mention should be made of the significant progress in regard to her sales, and the reconstruction is, therefore, trans-liquid fuel. We might also point out the process of Germany's penetration into naphta producing districts (South America).

In regard to the heavy metal industries, Germany almost reached in 1925 her pre-war output of cast-iron and steel, despite the loss of Alsace-Lorraine ore. (In the year 1924 production of cast-iron amounted to 10,2 million tons against 11,5 millions in the year 1913, and of steel to 12 million tons against 13 millions in 1913.)

Although reconstruction of the system of production and the possibility of production is so far advanced, Germany is limited in regard to its sales, and the reconstruction is, therefore, transformed into a source of serious economic crises.

In its search for an expedient the German bourgeoisie issued the slogan: "Germany must regain her colonies." The colonisation specialists of the Kaiser's time are again creeping out of their holes. A number of colonial companies have made their appearance. These companies recently formed themselves into a common union under the style of "KORAG" (Koloniale Arbeitsgemeinschaft); the President of the German Reichsbank, Schacht, announced the idea of the creation of international joint-stock companies, in which a welcome would be given to German former colonisers. From the disclosures of Augur, we learn that Schacht offers France a loan, provided France relinquishes one of her West African Colonies. An interesting change in the players of the roles of conqueror and conquered.

However, the colonisation plans of Germany are not confined to the dream state. In the year 1925 a number of German colonial companies succeeded in buying back their former properties in the colonies which have passed into the hands of the Allies; in several cases they even added to them slightly. (Compare "Die Internationale" of July 20th.)

In addition to all this, it must be stated that the former indirect support of Germany by England and partly by America against rabid French Imperialism greatly strengthened the international significance of Germany. This consolidation of Germany compelled France to change her aggressive tone and encourage those German diplomats and capitalists who favoured Franco-German collaboration. France's own weakness also drove her in this direction. It must not be forgotten that since the occupation of the Ruhr, the time at which French post-war Imperialism reached its height, France has been sinking in sympathy with the rapid decline of the franc. When Poincaré came into office the situation was not altered. The present French Prime Minister is no longer Poincaré the conqueror, nor yet the Poincaré who occupied the Ruhr, but simply Poincaré the impotent. The France of to-day no longer dreams of subjugating

Europe, for she is fully occupied trying to save herself from English (and American) domination. One of the weapons chosen against English domination is the rapprochement with Germany, for English diplomacy has speculated constantly on the rôle of defender of France against the attacks of Germany. If France comes to an agreement with Germany, England must lose this trump card.

These are roughly the matters which have promoted the Franco-German rapprochement. The English diplomat, who is known by the nom de plume "Augur", sounds the alarm on account of this agreement. He supplements the picture by drawing in the Russo-German treaty and once more sees the old adversary, Germany, at the head of a great political combination on the Continent, which is not altogether advantageous to English economic interests.

What conclusions may be drawn from the above redistribution of forces in Europe?

1. The fact of a certain Franco-German rapprochement is beyond doubt. This fact must not be exaggerated. In any case, it would not be right to speak of a Franco-German block against England as a permanent combination. At any moment there is the possibility of a reversed combination — a treaty between England and France at the cost of Germany — especially if Germany fails to protect her rear by means of proper relations with the Soviet Union. Such a combination is all the more likely, because Germany's efforts have already surpassed those limits which were marked out for Germany by English diplomacy in its plan to exploit friction between Germany and France.

2. Insofar as a rapprochement exists, it constitutes, if not a real danger, at least a serious factor to militate against English hegemony.

3. In regard to America — this new power in European politics must be reckoned with in every important question — from the point of view of the United States a permanent Franco-German combination is hardly desirable on the score of the economic competition it could put up. Still, America must also keep England in check. It is most probable that one of these two powers is being used against the other by American capital.

4. Regarding the Soviet Union, the Franco-German rapprochement does not clash with its interests, insofar as the agreement is of a defensive character and directed against English hegemony.

5. The toning down of the antagonism between France and Germany does not reduce the totality of European international stress, for, on the other hand, it strains the relations between France and England and, still more, those between Germany and England.

6. The resurrection of German imperialism, even though weak on the military side, raises the bogey of the "German danger" in Poland, Czechoslovakia and other States, and this was the principal cause of the world war. The atmosphere in Europe is thickening.

Prospects of the September Session at Geneva.

By G. Péri (Paris).

In September 1924, the Imperialist diplomats at Geneva attempted to solve the thorny problem of security. After much wavering they finally formulated the famous Protocol which bound the signatories on their honour to protect any nation which might be attacked or threatened.

One year later the Protocol had become a scrap of paper: it gave way under pressure exercised by England, who was desirous of placing herself at the head of a diplomatic body which would be likely to represent the interests of Imperialism against the Soviet Union and the colonial peoples, and would not constitute an obstruction to intervention in any European conflict which might arise. In this manner the Treaty of Locarno saw the light of the world. The incorrigible Geneva people hailed its appearance: they asserted that, despite its scrappy character, it was based upon the principles of 1925, upon the principles of arbitration, of security and of disarmament.

The worshippers of the treaty persuaded themselves that they were approaching in measured stages what they undertook to reach with a single stroke of the wing. They consoled them-

selves that they would accomplish gradually that which they originally wished to achieve at a single blow.

That was the theory which appeared to delight Europe, a Europe swamped in debts, a Europe whose industries are under transatlantic Capital, Europe of the Dawes Plan and the Treaty of Locarno. This theory is now hastening to a gloomy end.

Not only the fact that, on the day after Locarno, the Soviet Power by its direct negotiations with the German Reich struck down the revolver which the bourgeois signatories of the pact had presented at the breast of the Russian workers, thus causing a serious crisis in the Geneva organism; not only the Spanish, Polish and Brazilian claims; not only the postponement of the inclusion of Germany, which also made the fulfilment of the Locarno treaties illusory; not only the Anglo-American antagonism, which led to the negation of all European agreements; not only all this, but the diplomats themselves showed that but very little confidence can be reposed in the "treaties" which had been signed on the shores of the Lake of Geneva. One Capitalistic State after another returned to the good old system of special alliances, without bothering further about the treaty, the protocols or even about the statutes of the League of Nations.

Great Britain, who is occupied with the protection of her irrigated districts in Egypt, and Italy, who is determined to gain a colonial empire by force of arms, have concluded an agreement to divide up Abyssinia.

In order to rescue the remnant of the respect she enjoyed in the Balkans, France has been negotiating for a number of months with Yugoslavia.

The shores of the Mediterranean are the scene of intrigue and plot; Rome and Paris are here preparing for bitter fight. As soon as the Quai d'Orsay has divided up the Rif with the Spanish Directorate, the Duce appears on the scene and demands a voice in the administration of Tangiers. Previously Spain was the intermediary between France and Italy; it is closely connected with Italian Fascism.

France negotiates with Roumania in order to regain her prestige in the Balkans, she grants to General Averescu recognition of the robbery of Bessarabia, which was stolen from the Soviet Union by the Bojars. Promptly Mussolini summons the representatives of Roumania to Rome and drafts an Italo-Roumanian treaty.

Where are the magnificent principles of Geneva in all this? At one time there was a political doctrine according to which the mere existence of the League of Nations could meet every eventuality, and nullify every treaty, between State and State. That was the official doctrine of the Geneva establishment. Very little now remains of it. The bourgeois Departments of State are all returning to the typical secret treaty of pre-war days.

The two bourgeois systems have broken up. The system of traditional diplomacy ended in 1914 in the world conflagration; the Geneva system has ended in contempt.

The Communists contrast these two forms, these irrevocably condemned systems, with the proletarian system: the organisation of the United Socialist States of Europe, the only guarantee for the peace of the world and of work.

THE LABOUR MOVEMENT

Sympathy Strike of the French Miners in Support of their English Comrades.

By Michel HOLLAY (Paris).

On August 9th the French coal-miners, under the leadership of the Revolutionary Miners' Association, arranged a 24-hour solidarity strike for their English brothers. In all the mining districts up to 75% of the men laid down their tools: in the district of Pas-de-Calais 70%, in the northern coal-fields 60%, in the Loire district 95%, in the Département Gard 70% and in Alsace-Lorraine from 50% to 70%. This result greatly exceeded expectations. Such a percentage is much in excess of the number of miners organised in revolutionary and reformist associations. The fact of the matter is that the revolutionary portion of the French miners succeeded in drawing into the strike very many of the reformist, unorganised and foreign workers.

Big demonstrations were held in all the large centres, and the miners' wives took a very active part in them. The spirit of these magnificent demonstrations was characterised by red flags and cries of "Hurrah for the English miners! Long live

Unity! Down with the high prices! Down with Fascism!" raised by the tens of thousands.

The coal-owners endeavoured to prevent the strike by granting a slight increase in wages two days before the date for which the strike was fixed. In this manoeuvre they were zealously supported by the reformist leaders. The miners did not allow themselves to be led astray by this trick; they struck despite the "wage increase", and this circumstance emphasises the true character of this successful strike, namely, international solidarity.

The strike has an historic significance: It is the first occasion in the history of the labour movement in France on which a sympathy strike, extensive enough to be termed national, has been declared on behalf of foreign fellow workers on strike. It has all the more significance, because the Miners' International deliberately prevented the international general strike of miners. This magnificent action on the part of the French miners may be proudly ranged alongside the mighty solidarity movement of the revolutionary Russian proletariat.

Furthermore, the fact that by means of this mass action the French miners have supported their English brothers in their struggle against Capitalist rationalisation will convince the French coal-owners that they must expect energetic resistance if they, too, begin to "rationalise" and "stabilise".

Again, the circumstance that reformist and foreign workers also struck in masses on August 9th along with their comrades organised in the revolutionary Miners' Association in a demonstration of solidarity with the English miners is a great step towards national and international trade-union unity, as it bears upon proletarian, revolutionary solidarity.

The solidarity strike of the French miners on August 9th, 1926, and the general strike of October 12th, 1925, against the Moroccan War, in which a million workers took part, are two of the most important events, not only in the French labour movement, but also in the international labour movement. The French proletariat has the honour of being practical pace-makers in two most important matters of principle, namely, the active battle against Imperialist warfare and the international revolutionary solidarity of the workers.

UNION OF SOVIET REPUBLICS.

Resolution upon the Grain Provision Campaign.

Resolution of the Joint Plenum of the C. C. and the C. C. C. of the C. P. S. U. passed on July 23rd, 1926, after hearing a Report by Comrade Kamenev.

The expert council of the Statistical Central Administration estimated the total grain harvest on the 15th of June at about 4700 million pood compared with 4300 million last year, an increase of 400 million pood over last year.

This increase in the grain harvest must naturally entail an augmentation of the quantity of grain available for commerce. It must, however, be taken into account that the growth of the peasant population, the augmented grain consumption in peasant households and the impossibility of State industry to turn out industrial products in quantities corresponding to the increased harvest and by this means to satisfy the other growing requirements of the peasantry, as well as the further accumulation of grain stocks in the hands of the peasants, will swallow up a considerable portion of the quantity of grain harvested in excess of last year's total. (According to the provisional grain and provender balance made by the Statistical Central Administration and according to the provisional estimates contained in Comrade Ossinsky's report to the Council for Labour and Defence, it may be assumed that the increase of grain consumption and of the grain stocks of the peasants will account for 300 million poods.)

Assuming that these harvest estimates are correct, it must be assumed that the quantity of grain which the peasantry can place upon markets lying outside peasant spheres, and which must be absorbed from this market in order that there may be no falling off in the amount sown in the future, will amount to 400 to 1000 million poods.

These estimates are, however, still uncertain and it is impossible at the present time to base upon them a settled grain provision plan to cover a whole year. It may be assumed as a preliminary estimate that the total quantity of grain which can and must be absorbed from the market by the Gosplan grain purchasers (inclusive of the purchases made by the State Bank from individual milling trusts, private persons, co-operative societies, etc.) will amount to about 700 million poods of grain and oil-seed, as compared with 585 million poods this year.

At the same time this means, that, over and above the increase of stock in the hands of the peasantry, there will remain to be purchased by consumers exclusive of the Gosplan, private persons, etc. about 300 million poods of grain, contrasted with 225 to 250 million poods in the year now drawing to a close. This will inevitably be accompanied by growth of unproductive consumption of grain (spirit distilling among the peasants themselves) and to a revival of the private grain turnover.

II.

In working out the plan of the grain provision campaign, regard must be had to a great variety of factors which will exert their influence upon the process of realising the harvest.

Among the factors which will affect the supply of grain to the market, in addition to the mere fact of a good present harvest, the following must also be reckoned:

a) The accumulation by the peasants within their own economy of considerable stocks of grain in the year 1925/26. (According to the above-mentioned estimates of the grain and provender balance the peasantry and the small dealers increased their grain stocks during this year from 135 million poods to 400 millions).

b) A certain augmentation of taxation as compared with last year.

c) The all-round increase in the quantity of goods.

Among the factors which will militate against the desired progress of the campaign are the following:

a) The disproportion between agriculture and industry, forbidding as it does the possibility this year, too, of setting against agricultural production a corresponding quantity of articles of industry.

b) The endeavour, especially of the well-to-do portion of the peasantry, to hold back their products from the market, in which they are aided by the accumulation of money among them, advances in wages, etc.

c) The lack of grain stocks in the hands of the State which would permit of its manoeuvring with upon the market.

The computation of the favourable and unfavourable factors — to which must be added the burdensome payments to foreign countries which compel us to work for the greatest possible exportation in the very first period of the campaign — force us to anticipate the possibility that during the course of the grain provision campaign the State will meet with a number of obstacles which will make the work more awkward and difficult. (Holding back from grain realisation on the part of the peasants, attempts to force up the price of grain to a level that will strain the resources of the State and the town, etc.)

On the other hand, we must not forget the possibility that the very fact of the good harvest may lead, in individual districts and at certain times, to a fall in price which would be unfavourable both for the peasantry and the State and necessitate measures to remedy the occurrence.

The surmounting of these obstacles will to a great extent depend upon the general economic relations under which the grain provision campaign takes its course, as, for instance, the extent and the rate of the supply of industrial goods to the market, the stability of the monetary system, the rate of price reduction in articles of industry for retail trade.

III.

The most important task which the Soviet State will have to face in regard to the grain provision campaign will be that of assuring to the peasantry the possibility of realising upon their surpluses under conditions which, without endangering the interests of the peasants in the continued development of their economy, planting, etc., will at the same time offer the possibility of the quickest development of general economy by way of industrialisation, foster the accumulation of means in the socialistic elements of our economy and render profitable export

as the basis of importation of articles of equipment and raw materials, so necessary to general economy and more especially to our agriculture.

This calls for a struggle against an inordinate depression of grain prices, as well as determined resistance to efforts to force prices up beyond a certain level.

The successful fulfilment of this task requires that the Soviet State should not only maintain its position on the grain market in relation to the unorganised and private buyers and jobbers, but even consolidate it. In particular it is necessary that the collecting agents should by all means secure on the purchasing markets at least seventy percent of the purchases of the whole of the grain offered for sale, and especially of the wheat and rye.

The part played by the State organisations and the co-operative societies in the supplying of the home market must be, at least, as important as it was last year, i. e., the supplying of the home market to an extent of about 60% must be guaranteed to them, and effort should be made to develop their activity beyond this degree.

IV.

In conjunction with the above-mentioned circumstances and with all the problems with which the State has to deal, a number of measures must be taken.

The matter of prices.

1. Effort must be made to secure such price as

- a) promote peasant farm production, do not endanger real wages and ensure profit to the enterprises;
- b) maintain the stability of the tschervonetz;
- c) help in the all-important matter of attaining a balance of affairs as between town and village, which is essentially necessary for the further development of general economy.

2. A normal relation must be created between autumn and spring prices and in prices as between the various districts, and a proper relation arranged between the prices of grain and the prices of agricultural raw materials.

3. Among the measures for the securing of the desired price policy there must be adopted, in addition to the measures relating to economy and finance, methods to bring into consonance the activities of the State purchasers and the co-operative society purchasers of grain on the market.

Organising the Provision.

1. Special attention must be devoted to the proper construction of the system of provisioning upon the basis of the practical and strict execution of the resolution of the plenary meeting of the C. C. of April 6th concerning the reorganisation of the grain provisioning system, especially in regard to the co-ordination of the work of the central and of the local organisations.

2. Decisive measures must be taken to diminish the heavy working expenses in the grain trade. The campaign which has just closed showed an extraordinary magnitude of working costs in the grain trade, due to inefficiency in the system, unproductive expenditure and also to excessive cost of loading and unloading, etc. It is, therefore, necessary during the coming campaign to make a reduction of at least 15% in the working costs in connection with purchases, by means of rationalisation of the system, improvement of working methods, diminution of unproductive expenditure of every kind, etc. At the same time, steps must also be taken to effect a reduction of expenses in directions independent of grain purchasing.

3. Greater and greater importance must be given to the role and influence of the co-operative societies in grain collecting, so that the co-operative centres may gain closer and closer touch with the periphery and the units of the co-operative system may be strengthened, but in this process the co-operative associations must take care that their operations correspond with the instructions of the Government, particularly in regard to price policy.

Distribution.

As an ample and systematic distribution to the principal districts is one of the most important conditions for the orderly carrying out of the whole grain provision campaign, the following is necessary:

1. The supply of the most important consuming districts must in a certain measure be secured through the conclusion of general contracts with the Gosplan buyers.

2. In the first half of the campaign handy supplies must be available in the most important consuming districts.

3. A cautious policy of grain selling must be observed in realisation upon foreign markets, whereby due regard must be paid to the condition of the home market and the progress of the grain provision campaign.

4. Without limiting the matter to that effect upon the turnover outside the sphere of the Gosplan which the policy of the Gosplan purchases will inevitably exercise, effort must be made to subordinate the turnover apart from the Gosplan to a certain portion of the immediate influence of the State, primarily through the policy of the State Bank as outlined in the resolution of the C. C. of April 6th of the current year.

The Supply of Goods.

The Plenary Meeting instructs the Pol-Bureau to pay special attention to the devising of a more dexterous manoeuvring with industrial goods as a specially important condition for the execution of the grain campaign.

Financing.

In the hands of the People's Commissariat for Commerce the systematic management of the financing must constitute a very important lever for the regulating of the grain provision campaign.

The grain buyers must be guaranteed the means of exchange necessary for the execution of the projected provision programme. In order, however, to lock up the means of the State as little as possible, steps must be taken to ensure a rapid turnover of the grain provisioning departments' capital, and stress must be laid upon merchandise credit and blank credit, subject to the greatest possible limitation of advances for specified periods.

In view of the lack of means of exchange among the chief buyers, the basis for the development of the grain provision campaign must be guaranteed by the granting of adequate advances for specified periods.

The financing system must be arranged upon the following measures:

1. The granting of merchandise advances against the whole quantity of grain proposed as pledge must be guaranteed, subject to the purchases being made within the limits of the fixed prices to which no objection is raised by the People's Commissariat for Trade of the Soviet Union or its local affiliations.

2. The system must have a certain pliability, which will enable it, in harmony with the whole process of provision and realisation and with the measure of the supplies of grain from the peasants in the various districts, to secure the maximum quantity of grain from the market at prices within the means of the State.

At the same time, the following steps must be taken to diminish the locking up of the State cash resources in grain collecting:

1. Measures must be taken, to draw the greatest possible amount of means from the grain buyers for the benefit of the organisations collecting grain and trading in grain, and,

2. a reduction to the practical minimum must be made in the extent of the cash in the hands of the grain buyers and in the advances made by them to their clients.

The financing of the grain turnover exterior to the Gosplan must be built up on:

a) The financing by the State Bank of its purchases exterior to the economic plan and

b) the allotment of decentralised credits to the consuming as well as to the producing areas for the requirements of the local supply.

Exportation.

The general task of the development of national economy and especially the industrialisation of the country demands the exploitation of the good harvest of the year 1926/27 for the greatest possible promotion of exportation of agricultural products, as regards both the quantity and the value.

The general position on the world market for grain creates difficulties in regard to the sale of considerable quantities of

our growing output of provender (barley, oats, oil-cake, etc.). Effort must be made to enhance the role of foodstuffs within our exportation in order to get the greatest possible extent and value in this exportation.

At the same time, the People's Commissariat for Trade should be obliged to take measures to increase sales of provender abroad, whereby the growing significance of the role of fodder in the development of our agriculture must be taken into account. In selling our grain in foreign markets, it should be our aim to exploit those periods on the world market when prices are most favourable, whereby extension should be made in credits on sales of grain and steps should be taken to foster improvement in the quality of the grain.

In view of the fact that during the approaching campaign we have to meet the competition of exporting countries in which there are prospects of a good harvest, special attention must be paid to the selection of good quality grain for export.

The Reserve Fund.

Many of the difficulties which have to be met in the grain provision campaign, are due to the circumstance that the State attempts its tasks upon the grain market without any reserves in hand. It is only by having a certain reserve of grain in hand that the State can gain freedom for the necessary manoeuvring, for the securing of its position on the grain market, for the influencing of prices and for the ousting of private capital.

This year's favourable harvest must be used by all means for the creation of a State grain reserve fund amounting to no less than 50 million poods of foodstuffs (without taking the mobilisation stock into account). The task of creating such a fund must be regarded as one of the chief tasks of the coming grain provision campaign, because two years of good harvest make it absolutely necessary to protect oneself, by the creation of such a fund, against the possibility of a poor harvest in a succeeding year.

The People's Commissariat for Trade must ensure the execution of the chief tasks of the State in the matters of buying, handling and exporting, not only by measures of a financial and economic nature, but also by measures of an administrative character. The chief support, however, for the regulating of the market must rest upon an undivided system of finance-economic measures upon the bases of the trading and economic-commercial independence of the organisations dealing in grain.

The attention of all local organisations should be directed to the necessity for the greatest possible augmentation of the actual stocks of the State reserve.

FOR THE UNITY OF THE C. P. S. U.

The Party and the Opposition Block.

Report given by Comrade Bukharin

at the Functionaries' Meeting of the Leningrad Organisation of the C. P. S. U., on 28. July, on the Results of the Plenary Session of the C. C. and the C. C. C.

Comrades! My present report on the results of the Plenary Session of the C. C. and the C. C. C. will differ to a certain extent from the customary reports on this theme, for the reason that the work of the Joint Plenum itself has been of an unusual character. A number of practical questions which formed the agenda have been dealt with from a general and from a fundamental standpoint, with reference to those political declarations and those attacks against the majority of the Central Committee which have been made on a developed scale against the C. C. by the opposition during this Plenary Conference.

In my present report I shall thus have to restrict myself solely to fundamental questions of principle in the political life of our country, to questions of principle concerning our Party, both with regard to inner policy and in part to foreign policy, as also to special inner Party policy. Before analysing the standpoint of the new opposition, I must thus give a brief survey of

the general situation in the country, for the fundamental differences existing between the overwhelming majority of the C. C. and the comrades of the opposition arise from the estimation of the situation in our country, and of the role played by our Party at the present juncture. It is these varying estimates which give rise to the varying opinions as to the correct measures to be taken by our Party at the present stage of its historical development.

Permit me then to first make a brief analysis of the general situation in our country.

The Economic Situation.

The Economic Growth of the Country.

I begin with the analysis of the economic situation. I must apologise for having to make recourse to figures here, though only to a very few. In our own ranks the growth of our economics, and the growth of the productive forces of the country, have become a generally acknowledged fact; and even our most obstinate opponents admit this fact. Even our bitterest and blindest class enemies have been forced by the pressure of undeniable facts, facts which cannot be even ignored under present conditions, to acknowledge our economic progress.

But for us Marxists-Leninists, for us who are building up a new state of society, the question of the general economic progress of the country is no more than the first and most general point in the analysis of the economic situation. We must follow up this question by others, and ask ourselves if our industry, which is the basis of socialist development, is progressing. If it is, we must ask its rate of progress, whether it is overtaking agricultural development, or if on the contrary agriculture is overtaking industry. We must ask whether the disproportion between our state industry and the 22 million farms is increasing, or if our industry is growing more rapidly. This is the first of the supplementary and decisive questions which we must put to ourselves after being assured of the fact of the general economic growth of the country.

The So-Called "Disproportion" in the Development of Agriculture and Industry.

I now pass on to this first question of the relations between the development of agriculture and of our industry. Here the position may be characterised by the following figures: The gross production of agriculture has risen between the economic years 1922/23 and 1925/26 from 66.8% to 88.1% of the pre-war level. During this period the gross production of industry has increased from 34.7% to 95%. Expressed in absolute figures, agricultural production increased from 7.8 milliard pre-war roubles to 10.3 milliards, that is, an increase of 32 per cent in the time given. If we refer to the gross production of industry, we find the following figures: In 1922/23 production amounted to the value of 1949 million pre-war roubles, in the economic year 1925/26 to 5215 million pre-war roubles. Our industry has thus increased by 274 per cent during this time).

Now to the living basis of our industry, that is, to the strength of the working class, for the question of the class struggle — and our socialist development is in reality a peculiar form of proletarian class struggle — will naturally be decided by those living people who represent in various combinations the main base of the socialist structure. The working class forms the fundamental human material of this socialist structure. It is the ruling class, the leading class, the vanguard class of the present transitional state of society.

If we ask how the working class itself is developing, and in particular what changes have taken place in its numerical strength, which represents under uniform conditions the decisive factor of its social class force, we find the following dynamics of development:

In the economic year 1921/22 the average number of industrial workers was 1,240,000. By June 1925 this number had increased to 1,555,000; June 1926 shows us the figures at 1,898,000, that is, in the course of one year, from June 1925 to June 1926, the most advanced stratum of the proletariat, the industrial working class, increased by more than 300,000. We can put the same question in another way, not merely with re-

) "Gosplan" No. 3, and "Bulletin of the Dynamic of National Economy of the U. S. S. R." 1926.

ference to the numerical increase of the persons belonging to the working class, but from the standpoint showing us what proportion of our total national income is represented by the income of the working class, that is, by their wages. I may assume that you are fully aware that our country is in the first place an agricultural country. The working class is still an insignificant minority in this country. We must therefore not be surprised at the smallness of the absolute sum; the important point is the change which has taken place in the proportion of wages contained in our total national income. In the economic year 1922/23 the sum total of wages, that is, of the income of the proletariat, amounted to 20 per cent of the total national income. By 1924/25 this sum had increased to 28.1 per cent for the whole Union, that is, almost 50% increase in a comparatively short time²).

Thus matters were up to now. We have however now reached a stage in our economic constructive work in which our organs of planned economics are able to set themselves the task of fixing plans of orientation for comparatively long periods in advance. For one thing we have worked out a statement, which, it need not be said, is only approximate and intended to serve as information, on the development of our economics during the next five years. This statement has been drawn up with the greatest caution by the collaborators in the Planned Economic Commission. According to this statement, the growth of agricultural production is calculated at about 20.8 per cent for the five years 1925/30, whilst the growth of industrial production is estimated at about 110 per cent. The growth of all agricultural and industrial production is dealt with. The proportions change somewhat if we take into consideration not the growth of the gross production of agriculture, but only the part of this production put on the market, the part consisting of goods. Our provisional calculations would then yield figures anticipating that the goods obtained from the peasants' agricultural production will increase by about 42/43% during the next five years³).

This 110 per cent growth of industrial production shows us that the informative calculations for the next five years, based upon a careful study of existing factors, indicate that the growth of industry will surpass that of agriculture. This is the fundamental tendency underlying our economics, and was consciously adopted as such at the last XIV. Party Congress.

If we ask at what speed industry and agriculture will develop, we may receive the confident answer, both with regard to the years behind us and those coming, that the balance is in favour of industry, that our industry has outstripped agriculture in its development up to the present. And a study of all available data enables us to prophesy for the next five years, with equal confidence, further progress for the industrialisation of our country.

The Extent and Importance of Private Capital.

The second question which we must ask ourselves is: To what degree has private capital established itself in our country, and what are the comparative proportions of state economic development and private capital development. Here I must anticipate a little, and insert a small observation: We must differentiate strictly between private economics in our country and private capitalist economics, a point upon which many comrades — especially those of the opposition, as we shall see later, — are by no means clear. Not all private economics are private capitalist economics. The agricultural undertakings of the poor peasantry, and of the medium farmer employing no outside labour, are private economical enterprises, but do not represent private capitalist economics. But when we speak of our competition and our class warfare with private capital, we must inquire into the comparative powers of our state economics in all their forms on the one hand, and private capitalist economics, that is, economic undertakings employing paid labour, on the other. It is unfortunate that precisely in this point we are short of statistics, which should be compiled with special care on this point in our state.

The data at our disposal on the movement of private capital, its enlargement or diminution, cannot lay any claim to accuracy. We must devote particular attention to this aspect of this question.

A functionary of the People's Commissariat for Finance, Kutler, recently made an attempt at calculating the extent of private capital and the annual accumulation within the private capitalist undertakings. An enquete was held among the private undertakings, but was extended to only about ten per cent of the private capitalist undertakings classed under the clearing tax. This last fact shows in itself how difficult it is to find firm ground in Kutler's conclusions. However this may be, Kutler's investigations into the rôle played by private capital are more favourable for private capital than any other inquiries which have been made.

According to his calculations, the technical side of which I shall not discuss here, as involving an indirect and complicated method, the gross proceeds of the 328,855 private capitalist undertakings existing in our country are expressed in a very considerable sum, according to Kutler somewhere between 319 and 585 million roubles.

At the C. C. Plenum one of the most respected members of the opposition, and one of our highest economic functionaries, Comrade Pyatakov, calculated the net gains of private capital at 400 to 500 million roubles, arriving at this result by another method, a method in which comrade Dzershinsky and other comrades have observed a number of errors. I need not deal with these errors here. I need only mention that Comrade Pyatakov made his calculation in the following manner: 11 per cent of industrial production is placed in the hands of private dealers. In reality, however, the private dealer trades in a very much larger proportion of industrial production; his share has been calculated at 40 per cent and even more. Comrade Pyatakov based his sum total of private capitalist accumulation on these figures.

Here he committed a number of errors, the chief of these being the following: If we place 11 percent in the hands of the private dealer by legal methods, and he receives in reality more than this 11 percent, then this is done by means of repeated re-sales. Let us say that the co-operatives, or our subordinate state organs, which buy goods from our state organisations at wholesale prices, resell these to private capital. But where such things happen — and they do happen — we need not imagine that the private trader pockets the whole difference between the factory and the retail price. When he thus buys the goods at the third step of their sale, then the second link of the chain, the strata trade organ or the co-operative from which he buys, has already secured its profit, so that the private trader does not receive the whole difference between factory and retail prices.

Let us even assume the gross proceeds of the private capitalists to actually attain the 400 million roubles of Kutler's favourable estimate, (I take the mean between 319 and 585 million roubles.). This figure is calculated to alarm us all, for either 300 or 400 million roubles is a very nice sum. If the gross proceeds of private capital are really expressed in such a sum, then this represents a very real social danger to our class. It would signify that private capital has intruded too far in its contest with us. But in my opinion this calculation neglects a fact of decisive importance. This sum does not represent net profits, expressing the amount of private capitalist accumulation, and therefore this sum cannot by any means be compared with the net profits of our state undertakings, our trade organs, and our state industry. Such a comparison is made the more impossible by the fact that the proceeds thus calculated include the whole gross profits of the capitalist trader, including that part of the profits which he consumes.

In the present case: What is the number of undertakings yielding this profit of 319 to 585 million roubles? There are 328,855 such undertakings. If we assume that it costs about 80 roubles monthly to maintain a family (here of course I may be greatly in error, but it is an error which can be easily corrected on one side or the other), this means a sum of about 1000 roubles yearly. Thus 323 million roubles are consumed, and these 323 millions of "consumed" roubles must be deducted from the 400 millions of the gross profits, if we are to reach the actual accumulation fund of the private capitalists. This sum cannot therefore be compared for a moment with those figures expressing the net profits of our industry. When

²) "Gosplan" No. 1. Article by Comrade Buchmann on the "Total income of the Soviet Union", 1926.

³) No. 4. Articles by Comrades Tchidyauovsky and Strumilin.

we calculate the net profits of our industry, we reckon our accumulation fund only, that is, the sums which can be employed for further expanding industry; we do not calculate the costs of maintenance of the technical staff, of the requisite apparatus, etc. But as soon as private capital is concerned, then the accumulation fund, that is the net profit which can be employed for enlarging the undertaking, is merged in the gross profits. This one correction alone suffices to throw quite another light on the actual comparative forces.

I have examined a large quantity of correspondence from the provinces on the growth of private capital in these different districts. In the Leningrad district (this is the one extreme) private capital has for instance been steadily retrogressing during the whole time, and its importance decreases from day to day. There are other parts of our Union in which private capital has won further positions of late. The greatest strengthening of the position of private capital has taken place in Ukraine. But even here, where private capital has grown at the greatest speed, it has just reached the level of 1924, our severe pressure upon it in 1923 having forced it to retreat. We have now loosened the reins again a little, so that private capital is beginning to press forward, and at the most dangerous point of its attack it has regained the level of 1924. Thus matters stand at present.

Turning to our state economics, communal undertakings, and co-operatives, we find the net proceeds of our socialised economic enterprises to have been 1025 million roubles in the year 1924/25; in the economic year 1925/26 the sum will probably be 1586 millions (the final calculation is not yet finished, so I can only take the probable figure). This is clear profit. Thus if we accept the most favourable estimate of the gains of private capital, as calculated by Kutler, first correcting the amount in the manner described above, by deducting the amount of capital consumed by private capital from its net profits, then we shall see that our state economics are established on a firm basis, and give no cause of anxiety as to the future of our development towards a socialist state of society. I believe that the further progress of our economics is bound to strengthen our position.

We must not forget that we have already proved our manoeuvring capacity in this sphere. A few years ago, quite a comparatively short time ago, we exercised pressure upon private capital, and began to supplant it with extraordinary rapidity; as soon as we saw that we had drawn the reins a little too tight, we loosened them again. It has been seen that we are able to do this. These repeated tactics for the control of private capital have shown clearly that our state power is fully able to regulate at will, and that, should actual danger arise from private capital, we can at once apply the lever of our credit system — as we have already done before — the lever of our railway transport, of our taxation apparatus, and of our whole economic apparatus, and thus rapidly push aside private capital if needs be.

The existing relations of class forces show us where to apply the necessary levers at any given moment. We see for instance that private capital has now turned its attention to the villages. This must stimulate us to strengthen our own position there. We see that only recently private capital was using our state credit to too great an extent. Here we had to apply pressure. We see that we can learn from private capital how to increase the rapidity of circulation, for we observe that the means of private capital circulate much more quickly than our means in the more unwieldy and bureaucratic state institutions. Here pressure must be exercised to accelerate circulation. We see that private capital exploits the investor, especially the contractors with whom it deals, and attracts outside capital with the aid of a minimum of its own. We have not yet shown ourselves capable of doing this. We have not yet adequately exploited agricultural accumulation for the uplift of our industry and our co-operatives. Here it is again needful to draw the logical conclusions. That we must draw these conclusions is true, but it is quite wrong to say that private capital hangs over us like a threatening thundercloud. This is perfect nonsense.

The Class Differentiation in the Villages.

A few words on the peasantry problem. There are some comrades who imagine the differentiation among the peasants to have already reached such a point that the problem of the

medium farmer practically exists no longer. Unfortunately, our statistics fail to give us the required information here. We have no figures showing the present differentiation, or its progress of late. Still I should like to make a general observation on a point which in my opinion can and must be accorded attention. If you look at any capitalist country, even a capitalist country developing with tempestuous rapidity on capitalist lines, we Marxists-Leninists recognise (and Lenin himself would have recognised) that the solid mass of the medium peasantry cannot be changed within a few years; it can be hollowed out by the current of capitalist development, but the process will be much slower here than in the industrial class, where the middle class, the medium city bourgeoisie, is forced out of existence much more quickly.

And if this is the case in a capitalist country and under capitalist rule, where the whole mechanics of capitalist society drift forward at the speed prescribed by the maximum speed at which the middle peasantry is decomposed and the differentiation of the peasantry accomplished, it is much more the case in the Union, where the nationalisation of the land has rendered a rapid differentiation impossible in any case. Lenin emphasised this frequently. I may even refer to that speech of Lenin's which was recorded for the gramophone, and sent to all the villages and towns of the Soviet Union as one of the most important and popular speeches ever made by Lenin on the peasant question. This speech dealt directly with the nationalisation of the land, and with the importance of the middle stratum of peasantry in connection with this. Thus, whatever may be asserted on the subject, we cannot conclude that any very great change has taken place with regard to the differentiation of the various strata of peasantry during the past two years. It is impossible.

The Growth of the Co-operatives.

One of the factors characteristic for the situation in our country, and one which is universally admitted to play an important rôle, is the stage of development attained by the co-operatives, especially by the agricultural co-operatives. If we examine the balance of the agricultural co-operatives, we see that this increased to four and a half times the original balance between 1. January 1923 and 1. January 1924, and between 1. January 1924 and 1. October 1925 it was again nearly doubled (90%). This extreme rapidity of agricultural co-operative growth speaks to a certain extent for itself. It shows that although our efforts are still extremely faulty in this direction, and though we are still lacking in the necessary energy in this task, still a mighty work is developing here.

The Total Balance is in Our Favour.

Having established the fact of the general economic progress of the country, we may ask ourselves the second question, the question of the relations between the positions of state economics and of private capitalist economics. We shall find that private capital, expressed in absolute figures, has increased, whilst at the same time the position of the socialist elements in our economics has become comparatively stronger. It may be observed that this same specialist Kutler, to whom I have referred here, and who has estimated the maximum figures for the accumulation of private capital, himself declares that the comparative participation of private capital in our collective economics is falling steadily. That is, despite the fact that in his opinion the gross proceeds of private capital amount to 400 million roubles, still the sphere of socialised economics is increasing with so much greater rapidity that the percentage of private capital is sinking. Thus even this expert has acknowledged that our growth is outstripping that of the private capitalist, and assuredly and finally this is the decisive factor. If private capital has increased to this extent, and we still outstrip it, then this is a proof of the general growth of our whole country, and of the strengthening of our position within this growing economic life.

We thus see, firstly, that the city, city industry, and all industry, are outstripping agriculture; and secondly, that nationalised economics, that is, state economics, communal economics, and the co-operatives, are outstripping private capital.

These are the most important conclusions to be drawn from the analysis of our economic situation. It need not be said that when I speak here of these conclusions, I am not asserting that our progress is not accompanied by contradictions, on the

contrary, I am assuming their existence. I do not in the least attempt to conceal, either from you or from myself (it would simply be stupid to do so) the fact that private capital is growing. I have intentionally adduced the figures showing most clearly the extent and importance of private capital in our country, and its — relatively — favourable position. And yet the total balance, after according due consideration to the contradiction involved in the growing power of our class opponent, is in our favour, in favour of the working class, in favour of the proletarian dictatorship, in favour of the socialist part of our economics.

The Political Situation in the Soviet Union.

We now pass on the political situation in our country. I shall make this part of my speech extremely short, for the political situation mirrors in all essentials the events of the economic situation.

The Pacification of the Peasantry.

If we regard the situation from an entirely general standpoint, we must first mention, as one of the most important factors determining the political situation in our country, the pacification of the peasantry, the pacification of the mass of the middle peasants.

Our life develops at such a rapid pace nowadays, that we often forget what the situation was like only a short time previously. But if you will recall to your memories the time before our XIV. Congress, and go back a few months, you will remember the unrest at that time among the peasantry, including the masses of the medium and poor peasantry. In many many districts the middle peasants joined with the kulaks, and actively expressed that dissatisfaction with the Soviet power which took its rise among the big peasant elements. We see that this peasant unrest has died away. Confidence is growing in the Soviet power, in the Communist Party. This is an immediate consequence of our correct political line, especially of our course towards vitalising the Soviets, towards revolutionary legality, towards the regulation of the conditions in the whole system of our Soviet organs on the one hand, and towards creating a number of economic facilitations in the sphere of agricultural taxation on the other.

This pacification of the peasantry can only be rightly considered if taken in its connection to the strengthening of the proletarian dictatorship. The political state of the peasantry is one of the most decisive factors for the security of the proletarian dictatorship. A proletarian dictatorship at war with the peasantry and with its main mass, the middle peasants, can never be secure. It was not by accident, and not an empty phrase, when Lenin told us that the supreme principle of proletarian dictatorship is the alliance with the peasantry.

It is not by accident that this saying has become a winged word. It was and remains one of the most important theses of Lenin's teaching. The favourable alteration which has taken place in the political temperature of our peasantry, and not at the cost of growing passivity, but accompanied by growing activity among the peasants, is one of our greatest successes in the political life of our country. It signifies the firmer establishment of the proletarian dictatorship, and an increase in the guiding influence of our party.

Our Growth is Acknowledged Abroad.

The shifting of proportionate forces within our country, thus resultant on our economics growth, and on the increasing preponderance of the socialist section of our economics in our collective economics, has inevitably led to a regrouping of forces in the international arena. Our growth is admitted by our enemies. The fact of our growth forces them in itself to trade with us, to negotiate with us, etc., and yet at the same time to attempt to paralyse our growth. I need only remind you of the various preparations made by the English government and the English bourgeoisie for the financial and economic blockade against our Union.

With regard to our semi-friends, the broad masses of Social Democratic workers, it is clear to everyone today that the fact of our growth and the strengthening of the socialist element is making its way into socialist heads, even through the fog of bourgeois mendacity. We see this in the increasing frequency

of visits from workers' delegations. A communist comrade accompanying a German delegation told me yesterday that anyone who still maintained, in Germany, that our steel industry is no socialist industry, that the number of our workers is lessening, and that everything is going backward in the union, would forfeit all confidence, even among the Social Democrats, who would recognise this repetition of the lies of the bourgeois press and of the most reactionary leaders of Social Democracy.

We Develop more rapidly than our Opponents.

The above is a brief sketch of the economic and political situation of our country. It is obvious that the strength of the enemy is growing, both in the sphere of politics and of economics. It is clear that we must face the political dangers confronting us. It is clear that we must face the danger threatening us from the rich farmers, the NEP-men, the bourgeois intelligentsia so often combining with these, etc. We must never forget these for a moment. We must realise that these dangers are growing. This is true. We should be very bad politicians if we did not cast a glance at this aspect.

But when we draw the general balance, when we observe the right proportions of light and shade, of our growth and the growth of our opponents, of our achievements and our faults, then we can tell ourselves the plain truth here, and this truth is: in general we are growing more rapidly than our opponents, in general there is no threatening thundercloud hanging over our heads, in general we are on the right road.

(To be continued.)

Resolution of the Political Bureau of the C. P. of Great Britain on the Discussion in the C. P. S. U.

(Adopted August 9th, 1926.)

1. The Political Bureau of the Central Committee of the C. P. G. B. places on record its unreserved condemnation of the fractional methods adopted by the Opposition in the brother Party of the Soviet Union, as revealed at the last plenary session of the latter's Central Committee (secret fractional meetings, despatch of fractional organisers to set up groups in the localities, code messages, despatch of fractional representatives abroad, etc.). Such outrageous breaches of elementary Party discipline cannot be tolerated in any Communist Party, and fully justify far more drastic measures than those adopted by the Central Committee of the C. P. S. U. In the Russian Party particularly such methods are especially to be condemned as tending to disrupt the leading Party of the Communist International and to undermine the proletarian dictatorship.

2. In particular, the Political Bureau of the British Party expresses its condemnation of the policy pursued by Comrade G. Zinoviev personally, in allowing the development of this factional organisation to pass unchallenged, in giving facilities through the Communist International for the despatch of fractional emissaries to the German and French parties with the object of setting those Parties against the majority of the Russian Party, and in concluding political alliance for purely fractional ends with elements in the Russian Party with whom Comrade Zinoviev has hitherto had nothing in common, e. g., the Medvedief group at Baku, who stand for the liquidation of the Comintern, and Comrade Trotsky, whose attitude on British questions is almost indistinguishable from that of the liquidation of the British Party, as expressed in his article in the "Communist International".

3. The Political Bureau of the British Party considers that these actions on the part of Comrade Zinoviev make it essential, notwithstanding his great services to the international working class for many years, for the Executive Committee of the Communist International to convene an enlarged Plenum at the earliest possible date, for the purpose of considering the position of Comrade Zinoviev as chairman of the E. C. C. I., as a matter of urgency, and of hearing a report from the International Control Commission on the subject. The Political Bureau of the British Party feels itself the more entitled to raise this issue because, at the last Plenum in February, in the interests of the whole movement, its Delegation did its utmost to dissipate the

strongly held suspicions of the German Delegation that Comrade Zinoviev was still supporting the anti-Communist and anti-Party "Ultra-Left" group in Germany (Ruth Fischer-Scholem-Urbahns-Korsch). The renewed fractional activities of Comrade Zinoviev and the suggestion of Comrade Trotsky—unopposed by Comrade Zinoviev—at the last Plenum of the Russian Central Committee, to the effect that renewed support be given to this and similar groups, make it impossible to ignore the question of Comrade Zinoviev's position any longer.

4. The Political Bureau of the British Party, while continuing its own campaign of exposure of the so-called "Left Wingers" on the General Council as men who, at every critical moment during and since the General Strike, not only capitulated to the Right Wing but by their silence helped to screen them from the anger of the workers, is at one with the majority of the Central Committee of the C. P. S. U. in condemning the suggestion of the Opposition that the Russian trade unions should withdraw from the Anglo-Russian Joint Advisory Council. This suggestion, if adopted, would have meant a particularly heavy blow at the cause of world trade union unity at the present time, when the British workers have had visible evidence of the futility and treachery of the Amsterdam International and its official supporters in Great Britain, by their obstruction and boycott of every action destined to help the miners. Such tactics, dictated either by despair or by an overestimate of the degree of revolutionisation of the British workers, come well enough from the emotional and confused armoury of Comrade Trotsky, the apostle of "permanent revolution", but they are not to be expected from the Chairman of the E. C. C. I.

5. A full report of the decisions of the Central Committee of the C. P. S. U. and of the events leading up to them, shall be made to the next session of the Central Committee of the British Party, and the present resolution laid before it for endorsement.

Statement of the Central Committee of the Workers (Communist) Party of America.

The Central Executive Committee of the Workers (Communist) Party, having considered the decisions of the plenum of the Central Committee of the All-Union Communist Party, makes the following declaration:

The Fourteenth Congress of our brother party, the All-Union Communist Party, considered the problems of Communist reconstruction of the Union of Socialist Soviet Republics with a Leninist spirit and with Leninist thoroughness and decided on a correct policy for the development of a socialist economic system in the Soviet Union. The opposition, overwhelmingly defeated at this congress, merely voiced an unwholesome pessimism arising out of its loss of confidence in the revolutionary perseverance, tenacity and optimism of the industrial proletariat. This pessimism was expressed in un-Leninist and leftist phrases culminating in prophecies of the "dire fate of the revolution".

The parties organized in the Communist International, and our American Party among them, had hoped that in spite of its mistakes, the opposition, and its leader, Comrade Zinoviev, would at least preserve the indispensable Bolshevik discipline and accept the judgment of the party, and apply itself to the task of executing the decisions of the Fourteenth Congress of the All-Union Communist Party.

This hope was not well founded. The opposition proceeded to organize against the Central Committee and against the decisions of the Fourteenth congress. The organization of a faction within a Communist Party, at all times a dangerous act, becomes treasonable in a country where the Communist Party has led the proletariat to power and where dissension in the party becomes the center of hope for all enemies of the proletariat.

To preserve the unity of the All-Union Communist Party and to secure the unhampered execution of the policies of the party, the Central Committee through its plenary session, was forced to take strong disciplinary measures. The removal of Comrade Zinoviev from the Pol-Bureau and the exclusion of the candidate member, Comrade Lashevitch, from the Central Committee, decided upon the plenum of the Central Committee of the All-Union Communist Party, was fully justified by their breaches of discipline. These measures were necessary to secure and cement the unity and revolutionary efficiency of our brother party, and to prevent the spreading of un-Leninist theories within the party; the measures taken will strengthen the Central Committee in its struggle against the liquidation of Leninism by Trotzkyism through the oppositional alliance between Zinoviev and Trotzky; and, finally, they will strengthen the All-Union Communist Party in its Leninist leadership of the Communist International.

The rapid disintegration of capitalism in Europe confronts our International with tremendous tasks. The unity and Leninist purity of the Communist International is the only guarantee for the proletariat, that these tasks will be met and victory will be achieved. Flirtation by the opposition within the All-Union Communist Party with left and right deviations alike, such as Urbahns in Germany, Souvarine in France, at best an unprincipled step suggest by factional aims, became under these conditions an act endangering the very revolution itself. The measures taken by the plenum of the Central Committee of the All-Union Communist Party against the opposition are therefore a step saving as much the unity and Leninist integrity of the Communist International as the unity and Leninist integrity of our brother party, the All-Union Communist Party.

The Central Executive Committee of the Workers (Communist) Party greets the Central Committee of the All-Union Communist Party in full solidarity with its measures against an opposition which threatened by its activities not only the unity but also the revolutionary achievements of the advance guard of the Russian and world proletariat.

Central Executive Committee,
Workers (Communist) Party,
C. E. Ruthenberg, General Secretary.

To our Readers!

The monthly subscription rates for the "Inprecorr" are as follows:

| | |
|-------------------|-------------------------|
| England | 2 sh. |
| America | 50 cents |
| Germany | 1.50 marks |
| Austria | 2 (Austrian) Schillings |
| Norway | 2 crowns |
| Sweden | 1.50 crowns |
| Denmark | 2 crowns |

The subscription rate for other countries is three dollars (or equivalent in local currency) for six months.

These subscriptions include all Special Numbers besides the Regular Number.