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# The Opposition in the C. P. S. U.

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## The Course of the Opposition.

I.

The VII. Enlarged Plenum of the E. C. C. I., in a special resolution on the Russian question, characterised the views of the oppositional Trotsky-Zinoviev bloc as a **social democratic deviation**. Already at the time of the XIV. Party Congress, the Russian Opposition advocated views which bore, even in their embryonic state, the stamp of Menshevik ideology. Thus for instance the opposition threw doubts on the consistently socialist character of the State industry of the U. S. S. R., disparaging thereby the importance of the socialist achievements of the October Revolution; even at that time they opposed the narrow interests of individual groups of workers to the general interests of the working class; their over-estimation of the kulak danger, their exaggeration of the status of private capital, drove them on to the Menshevik course which denies the possibility of the building up of socialism in the U. S. S. R., which denies the capability of the proletariat to lead the poor and middle pea-

santry during the period of social revolution. And finally, even at that time they actually began a cautious undermining of the proletarian dictatorship in the U. S. S. R., in the form of criticism of the Party regime. And in this initial period of oppositional development both the C. P. S. U. and the Comintern had to discover the actual import of the oppositional views.

The opposition itself utterly denied any similarity between its views and those of Social Democracy. The year which has passed since the Plenum of the E. C. C. I. has witnessed a furious offensive on the part of international capital against the U. S. S. R. (rupture of relations by England, preparations for rupture by France, preparations for war against the U. S. S. R.) The international working class finds itself faced with the whole question of the defence of the first Workers' State against the attacks of the capitalist world. This question has become the acid test of true revolutionary ideology in every sphere of the international labour movement. The whole world has divided

into the camp of revolution and the camp of counter-revolution. And in the camp of counter-revolution we find not only international capital, not only all property owners and all exploiters, but even international Social Democracy, which declares that the U. S. S. R. is nothing more than an ordinary capitalist State, towards which the international proletariat is to preserve "neutrality" in the case of war (Breitscheid). During this period, which has been characterised by an acute aggravation of the class struggle and the formation of a deep cleft in the grouping of social forces, the ideology of the opposition has "matured" fully in the direction of Social Democracy, and that which, veiled by nebulous "left" phrases, might have appeared unclear to the simple workers, is now exposing quite plainly its counter-revolutionary nature.

The transition to actual counter-revolutionary action, to illegal fighting methods against the proletarian dictatorship in the U. S. S. R. (the affair of the secret printing office), the appeals to non-party strata against the Party (demonstration at station when seeing Smilga off), the formation of proletarian organisations conjointly with bourgeois intellectuals, the exploitation of the "liberty of the press" in the land of Hindenburg for savage attacks on the leaders of the C. P. S. U., against the Comintern — all this shows that in the opposition we have a germ, however small and futile, yet still a germ of a new social democratic party, endeavouring to organise itself on an international scale.

This "party" has already reached a point at which it denies the proletarian dictatorship, and seeks to realise in the U. S. S. R. the liberty of political organisations and of the press for non-proletarian classes. It has drawn around it every element, in every country, possessing a tendency towards treachery, rottenness, defeatism, denial of the victory of the working class. In France we find Souvarine, who discovers that Chang-Kai-Shek did not betray the Chinese revolution, that on the contrary it was the Comintern, with its policy of arousing the agrarian revolution, of forcing the attack of the working class on the Chinese bourgeoisie, which led to the defeat of the Chinese revolution. In France Souvarine, representing the standpoint of the Right Kuomintang executioners, in the fight against the Comintern and the C. P. S. U., joins Treint and supports the latter's semi-Fascist assertions that "the blood of the Chinese workers" is on the head of the C. P. S. U.". In this same France the followers of the Trotzky creed — Monatte and others — utilise the columns of the "Proletarian Revolution" in order to blame the Russian trade unions for the rupture of the Anglo-Russian Committee, and to defend those representatives of the General Council who are played off demagogically from the "Left" by their friends in Moscow, against the C. P. S. U. In Belgium, the "Left" social-democrat and reformist Libaers, who daily throws dirt at the Belgian Communist Party and at its "dictatorship regime", which, in his opinion, strangles all freedom of thought, and who repeats literally everything that Frossard once said of the Comintern — declares himself to be an adherent of the oppositional group around Trotzky. In Greece it is the lawyer Polipopoulos, a C. C. member expelled from the Party, who entirely supports the fight of the opposition against the Comintern. A pamphlet published by him, "The new course", makes a violent attack on the "right of self-determination" of Macedonia, and defends the right of the Greek bourgeoisie to Macedonia. In this same pamphlet he proves from a liquidatory standpoint the impossibility of forming a workers' party in Greece, and assures his readers that only cultured intellectuals can educate the proletariat.

In Germany we have Maslow, notorious for his disgraceful behaviour at his trial and now living at liberty in Germany after his expulsion from the country as a Russian subject had been decided upon — this Maslow, in the "Left" "Flag of Communism", disputes the assertion made by the Russian trade unions that the congress in Edinburgh did not express the will of the English workers. He joins all the social-democratic traitors in their cry of "Thermidor" in the U. S. S. R. In this same Germany the notorious "Left" Rosenberg leaves the Communist Party, giving as reason for his apostasy the defeat suffered by the Comintern in China, and thereby identifying his views with those of the opposition on this point. The arguments of Trotzky, Zinoviev, Maslow, etc., in their fight against the Comintern in the Chinese question, however "Left" they may appear, are in reality merely an ideological cloak for the apostasy of weary and

disappointed hangers on of the work of revolution. This may perhaps be seen most plainly of all among the Italian emigrants in Paris. Driven by savage Fascist persecution, hundreds of thousands of Italian workers fled to France and other countries. There is no country in which the Communist Party works more heroically and self-sacrificingly, in the profound illegality conditioned by the White terror, than in Italy. But the demoralising and defeatist trends of thought have not failed to exert influence upon the Italian emigrants. Many of them cease to take part in any revolutionary work, leave the Party, and put forward some "Left" explanation for their renegation.

A very inconsiderable part of these disappointed elements is connected with that opposition and with that Korsch whom even the opposition has stigmatised in its documents as counter-revolutionary. The Italian C. C. has succeeded in ascertaining that the functionaries of this "oppositional" group are people under suspicion of relations with the Fascist police. Taken internationally, the opposition is approaching the border-line where it is difficult to distinguish where Fascism ends and the ideologically "Left" platform begins.

This situation, bearing witness of the complete degeneration of the Opposition, imposes on the Communist Parties of all countries the duty of taking up a determined struggle, combined with organisatory measures in the form of a widely organised enlightenment campaign in the nuclei against those elements which are disorganising the movement and weigh it down with useless ballast, against those elements which are permeated with the profoundest pessimism, against those elements enveloped in their "own political twilight".

## II.

This social-democratic reinforcement of the Opposition is accompanied by a near rapprochement of its ideological position to the views of Social Democracy. The proclamation of the victory of capitalist elements in the economy of the U. S. S. R., of the degeneration of its socialist economy towards a relapse into capitalism, of the increasing political influence of the kulaks, of the degeneration of the Bolshevist Party and the Young Communist League, of the growth of Bonapartist elements in ideology and practice, of beginning or existing Thermidor — these are the main lines along which the views of the opposition coincide with the position of international Socialism. If the sum total of these judgements and views can claim the remotest relationship with the "Left", then the Russian Mensheviks have doubtless always occupied the most extremely left position, long before the present opposition sprang into being to put forward these views. And therefore it is not by accident that the opposition has begun its revision of Leninism in such important questions of proletarian strategy as the national and peasant questions. The whole of the discussion on the Chinese revolution has shown with increasing clearness that in these questions the Opposition is sinking further and further into those views which have hitherto been peculiar to the leaders of the II. International.

## III.

The old social-democrats, too attempted in their time to criticise the proletarian revolution in the U. S. S. R. from the "Left". The Brest peace, for instance, with whose aid the first Workers' State was endeavouring to gain a "pause for breath", was declared by them to be a compromise with German imperialism; the introduction of the New Economic Policy in the U. S. S. R. was designated by them, in agreement with the international bourgeoisie, as Thermidor; and they have long proclaimed that the Russian Mensheviks, who co-operated with the Czechoslovakians in Samara, with Koltchak in Siberia, and with Denikin in the Ukraine, are the real labour party, whose vocation it is to defend the interests of the working class against the Bolsheviks who are supported by the peasantry and declassed soldiery. Herr Otto Bauer has long since "proved" the bourgeois democratic character of the October Revolution, in which the proletariat is that class which has gained the least. In the peasant and national questions the international social-democrats, themselves co-operating with all the imperialist governments of the world, have often accused the Comintern of maintaining the "opportunist" standpoint of supporting the nationalism of oppressed peoples, and dissolving the proletarian interests in the

amorphous national revolutionary blocs in the colonies. About two months ago we saw for ourselves that the II. International opposed the League against Colonial Oppression, on the pretext that this League tended to obliterate the dividing lines of the class struggle. The history of the labour movement furnishes thousands of instances in which the despicable betrayal of the interests of the working class is veiled in "Left" phraseology. It suffices to remember the struggles between the Bolsheviks and the Mensheviks in 1905 on the question of participation in the Provisional Revolutionary Government, or the struggles with these same Mensheviks, after the October revolution of 1917, for the independence of the trade unions.

#### IV.

The Opposition makes it its endeavour, to a much greater extent than even Social Democracy, to appear before the eyes of the working class clad in a Left garb. It need not be said that it is not entirely identical with reformist Social Democracy. It differs from this last in the same measure as the epochs differ from one another. The Social Democracy of the old days was a product of capitalist development before the war, at a time when this development was not characterised by the violent social catastrophes which accompanied it after the war. For decades the social-democrats made use of the ordinary Marxist terminology, and made play with such words as "social revolution", "class struggle", and "socialism", whilst in actual fact they held the profoundly pessimistic standpoint of utter disbelief in the power of the working class, or of the possibility of its gaining the victory by way of revolution. The old social-democrats, both before and after the war, over-estimated the power of capitalism, precisely as the present opposition over-estimates it when judging the economic development of the U.S.S.R. The period of "peaceful" development aroused among them the illusion of a painless transition of capitalist society into Socialism, without upheavals, catastrophes, or revolutions. (At the same time the idea of an unnoticeable revolutionary transition of Socialism into capitalism in the U.S.S.R. is in wide circulation among the present oppositional "Thermidorians".)

The war, and the violent crises shaking capitalism in the years following, brought about structural changes in the capitalist state of society. The partial stabilisation of capitalism during the last few years intensified these changes. The periods of monopolist capitalism, of the enormous concentration of capital, of the formation of international trusts, are no less dangerous to the "independent" economic existence of millions of human beings than the inflation of the post war period. The middle class rapidly disappears; the petty bourgeoisie, expropriated by big capital, is ruined. The class struggle becomes more acute than at any time during the war. And this process is mirrored in the world of politics. The bourgeoisie feels itself restricted by the legal forms of bourgeois democracy. It endeavours to liquidate Parliamentarism, and to replace it by a more secure and open form of class dictatorship. This shifting of the bourgeoisie towards Fascism is accompanied by a shifting of Social Democracy. Even though Social Democracy in many countries might be judged from its social composition to be a labour party, nevertheless its programme, its methods of realising it, and its whole practice, render it at the present time a mere appendage of a Fascist bourgeoisie. On the other hand, it is only natural that in a period of imperialism and of proletarian revolutions, a period in which the comparative class forces of the world are such that proletarian revolution is victorious in one country, whilst capitalism still rules in others, that groups of fresh types of Mensheviks should arise. In the country of proletarian revolution, the working class desires the extermination of the other classes. These cling desperately to their existence. The NEP affords them the opportunity of maintaining some few of their economic positions for a certain historic period. These social groups, doomed by the economic development of the U.S.S.R. towards socialism to ultimate extinction, form the foundation stone of Russian Neo-Menshevism. This is that "third power" in whose name the opposition is actually speaking and acting. It is true that the degeneration of certain tissues of Party and

Soviet organisms is possible, but it is the rise of the Opposition which begins it. The platform of the 15, known as the Saponov platform, is the ripest fruit of this first possible phase of such degeneration. These degeneraters are met by a rising wave in capitalist Europe. Here those petty bourgeois elements which, roused by the horrors of capitalism join forces with revolution during the period of revolutionary advance (Maslov, Ruth Fischer, Souvarine, Treint), but now, easily discouraged, turn to the bourgeoisie again, meet together with the representatives of petty bourgeois classes which find themselves crushed by the millstone of the proletarian dictatorship. These strata, which suffer both under capitalism and under socialism in its initial constructive stages, are permeated with the profoundest pessimism. They criticise the country of the proletarian dictatorship, because the socialism of the present day, the socialism of persistent class struggle and great sacrifices, does not appear to them to fulfil what they had expected of it. These petty bourgeois deem themselves, subjectively, to be revolutionists, both with respect to the capitalist regime and to the socialist state of society being built up in the U.S.S.R. But objectively they are helping international capitalism to encircle and throttle the first country of the proletarian dictatorship. The intensity of their activity rises and falls in proportion to the difficulties cropping up in the path of the proletariat, and in proportion to the pressure exercised by international capital on the U.S.S.R. On 16th October, 1926, they capitulated because the C.P.S.U. and the Soviet Government succeeded in overcoming the difficulties of the period of transition (from the restoration period up to the extended industrialisation of the country). But they immediately bobbed up again when Chamberlain contrived to exert fresh pressure on the U.S.S.R. The proletariats of all countries must oppose a current of sound proletarian optimism to this panic-making, this lack of faith, this tendency to capitulate. The turn to the Left among the masses, observable in all countries, the rising tide of great strikes, bearing witness of the growing fighting activity of the international working class, will sweep away these wavering spectres of a social-democratic twilight. The defeat of Maslov's apostate group in Hamburg is already practically tantamount to a death sentence, pronounced by the German proletariat, on that neo-social-democracy which has tried in vain, in every country, to divide the closed ranks of the international Communist Parties.

#### Lenin on the Publication of Confidential Party Documents in Organs not belonging to the Party.

*"A labour party which finds itself confronted more and more frequently, through existing circumstances, by the difficult task of insurrection, cannot possibly accomplish this task if the unpublished decisions of the C.C. are discussed in the non-Party press, and vacillation and discouragement are carried into the ranks of the fighters.*

*Let Messrs Zinoviev and Kamenev form a party of their own with a few dozen people who have lost their heads, or with a few candidates to the Constitutional Assembly. The workers will not join this party, for its first slogan would have to be: "Members of the C.C. who have been defeated in a decisive battle in the C.C., are permitted to fly to the non-Party press, and to attack here the unpublished decisions of the Party." (Minutes of the C.C. of the C.P.S.U. 20th October, 1917.)*

*"I should think it a disgrace to hesitate to condemn these former comrades solely because of my earlier friendship with them. I declare without hesitation that I do not consider them as comrades any longer, and shall stand for their expulsion from the Party, with my whole energy, both in the C.C. and at the Party Conference."*

*(Letter from Lenin to the Party members in October 1917.)*

# “Thermidorian Degeneration” or the Building Up of Socialism?

1. Proceeding from its theory of the degeneration of the October Revolution into a bourgeois revolution, its theory of the relation of forces in Soviet Russia being unfavourable for the building up of socialism, with a resultant sliding down the “Thermidorian” path on the part of the Party leaders, the Opposition has invariably formed a false estimate of every contended question in the economic life of the Soviet Union, and has misrepresented with extreme pessimism the course taken by constructive socialism. It would be entirely false to suppose that the Opposition has arrived at its pessimist theory of “degeneration”, of “retrogression”, of “backwardness of socialist industry”, of “rapid capitalist development in the village”, etc. on the basis of facts which it has compiled and examined. On the contrary, the Opposition has constructed its pessimist picture of our economic development from Menshevist theories, and has trimmed and distorted the facts in accordance with these theories. The actual facts of the socialist growth of the Soviet Union are therefore in themselves a complete refutation of the oppositional estimate of our economic position, and only much adjustment of these facts can make them fit the Menshevist theory of the impossibility of socialist victory in the Soviet Union. And precisely for this reason the opposition “salvation recipe” founded on this Menshevist theory of the “decay”\*) of the proletarian dictatorship is false in principle. The party is able to prove to the masses of the revolutionary proletariat, with the greatest ease, that the Opposition is completely bankrupt in economic questions, for it needs no further proof than the obvious advance of the Soviet Union.

2. The central task in the struggle for the socialist construction of economics in the Soviet Union is the industrialisation of the country of the proletarian dictatorship, that is, the development of socialist industry, above all of heavy industry, in such a manner that it is possible for the Soviet Union to be transformed from a backward agrarian-industrial country into a progressive industrial-agrarian country. At the XIV. Party Conference (December 1925) the Party issued the slogan of industrialisation. This is contained in the resolution against which the Opposition voted at that time. At the beginning of 1926 (including the April Plenum of the C. C. of the C. P. S. U., at which the practical questions of industrialisation were dealt with, and at which the oppositional group Zinoviev-Kamenev took their first steps towards going over to Trotzky's side) the Opposition not only refused to support this slogan, but several of its prominent members opposed the slogan. It was not until 1926 that the Opposition, seeing that the slogan of industrialisation was meeting the support of the broadest masses of Russian and West European workers, undertook the following manoeuvre: Without acknowledging the correctness of the line laid down by the XIV. Party Conference for the industrialisation of the country, and without taking a definite stand against the vacillations in its own ranks, the Opposition executed a 180 degree deflection and began calmly, as if nothing had happened, to reproach the Party for inadequately carrying out of the industrialisation slogan, a slogan taken from a resolution against which the opposition voted at the XIV. Party Conference.

3. The Opposition has however not been able to bring forward anything concrete in all its statements on the main question of economic policy, the question of the industrialisation of the Soviet Union, not even since its tacit recognition of the correctness of the Party line adopted against the Opposition; at least nothing more concrete than pessimism, and an endeavour to put the achievements of the economic development of the Soviet Union in the worst light possible, or more definite than an incapacity to oppose to the policy of the Party an even slightly practical programme of alternative measures, or, finally, more definite than the injuriousness and fundamental falseness of its views on the methods to be taken for the industrialisation. Above all, ever since 1926 the Opposition is making a persistent

outcry to the effect that our industry is hopelessly behind the other branches of our national economy, that our beginnings of industrialisation have been a failure, and that the economics of the Soviet Union will be confronted with crises every year instead of marching forward on the path to industrialisation, etc. I give a few examples of such judgements on the part of the Opposition:

“Our industry, our transport service, and our municipal economics, are not keeping pace with the general growth of our national economic.” (Pyatakov's speech at the Plenum of the C. C. and the C. C. C., 3rd August 1927.)

“The chronic backwardness of industry, and at the same time of the transport service, of the electrification, and the building activities, falling short with the needs and requirements of the population, of national economy, and of the whole social system of the Soviet Union.” (“The Platform of the Opposition.”)

Or the estimation of our economic successes:

“Can it be maintained that the past year has been free of crises? ... Since we must record a considerable increase of unemployment, we are scarcely entitled to the optimistic formulation of a statement that the past year has passed off without crises.” (Pyatakov's speech at the Plenum of the C. C. and the C. C. C., August 1927.)

This whole collection of pessimistic estimates, forecasts, and slanderous attacks is easily refuted by a glance at the actual facts of our economic life. During the last few years we have not only not remained behind, but have on the contrary made enormous progress in the development of industry, so that this has left all other branches of national economics, and especially agriculture, far behind. This applies equally to the increase of production and to the increase of the capital invested in the various branches of industry. And although in spite of these first successes of the work being done by the workers of the Soviet Union a certain increase in unemployment is to be recorded, it will be seen at once that the real cause of this is the influx into the towns of labour rendered superfluous in the country by the intensified methods of agriculture. The unemployment of the Soviet Union is agrarian in character. (See data in supplement.) This means that in spite of increased unemployment, the number of workers employed in industry is growing.

The Opposition, although it tries to make capital of our unemployment — one of the most difficult chapters of the economic life of the Soviet Union — cannot bring forward one single practical suggestion for combatting unemployment. And more than this, the Opposition fails to comprehend the necessity of the coordination of industrialisation on the one hand with the growth and intensification of agriculture, and with the promotion of handicrafts on the other hand, and thus leaving the real path towards the liquidation of unemployment. For there can be no doubt that however favourable the development of industry, it cannot absorb the whole mass of superfluous agricultural labour. This labour can only find employment by the intensification of agriculture and a simultaneous promotion of the small handicrafts.

4. One of the most vital sins of the oppositional standpoint on industrialisation is the manner in which it opposes industrialisation to the development of agriculture, and fails to recognise the necessity of all round support to be given by the proletarian State to the development of the main mass of peasant farms and small handicraft undertakings. The sole recipe which the Opposition has to offer for the promotion of industrialisation is a “redistribution of national income” in favour of industry. “The main source of support is the redistribution of national income.” (From the “Platform”.)

“We have remedies for these wounds ... These remedies will be found when we pursue a right policy in the distribution and redistribution of national income.” (Pyatakov's speech, August Plenum of the C. C. and C. C. C. 1927.)

It need not be said that this redistribution is carried on permanently, mainly by means of taxation and credits. But the proletarian State cannot adopt the standpoint, with regard to

\*) Trotzky and the Trotzkyists have been speaking of the threatening, or even inevitable “catastrophe”, “decay”, etc. as early as 1921.

the income of the main mass of the peasantry, of the artisans, and other petty bourgeois strata, that it is at liberty to take as much as possible of this income for its own uses. The proletarian State is responsible for more than the redistribution of income; it is concerned with its increase, and with its guidance into co-operative lines. The proletarian State would be committing suicide if it is concerned with its increase, and with its guidance onto co-peasantry, artisans, etc., for in doing so it would retard the strengthening of its own pillars, and dry up the source of means for the socialisation of industry. Besides this, the oppositional "industrialisers" proposed openly, about two years ago, and now again in veiled terms, to found the growth of industry on the exploitation (sic!) of the peasantry, on their transformation into a "colony of the proletarian State".

The leading economic theoretician of the Opposition, Pro-brashensky, lately expelled from the Party for conducting an illegal printing office, states plainly in his booklet: "The new economy", that the imperialist trusts and syndicates

"gain super profits by the exploitation of small production, and herewith prepare the ground for the price policy of the period of original socialist accumulation. But the concentration of the whole of big industry in the hands of one single trust, that is, in the hands of the workers' State, greatly increases the possibility of carrying through by means of the monopoly, such a price policy which would simply be another form of taxation of private economy." ("The new economy", First ed. 87 pages.)

It will be seen that the Opposition demands a "redistribution" of national income which would "greatly increase the possibility" of placing the peasantry (for "private economics" are the peasant economics) in a position worse than that under the rule of financial capital.

It is not difficult to comprehend that such an attempt at industrialising the country at the expense of the peasantry, and at the cost of retarding the development of agriculture, would be bound to have two results: 1. Industry would soon wear out the foundation on which it rests. The agricultural markets for raw materials and sales would shrink, and the degradation of the peasant farming undertakings would be inevitably followed by an enormous increase of unemployment. The inflow of the savings of the peasants into the savings banks, and into the state treasury by means of the "industrialisation loan" etc., would cease; 2. the alliance between the workers and the peasants — the basis of the Soviet power — would fall to pieces.

5. The above quotations, as also dozens of other documents which might be quoted, show clearly that the Opposition has been openly and definitely opposed to the reduction of prices, and has advocated higher prices in certain periods. Under the influence of the sharp criticism of the Party, and under the pressure of the self evident erroneousness of its position, the Opposition made a manoeuvre. It began to assert energetically that it had never been opposed to the reduction of prices or in favour of their being raised; it attempted to compete with the Party in promoting price reductions, and began to criticise the C. P. of the C. P. S. U. for not carrying out the policy of price reduction.

Unfortunately this is not merely a case of dishonest political manoeuvre, but at the same time an undoubted piece of hypocrisy. For even now, after having abandoned its original and utterly rejected proposals against price reductions, it is still not really in agreement with the price reduction policy, and is endeavouring to save what it can of its old proposals.

In September 1926 the Opposition proposed, with comrade Pyatakov as spokesman, to "introduce a suitable tax upon goods whose detail price is unusually high". That is, a veiled form of raising the wholesale prices of the dearest goods. At the same time Comrade Pyatakov proposed "to raise the wholesale price of this or that article in correspondence with the actual conditions of the market", promising, however, to reduce these prices again "later" "on the basis of extended production"). Today the Opposition is still more masking its endeavour to abandon the price reduction policy.

Of course, in the opinion of the Opposition the firm Party line towards the reduction of prices is an error, and will lead to losses which will be pocketed by private capital. Therefore it would like to see this line replaced by another, by a policy abandoning the principle of price reduction and increased ex-

ploitation of the elementary state of the market, without taking into account the interests of the working masses, or the necessity of strengthening the buying powers of the currency, etc. It goes without saying that the Opposition, despite exact figures, denies that the retail prices sank by 8 to 10 per cent. in the course of 1927. And yet this fact is perfectly incontestable. The retail trade index figures issued by the "Statistic Central Administration", dealing chiefly with State and co-operative trade, sank by 9.5 per cent. in the period between 1st January and 1st July 1927. The industrial index figures of the Economic Institute (department of the People's Commissariat for Finance) fell by the 1st June by 7.1 per cent. in co-operative trade, by 6.0 per cent. for the selling prices in State trade, and by 6.4 per cent. in the private market.

6. The Opposition, being aware that not a single peasant or worker agrees with its proposals on the price question, lately endeavoured to find such words and slogans likely to draw over this or that stratum of workers to its side. For this purpose the Opposition tries to come forward as "defender" of the workers, the champion of higher wages, improved working conditions, etc.

It is naturally impossible for it to produce even one new suggestion in this direction, for the Party is already doing all that can be done to improve the position of the workers. Hence the Opposition resorts to slanderous demagoguery, and tries to discredit the policy of the Party in the eyes of the broad masses. The Opposition does not shrink from borrowing arguments from the Mensheviks, by opposing the working class to the Soviet state, and completely denying all the successes of the Party in the improvement of the position of the workers. The Opposition makes a number of entirely false assertions, borrowed directly from the Mensheviks. For instance, that wages do not rise in the Soviet Union, while the intensity of labour is increasing; that the position of the working women is worse than before, etc. But here again actual facts refute these oppositional Menshevik assertions. If the Opposition maintain that workers' wages have not increased during the last two years, the real state of affairs is as follows:

The rate at which working wages have risen may be seen from the following figures: (Data of the Central Department for Statistics, Supreme Council for National Economy).

Monthly wages, expressed in percentages on previous year's wages:

1923/24	1924/25	1925/26	1926/27 (first half year)
137	119	114.2	107.3

In 1927 the wages paid in every branch of industry, with the exception of mining and the metal industry, were higher than before the war.

Another important aspect of this question is the comparison between the wages of the Russian and the West European workers. Up to the war the Russian worker only received one half of the wages of a German worker in a corresponding position. By 1925/26 the real wages of the Moscow workers were only 20 per cent. behind those of Berlin wages, and 10 per cent. lower than those of the workers in Paris.

7. An especially false, pessimistic, and dangerous standpoint is that held by the Opposition in the question of our policy in the village. First of all, the Opposition regards it as absolutely inevitable that the main masses of the peasantry should develop in the direction of capitalism. The Opposition considers the thesis of the Party "revisionist!" which pre-supposes that under the conditions offered by the Soviet system, that is, the nationalisation of the land, removal of the land from the sphere of commerce and restriction of leases, socialist guidance of the State on State industry, development of the peasant farming undertakings accompanied by aid to the peasant poor against the kulak, support of the co-operatives, and general advance of the agriculture of the Soviet Union, that under these conditions the division of the small peasantry into proletariat and village bourgeoisie is restricted and even brought to a partial standstill.

The Opposition, proceeding from its Menshevik conviction that it is impossible for the Soviet peasantry to overcome their petty peasant backwardness, and from the idea that this backwardness is the stumbling bloc in the road of constructive socialism, adjusts to this Menshevik theory all facts and figures, however incompatible. In the eyes of the Opposition the kulak is the ruling figure of the Soviet village: the poor peasant is transformed more and more into a wretched object of exploitation, oppressed by the kulak and finding aid nowhere; the main mass

\*) For both quotations see "Bote der Kommunistischen Akademie". No. 17. p. 215.

of the peasantry — the middle peasant — is to be swept away and annihilated by the floodtide of the capitalisation of the village.

This forecast, whilst corresponding accurately to all Menshevik theories and ideas, does not correspond with facts. In reality we are able to record a general advance among almost every stratum of the peasantry. The undeniable growth of the kulak is accompanied by an upward trend among the farming undertakings of the poorer peasantry, these working their way up to the status of the middle peasant. This means a quantitative strengthening (not weakening) of this group. The importance of the main mass of the middle peasantry is not only not diminishing, but actually greater. At the same time the mighty growth of the co-operatives comprising the poor and middle peasantry opens up the path for the non-capitalist development of peasant productive powers in a direction running counter to the development of the kulak.

The Opposition, proceeding from wrong ideas as to the development of the Soviet village, greatly over-estimating the importance of the kulak, and regarding the middle peasant as a group doomed to economic extermination, is driven to despair by the phantastic images it has itself created, and comes forward with practical suggestions alleged to have for their object the suppression of the kulak, but in reality serving solely to disorganise the advance of the main mass of middle peasant undertakings.

The Opposition makes statements on the grain reserves of the peasantry, and proposes to call up 150 to 200 million poods of these reserves on compulsion, asserting that this grain is in the hands of the kulaks. In reality these reserves, chiefly held back by the peasantry to secure them against eventual failure of crops, are for the most part in the hands of the middle peasantry, and a forced levy could have the most disastrous results. The fundamental principle followed by the Soviet power in agriculture, the making use of the economic participation of the peasantry in Soviet rule, would be destroyed, undermined, and the advance of peasant economics rendered much more difficult.

The Opposition is here attempting to play off the class hatred of the proletariat against the kulak bourgeoisie, and maintains demagogically that the kulak elements are insufficiently taxed. In fact however, the kulak is taxed to a very considerable extent. The agricultural taxes are based on the principle of progressive taxation. The first twenty roubles per head are taxed by two copecks, that is, 2 per cent; the increasing income of the peasant brings an increased rate of taxation: 3, 5, 10, 17 copecks per rouble, etc. An income of over one hundred roubles per head is taxed to the extent of 25 copecks per rouble, or one quarter of the income. It will be seen that the scale rises rapidly, so that peasant accumulation is considerably restricted. To this must be added that the kulak is being increasingly taxed, and taxes will continue to increase. But it is impossible to increase this taxation unlimitedly, or to base the taxation on no other motive than class hatred, for this would simply signify the immediate expropriation of the kulak, which would be a grave error, for under free trade the rise and a certain degree of growth of the kulak are inevitable.

8. But the Opposition is not content with mere demagogic slander of the Party for its alleged too great leniency towards the kulak. It goes further, and sets up the thesis that private capital has grown enormously, that its growth is greater than that of socialist economics, that the Party is indirectly supporting the trend in favour of private capital by its incorrect policy, and so forth.

The Opposition, whilst bringing to bear this battery of demagogic and — as we shall see presently — lying accusations, is in reality making proposals tending to widen the sphere of private trading capital (and in the Soviet Union private capital plays its most important rôle in trade) at the expense of the co-operatives. The Opposition has been struck with the clever idea of combining its outcries and lamentations on the "enormous growth of private capital" with the following proposals, as brought forward by Comrade Pyatakoff in person:

"Enormous sums are concentrated in our trade... Must we not consider whether we cannot regroup the means in circulation in our trade, and carry them over into our industry? How can this be done? I am of the opinion that if we make suitable alterations in the terms of sale of our trusts to the co-operatives and private dealers, the corresponding regrouping will take place automatically." ("Böte der Kommunistischen Akademie", No. 17, p. 217.)

This proposal amounts to withdrawing State means from trade by the device of granting no credits whatever to the trade organisations, or by at least cutting down these credits. Since the State grants credits to the greatest extent to the co-operatives (credits are granted to private dealers only to a very small extent, and under much more exacting conditions), what is actually proposed here is the withdrawal of State capital from the co-operatives. As the co-operatives have very little capital of their own, such a withdrawal would mean a restriction placed on the sphere of action of the co-operatives, a retreat on the part of the co-operatives and their inevitable substitution by private capital. The proposal of the opposition is tantamount to suggesting the supplanting of State capital by private capital in trade.

The C. C. of the C. P. S. U. has rejected this opportunist proposal, but this has not prevented the Opposition from acting the part of the irreconcilable enemy of private capital, and from accusing the C. C. of favouring the latter.

9. Facts and figures prove that the croaking of the Opposition on the immoderate growth of private capital is once more based on an inherent pessimism, on a conviction that it is impossible to defeat the anti-socialist forces in the Soviet Union, and not on the actual facts of economic development in the Soviet Union. This development shows on the contrary that the C. C. of the C. P. S. U., in refusing to adopt the oppositional proposals to open out fresh fields of trade to private capital, has succeeded in steadily diminishing the participation of private capital, both in industry and in trade. The increased taxation of private capital, the support given to the co-operatives, the correct credit policy, and the rapid progress of the socialised undertakings, are strengthening the position of socialism from year to year in the Soviet Union, and weakening that of capitalism.

This may be seen from the following figures:

	Census industry socialised	private	Small industry handicrafts and home industries
1923/24 . . . . .	73.0	4.0	23.0
1924/25 . . . . .	77.3	3.3	19.4
1925/26 . . . . .	80.4	3.5	16.2

And from the figures for trade:

#### Wholesale trade:

	State and co-operative returns in %	private returns in %
1923/24 . . . . .	78.2	21.8
1924/25 . . . . .	90.5	9.5
1925/26 . . . . .	90.6	9.4
1926/27 . . . . .	91.9	9.0

#### Retail trade:

1923/24 . . . . .	41.4	58.6
1924/25 . . . . .	55.1	44.3
1925/26 . . . . .	61.2	38.8
1926/27 . . . . .	64.5	35.5

In 1925 Comrade Trotzky spoke of the "music of growing socialism" emanating from these dry tables, although at that time the figures were much less favourable than now. It is only since the Opposition has sunk to Left social democracy that it paints the successes of our constructive socialism intentionally in the darkest colours, and defies all facts in its Menshevik estimation of the economics of the Soviet Union.

#### Zinoviev on Trotzkyism, in 1925.

"The Question of what the C. P. R. really is in 1925 will now be decided. In 1903 this question was decided by the attitude adopted towards the first article of the statutes. But in 1925 it will be decided by the attitude towards Trotzkyism and Trotzkyism. Those who maintain that Trotzkyism is a "lawful ruanee" within the Bolshevik Party have themselves ceased to be Bolsheviks. Those who seek to build up the Party in alliance with Trotzky, and in co-operation with that Trotzkyism which is openly coming forward against Bolshevism, have left the fundamental path of Leninism. We must understand clearly that Trotzkyism is a past stage, and that now the Leninist Party can only be built up in opposition to Trotzkyism."

# The Opposition and the Anglo-Russian Committee.

1. Why did we actively participate in the formation of the Anglo-Russian Committee? Are such agreements between revolutionary and reformist organisations necessary and permissible in the present period? This fundamental question must first be answered in order for it to be possible to estimate the rôle which has been played by the Anglo-Russian Committee, and to judge the value of the criticism exercised by the opposition against the Anglo-Russian Committee and the policy we conducted in it.

Neither the Bolsheviks nor Lenin ever denied the fundamental permissibility of temporary agreements with reformist organisations, provided that such "agreements" actually strengthen the class position of the proletariat, increase the influence of the Bolsheviks, and further the emancipation of the working masses from opportunist influence. Such "agreements", such "alliances", with opportunist leaders are only one form of the fight against these leaders, are only one of the means of reaching the masses following them, and of opening the eyes of the working masses to the real rôle played by the reformists. This method of fighting gives many opportunities of exposing by object lessons and criticism the compromising nature of the reformist leaders. This weapon against reformism is nothing more nor less than the United Front tactics adopted by the C.P. under Lenin's leadership.

The formation of the Anglo-Russian Committee was one of the most important steps taken by us towards the realisation of the United Front tactics. To us the Anglo-Russian Committee was never a bloc with the leaders of the English workers. It was a means of reaching the English working masses, a means of drawing them over to our side. The Soviet trade unions strove to transform the Anglo-Russian Committee into an organ of joint struggle against the offensive of capital, against fresh imperialist wars, and for international trade union unity. The English reformist leaders were forced to agree to this, and to accept these tasks as the basis for the work of the A. R. C. Hereby their actual incapability and unwillingness to fight for these revolutionary aims was bound to be exposed, and was exposed, and hence the activities of the A. R. C. were in reality directed not only against the imperialists and their Right reformist Amsterdam servants, but at the same time against the "Left" opportunists, themselves members of the A. R. C. The existence of the A. R. C. made it easier to show the workers that their leaders were not really willing to take up a serious fight against the imperialists. The exposure of their cowardice and incompetence, their incapability to offer real and effectual resistance to the imperialists, was greatly promoted by the existence of the A. R. C. The Anglo-Russian Committee was not formed for the purpose of fraternisation with the reformists. It need not be said that the formation of the Anglo-Russian Committee did not in the least restrict the liberty of the trade unions of the Soviet Union in their revolutionary work, or in their criticism of the reformists, for it was only by means of unrestricted liberty on these two points that the Anglo-Russian Committee could accomplish any positive revolutionary work.

2. The Anglo-Russian Committee was able to play a positive part in the mobilisation of the masses of the English workers under the slogan of war against war and against the offensive of capital, and of the struggle for international trade union unity. Of course it is easy enough at the present juncture, after the rupture of the Anglo-Russian Committee by the "English leaders", after a whole series of working class defeats in England, the failure of the general strike and miners' fight, the law against the trade unions, and after the many fresh acts of treachery on the part of the General Council, to take up the standpoint of completely denying any revolutionary significance whatever to the Anglo-Russian Committee. But this standpoint is wrong. Thanks to the existence of the Anglo-Russian Committee, the sympathies of the British workers for the Soviet Union have been further aroused, our

Bolshevist proposals on the fighting methods in the interests of the workers became generally known and were spread far and wide, the process of radicalisation in the British working class has been accelerated, opportunism and the treachery of the Right and "Left" leaders have been exposed to the light of day. It cannot be denied that our agreement with the General Council played a definite and positive rôle, if not so important a one as we could have wished, or as it could have played had the proportionate class forces, or the course taken by the class struggle in England, been different. It is, for instance, incontestable that the trade union Congress at Scarborough in 1925 passed resolutions on war, and on national, colonial, and other questions, which bore witness to very great progress. And it is incontestable that the A. R. C. was an effectual means of disintegrating the Amsterdam International from inside, and that from this time onwards the Amsterdam International carried undoubted marks of the influence of the Anglo-Russian Committee. It cannot be denied that the existence of the A. R. C. furthered the growth of sympathy for the idea of international trade union unity in various countries (Belgium, Finland, Norway, India, South Africa), and drew the attention of the workers of all countries to the utmost importance of overcoming the disunity of the proletariat, and of dealing with a number of other problems of the international labour movement. The Anglo-Russian Committee and our work in it have been incontestable means of influencing the English workers in the direction of general radicalisation, and the influence which has thus been exercised cannot be erased by either fresh treachery on the part of the General Council, or by the dissolution of the Anglo-Russian Committee itself.

3. When forming an estimate of the importance of the Anglo-Russian Committee, it is interesting to note the exaggerated over-estimation shown at one time on this point by the present members of the opposition, when engaged in criticising our political line in the Anglo-Russian Committee "from the Left". Improbable as it may appear, it is nevertheless true that Comrade Zinoviev wrote as follows on the Anglo-Russian Committee:

"I do not say that we shall in any degree under-estimate the importance of the rapprochement between our trade unions and the English line. I acknowledge that this rapprochement is of tremendous importance all along the line. It is one of the first real guarantees of peace, it is one of the surest guarantees against intervention, a guarantee that in the course of time we shall make reformism in Europe harmless."

And these same people, who succumbed to completely impermissible opportunist illusions when they had the leadership of the formation of the Anglo-Russian Committee, now accuse the majority of the C. P. S. U. and the Comintern of opportunism.

4. The opposition demanded of us that we should take the initiative in the rupture of the Anglo-Russian Committee. Was this right? No, it was wrong. It was our task to utilise the existence of the Anglo-Russian in every possible way for influencing the English workers. The greater the vacillations and treacheries on the part of the English members of the Anglo-Russian Committee, the sharper we could make our criticism, and the better we could unmask their conduct in the eyes of the masses. It was to our interest to maintain this bridge (the A. R. C.) between us and the English workers as long as possible, for the A. R. C. enabled us to communicate with the masses of the English proletariat. At decisive moments, when the criminal sabotage of the General Council frustrated the fulfilment of the most elementary tasks of the A. R. C., and this became clear to all eyes, we called upon the British workers to act themselves as judge. The declaration published by the Central Council of the Trade Unions of the Soviet Union after the collapse of the general strike is generally known. Here we read: "We consider it our duty to declare to the whole international proletariat that this defeat is the consequence of the treacherous tactics of the 'heroes'"

of "Black Friday", the Right leaders of the Labour Party and the General Council (Thomas and MacDonald), and of the capitulation of the Left wing of the General Council (Purcell, Hicks, etc.), who are even more responsible for the defeat". It is known that Comrade Tomsky sent a telegram to the Congress at Bournemouth in which he stated: "The actual course of events has confirmed, and further confirms dozens of times, the absolute correctness of the estimates formulated by the Central Council of the Trade Unions of the Soviet Union in its declarations and resolutions". The declaration of the A. U. T. C. U. with reference to the attitude of the General Council on the question of the Chinese revolution and of war, in which the treacherous tactics of the members of the General Council were revealed before the British and international proletariats, will also be known to you. These have been our tactics, showing plainly that we set much value on our connection with the British working class, and are anxious to utilise every possibility of helping them, on proletarian and consistent lines, in the defence of their interests, at the same time exerting our unwearied efforts to unmask the reformist leaders of the British workers. These tactics of maintenance of relations with the English working class, these tactics of energetic enlightenment thrown upon the disruptive sabotage of the "leaders", are the sole tactics by which we can win over the masses. The "policy of large gestures" so beloved of Trotzky (we may remember the Brest peace), calculating on a momentary effect, is not adapted to the real liquidation of the reformist power which has so deeply penetrated the English labour movement. Hence the phrase about objecting to sit down at the same table with traitors is in reality a renunciation of the fight against reformism. It is not by accident that the bourgeoisie and the Amsterdam International applaud so loudly the rupture of the A. R. C. With this applause those members of the General Council who broke with us have once more revealed themselves, in the eyes of the masses, as responsible for the weakening of the unity of the revolutionary proletarian front — a unity so very needful to the international working class at the present time.

5. The greatest error of the opposition consists of its criminal identification of social-democratic leaders with the masses following these leaders. Precisely as the social-democratic leaders themselves overlook such a "trifle" as the "masses" in their political combinations and agreements, so do the oppositional ideologists overlook them. The opposition neither sees nor understands that it is the special task of the Communists, firstly to distinguish sharply between the masses following the social-democratic leaders and these leaders themselves, and, secondly, to make every endeavour, by means of persistent revolutionary effort, to free these masses from the influence of their leaders. It is not for the sake of the reactionary leaders that the Communists are working in the reactionary trade unions, it is not for the sake of the reactionary leaders that the Communists enter

into such temporary agreements as that of the A. R. C., and it is not for the furtherance of business transactions with reactionary leaders that the Communists apply to the social-democrats with proposals for the establishment of a united front in the struggle for the demands of the working class. All this we have done, and continue to do, for the sake of the masses; for without winning over the masses the Communist Parties cannot advance to the final victory. When Comrade Trotzky declared that it is not permissible for us to steer a course towards the social-democratic workers, because their prejudices are infectious; and when he advances at the same time a thesis that we should steer towards the anarcho-syndicalists (Vuyovitsch), then in these two propositions the Opposition fully reveals its entire incapacity to grasp the central and most important task confronting the Communists during the period of preparation and mustering of forces for the coming revolution. The Opposition would like to have an Ultra-Left sect, incapable of real revolutionary fighting. We want Communist Parties backed up by the millions of the masses of the people.

6. All the phrases of the opposition on our alleged opportunist bloc with the reformist leaders, on the opportunist theory of preventing war by means of such agreements, upon which our tactics in the A. R. C. are alleged to be founded, on the necessity of decisive rupture with Right and Left opportunists in the epoch of maturing crises and war, have only shown the lack of comprehension and rejection of the United Front tactics on the part of the Opposition.

The imperialist war of 1914 brought to the light of day the traitorous character of Social Democracy and reformism. The decisive rupture of all relations with them and their ideology, and the formation of revolutionary Communist Parties, were at that time the most urgent tasks. The dividing line between reformism and revolutionary communism was drawn once for all. The crises and revolutions towards which we are now hastening will supply more than one example of treachery on the part of the reformists. The dispute with the Opposition in the question of the Anglo-Russian Committee does not touch the question whether we are to abandon that dividing line long since drawn, that historical demarcation which can never be erased between us and the opportunists. The sole question is: does or does not the fight against opportunism require from us at the present time, in the period of the relative stabilisation of capitalism, that we apply as tactics against opportunism the United Front, the temporary conclusion of agreements, etc.? It must be remembered that unless the broad masses are won over, there is no possibility of complete victory over opportunism.

The "Left" phrases of the Opposition on the question of the Anglo-Russian Committee only go to prove the capitulation of the opposition before the enormous difficulties of the immediate situation.

## Facts and Figures Plainly Refute the Assertions and Calumnies of the Opposition

### I. The Position of the Working Class.

How the Opposition represents the position of the working class.

"During the period of reconstruction, the number of workers employed increased and their conditions of life improved, not only absolutely, but relatively, that is, in comparison with the growth of the other classes. But of late a change has come over this process. The numerical increase of the working class and the improvement of its position have come to almost a complete standstill, whilst the enemies of the working class continue to increase with greater rapidity than before, causing not only an inevitable worsening in the position of the workers in factory and workshop, but leading to a diminution of the rôle played by the proletariat in the Soviet state of society."

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The period of construction brought with it a fairly rapid rise in wages up to the Autumn of 1925. The considerable falling

off in real wages to be recorded for 1926 was not made good again until the beginning of 1927. In the first two quarters of the economic year 1926/27 the average monthly wage paid by big industry was 30.67 and 30.33 Moscow index roubles (Note: a Moscow index rouble maintains a level approximating the buying powers of 2 gold roubles) as compared with 29.78 roubles in the autumn of 1925. The present data show the wages paid in the third quarter to have reached 31.26 index roubles. Hence real wages for the present year are on about the same level as in the autumn of 1925."

(From the Platform of the Opposition.)

### OUR REPLY TO THE OPPOSITION

#### Wage changes during the last few years.

The level of real working wages attained during the last few years may be seen from the following data issued by the Central Department for Statistics of the People's Supreme Eco-



conomic Council. Calculated in percentages on the wages of 1913, wages have developed as follows:

	1913	1924/25	1925/26	1926/27
1. Without additional expenditure for labour . . . . .	100	79.5	90.8	97.1
2. Including additional expenditure (insurance, improved conditions, cultural needs)	100	95.7	108.4	115.3

By 1927 working wages had exceeded the pre-war level in all branches of industry except mining and metallurgy. The rate at which real wages have risen may be seen from the following figures (in percentages on the monthly wages paid in the previous year):

1923/24 by 37%	1924/25 by 19%	1925/26 by 14.2%	First half 1926/27 by 7.3%
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(Data issued by the Central Department for Statistics of the People's Supreme Economic Council.)

#### Wages increase steadily.

The slowing down of the rate of increase is due to the general diminution of speed in economic growth, resultant on the approaching termination of the period of reconstruction. Expressed in figures, wages have risen between May 1924 and May 1927 from 20.4 to 32.9 Moscow roubles, that is, by 61.6 per cent.

(Data issued by the Central Department for Statistics of the People's Supreme Economic Council.)

The latest records for the coal mining, metal, and textile industries show a conspicuous advance. Daily earnings in Moscow index copecks as follows:

#### Coal mining Metal ind. Textile ind.

First quarter 1925/26 . . . . .	125.8	138.0	96.9
April/May 1927 . . . . .	151.3	162.1	112.5
Increase in percentages . . . . .	20.4	18.0	16.1

(Data issued by the Central Department for Statistics of the People's Supreme Economic Council.)

#### When and why real wages have fallen.

During the course of the last two years, there have only been two quarters (in 1925/26) in which wages fell somewhat in connection with the increased value of the budget levy, but since this time they have risen steadily. Daily earnings have been as follows, in Moscow copecks:

1925/26	
First quarter . . . . .	122.1
Second quarter . . . . .	119.3
Third quarter . . . . .	118.5
Fourth quarter . . . . .	125.1
1926/27	
First quarter . . . . .	126.4
Second quarter . . . . .	131.4
April/May . . . . .	137.4

(Data issued by the Central Department for Statistics of the People's Supreme Economic Council.)

The movement of the total income of the various social groups is relatively favourable to the workers.

Sum total of income in gold roubles in percentages of previous year.

1. Total population . . . . .	128.5	110.3	106.5
2. Rural population . . . . .	123.3	107.2	107.3
3. Recipients of wages and salaries . . . . .	149.1	118.1	107.7
4. Free professions . . . . .	115.1	106.3	107.5
5. Home workers and artisans (not employing labour) . . . . .	108.0	107.2	106.5
6. Property owners . . . . .	126.7	99.9	98.6

(Control figures for 1927/28).

Although the rate at which the total income of the population increases has sunk all round by 7.8 per cent. in 1927, the figures for the group of wage and salary earners take first place in the percentage of this growth, the income of this group increasing more rapidly than that of the other strata of the population. The national income per head of the population is likewise distributed in a manner favourable to the working class. In 1924/25 and 1925/26 the income per head of the population was as follows (in roubles):

	Rural population	Wage and salary earners	Home workers and hand-craftsmen
1924/25 . . . . .	81	231	257
1925/26 . . . . .	99	304	288

(Control figures for 1927/28.)

#### Income of the Russian workers in comparison with the income of French and German workers.

The importance of our achievements in the sphere of wages may be seen from a comparison between the real wages of the Russian, French, and German workers.

In 1925/26 the Moscow worker fell behind the Paris worker by 10 per cent. real wages, behind the Berlin worker by 20 per cent. Before the war the German worker received double as much as the Russian.

The Five Years' Plan provides for a rise in real wages placing the Russian worker in 1930/31 on a wage level 20 to 30 per cent. higher than that of the German or French workers.

The share of the working class in national income. The share falling to the recipient of wages and salaries from the national income increased from 23.2 per cent. in 1923/24 to 29.8 per cent. in 1926/27. This signifies the consolidation of the economic position of the working class as compared with other strata of the population.

(Data issued by the State Planned Economics Commission. Control figures for 1926/27.)

#### THE OPPOSITION ON THE WORKERS' BUDGET.

"Calculated in real roubles, the budget of expenditure for a worker's family has diminished since 1924/25. The increased rents force the worker to sub-let a part of his dwelling. The unemployed form a direct or indirect burden upon the worker's standard of living. A severe blow is dealt this budget by the rapidly increasing consumption of spirits. The result is an obvious lowering of the standard of living."

(The Platform of the Opposition.)

#### The worker's budget as it really is.

As example we may take the budget of expenditure for workers with families in the city of Leningrad, according to the data of the Labour Statistic Office of the Leningrad Gouvernement Trade Union Council.

The total expenditure per household increased from 81.57 roubles in 1924 to 105.79 R. in 1926. The expenditure for food increased from 39.76 R. in 1924 to 51.07 in 1926. The question arises: what remains here of the "obvious lowering of the standard of living" of the workers, maintained by the Opposition.

The expenditure for alcoholic beverages formed 3% of the worker family's budget in 1926, that is, 89 copecks per head per month. It is true that the expenditure for alcoholic beverages rose from 35 Kopeks per head in 1924 to 88 K. in 1925. In the course of the whole of 1926 there has been however almost no further increase.

#### THE OPPOSITION ON RATIONALISATION.

"The rationalisation of production being carried out at present inevitably worsens the position of the working class, for it is not accompanied by a corresponding expansion of industry, transport service, etc., which could absorb the discharged workers."

(The Platform of the Opposition.)

**The line of the Party in the rationalisation question.**

"The socialist rationalisation of production ("improvements in technique and organisation of production") differs radically from capitalist rationalisation. When the capitalists rationalise, they thrust the whole burden upon the working class, so that capitalist rationalisation implies longer working hours, increased unemployment, lowered standard of living for the working class, and deterioration of the broad masses of the workers.

Socialist rationalisation differs from capitalist rationalisation in having for its aim the increase of the total number of workers, the raising of their material and cultural level, the satisfaction of the growing needs of the broad masses of the working people, the firmer establishment of the alliance between proletariat and peasantry, and the creation of a material basis for the further development of the socialist elements in our economics."

"In those undertakings in which organisatory and technical improvements have been introduced, or are being introduced in the process of production it is necessary to re-examine the output standards for piece work in accordance with the results of the organisatory and technical improvements, but this re-examination must, of course, not lead to any reduction of the daily wages earned by the workers before the introduction of the organisatory or technical improvements. On the contrary, it must enable the workers to increase their daily wages with their increased output."

(From the Decision of the C. C. of the C. P. S. U. on the rationalisation of production.)

**THE OPPOSITION ON THE EIGHT HOUR DAY, OVERTIME, etc.)**

"Every tendency to exceed the eight hour day must be nipped in the bud. Overtime must not be permitted, except in urgent cases. The abuse of the temporary employment of labour must not be permitted, nor the enumeration of constant workers in the category of "seasonal workers". Every lengthening of working hours in works in which the employment is injurious to health, where this has been allowed in contradiction to former regulations, must be prohibited.

(The Platform of the Opposition.)

**The truth about the long working hours, the overtime, and the temporary work.**

According to the statements of the Central Statistical Administration the data are as follows:

	1923	1924	1925	1926
Average duration of working day, in hours . . . . .	7.8	7.8	7.6	7.5
Overtime (included in item 1.) . . . . .	0.28	0.19	0.18	0.17
Percentage of workers working overtime . . . . .	22.8	18.8	17.8	15.2
Number of hours overtime per worker working overtime . . . . .	26.6	22.0	21.5	17.9

**THE OPPOSITION ON UNEMPLOYMENT.**

"The slow growth of industrialisation is felt nowhere so painfully as in the sphere of unemployment. Unemployment has seized upon even the original elements of the industrial proletariat. The official number of registered unemployed for April 1927 is stated to be 1,478,000 ("Trud", 27. 8. 1927), but in reality the number of unemployed is about 2 millions. The number of unemployed is increasing at a much greater speed than the total number of workers employed. The number of industrial unemployed is growing rapidly."

"The benefit received from the insurance funds is the cause of very justified complaints. The average benefit is 11.9 roubles (or about 5 pre-war roubles). The trade union benefit amounts on an average to 6.7 to 7 roubles. Only about 20 per cent. of unemployed trade union members are entitled to this benefit."

(The Platform of the Opposition.)

**The actual position as regards unemployment.**

One of the really sore spots of our economic life is unemployment, and the opposition speculates upon it eagerly. It attempts to "beat" the C. C. here by demonstrating that things are in a lamentable condition in this respect, and that there is no prospect of improvement. The opposition gives the inadequate growth of industrialisation as the main cause of our unemployment. How do matters stand in reality? We have many unemployed, and their number is still increasing. During the 7 months from 1st October 1926 until 1st May 1927, the number of unemployed registered in the trade union labour exchanges increased, according to the statements of the Labour Commissariat, from 1,070,000 to 1,428,000, or by 358,000.

**The Composition of the unemployed.**

The composition of the unemployed shows, however, that the main source of unemployment is not our industry, but agriculture; not the town, but the village. Out of a total number of 1,428,000 unemployed there are 359,924 (25.2%) who have never yet worked for wages. Besides this, 147,000 (10.3%) of the unemployed are seasonal workers. On 1st May 1927 the number of unemployed in industrial professions was 232,000, or 16.2% of the total number of unemployed. It is of particular importance to note that the number of industrial unemployed is sinking steadily. In January 1925 the percentage was still 29.1, in October 1925: 21.9%. Here the mentality of the opposition becomes very plain, for it declares that the "number of industrial workers is increasing rapidly, or, as the writers of the "15" state more openly, "the number of industrial unemployed increases most rapidly of all", that is, more rapidly than the other groups of unemployed, including those unemployed coming from the villages. In actual fact the proportion of industrial workers has fallen by almost one half in less than 2½ years, from 29.1% to 16.2%. But even this comparatively high figure has been to a great extent the result of a decision of the VII. Trade Union Congress, which demands that trade union members temporarily out of work are subject to obligatory registration at the labour exchanges, a measure causing the number of registered unemployed trade union members to rush up by 50 per cent. in the period between 1st October 1926 and 1st March 1927, whilst last year the increase in the corresponding period was 22.6 per cent. This fact must be strongly emphasised, for the Opposition "prove" from these figures that our rate of industrialisation is throwing enormous masses of industrial workers on the labour market.

**The Position of the Unemployed in Leningrad.**

The movements in the number of unemployed registered at the labour exchange at Leningrad are as follows:

1st September 1925 . . . . .	148,000	100%
1st September 1926 . . . . .	186,000	126%
1st September 1927 . . . . .	132,000	89%

Of the unemployed workers on 1st September 1927 90,000 (68.3%) are women, and 60,000 (45.9%) trade union members. The number of unemployed in Leningrad has dropped by 11% of late. The number of non-trade union members, 54.1%, again shows that unemployment is chiefly due to the influx from the village.

**How the Party combats Unemployment.**

In the opinion of the Opposition, the Party is not conducting any fight against unemployment. In reality, however, the real causes of unemployment are being attacked vigorously at their roots. The real problem is the superfluous rural population, and the measures being taken for the intensification of agriculture are the first steps towards radically removing the causes of unemployment. In the current economic year 80,600,000 roubles were set aside for carrying out measures in aid of the unemployed. This sum is derived from:

	Roubles
Social insurance budget . . . . .	66,000,000
State budget . . . . .	8,100,000
Local budgets . . . . .	6,500,000

Approximately 600,000 unemployed receive support from the social insurance funds. About 10 million roubles will be expended this year for public works. A considerable number of unemployed receive aid through the organisation of productive and trading corporations. The number of these corporations and of the unemployed working in them increases steadily. Between 1st April 1926 and 1st April 1927 the number rose from 81,832 to 98,500. In the present year a further 30,000 persons will be reached by these corporations, and the means granted in their support have therefore been increased to 6 million roubles. When we remember that these corporations change their staff twice to three times a year, it will be seen that about 250 to 300 thousand unemployed can pass through them.

**THE OPPOSITION AND THE HOUSING QUESTION.**

"The normal dwelling area of the workers is as a rule considerably smaller than the average normal area at the disposal of all town dwellers. The workers in the industrial cities are, with respect to dwelling conditions, worse off, than any other section of the population. The distribution of the dwelling space among the various social groups is as follows in a number of towns in which data have been compiled: The area falling to a worker is 5.6 sq. m., to an employee 6.9, to a tradesman 7.6, to the free professions on an average 10.9, and to non-working elements 7.1. The extent of the dwelling area allotted to the worker shrinks from year to year, whilst this dwelling area is extending for the non-proletarian strata."

(The Platform of the Opposition.)

**The Housing Question as it really is.**

The solution of the housing problem involves great difficulties. According to the data collected in 1923, the average normal dwelling area (the city population then being less dense) was about 13 square arschins. It will be observed that even at that time the hygienic standard of 16 square arschins was not reached. At the beginning of the present economic year the area was 11.3 square arschins. But mere lamentations on this fact are no remedy. It will take time before the problem can be satisfactorily solved. And how difficult the solution is may be seen from the calculations contained in the Five Years' Plan for the prospective development of our whole economics. If we are to secure for the whole population the above mentioned hygienic standard by the end of five years, about 11 milliard roubles will have to be expended for building purposes during this time. In our general building plans the building of workers' houses is given its proper place in the foreground, and in certain districts, such as "Donugol", "Asneft", etc., a certain increase of dwelling area per head may be recorded. The plans for the coming economic year show that it is intended to expend about 400 million roubles for house-building in our socialised undertakings, and 200 million roubles in private ones. These undertakings guarantee the possibility of maintaining the dwelling area per head of the working population at the standard of the present year. And this is a great achievement, for up to the present the area has receded from year to year.

With respect to the rent paid by the workers, this makes 5% of the workers' budget, whilst in 1914 rent formed 7 to 9 per cent.

**II. State Industry and the Building up of Socialism.**

**THE OPPOSITION ON STATE INDUSTRY.**

"The chronic failure of industry, transport service, electrification, and building work, to meet the demands and requirements of the population, of national economy, and of the whole social system of the Soviet Union, restricts all economic traffic, limits the realisation and export of the products of agriculture, confines import within the narrowest limits, increases cost prices of production and drives the prices upward, causes the Chervonetz to fluctuate, hampers the development of productive forces, retards the growth of material welfare among the proletarian and peasant masses, leads to a dangerous increase of unemployment, to worsened dwelling conditions, undermines the alliance between industry and agriculture, and weakens the defensive powers of the country."

(The Platform of the Opposition.)

Truly a melancholy picture. The only question is, whether it is correct.

No doubt our industry is not yet in a position to satisfy all the demands which the country puts upon it. No doubt the transport service and our building activities are weak spots in our national economy. No doubt all this has an unhealthy effect at times on our Soviet organism. And no doubt at all that the thesis here advanced by the Opposition is an obvious calumny of the Party.

**The actual methods and rate of development of our industry.**

Under what conditions would we be justified in speaking of a chronic failure of our industry to satisfy the demands of our national economy? One would be justified under the following four conditions: 1. If the specific weight of our industry in national economy would diminish. 2. If the production of the means of production would develop more slowly than that of articles of consumption. 3. If the socialist elements would develop more slowly than the capitalist and small trade elements, if our industry were to follow in the rear of national economy instead of marching at its head. 4. If an uninterrupted aggravation of the goods famine would be recorded.

**The Rate of Development of our Industry.**

The rate at which our industry is developing exceeds that of Russian prewar industry, and at the same time the rate of industrial development in the capitalist countries.

Percentages of growth in our industry as compared with each previous year.

1924/25 . . . . .	60 %
1925/26 . . . . .	40 %
1926/27 . . . . .	15.1%
1927/28 . . . . .	14.3%

**Percentual growth of industry in other countries.**

United States, average growth from . . . . .	1899—1913	3.5 %
Great Britain, average growth from . . . . .	1905—1913	1.16 %
Great Britain, average growth from . . . . .	1922	2.2 %
Great Britain, growth from . . . . .	1923	2.7 %
France, average growth from . . . . .	1898—1913	3.35%
Prewar Russia, average growth from . . . . .	1900—1913	3.87%

We thus see that our rate of industrial development is not behind that of the capitalist countries, but in advance of it.

The relations between the production of industry and of agriculture have altered to the advantage of industry during the last few years. The following table gives an effectual survey of this.

**Relation of the production of industry to the production of agriculture, in percentages.**

	1924/25	1925/26	1926/27	1927/28
Production of industry . . . . .	32.4	35.9	38.0	40.2
Production of agriculture . . . . .	67.2	64.1	62.0	59.8

From year to year the proportion of industry increases in comparison with that of agriculture, this means that our country is advancing towards industrialisation, towards socialism.

Industry is divided into the production of means of production and of articles of consumption. The industrialisation of the country requires that the production of means of production should develop more rapidly than that of articles of consumption.

What is the tendency of our industrial development? If we take the total production of industry, we observe the following proportion:

	Means of production	Articles of consumption
1923/24 . . . . .	51.4	48.6
1924/25 . . . . .	52.6	47.4
1925/26 . . . . .	54.4	45.6
1926/27 . . . . .	56.2	43.8

We see from this that industry is occupied to an ever increasing extent with the production of means of production, and it is therefore entirely wrong to speak of a chronic failure of our industry to satisfy the needs of our national economy.

Precisely the contrary is the case, for our industry is marching at the head of our national economy, along the road of industrialisation.

The capital invested in State industry is shown in the following figures

	million roubles
1923/24 . . . . .	280
1924/25 . . . . .	385
1925/26 . . . . .	780
1926/27 . . . . .	948 (without electrification)
1927/28 . . . . .	1050/1100

The growth of our industry and the relations between the socialist and capitalist elements of our economics.

The comparative proportions of the different social sections have changed as follows (in percentages) during the last few years:

	Census industry		Small industry Home industry and handicrafts
	Socialised	Private	
1923/24 . . . . .	73.0	4.0	23.0
1924/25 . . . . .	77.3	3.3	19.4
1925/26 . . . . .	80.4	3.5	16.2

These data again show our industry to be at the head of our national economy, leading it forward to socialism.

But perhaps the socialist elements are trailing in the wake of the capitalist in matters pertaining to trade. Let us examine the data on the comparative proportions of socialist and capitalist elements in commerce.

Share of socialised and private trade in total trade:

	Wholesale trade.		
	Socialised %	Private %	Turnover Mill. R.
1923/24 . . . . .	78.2	21.8	4,724
1924/25 . . . . .	90.5	9.5	6,795
1926/26 . . . . .	90.6	9.4	10,463
1926/27 . . . . .	91.9	9.0	12,869

Retail trade.

1923/24 . . . . .	41.4	58.6	5,027
1924/25 . . . . .	55.7	44.3	6,897
1925/26 . . . . .	61.2	38.8	10,003
1926/27 . . . . .	64.5	35.5	11,531

It suffices to compare the right hand columns with the left to see that here again the growth of the total trade turnover has brought with it an ousting of the private capitalist elements by socialist.

Further light may be thrown on this process by further data.

If we take the trade and industrial returns of the second half of 1923/24 at one hundred, we observe the following development:

	1924/25	1925/26	1926/27	1927/28
State undertakings . . .	139.8	172.4	175.3	228.0
Co-operative undertakings	155.6	193.2	177.1	245.1
Private undertakings . . .	80.4	63.7	89.9	102.9

The share of private capital in the grain supply service is also decreasing. The State Planning Commission has had the grain market in its hands to the following extent:

economic year 1925/26 . . . . .	68%
economic year 1926/27 . . . . .	78%

And when we include the local grain supply service, we arrive in 1926/27 at the figure of 83%.

And if these key positions in the sphere of commerce are in our hands, if private capital is being gradually ousted also in this sphere, and if the Opposition is at one with Lenin in believing that trade is the main connecting link between State industry and the retail trade of agriculture, then how is it possible to speak of an undermining of the alliance between industry and agriculture?

### THE OPPOSITION AND THE PRICE QUESTION.

"The rate of industrialisation is not adequate, nor can it be, unless there is a systematic and unceasing drop in the cost price and the wholesale and retail prices of industrial goods, and unless these prices approach the level of the world's market prices."

"It is high time to put an end to the absurd and unwarrantable outcry that the Opposition demands higher prices. The Party is unanimous in striving for a reduction of prices.

(The Platform of the Opposition.)

The first paragraph of this thesis has been copied straight from the Party resolutions, and we can only add: Better late than never. But it remains to be seen whether the Opposition is sincere in this declaration, for the line taken by the Opposition justifies a doubt.

### The oppositional line in the price question.

(Theoretical substantiation of the policy of higher prices, by Preobraschensky.)

"The more economically backward, petty bourgeois, and peasant this or that country is when it enters the period of the socialist organisation of production, the smaller the inheritance falling to the proletariat of that country, at the moment of social revolution, for the establishment of its socialist accumulation, the more socialist accumulation will be forced to depend on the exploitation of pre-socialist forms of economics, and the smaller will be the specific weight of accumulation on its own basis of production, that is, the less will it be fed by the auxiliary product of the workers in the socialist industry."

(Preobraschensky's article in "Boten der Komm. Akad." No. 8. 1924.)

"In this manner we arrive at a third contingency, one not only possible, but under our circumstances inevitable, that is, at a price policy deliberately calculating on the exploitation of private economics in every form." (Ibid.)

### Preobraschensky in favour of increased wholesale prices.

"... Accounts must be balanced in State economics, losses compensated, and securities obtained against future losses. In actual practice we may consider two methods of attaining this object: Firstly, increased taxation on private capital, a method difficult of execution, and secondly, a raising of the wholesale prices of the trusts for those mass articles for which the demand is greatest, and which form the greatest source of profit to private enterprise. However undesirable this latter procedure may be, it remains the sole means of escape in this emergency, if we intend to restrict the accumulation of private capital and the outflow of values from State economics into private economics."

("Bolshevik". No. 6, 1926. Article by Preobraschensky: "Economic Notes". p. 63.)

### Mayslin-Smirnov on the raising of wholesale prices.

"It is much better to raise the wholesale prices immediately, thereby depriving the dealers of the possibility of absorbing the production of agriculture and industry, and to employ the means thus gained for raising the wages of the workers, for granting increased credits to the poor peasantry, and for helping industrialisation to a more rapid rate of development, enabling it to keep pace with the growing demands of our national economy for industrial products." ("Bolshevik". No. 18. 8th Sept. 1926.)

### The group of the 15 on the price reduction policy.

"The policy of so-called price reduction is another concession to the Utopian demands of the petty bourgeoisie. This policy was laid down by the 13. Conference, and has retained the force of an unshakable dogma up to the present."

(Declaration of the 15.)

### Where the means are to be found.

What practical proposals does the Opposition advance on the resources to be taken for the acceleration of the industrialisation of the country?

**First proposal of the Opposition.** "The net investments from the budget for the needs of industrialisation can and must attain the sum of 500 to 1000 millions yearly in the course of the next five years."

If we make a survey of the net expenditure from the budget for industrial purposes during the last few years, we find the following:

	million roubles
1924/25 . . . . .	63.3
1925/26 . . . . .	294.7
1926/27 . . . . .	375.2
1927/28 . . . . .	460.0

So this proposal of the Opposition is by no means the discovery of America, and brings nothing new.

**Second proposal of the Opposition.** "The system of taxation does not keep pace with the growing accumulation among the richer elements of the village and of the new bourgeoisie. We demand:

a) real taxation on every description of super profit gained by private capital, to the extent of no less than 150 to 200 million roubles, not 50 millions as at present;

b) a loan for the promotion of export, to be raised from the well-to-do and kulak sections by means of confiscating, from about 10% of the farming undertakings, no less than 150 million poods of those grain reserves which already amounted to 800 to 900 million poods in 1926/27, and which are mainly in the hands of the upper strata of the peasantry."

The Commission, working under the immediate guidance of Comrade Pyatakov, has issued the book: "Private Capital in the National Economy of the Soviet Union", and arrives at the following conclusion:

"The extent of our taxation is very great; the income tax on private undertakings varies for instance between 31 and 45 per cent, totalling 38.5 to 57.5 per cent when added to the local rates, and this without counting the super profit tax and the possibility of increased local rates; when these factors are taken into account, we arrive at income taxes mounting up between 62 and 90 per cent, 90 per cent being the utmost taxation possible on the highest income."

## III. The Policy of the Party in the Village.

### How the Party 'hushes up' the process of differentiation.

The Opposition has repeatedly accused the C. C. of a deviation in favour of the kulak, and of consequently endeavouring to conceal the fact of the process of differentiation going on in the village. But here again there is a conspicuous lack of proof, and a repetition of that naked calumny to which the Opposition resorts in emergencies.

The Party has pointed out, not once but many times, the inevitableness of a differentiation among the peasantry under the NEP., and has worked out a number of measures to be taken against the resultant growing kulak and capitalist danger.

**The 13. Party Conference:** "The policy of the NEP. has proved equally correct in all essentials for the village: The productivity of agriculture and the prosperity of the broad masses

of the peasantry make steady, if slow, progress... At the same time poverty is increasing. A process of differentiation is going on in the village. The peculiarity of this process in the village consists in the fact that in this case the decisive factor is not so much the land as trade, cattle, and those implements which have become transformed into means of accumulation and into tools for the exploitation of the propertyless elements"

**The 14. Conference:** "The process of differentiation commenced in the village with the transition to the NEP. policy will be expressed in the immediate future, for a certain time, in the continued increase and strengthening of the new peasant bourgeoisie which is originating at the present time out of the well to do peasant elements on the one hand, and out of the proletarianisation of the poorer elements on the other hand.

It is therefore imperative that measures of economic policy taken by the State, both with reference to the regulation of national economy as a whole and with reference to agriculture in particular, take this fact into account. The general policy of the Party and of the Soviet power must be directed towards the consolidation of the socialist bases of our economics, and towards securing actual control on the part of the State over all economic processes going on in the village. For this purpose it is necessary that those additional material means obtained by the acceleration of the whole rate of accumulation, and by the resultant increase of national income, should be applied in particular to aiding the main masses of the peasantry by means of credit grants, etc."

**14. Party Conference:** "The Party Conference condemns decisively that deviation which under-estimates the differentiation in the village, and fails to observe the dangers connected with the growth of the kulak and of various forms of capitalist exploitation. It further condemns that deviation which does not grasp the necessity of repulsing the kulak and restricting his exploitative endeavours; which does not recognise that the Party of the proletariat has the obligation of organising and combining the village poor and the agricultural labourers against the kulak."

**At the 15 Party Conference:** Comrade Rykov's report on the process of differentiation will contain a detailed analysis, and the necessary conclusions will be drawn.

In conclusion, we are truly entitled to ask where the C. C. has attempted to "hush up" the differentiation, when the Opposition finds no other material to expose this "hushing up" than that obtained from investigations carried out by special institutions, or by the Party Committees themselves, on the immediate orders of the C. C. An example: The article by Comrade Safarov: "The Capitalist Offensive in the Siberian Village" ("Bolshevik", Nos 15/16. 1927), is written on the basis of material obtained by investigations instituted by the Siberian District Committee of the C. P. S. U.

### The Party leads the fight against the kulak danger and helps the village poor.

The kulak danger exists. It is serious enough, and the Party must neither exaggerate nor underestimate it. The Party is leading the fight against this danger, and will continue to lead it with all possible energy, making use of the taxation system, of the credit apparatus, of the budget, of the co-operatives, and of every sphere of State influence. The Party tests its methods again and again, elaborates its measures, removes deficiencies, and determinedly fights against any distortion of the class line. The best proof of this is supplied by the draft theses issued by the C. C. Plenum on the work in the village (see appendix).

### Taxation policy.

The Opposition continues to demand that 40 to 50 per cent of the peasantry be exempt from taxation, and that a sharply progressive taxation be imposed on the upper strata of the peasantry.

The agricultural taxation existing at present is already built up on the principle of progressive taxation. From the first 20 roubles per head income 2 per cent are taken. The taxation rates increase in proportion to the increasing income: 3, 5,

17 etc. per cent. The tax on an income of more than 100 roubles per head is 25%. We see that the progressive scale is graduated sharply enough to place a very severe restriction on kulak accumulation. To demand the imposition of much severer taxation than this is to forget that there are limits beyond which the difference between taxation and confiscation ceases to exist.

In 1926/27 6 million peasant farms, or 25 per cent, have been exempt from taxation, and 305 million roubles were raised by the agricultural taxes. The present year is expected to bring in about 280 million roubles. The revenues thus obtained will be used for subsidies to poor peasant farmers with small families, for grants for the cultivation of technical plants and the purchase of live stock. Taxation is being lowered, whilst the income of the peasantry is increasing generally.

#### IV. The Party.

##### ON THE "GREAT GROWTH OF THE PARTY THROUGH THE INFLUX OF PETTY BOURGEOIS ELEMENTS".

The main factor determining the growth of the Party is the admittance of members.

Classification of the members admitted to the Party during the last few years, in percentages.

a) according to social position:

	Workers	Peasants	Employees and others
Second half year 1925 . . .	43.8	39.6	16.6
First half year 1926 . . .	47.3	39.1	13.6
Second half year 1926 . . .	49.8	38.5	11.7
First half year 1927 . . .	58.6	32.5	8.9

b) according to occupation:

	Factory workers and the like	Agricultural Labourers.	Peasants occupied solely on the land	Employees and public functionaries	Miscellaneous
First half year 1925 . . .	40.1	2.0	22.1	25.6	10.2
First half year 1926 . . .	41.4	3.0	25.5	20.6	9.5
First half year 1926 . . .	43.7	3.3	24.3	19.4	9.3
First half year 1927 . . .	51.6	4.8	19.4	16.3	7.9

The revival of the Soviets and the consolidation of proletarian influence in them.

Comparative data on the participation in the elections in the town Soviets.

Groups of electors	Percentage of participation in elections	
	1927	1926
1. Trade union members . . . . .	69	60
2. Unorganised . . . . .	43	39
3. Red Army soldiers . . . . .	77	71

The social composition of the town Soviets.

	1927	1926
1. Workers . . . . .	48%	38%
2. Employees . . . . .	39%	32%
3. Women . . . . .	21.4%	20%
4. Members of the C.P. and Y.C.L. . . . .	53%	49%

Social and political composition of the village Soviets.

The data on the social composition of the village Soviets prove that in these the number of agricultural workers has

somewhat increased and that the number of exemptions from the agricultural tax has swelled considerably, from 8.4% to 16.1%. With regard to party classification the village Soviets resemble the town Soviets with regard to the further increase of the number of Communists and members of the Young Communist League.

The political isolation of the kulaks and city bourgeois elements.

Without franchise are:

	1927	1926
In the cities . . . . .	7.7%	4.5%
In the country. . . . .	3.3%	1.1%

#### V. The Struggle against Bureaucratism.

The accusations of the Opposition.

"The present official struggle against bureaucracy, which is not based on the class activity of the workers, but seeks to improve the apparatus by its own efforts, leads to no definite results, but has rather the effect in many cases of strengthening the bureaucracy. And it cannot possibly lead to definite results."

"The internal life of the Soviets has lately undergone a series of processes of a distinctly negative nature. The Soviets are being more and more held aloof from the solution of political, economic, and cultural questions, and are hereby becoming mere appendages of the executive committees and their presidiums. The work of administration is being entirely concentrated in the hands of the latter. The discussion of questions in Plenary Sessions is merely for outward show. At the same time the terms between the re-elections to the Soviet organs are being lengthened, and the independence of the latter from the broad masses increased."

(The Platform of the Opposition.)

The Party on the struggle against bureaucratism.

"A necessary prerequisite for the successful and imperative carrying out of the saving regime is the participation of the broad working masses in it . . .

In order to carry out the saving regime, definite steps must be taken to cut down the staffs in both our State budget and economic accountancy departments, the present extremely high running expenses must be retrenched, the whole system of administration must be rationalised, and determined fight must be declared to bureaucratism. Bureaucratism is a great evil which has hampered the steps of the Soviet power since the beginning. This evil is more dangerous than ever just now, at a time when the country is proceeding to reorganise its whole economic life. The immense costs incurred by the bureaucratic apparatus, the procrastination in dealing with the most urgent questions of construction, the frequent misrepresentation of the directions issued by the Party and the State power — all this is a serious obstacle in the way of further constructive work . . .

"The Conference considers it to be the urgent duty of all Party organisations to ensure, as one of the most effective measures for combating bureaucracy, a systematic and determined promotion of workers into all departments of the State apparatus. Here their work is to be observed, every possible aid given them, and the most capable promoted to the higher and more responsible positions. The Party and the trade unions must carry on a determined struggle against the resistance invariably shown by dried up bureaucrats to this system of promotion, and against the appointment of unsuitable elements to positions in the State and economic apparatus. These latter elements are to be replaced by capable workers with adequate cultural and political training.

The fulfilment of this task is one of the most effectual measures in the struggle against bureaucratism, by permeating the whole State apparatus with workers. The trade unions must devote more attention than hitherto to the general work of the Soviets, and take more active part in this. They must raise the most pressing questions in the daily life of the workers, throwing

on these the light of their experience. At the same time they must increase their role and activity in the election campaigns to the Soviets. The work for securing the proletarian influence in the villages, and the increased participation of agricultural workers, of members of the Land and Foresters' Union, in the village Soviets, must be valued as an undoubted success, and the work commenced in this direction must be continued more systematically and on a broader basis...

The whole of the class conscious masses of workers and peasants headed by the Communists, must be mobilised for the struggle against bureaucratic degeneration." (Resolution on the economic situation, passed at the XV. Party Conference.)

# The Opposition and the Enemies of Communism against Lenin and against the C. P. S. U.

Extracts from speeches and articles.

## I. ESTIMATION OF THE OPPOSITION BY COUNTER-REVOLUTIONARIES.

1. The "opposition" spreads, not only among the general mass of the workers but at the same time among the communist workers, ideas and sentiments which if carefully tended may easily bear socialist fruit. By their criticism of the "existing system", which is almost a literal repetition of the criticism of the social democrats, the Bolshevist "opposition" is preparing the minds of not only the masses, but of the communist workers, for the reception of the positive platform of Social Democracy. 1) ("Socialist Messenger" — organ of the Mensheviks — No. 17/18. 18th Sept., 1926.)

2. Russia will support the Opposition and not the Stalinites... Today the Opposition is undermining the dictatorship; every fresh move on the part of the Opposition brings more "frightful" words; the opposition itself develops in the direction of increasingly sharper attacks on the ruling system, and this suffices for the present in order to accept the opposition as a gathering point for the political discontent of broad masses of the population, for which we can only be thankful." 1) ("Poslednie Nowosti" — organ of the Cadets — No. 1990.)

3. "The importance of the oppositional attacks upon the Stalin majority does not lie so much in the programme of the opposition as in its criticism, in the disintegration of Bolshevism, in the shaking of the "monopolist" edifice of the dictatorship, in the undermining of the ideological and organisational pillars of the Comintern. The Plenum of the E. C. C. I. regarded the attack of the opposition on the C. P. S. U. as a direct attack upon the Comintern, not only on account of its directly "servile" dependence on the political Bureau of the C. P. S. U., but because the undermining work of the opposition has long since spread far beyond the frontiers of the Soviet Union 1), and actually accelerates the decline and fall of "world Bolshevism". ("Socialist Messenger". No. 12. 20th June, 1927. p. 7.)

4. "A report from Leningrad, end of May, informs us: There is a feeling of excitement and expectation here in petty bourgeois circles. There are rumours of an abrupt change in politics. All eyes are fixed confidently on the Opposition, whose popularity has greatly increased\*). It is being pointed out, as proof of the correctness of these expectations, that the Opposition is declining even the most alluring posts offered

## VI. International Questions.

A sample of "Marxist" analysis by comrade Radek.

The events at Shanghai "have strengthened the first workers' and peasants government of China, i. e. the Canton Government". (K. Radek: Preface to pamphlet by P. Mif: "The lessons of the events at Shanghai". p. 4.)

"The Canton Government is acting as a first workers' and peasants' government in its social policy with regard to taxation and land".

("The questions of the Chinese revolution". Published by the Sun Yat Sen University. Article by Radek. p. 301.)

its members abroad: "Now is not the time to leave Russia, when we are on the eve of great 'events'." If anyone ventures to assert that the Opposition is actually "further Left" than Stalin, he receives the pitying-reproachful reply: Are you not ashamed to talk such nonsense? Even the smallest child knows today that the Opposition is "further Right" than the Political Bureau; and as for Trotzky, the eleventh hour of his going over to Menshevism has already struck." ("Sozialistischer Bote". No. 12. 20th June, 1927, p. 15.)

5. "In the long series of political events of recent times the greatest and most important of all is one the least dramatic in effect, one which apparently had no consequences: The demonstration of those oppositional Communists who accompanied the banished Smilga to the railway station... What efforts have been expended, how many lives sacrificed, in order to show the world an example of a country where all political struggle has ceased, and where all the efforts of the people are directed singly and solely to the work of economic construction. And suddenly this harmony is broken by the outcries of thousands, and of those who applaud them — outcries which have only one import. Down with the Stalin dictatorship, down with the Political Bureau... And the historical paradox consists of the fact that the Opposition, whilst proclaiming its determination to shatter relentlessly all enemies of true Communism, is against its will, paving the way by its action, for the more legal and open forms of the political class struggle\*). That which is characterised as party struggle in the rest of the world may take the form of a struggle among the Communist fractions in Russia. What the rest of the world describes as political struggle may be designated as Party discussion among us. What is important is that the open action of the Opposition, at last, breaks down the Party monopoly. A country in which two Communist fractions are engaged in a continuous organised fight with each other may not be a democratic or parliamentary country, but it is certainly not a country in which a regime of political dictatorship holds sway. That is a flat contradiction, and as such may be the beginning of the interference of the people in the dispute and with this — the point of departure for democracy... The floodgates are just opening, social activity is breaking through, and the growth of the Communist fractions brings with it, at their expense, the growth of other social movements, above all of Social Democracy\*)." )

Therefore the Russian social-democrats would most warmly welcome such a legalisation of the Opposition, although they have nothing in common with its positive programme. They

\*) The emphasis is ours.

\*) The emphasis is ours.

would welcome the legality of political struggle, the open self-political forms opening out a broad field of activity for the labour movement." ("Socialist Messenger", No. 13, 2nd June, 1927, p. 1/2.)

## II. THE "CONSISTENCY" AND "FIRMNESS OF PRINCIPLE" OF THE OPPOSITION.

### Zinoviev's former Attitude towards the Ultra-Left.

"We resisted long before we agreed to the placing of power in the hands of the Left. We knew that this would cost much. We knew that Ruth Fischer and Maslov could not be looked upon as "steeled Bolsheviks". And yet we agreed to the leadership being given to Ruth Fischer and Maslov, because there was no other alternative, because it was impossible to leave the leadership in the hands of the Right. We attempted to create a Centre group, and to place the Party leadership in its hands. This attempt was unsuccessful, for in the course of a few weeks a struggle arose between the two extreme groups. The only way out was the decisive shattering of one of the two, and no middle group could lead the Party out of the crisis. In this emergency we had to face the situation as it was, and placed the leadership in the hands of the Left, in spite of the fact (underlined by Zinoviev), that Ruth Fischer and Malov were among them."

(Zinoviev: Report to the 14th Party Congress of the C.P.S.U.)

"In 1924 we finally agreed to the removal of the Right group, and declared ourselves in favour of placing the leadership in the hands of the Left — Ruth Fischer and Maslov. Then came the Frankfurt Party Congress. In 1925 we witnessed the bankruptcy of the Ruth Fischer-Maslov group." (Speech delivered by Comrade Zinoviev at the 6th Plenum of the E. C. C. I. 1927.)

"This point of view (Ruth Fischer's and Maslov's, Ed.) expresses the pessimistic outlook of the ruined petty bourgeois, and not by any means the commencing advance of the German labour movement and the Communist Party."

(Resolution passed by 6th Plenum of the E. C. C. I.)

"I am not surprised that such elements (Ruth Fischer and Scholem, Ed.) will attempt to exploit our disagreements; this is inevitable in all discussions. But here they have altogether miscalculated, for in this question our position remains the same as before."

(Zinoviev's speech at the 14. Party Congress.)

### Vuyovitsch's Attitude towards the Ultra-Left.

"It is true that at the Conference the "Ultra-Left" solemnly declared in various speeches their intention to cease all fractional activity, and to submit to the decisions. But from many of the speeches made in the discussion one could realise that the "Ultra-Left" do not really grasp the essential character and the rôle played by the Party, and hold Menshevist views in this respect."

## The Gradual Sinking of Zinoviev and Kamenev into Trotzkyism. April 1925.

"It is Possible to build up Socialism in our Country."

The words here quoted show clearly that Lenin considered it possible to build up Socialism completely in such a country as ours, solely with the aid of the co-operatives, provided we are secured from international intervention. At the same time he does not omit, as an international proletarian revolutionist, to emphasise that the final victory is only possible on an international scale, and that our victory is no durable and final victory without the international revolution."

(Zinoviev's speech at the 14. Conference of the R. C. P. "International Press Correspondence" [German Edition], Vol. 1925. No. 81, pp. 1105/6, stenographic report.)

The sole guarantee for the final victory of Socialism, that is, a guarantee against the restoration of the capitalist state of society, is therefore the victory of socialist revolution in a number of countries.

This does not signify by any means that the building up of a complete socialist economy in a backward country like Russia is impossible without the "State" help (Trotzky) of technically more advanced countries. An integral constituent of the Trotzkyist theory of permanent revolution is the assertion that a "real advance of socialist economy in Russia will only become possible after the victory of the proletariat in the leading countries of Europe." (Trotzky, 1922), an assertion which condemns the proletariat of the Soviet Union to fatalist passivity during the present period."

(14. Conference of the C. P. R., Theses on Zinoviev's report.)

## December 1925.

"The building up of Socialism in the Soviet Union — a "National narrow-mindedness".

In December 1925 we find these same views designated as "national narrow mindedness".

"Only see the lengths to which Comrade Yakovliev, for instance, went at the last Party Conference of the Kursk Gouvernement.

Can we — he asks — in one country, surrounded by capitalist enemies, build up a socialist state of society?

And he replies:

After all that has been said, we have a right to maintain that not only are we building up Socialism, but that we shall build it up, in spite of the fact that we still stand alone at the present time, and in spite of our being the only Soviet State, the only Soviet country, in the world. ("Kurskaya Pravda". No. 29. December 1925.)

Is this a Leninist way of dealing with a question? Does this not smack somewhat of national narrow-mindedness?

(Zinoviev. Concluding words to his report at the 14th Party Congress.)

## The mutual "Remission of Sin".

"We say that there is now not the least doubt that the main centre of the opposition of 1923, as the evolution of the main line of the fraction (that is, the majority of the C. C.) showed, rightly warned against the danger of a deviation from the proletarian line, and against the threatening growth of the Party regime."

(Zinoviev's speech at the July Plenum of the C. C. and C. C. C. 1926.)

## III. THE QUESTIONS OF THE COMMUNIST INTERNATIONAL.

### Trotzky on the Policy of the E. C. C. I. in China.

"That Chang Kai Shek did the work of the liberal republican General Cavaignac is now a platitude. But this analogy must be completed. Cavaignac would have been impossible without Louis Blanc, Ledru Rollin, and the other phrasemongers of the whole national front."

"Who played these rôles in China? Not only Wang Chin Wei, but the leaders of the C. P. in China, and, what is the main point, their intellectual leaders in the E. C. C. I."

### Lenin on National Revolution.

"What is the most important, the fundamental idea of our principles? It is the difference between the oppressed and the oppressing nation. We emphasise this difference — in contradistinction to the II. International and to bourgeois democracy. It is extremely important for the proletariat and the Com-



munist International to ascertain, during the epoch of imperialism, certain concrete economic facts, and to approach all colonial and national questions from a concrete standpoint only, and not from an abstract one."

(Protocol of the II. World Congress of the C. I. p. 138.)

#### Lenin on the Co-operation with National Revolutionary Movements in the Colonies.

"The Communist International must co-operate at times, and even form alliances, with the revolutionary movements in the colonies and backward countries; it must however not identify itself with these, but must determinedly preserve the independent character of the proletarian movement — even in its germinal form."

(Protocol of the II. World Congress. p. 231.)

Lenin speaks even of conditions under which support is to be given to the bourgeois movements for emancipation in the colonies:

"We as Communists will only support bourgeois emancipation movements in the colonial countries when these movements are really revolutionary, and when their representatives are not opposed to our educating and organising the peasantry and the great mass of the exploited in a revolutionary sense."

#### The Main Errors of the Opposition in the Question of the Chinese Revolution.

1. The Opposition does not understand the character and the perspective of the Chinese revolution.

2. The Opposition does not observe the difference between the revolution in China and the revolution in Russia, between revolution in colonial countries and revolution in imperialist countries.

3. The Opposition abandons Leninist tactics in the question of relations to the national bourgeoisie in the colonial countries during the initial stages of revolution.

4. The Opposition does not understand the question of the Communists being in the Kuomintang.

5. The Opposition violates the principles of Leninist tactics in the question of the relations between the vanguard (the Party) and the rearguard (the millions of the working people).

6. The Opposition abandons the resolutions of the 6th and 7th Plenums of the Communist International." (From the speech by Comrade Stalin on the international question, Plenum of the C. C. and the C. C. C. "Communist International". No. 38/39.)

#### The "Firm principles" of the Opposition in International Questions.

##### The Bloc of the Four Classes.

"The political strikes of the Chinese workers in Shanghai and Hong Kong (in June/September 1925) formed a turning point in the struggle for emancipation of the Chinese people against the foreign imperialists. The political action of the proletariat gave a mighty impetus to further development, and strengthened all the revolutionary democratic organisations in

the country, especially the revolutionary people's party, the Kuomintang, and the revolutionary government in Canton. The Kuomintang Party, the advanced cadres of which acted in alliance with the Communist Party, is a revolutionary bloc of workers, peasants, intellectuals, and the city democracy, formed on a basis of a long community of class interests of these strata in the struggle against the foreign imperialists and the military feudal conditions, for the independence of the country and for a united revolutionary democratic government." (Resolution passed, under the presidency of Comrade Zinoviev, by the VI. Enlarged E. C. C. I.)

#### The Canton Kuomintang Government.

"The revolutionary government set up in Canton by the Kuomintang Party has already won the sympathies of the broadest masses of the workers, peasants, and town democracy, and has been able with the support of these classes to destroy the counter-revolutionary forces supported by the imperialists, and to bring about a radical democratisation of the whole political life of the Province of Kwantung. The government in Canton, which thus embodies the vanguard of the Chinese people in the struggle for freedom, is a model for the future revolutionary-democratic building up of the country." (Resolution passed, under the presidency of Comrade Zinoviev, by the VII. Enlarged E. C. C. I.)

#### The United Front of the Workers, Peasants, and the Bourgeoisie.

"In view of the fresh dangers, the Communist Party and the Kuomintang must develop the broadest political activity, must organise mass action in support of the fight of the people's armies, take advantage of the internal antagonisms in the camp of the imperialists, and oppose to these a national revolutionary United Front of the broadest masses of the population, workers, peasants, and bourgeois, under the leadership of the revolutionary democratic organisations."

Resolution passed, under the presidency of Comrade Zinoviev, by the VI. Enlarged E. C. C. I.)

#### Paeans to the Anglo-Russian Committee.

"I do not say that we shall in any way under-estimate the importance of the approachment of our trade unions to the English line. I recognise that this approachment possesses immense importance along the whole line. It is one of the very best guarantees against intervention, a guarantee that in the course of time we shall render reformism in Europe harmless. I do not hesitate to repeat that the approachment between our trade unions and the English Left is of the greatest world historical importance."

(Speech delivered by Comrade Zinoviev at the XIV. Party Congress of the C. P. S. U.)

Referring to the contact with Purcell, Zinoviev wrote as follows:

"The blindest can see that here is involved the very axis of the policy of the Comintern. This is a vital question for the European labour movement."

## SUPPLEMENT.

# Directions for Drawing up a Five Years' Plan of National Economy.

**Draft of theses to be submitted by Comrades Rykov and Kichinonovski to the 15th Party Congress of the C. P. S. U., approved by the Joint Plenum of the C. C. and the C. C. C. of the C. P. S. U. at its Session held on 23rd October, 1927.**

## RESULTS AND PREREQUISITES OF SOCIALIST CONSTRUCTION.

1. The results of the decade which has passed since the October Revolution reveal the gigantic international importance of this revolution as a constituent part of that great international revolutionary process which is transforming capitalist society into a socialist society. The dictatorship of the proletariat, the proletarian nationalisation of the means of production, of the transport and credit service, of foreign trade, the nationalisation of the land — all these prerequisites have enabled the economy of the Soviet Union to develop on fundamentally new socialist foundations. A new principle realised is the social class significance of those economic key positions (commanding positions) which determine the development of national economy in its totality. A new principle is realised in the relations between town and country, for industry has "turned its face to the village", and has become a mighty factor in the socialist reorganisation of the village; the expansion of our inland markets has not begun, as under capitalism, in the destruction of the village, but in its increasing prosperity. A new principle is realised in the form of organisation of our national economy, for the nationalisation of big industry and other key positions has made planned economy possible, and these is replacing more and more the anarchy of the capitalist goods market. And again, a new principle is realised in the distribution of our national income, for this almost entirely excludes the personal consumption of the one-time ruling classes, and has thus done away with a considerable part of unproductive consumption. These characteristic features of the economy of the Soviet Union have enabled the process of restoration to be accomplished much more quickly than in the capitalist countries, and have ensured in general a much greater speed of economic development.

2. The results of our economic development since the beginning of the so-called "New Economic Policy", which created the first foundations for a proper co-ordination of socialised state industry with the small and dwarf undertakings of the simple peasant producers of goods, has entirely confirmed Lenin's assertion that we possess in our own country everything which is required for building up Socialism; that the objective internal conditions of the economic and social development of the Soviet Union do not by any means render the fall or degeneration of the proletarian dictatorship inevitable; that the existence of a large number of peasant farms and the co-operation of our state economy with these will not in the least tend to transform our country into a limited agrarian country. The results of our economic development clearly reveal that during the period of the New Economic Policy there has been a radical regrouping in the relations between the socialised forms of economy (chiefly socialised industry), the small goods producers, and capitalist economy. Whilst at the beginning of the New Economic Policy State industry was almost at a standstill, and even the State and co-operative organs were obliged to resort to private middle men in the department of goods circulation, the while private capital, enjoying all the advantages of rapid circulation, played a comparatively leading rôle, the rôles have now changed. Now, on the threshold of the transition from the period of restoration to that of reconstruction, we find socialised industry and other key positions taking the leading and decisive part in the whole

national economy, we find State and co-operative trade controlling the greater part of the total traffic in commodities in the country, we find the socialised section of national economy determining the general direction of development, supplanting private capital, gathering the small peasant producers around it and gradually transforming them.

In such circumstances — even though the absolute number of private owners may grow — the much quicker growth of the socialised section of economy creates firm premises for the final victory of socialism and greatly diminishes the dangerousness of the private capital springing up on petty bourgeois soil. Viewed from the social class standpoint, this means that the specific weight of the working class has increased, in spite of all contradictions in the process of development, and despite the growth of the bourgeoisie in town and country (kulak, N.E.P.-man). It means that the alliance between the working class and the main mass of the peasantry is closer than ever, and the dictatorship of the proletariat more secure.

3. Experience of planned economics has shown us that our planned assumptions frequently require more or less essential corrections, that they inevitably bear a relative and conditional character, that actually planned economy is perfected in proportion to the degree of organisation enabling a survey and precalculation to be made of the economy of the country, on the basis of its increasing socialisation. The dependence on the crops, and the impossibility of making a statistic estimate of crops beforehand; the dependence on the state of the market, which, though more and more controlled by the principle of planned economy, has not yet been brought completely under its sway; the fluctuating conditions of the world market and the dependence on the world market; and finally the extra-economic factors bound up in the first place with the hostile capitalist encirclement of the Soviet Union, and influencing both our economic relations with abroad and our economic relations at home — all this renders a certain relativity of all planned and statistical preliminary computations inevitable. The Five Years' Plenum Plan for national economy is subject to the special pressure of the international factors connected with the sharpening of the relations between the capitalist States and the Soviet Union.

In view of the possibility of a military attack on the part of the capitalist States on the first proletarian state in history, the Five Years' Plan must devote great attention to the most rapid development of those branches of national economy, and especially to those branches of industry, which play the chief part in securing the defence and economic powers of resistance of the country in time of war.

The question of defence, in connection with the drawing up of the Five Years' Plan, must be the object not only on which is concentrated the attention of the planning and economic organs, but, more important still, the unwearied attention of the whole Party. Another important point to be taken into account in drafting the Five years' Plan is the possibility of failures of crops after a series of favourable harvests,

4. The Five Years' Plan of national economy, like every economic plan looking ahead for any length of time, must strive for the most advantageous combination of the following elements: Increased consumption among the masses of workers and peasants; increased reproduction (accumulation) in state

industry, based on increased reproduction in every sphere of national economy; a more rapid rate of economic development than in the capitalist countries; and an absolutely systematic increase of the specific weight of the socialist section of our economy — the main and decisive factor of the whole economic policy of the proletariat.

With regard to international relations, we must not proceed from the unreserved slogan of the maximum development of these relations (such a slogan, issued by the Opposition, would if consistently applied lead to the abolition of the foreign trade monopoly and to an economic and military capitulation to the international bourgeoisie), or the slogan of the restriction of economic relations with the capitalist countries (the carrying out of such a slogan would involve a greatly reduced rate of development of our economy, and retard the building up of socialism in general). We must take the line of extending our foreign connections as far as possible, in so far as these connections (increased foreign trade, foreign credits, concessions, employment of foreign technical aid, etc.) increase the economic power of the Soviet Union, render it more independent of the capitalist world, and broaden the socialist basis for the further industrial development of the Soviet Union — it is only within these limits that we may speak of a maximum expansion of international relations.

In the sphere of the relations between production and consumption, it must be taken into account that we cannot aim simultaneously at a maximum figure on both sides (as the Opposition demands that we should), as we should thereby set ourselves an impossible task; nor can we proceed from the one-sided interests of accumulation during the present period (as demanded by Comrade Trotzky, who in 1923 issued the watchword of strict concentration and increased pressure on the workers); nor can we take as point of departure the one-sided interests of consumption. In view of the relative antagonism of these factors, their reciprocal effect and interdependence (though from the standpoint of ultimate development these two interests coincide in general) we must take as point of departure the maximum combination of these two factors.

The same applies to town and country, socialised industry and peasant production. It is wrong to demand a maximum transference of the means yielded by agriculture into the sphere of industry, for this demand not only involves a political rupture with the peasantry, but a simultaneous undermining of the raw material basis of industry itself, an undermining of its home market, an undermining of export, and the upsetting of the balance of the whole system of national economy. On the other hand, it would be equally wrong to renounce making use of the means of the village for building up industry; at the present time this would mean a retardation of the rate of development, and a destruction of equilibrium, thus hampering the industrialisation of the country.

In the question of the rate of development, the extreme complicatedness of the task must again be taken into account. Here we must not speak of the maximum speed of accumulation for the next year, or for the next few years, but of conditions guaranteeing permanently the most rapid speed of development. Seen from this standpoint, the oppositional slogan of higher prices must be emphatically condemned once and for all. This slogan would not only lead to a bureaucratic degeneration and to a monopolist stagnation of industry; would not only throw heavy burdens on the consumers, especially the working class and the poor in town and country; would not only place a trump card in the hands of the kulak — it would lead eventually to a considerable slowing down in the rate of development, to a shrinkage of the home market, to an undermining of the agricultural basis of industry, and to a retardation of the technical progress of industry.

In the question of the relations between the development of heavy and light industry we must again endeavour to attain a maximum combination of the interests of both. If we lay preponderant value on the production of the means of production, we must not thereby forget the dangers attendant on excessive tying up of state capital in large undertakings the yield of which will not be realised for years; on the other hand we must remember that a more rapid circulation in light industry (manufacture of mass articles of consumption) enables the capital invested in light industry to be utilised for the

expansion of heavy industry, whilst at the same time light industry itself is developing.

It is only when all the above factors are accorded due consideration, and are systematically combined, that there is a possibility of bringing economy forward on a line of development, more or less systematic and free of crises.

5. Regarded from the standpoint of the class struggle, and of comparative class forces, the characteristic feature of the period on which we are entering is the growing class power of the proletariat, the firmer establishment of the alliance of the proletariat with the poor and middle classes, and the comparative decline of the private capitalist elements in town and country, in spite of their still being able to increase numerically.

The decisions of the XIV. Conference and of the 14. Party Congress served as a basis for a correct policy towards the village during the present period, and it has been precisely these decisions which have secured the alliance between the working class and the main mass of the peasantry. The proletariat, after overcoming the anti-middle peasant deviation in its Party, can now advance on the basis of the firmly established alliance between workers and peasants to the possibility of co-operating with the whole mass of the poor and middle peasantry, systematically and progressively, for the determined repression of the kulak and the private owner. This must form the fundamental class standpoint of the Five-Years Plan of national economy.

#### The Problems of the Five Years' Plan and the Economic Policy of the Party.

1. The main problems and difficulties of the economic policy of the proletariat are to be found in the regulation of relations between town and country. When drawing up a Five Years' Plan for our economy, we must start with the solution of the tasks imposed upon us by the fundamental disproportion of our economy: The disparity between industry and agriculture, which has not yet been overcome, in spite of the comparatively quicker development of industry; the disparity between the prices of industrial and agricultural products (the market "scissors"); the disparity between the demand for industrial raw materials (cotton, leather, wool) and the supply; and finally the disparity between the number of workers in the rural districts and the practical possibility of their economic utilisation (the so-called "agrarian over population").

2. These disproportions can be overcome by various methods. Thus for instance equilibrium may be established between the demand and supply of industrial goods by raising the prices of these articles (the method advocated up to quite recently by the opposition); this method has had, however, to be most emphatically rejected by the Party, for the reasons given above. A considerable reduction of the prices of agricultural products could also solve the problem; but this method again would mean a lowering of the general rate of development, cut down export possibilities, and undermine the raw material basis of industry more than ever. Or the desired result might be obtained by increasing the taxation of the peasantry. But as this method would affect not only the kulak but the whole mass of the peasantry, it is as little possible of application, and for the same reasons, as the policy of higher prices for industrial goods, or of extremely low prices for agricultural products. Such methods for getting rid of fundamental disproportions would restore balance by inducing an exceedingly retarded movement of the productive forces, instead of bringing about their most rapid possible development. Again, such methods, whilst equilibrating the market to a certain degree, would accomplish nothing towards the absorption, or even of the lessening, of the agrarian overpopulation with its resultant unemployment in the cities, but on the contrary would render the situation more acute than before, and be most serious in their effect on the political life of the country. Another general thesis which must be rejected is that advocating a "temporary" forcing of agricultural credit, as well as a maximum increase of grain exports at the expense of capital investment in industry. Such a policy would cause a wide extension of foreign trade relations within the confines of the foreign trade monopoly, would come into conflict with our industrialisation policy, retard

industrialisation, and deprive the Union of its weapons against the external capitalist enemy.

3. The only right way to abolish the above named disproportions is the reduction of the cost prices of industrial production by means of an energetic expansion and rationalisation of industry, and the consequent reduction of the price of industrial goods; further, the adoption of intensive methods of land cultivation and industrialisation of agriculture (especially by means of the development of the industries immediately working up agricultural products); and further, the attraction of small savings (home loans, savings banks, investments in co-operatives) for utilisation in the credit system.

Only this method, which does not conduct economy along the line of least resistance, but along the line of overcoming the greatest difficulties, ensures the establishment of more or less harmonious relations between town and country, the systematic abolition of the shortage of industrial goods, the absorption of "superfluous" labour by means of a continuous advance of the productive forces of the country, and by means of the increased specific weight of the socialist section of economy and the constantly growing prosperity of the broad masses of the proletariat and the working peasantry. It is obvious that the intensification and industrialisation of agriculture will inevitably absorb the unemployed labour in the country, whilst the expanding industry, with shorter working hours and increased number of working shifts, will be in a better position to liquidate unemployment in the cities. And the policy of rationalisation and of low prices, establishing the balance between town and country, must inevitably bring with it a prolonged acceleration of the rate of development. This policy, increasing the consumption of goods by the masses, and thereby securing a corresponding pressure on the productive apparatus, will be the best guarantee against every description of decay and monopolist parasitism.

4. Basing our policy on the general course of our foreign trade (a maximum of commercial relations, broadening of our own industrial basis, increasing independence from the capitalist world), we find the necessity of adjusting our plans for foreign trade on the basis of a favourable trade balance. A favourable trade balance, together with an increased production of gold in our own country, is the main source enabling that reserve of securities to be built up which is so imperative in view of the strained relations between the Soviet Union and the capitalist world, and in view of the possibility of the failure of crops.

For these reasons the accumulation of reserves must be accorded a leading place in the Five Years' Plan. Reserves both of goods and of securities. The accumulation of such reserves is an imperatively necessary security for the protection of the Soviet Union against the booms and depressions of the international market, against the possibility of a partial or complete economic and financial-credit blockade, against poor crops, and against a direct armed attack upon the Union of proletarian republics.

5. In the sphere of industry the following important points must be mentioned: 1. The relations between the production of the means of production and the production of articles of consumption, that is, between light and heavy industry; 2. the relations between the number of production units in course of construction and the term of their completion, in connection with the danger of sinking immoderately large sums in new undertakings the yield from which will not be realised for some time; 3. the relations between the cost price of production and wages, and finally, the relations between production for the needs of the home market and export on the one hand, and for the defence of the country on the other.

The industrialisation policy of the country must be adhered to strictly with respect to the production of the means of production, in order that the growth of heavy and light industry, of the transport service and agriculture — that is, of the productive demands emanating from these — may be satisfied chiefly through the production of the Soviet Union itself. The most rapid rate of development must be secured in those branches of heavy industry which are potentiality capable of increasing the economic and defensive powers of the Soviet Union in the shortest time, and which offer a guarantee for the possibility of continued economic development even under an economic blockade, reduce our dependence on the capitalist world, and promote the raising of agriculture to a

higher technical basis and the collectivisation of economy. Hence special attention must be devoted to the rapid execution of the electrification plan, to the development of metallurgy, to the increased output of coal, petroleum, and peat, to machine-building in general and to agricultural machinery in particular, to the electric and chemical industries, and to the production of fertilisers.

The industries manufacturing articles of consumption must increase the quantity and quality of their output so far that a considerable raising of the standard of consumption of the workers is secured. Special attention is to be paid to the development of the textile, leather, and food trades, as these industries ensure the growth of agricultural raw material production, and promote the absorption of the agrarian surplus-population. Among the new branches of production, the following are to be promoted or reorganised: Manufacture of equipments for the metal, fuel, and textile industries, manufacture of motor cars, aeroplanes, and tractors, production of artificial fibre, production of rare elements, of aluminium, ferro-manganese, zinc, compounds of nitrogen and potash, manufacture of accessories for the cinema and radio industries, winning of radium etc.

In order to abolish the disparity between the prices of industrial products on the one hand, and of agricultural products on the other, as well as the disparity between our price levels and those of the world market, the factory prices of our industrial articles must be systematically reduced.

It is only possible to do this if the costs of production are definitely reduced. Hence the reduction of cost prices is the central problem of industry. All other tasks must be subordinated to the solution of this problem. The chief method for the successful solution of this task must be the socialist rationalisation of production. The first essentials for this process of rationalisation are the introduction of new technical achievements, the improvement of working methods, the increased skill of the workers, the better exploitation of the working day in conjunction with reduced working hours. The results of energetic measures in this direction, permitting wages to be raised and the standard of living of the workers to be further improved, must at the same time be utilised for securing a decrease of outlay in wages per unit of production, a reduction of the initial costs of production, an increase in the productivity of labour, and with this the creation of a firm basis for the policy of reduced prices.

Besides permitting the national income to be redistributed in favour of industry, the increase of inner-industrial accumulation allows capital investments in industry to be undertaken to an extent ensuring — assuming, of course, that the greatest economy is observed in the expenditure of means, initial building costs kept down to a minimum, and the Plan followed strictly — the required increase and rationalisation of production. The amounts expended on productive plant must be determined by the consideration of the factors best serving the development of economy in general and the peculiarities of the district concerned; further by the consideration of the highest effectiveness of the capital invested, both with regard to the terms within which the plant is to be completed and the productive capacity of the plant. The capital allotted for this purpose must therefore be adjusted from year to year to a certain maximum expenditure for a comparatively limited number of new undertakings and the reconstruction of certain existing undertakings now at work. Where large undertakings are being organised, the greatest importance is to be attached to the introduction of new working methods and the application of the latest technical achievements. Above all, the immoderately high prices for building materials and work must be completely done away with.

The Plan must devote special attention to the building of workers' houses. The extreme acuteness of the housing problem renders it imperative that the Plan should provide for the building of workers' dwellings, during the next five years, on a scale exceeding the present one.

The Five Years' Plan must keep in view the development of the small local handicraft industries, for at the present time these form an absolutely indispensable supplement to our large State industry, and greatly help to alleviate the shortage of goods and the extent of unemployment. These small industries must be brought within the sphere of influence of the state and co-operative organs; they must be organised,

their production rationalised, and the small industrial producers freed from all connection with private buyers, middlemen, and usurers.

6. In our transport service we must strive for an extension of our transport network enabling this to cope with the demands of our growing production and goods circulation, to bring new regions into our national economic life, to open up fresh fields for the expansion of our productive forces, and to meet the demands of national defence. During the present period of transition from restoration to definite construction our transport service has fallen behind, and it is incumbent upon us to rationalise and reconstruct this service on the lines of the technically perfected transport services of the more advanced countries. The means required for the development of transport will to a certain extent, be granted from the state budget, but in the main must be obtained from the increased accumulation of the service itself, to be gained by the reduction of the costs of transport, and the restriction of all unproductive outlay.

Special attention must be given to the development of local transport, especially to road building, and to the mechanising of the means of transport in districts in which there is extensive traffic in commodities. The special attention of the local organs of the Soviet power must be directed to the solution of these problems with the aid of the forces and means of both the local population and of the local Soviets, for the inadequate development of local transport service is one of the greatest obstacles in the way of the technical and cultural progress of the village.

7. In the sphere of agriculture the main points to be held in view in drawing up the Plan are the categorical necessity of a general raising of the level of agriculture (whereby the chief factors are relatively increased yields and extension of the area under cultivation), and of a proper co-ordination of the main economic elements, both with regard to districts and with regard to the various subdivisions of agriculture (grain, technical plants, live stock). In addition to this, the various branches of agriculture must develop with such rapidity that:

1. the needs of mass consumption are secured, 2. an increase of exports is ensured in accordance with the import requirements and reserves of securities provided by the Five Years' Plan, and 3. the industrial demands for raw materials are met to a greater extent. With respect to the price policy to be pursued for agricultural products, the Plan must keep in view the necessity of maintaining stable relations corresponding to the demands of the productive and personal consumption of the country, to the export plan, and to the necessities of the separate branches of agriculture. The support lent to the various branches of agriculture will again have to be determined, not only by the factors just mentioned, but by the necessity of abolishing the disparity between the number of workers and the possibility of employing them. This implies the necessity of expediting the development of the intensive methods of land cultivation, of the industrialisation of agriculture, and of the industries directly working up agricultural products. Here it is necessary to discriminate between the varying problems of agricultural technics, the corn-growing district, (requiring tractors, machines, selected seed, etc.), districts growing technical plants on intensive methods (soil improvement, drainage, irrigation, manure, etc.), and districts breeding live stock (pure bred stock, organisation of sale). Above all, the Plan must provide for an extension of the area under cultivation for wheat and barley, for increased yields and the placing of more products as commodities on the market, enabling the growing needs of the country to be satisfied and the necessary amount of export to be guaranteed. The Plan must provide for capital investment in agriculture, both on the part of the peasantry and from the state budget, whereby the main outlay must be directed to the most urgent needs: the mechanising of agriculture, the carrying out of the most pressing requirements of irrigation and soil improvement, and the application of methods for the prevention of failures of crops.

The Five Years' Plan must provide for expediting the work for the regulation of the land question. This is the elementary prerequisite for both the general transition of agriculture to a higher level, and for the establishment of the collective form of economy and the securing of the interests

of the village poor and the middle peasants in their struggle against the rich peasantry. The organisation of settlements must be furthered, for these promote the productive forces of agriculture, improve the position of the landless and less well-to-do among the peasantry, and contribute to the absorption of the "agrarian over-population".

The Plan must be based on the fundamental class standpoint of the Party, that is, on the policy of relying on the support of the village poor, of maintaining a firm alliance with the middle peasantry, and of a determined offensive against the kulak. Therefore the Plan must take as a starting point the giving of all possible support to the co-operatives (whereby the proposal of the Opposition to withdraw capital from the co-operatives must be decidedly rejected, as this would deal a blow to all Lenin's plans for the co-operatives); the Plan must be based on a correct inner-co-operative policy (credit grants to small undertakings, fight against the kulak tendencies, suitable policy in the machine co-operatives, etc.); it must further provide for far-reaching support to be lent not only to those co-operatives organising sales, but to all efficient forms of the production co-operatives (communes, collective undertakings, handicraft corporations, productive co-operatives, co-operative factories, etc.); the Plan must recognise the importance of these for the advancement of Soviet economics.

8. The first task of constructive socialism in the sphere of the organisation of the exchange of commodities is to overcome the anarchy of the market, and the waste of material means characteristic of the capitalist methods of distribution; this object is to be attained by the further development and rationalisation of the socialised section of circulation of goods.

The socialised section of circulation, expanding at the expense of private capital, and bringing the systematic planning principle to bear upon the problems of the exchange of commodities, is enabled by its rationalised trade network and its maximum restriction of unproductive expenditure to secure all the enormous advantages of the new system of social distribution, and will advance step by step, with the progressive successes of constructive socialism, until it has become the apparatus of the socialist distribution of products.

The further supplanting of the private dealer in the market by the co-operatives and state trade must be carried out to the extent rendered possible by the actually existing material and organisatory possibilities; it must keep pace with these possibilities, but not advance so hastily as to tear rents in the network of goods circulation, or to cause stoppages in the supplies to the markets. The strength and growth of the co-operative organisations and state trade service, which are in a position to reap the full benefits of systematically planned economy, must for their part aid in the struggle for lowered prices, for lower budget index figures, and for getting rid of the price difference in wholesale and retail trade.

Special attention is to be given to the co-operatives. To these falls the task of reaching ever-widening circles of the population. The co-operatives must become the cheapest and most rational apparatus acting as intermediary between producer and consumer. The organised aid of the masses in economic work must enable the co-operatives to calculate the demands of the consuming population, and to further the systematic meeting of these demands by means of an order system informing the industries in good time of the calculated requirements.

The interests of the productive forces of the country demand that all available means must be distributed in such manner that these are invested for the most part in the process of production, and are engaged as little as possible in the network of goods circulation.

The increase in the rapidity of the turnover goes hand in hand with the reduction of expenses and the intensification of the work accomplished by each commercial unit, and with the simplification, shortening, and equalisation of the path leading from the producer to the seller.

The advantages of systematic planning enable the Soviet economic system to stand secure with a much smaller stock of goods reserves than that required by capitalist economy; this signifies a considerable saving from the point of view of the

whole national economy. The Plan must, however, provide for the accumulation of sufficient reserves of goods to secure both unrestricted supplies to the market and the satisfaction of fluctuating seasonal demands.

In conclusion, the Plan must ensure the provision of adequate means for the enlargement and formation of a technically improved basis for the apparatus of distribution. (Building of new warehouses, elevators, refrigerators, etc.)

9. With reference to money circulation and credit, the Plan must recognise the necessity of a systematic raising of the purchasing power of the chervonetz. The issue of paper money must be limited to that required by the increased circulation of commodities.

The steady growth of the budget is to be accompanied by the accumulation of sufficient budget reserves to guarantee freedom to manoeuvre both at home and in the foreign markets.

The credit system must become a weapon of increasing efficiency for the firmer establishment of the socialised section of economy, and especially for the support of the poor and middle peasantry.

The Plan must provide measures enabling small savings to be employed in the state credit system.

The use of these savings, whilst furnishing on the one hand additional means towards industrialisation, must at the same time contribute, during the next five years, towards the establishment of a proper balance between the effective demand for industrial goods and the corresponding supplies on the market.

10. The Five Years' Plan must take into special account the advancement of the economic life of the backward districts, fettered in their development by the old Tsarist regime, in order that the economic needs and possibilities of these districts may be brought into line with those of the whole Soviet Union and their advancement combined with that of the whole country.

11. The proper solution of the central problems of the Five Years' Plan is dependent on such a growth of national income, and its distribution, as will ensure the increased prosperity of the working class and of the poor and middle peasants, and at the same time ensure the maintenance of the maximum speed of development of economy generally.

The numerical increase of the working class, and the growing productivity of labour, as utilised by a proletarian State which has succeeded in fundamentally reconstructing its industry and greatly increasing its productive output, lead to a further shortening of working hours and to higher wages, which, having regard to their real purchasing power, are very considerable. The general progress of national economy renders it possible to increase still further the expenditure on many of the material and cultural needs of the working masses — above all on house-building, schools, technical colleges, clubs, organisation of communal kitchens, crèches, children's homes, etc. etc.

All this, accompanied by the simultaneous development of the network of technical vocational schools, and by the adaptation of public education to the needs of socialist construction, creates the prerequisites for a rapid raising of the cultural level of the working masses, for the steady growth of their active participation in the work of building up socialism, and thereby at the same time the consolidation of the proletarian dictatorship.

The advancement of agriculture by means of mechanisation and intensification, its progress to higher technical and social methods of cultivation, the co-operation of the peasant population, the grant of state and credit aid exclusively to the undertakings of poor and middle peasants, and the pursuance of a correct price policy with regard to the products of agriculture and industry — all this, combined with the increased output of the peasant farms, ensures a steady rise in the material and cultural standard of living of the poor and middle peasantry, and restricts at the same time the exploiting tendencies of the kulaks. There will thus be laid a foundation for the general advancement of the cultural life of the village,

for the extension of educational work and for the propagation of agronomic and technical knowledge among the masses of the village inhabitants. The levelling up of the standards of living in town and country opens up the way for the abolition of the tension created between them by capitalism, and strengthens the alliance between the working class and the peasantry, leading the latter along the road of socialist development and inducing it to take active part in the work of building up Socialism.

12. The Five Years' Plan must, in connection with the tasks of constructive socialism, take into account the necessity of a decided rise in the cultural level of the population in town and country, as well as of the advancement of the national cultures of the various races and peoples in the Soviet Union; it must combine the plan of cultural development with the industrialisation of the country, as integral part of the general plan for the building up of socialism in the Soviet Union.

13. The Party Congress, whilst recording considerable progress in the direction of laying down systematic plans of work, considers it necessary, in view of the increasing complexity involved in the elaboration of plans, and of the growing practical importance of these plans, to require a greater degree of discipline in the pursuit of the plans, to enlarge the organs entrusted with the working out of plans, and to improve the systematic guidance of the whole. The Party Congress considers it necessary that the dividing of the country into districts should be completed during the coming five years' period, in order that the economic life of the country may be brought to the widest extent under the influence of the systematic planning methods.

#### Socialist Rationalisation, the Importance and the Role of Mass Organisations.

The XV. Party Congress of the C. P. S. U. considers it necessary, for the fulfilment of the above tasks, that a number of directions be carried out, these alone guaranteeing the realisation of the corresponding plan of national economy:

1. The centre upon which our most energetic and strenuous work must be concentrated is rationalisation: In the first place the rationalisation of industry, the rationalisation of the commercial apparatus, the rationalisation of the state apparatus, etc. This rationalisation cannot be carried out without an increase in the importance of science and scientific technics. The widest extension of the network of industrial, scientific, and research institutions and works laboratories, the closer conjunction of academic scientific work with industry and agriculture, the utmost use of the scientific and scientific-industrial achievements of Western Europe and America, the careful study of all new inventions and discoveries, new industries, new raw materials and new metals, etc. — all this must be taken up as our immediate daily task. Every effort must be made in this connection for the improvement of technical and agronomical education, and for the most rapid possible training of cadres of qualified and scientifically schooled workers, who, having a mastery of world science and technics, take active part in the work of building up Socialism.

2. The most important and decisive prerequisite for this work towards the rationalisation of our whole national economy is the greatest possible participation in this work by the masses of the workers and peasants. The whole of our Party, Soviet, trade union, and other organisations must take up the work of intensest propaganda and dissemination of the facts, and make it clear to the masses that the final victory of the workers can only be made possible by a determined struggle against unproductive expenditure, against neglectful and inaccurate work, against negligence and carelessness in the handling of the means of production, and against technically obsolete forms of economy (out-of-date factory equipment, insufficient rotation of crops, wooden ploughs, etc.). This same determined struggle must be carried on against bureaucracy in the State and economic apparatus, against backwardness, routine, passivity among the masses, in the organisations, and in the cadres leading these organisations, whether organs of the State apparatus, the trade unions, the co-operatives, or even of the Party itself. We must fight most energetically for

a radical transformation in the lives of the masses, for culture, against drunkenness, for the entire disappearance of illiteracy, for the awakening of proletarian consciousness, and for working discipline among the masses of the workers and peasants.

3. Here a highly important task falls to the trade union organisations of the proletariat, and every member, whether holding a high or a low position, must play his part. The trade unions must accompany a relentless fight against the abuses arising out of the rationalisation by an effectual safeguarding of the daily needs of the working class, and attack bureaucracy and other evils wherever these put in an appearance. At the same time they must boldly overcome every tendency to stifle the creative urge and initiative of the masses, they must draw the proletarian ranks into the great current of creative effort, give the proletariat every opportunity of displaying its initiative, and at the same time become to a still greater extent the main lever for transforming our industry. The trade unions, basing their activities on the principle of shorter working hours and increased wages (according to the resources of the country and the prosperity of industry), must contribute in every possible way (through the factory councils, production consultations, control commissions, etc.) to the education and training of the proletarian masses, to the organisation of the work in the workshops and factories, to the better division of work in the industrial undertakings, and to the rationalisation of the workshop technics. The trade unions must help the backward masses of the proletariat to grasp the fact that it is precisely the proletariat which is, as a class, master of the undertakings and of industry, and that the widest vistas of possibilities are opened out to the proletariat if the industrialisation of the country, the rationalisation of its economy, and the building up of socialism proceeds uninterruptedly and steadily forwards.

4. It is necessary to mobilise the broad masses of the peasantry — both the poor and the middle peasantry — more and more for the cause of the economic progress of the country. Here the co-operatives are our most efficient instrument. The initiative shown by the poor and middle peasant masses towards the formation of various forms of collective organisation must be encouraged with a greater degree of decision and courage, and the collective undertakings, the cultural institutions, and the organisation of agronomical advice and aid for the cultivation of the soil, for the rationalisation of the co-operative apparatus, the control of the co-operative organs, the fixing of prices by the masses organised in the co-operations, must be furthered in every possible way. The initiative shown by the masses with regard to the introduction of machinery into agriculture, with regard to the intensification of agricultural cultivation, to the cultivation of technical plants by intensified methods, and the establishment of co-operative undertakings, must be stimulated and supported with a greater degree of decision and courage.

5. The Party Congress lays special stress on the importance of the Young Communist League and its impending tasks. The Young Communist League, both in town and country, has to initiate and carry out new suggestions for the rationalisation of economy, of work, and the whole mode of life. The Young Communist League must become one of the main supports of the Party in carrying out its policy in regard to combating the technical, economic, and cultural backwardness of the country. The Young Communist League must become one of the main instruments for the re-education of the broad masses of proletarian youth, as well as the poor and middle peasant youth, in the spirit of constructive socialism and in the organisation of our defence against all enemies both at home and abroad.

6. The Party Congress lays equal stress on the great importance for the Party of the increased participation of the broad masses of proletarian women, and of the masses of the more advanced peasant women, in the work of building up socialism and of rationalising our economics. Here increased efforts must be made towards the attainment of higher working qualifications on the part of working women, and for their further emancipation in the sphere of daily life. The whole mode of living and working of the broad masses of the population of the country will only be led into socialist channels to the extent to which we solve these tasks.

7. The Party Congress, fully conscious of the immensity of the tasks before us in the sphere of economic construction during the coming Five Years period, points out that every individual Party member — whether working at the bench or appointed to the highest governmental position — must set an example of discipline and heroism of work, of industrious, conscientious, and rationally conducted labour.

The Party Congress confirms the correctness of the economic policy of the C. C. during the past period, and is of the opinion that the realisation of the Five Years' Plan — with the help of which the prosperity of the masses may be greatly increased and our socialist positions more firmly established — depends chiefly on the comradeship, cohesion, and creative energy of the Party itself. From this standpoint the Party Congress categorically condemns the activities of Trotsky's oppositional fraction, which disorganises the magnificent work of construction, interrupts the course of the work, and attempts to throw the whole Soviet apparatus out of gear.

The Party Congress categorically condemns the economic line of the Opposition. The Opposition assumes the impossibility of the victory of socialism in our country, in direct contradiction to Lenin's assertion that, given a correct policy on the part of the Party, and provided we are not disturbed by attacks from outside, the complete victory of socialism in our country is possible. The Opposition therefore proposes to replace the definite and well thought out policy of the Party by unprincipled vacillations, or by a policy which has nothing in common with Leninism. In the question of the rationalisation of industry, the Trotskyist Opposition, after accusing its opponents of an "agitatory campaign", proceeded to the slogan of "strictest concentration" and pressure on the workers (by closing down such gigantic achievements of proletarian industry as the Putilov Works, the Briansk Works, etc.), and even went so far as to reject rationalisation. The most important of Lenin's theses, which forms the basis of the entire economic orientation, i. e. the thesis that the proletarian industry must supply the peasantry with cheaper goods than the capitalist system, is openly trodden underfoot by the Opposition. The Opposition set up precisely the opposite thesis, and maintained that we should take more from the peasants than the old regime did, that we should pursue a policy of increasing the already very high prices, etc. It was only under the pressure of severest criticism that the Opposition was induced to renounce this policy, which represents a policy of rupture with the peasantry, pillage of the worker consumers, support for the kulak, and of monopolist parasitism and bureaucratic degeneracy of the industrial economic apparatus. The Opposition, in complete and fundamental contradiction of the whole of Lenin's plans for the co-operatives, (plans based on the financing of the co-operatives) set up the thesis of withdrawal of co-operative capital from commerce, this measure to afford relief to the situation in industry. But this bureaucratic administrative policy would signify a withdrawal from the real and living alliance with the peasantry, a withdrawal in favour of private capital, for it would affect the development of the economic independence of the peasantry, close the gate to socialism for the peasants, and push private capital, as the chief motive power in the process of goods circulation, between state industry and the peasantry. The Trotskyist opposition, in complete antagonism to Lenin, who expressly warned against the "super-industrial" standpoint, pointing out the necessity of moving with the whole main mass of the peasantry, and sweeping away the hollow phrases of "peasant narrowness", proposes to pass these masses by on one side, and to support that idea of "limitedness" ridiculed by Lenin. This would mean the complete collapse of the policy of the Party. The Opposition, by deducing therefrom the theses on "degeneration", "Thermidor", and the like which they borrowed from the arsenal of the Mensheviks and from Ustryalov, now attempt the ideological demobilisation of the working class, and leave the Bolshevik path of energetic construction of socialism and go over to the Menshevik path of "criticism" regarding the class character of this constructive work. Whilst the Opposition maintains a negative, or at best a "neutral" attitude towards the rationalisation of industry, it attempts to

find support for its demagogic and agitational demands in the prejudices and dragging policy of the semi-peasant consumer psychology of the most backward strata of the proletariat. The attitude thus adopted by the Opposition towards rationalisation, and its lack of faith in its success, are the causes of its negative standpoint with reference to the seven-hour day, which can only be accomplished by means of an energetic and thorough rationalisation. The objective result of such a policy as this would be a bureaucratic standstill in our industry, the transformation of the proletariat from the leader and ally of the peasantry into a consumer who is not aiming at a transformation of peasant economy. Such a policy would inevitably lead to the breakdown of the proletarian dictatorship. And

on the other hand the Opposition, hiding itself behind an international banner, advocates in reality a description of economic alliance with international capital which, if realised, would lead to the loss of the economic independence of the Union and to the destruction of the work of building up socialism.

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The Party Congress commissions the Central Committee to ensure the working out of the Five Years' Plan in such a manner that it can be submitted for examination to the next Soviet Congress, and that the projects upon which the Plan is based may be carefully and thoroughly discussed by all local Soviet, trade union, Party, and other organisations.



# Work in the Village.

## Theses to the Report of Comrade M o l o t o v at the 15th Party Congress of the C. P. S. U., confirmed by the Joint Plenary Session of the C. C. and the C. C. C.

### I. THE CHARACTERISTIC PECULIARITIES IN THE DEVELOPMENT OF PEASANT ECONOMY UNDER THE PROLETARIAN DICTATORSHIP.

1. The dictatorship of the proletariat in the Soviet Union alters fundamentally the conditions, and with this the course of the development, of agriculture; it creates a fundamentally new type of development in agricultural relations, a new type of class stratification in the village, and a new direction for the development of agricultural forms. The dictatorship of the proletariat and the socialisation of the land, of big industry, and the banks, not only create the opportunity of taking over the leadership of agriculture, but bring about reciprocal relations between town and country differing entirely from those of the capitalist system. The industries of capitalist society depend for their prosperity on a state of the home markets involving the impoverishment of the main mass of the middle peasantry, that is, the proletarianisation of what is in reality the most important group of the peasant population. Under the dictatorship of the proletariat exactly the contrary is the case, and the development of the home markets is based on the opposite principle. Here the market does not flourish at the expense of the proletarianisation of the main mass of the peasantry, but owing to the increased prosperity of the middle and poor peasant population. Hence the essentially different character of the regroupings and restratifications taking place among the classes of the peasantry.

The economic key positions, and in the first place big industry at the head, form the decisive basis of the world economic development. But whilst in capitalist society the leading role of these key positions is determined by their capitalist import, the nationalised industries, the credit institutes, the transport service, the co-operatives, and the state trade of the proletarian state, form the most powerful lever for the socialist transformation of the village. The planned guidance of economy, thanks to the intense centralisation of the means of production and of the apparatus regulating circulation, in the hands of the proletarian power, offers unlimited possibilities for effecting far-reaching changes in the economic life of the village. The co-operation of small producers, under capitalism inevitably condemned to engulfment in the system of capitalist economic organs, becomes under the dictatorship of the proletariat a vast transmitting mechanism aiding socialised industry to promote the socialisation of the village, that is, of the small producers. The whole policy of the proletarian State whether with regard to finance, taxation, credits, or any other branch of national economy is directed towards reaching and helping the poor and middle peasantry by every available means, and according to the conditions, towards restricting the exploiting tendencies of the agricultural bourgeoisie.

3. These general premises for development during the period of proletarian dictatorship have by no means invariably found the same expression in the various stages of the revolution. During the period immediately following the introduction of the New Economic Policy, a policy creating the required bases for the co-ordination of the great state industries with the small village producers, the key positions held by the proletariat were much weakened; private capital was in the stage of original accumulation and advanced to the attack, and the petty bourgeois element was, from the side of the small property owner, the greatest danger for the cause of socialist construction, for the peasant had as yet no tangible proof of the successful results of socialist construction, or of the proper organisation of the traffic in commodities between socialist industry and the peasantry.

In the period following this, the general expansion of productive forces, and of socialist industry in particular, brought about a regrouping of forces and economic forms tending to strengthen the position of the socialist elements. The importance of the key positions (state industry, banks, transport, state trade,

co-operatives, etc.) increased, though not to an extent enabling a firm alliance to be established with the middle peasants, or ensuring the allegiance of the middle peasantry to Socialism after their breaking away from the rich peasantry. The 14th Party Conference and the 14th Party Congress resolved on a number of measures for the attainment of a firm alliance with the middle peasantry.

4. The third period is characterised by a further growth of the socialist section of economy, and by a continued regrouping of forces tending to a firmer basis for the building up of Socialism. A further raising of the level of economy enabled state industry not only to regain prewar level, but to proceed beyond this to the fresh equipment of the factories and to the extension of undertakings on a new technical basis. State trade and the co-operatives were able to supplant private dealers to a wide extent in the circulation of goods, and almost monopolised the markets. From the class standpoint, the Party can place on record a growth and consolidation of the proletariat, and a firmer establishment of the alliance between proletariat and peasantry, on the basis prescribed by the 14th Party Congress. The offensive against private capital too is being carried on with greater energy. These processes have been accompanied by an increase in agricultural production, an organisational growth of the agricultural labourers' unions, the organisation of the rural poor, and the revival of the Soviets. These prerequisites create the possibility of reaching the poor and middle peasants more effectually through the agency of the co-operatives, enable the systematic influence exercised over the peasantry to be strengthened, and ensure a decided offensive against the rich peasantry on the basis of the successes already achieved in strengthening the alliance of the proletariat and the poor peasantry with the middle peasantry.

### II. THE STRUGGLE OF THE SOCIALIST AND THE CAPITALIST ELEMENTS IN AGRICULTURE.

5. One of the fundamental prerequisites for the advancement of the Soviet Union to socialism is the strengthening of the productive forces of the village and the increased prosperity of the broad masses of the peasantry. It is only in this way that the socialist town can gain the following of the village, and in doing so it must give support to gradual transition from individual ownership, which will still obtain for a long time to come in agriculture, to the collective forms of agriculture.

When examining the processes of agricultural production, we must come to the following conclusions. There is an undoubted advancement to be recorded in every branch of agriculture, in grain growing, in the cultivation of technical plants, and in breeding live stock. Taken on the whole, agriculture has surpassed the pre-war gross production, although in corn growing it has not yet quite attained this level. Undoubted progress has been made in the techniques of agriculture (machines, tractors, electrification, rotation of crops, combination of this last with cattle breeding, improved seed, manure, etc.). It must, however, be admitted that the average yield, especially compared with those of America and Europe, is still extremely low, and that the rate of agricultural development is still insufficient. We are still extremely dependent on natural factors (drought and resultant failures of crops, etc.) Again, when we take into account the tasks imposed on agriculture by our socialist plans of national economy, the amount of marketable commodities produced by our agriculture is still extremely small. The inadequate possibilities of export are another great hindrance to agriculture, and it is just these exports which form the basis for those import operations which are so imperative for the rapid industrialisation of the country and the further advancement of agriculture itself.

6. The most conspicuous negative feature of our villages today, a relic of our historical past and of the general backwardness of the country, is the so-called "agrarian over-population", that is, the large number of "superfluous" workers who can find no employment in the village and add considerably to the army of the unemployed in the cities. A further negative feature hindering the advance of agriculture is the insufficient regulation of a considerable part of the cultivated area (the various fields belonging to one farm being scattered in different places, etc.) and the shortage of agricultural appliances among the less well-to-do strata of the peasantry, involving the imperfect exploitation of the land concerned. And finally, the so-called "scissors", the disparity between the prices of industrial and agricultural products, a further negative feature of the present situation affecting the mutual relations between town and country, is to be noted. These negative features can only be removed with the aid of a number of far-reaching economic measures. The over-population of the villages must be absorbed not only by the development of industry, but by the intensification of agriculture, to be accomplished by its industrialisation, by the erection of factories working up the products as they come from the land, and by a well-organised settlement policy. The inadequate regulation of land distribution must be improved, for without this there is no possibility of the rapid rationalisation of the peasant farms, and there is a danger that the cultivation of the arable land will concentrate in the hands of the rich peasantry. The shortage of agricultural implements on the smaller peasant farms can be overcome by the inclusion of these undertakings in the co-operatives, and by supplying implements on long term credits. Finally, the "scissors" must be systematically closed by a policy reducing the price of industrial goods by means of rationalisation, and a lowering of the initial costs of production.

7. Viewed from the social class standpoint, the process of agricultural development going on at present is characterised by the struggle between the socialist and capitalist tendencies. This struggle gives a special character to the process of differentiation taking place in the village, and emphasises the special features due to the present conditions. The peculiarities of this re-stratification have their origin in the changed social conditions. These peculiarities consist in that, contrary to the capitalist type of development, expressed in a weakening ("clearing away") of the middle peasantry, the creation of extreme groups of poor and rich peasantry, with us there is to be recorded a process of a strengthening of the middle peasant groups, and although at present the kulak groups continue to grow at the expense of the better situated middle peasantry, at the same time the number of poor peasants is diminishing; one section of the poor peasantry is proletarianised, but the greater section is rising gradually into the middle peasant stratum. These peculiarities are the unavoidable result of the internal antagonism existing in economic development under the present conditions of the proletarian dictatorship. The small agricultural producer, in a capitalist state of society, can either rise to be a small capitalist or sink into the proletariat. There is no third alternative. The dictatorship of the proletariat provides a third path, giving the small producer the possibility of utilising mass co-operation (both in the sphere of goods circulation, and, in an increasing measure, in the sphere of production) for his gradual incorporation in the general process of socialist construction. And on the other hand it is precisely the characteristic conditions of development obtaining under the dictatorship of the proletariat that steadily increase the opportunity given to the poor peasants to rise into the middle group. Hence the process of differentiation peculiar to our type of development increases the numbers and strength of the middle peasantry, once more confirming Lenin's thesis on the middle peasant as the "central figure of agriculture".

With respect to the rate of differentiation in the various districts of the Soviet Union, this is conditioned by a number of local conditions; these do not, however, alter the general character or direction of the process.

8. It is one of the gravest errors of the Opposition that they apply without consideration the laws of the development of peasant economy under capitalism to its development under the dictatorship of the proletariat. The Opposition does not perceive that the process of development in the village is determined by that of the city, and that therefore the capitalist ele-

ments in the village find themselves confronted today not only by the agricultural labourers, the poor and the middle peasants, but at the same time by the whole system of the proletarian dictatorship, with its powerful key positions (headed by socialised industry), its co-operatives, and its other powerful levers for the systematic exertion of influence on agriculture. With this error the Opposition attempts at the same time to revise one of the most important theoretical principles of Marxism and Leninism in the question of the mutual relations between large and small production, between town and country, between industry and agriculture, and returns to the bourgeois revisionist theories of the "Thermidorian" degeneration of the proletarian State and on the victory of the small capitalist rich peasantry. It even ventures to speak of the victory of private capital over the machine industry of the socialist proletariat, although this is centralised as this industry is centralised nowhere else, and stands at the head of our whole national economy.

9. Of late there has been a considerable increase of the systematic regulation exercised by the proletarian State over agriculture, and a strengthening of the influence of socialist elements in the village itself. These factors are a weapon in the struggle against the rich peasantry who hold a number of positions in the economy of the village, and are at the same time a weapon against private capital, which, although driven out of a number of economic spheres, is still increasing absolutely and struggling to maintain its footing (mainly by means of the handicraft industries), and is striving to erect a wall between town and country.

The state and co-operative organs now take the lead in all business connected with the sale of agricultural products, and have secured a dominant and almost monopolist position in many of the most important departments (sale of grain, cotton, beetroot, etc.). That this is the case may be seen from the fact that 1. the overwhelming bulk of agricultural products are bought up without the intermediation of private capital, which has here been obliged to abandon its positions, 2. this production is realised at prices fixed by state authorities, and determined by considerations affecting our national economy as a whole (Our latest achievement here is the stability of the spring and autumn prices of grain), 3. the State is enabled by its purposeful price policy to influence the conditions of agricultural production in the direction best serving the aims of a suitable division of productive forces. It must, however, be observed that private capital still holds some very important positions in various branches (meat, hemp, etc.)

10. In the supplies department we are approaching a state of affairs in which more than one half of the total goods supplied to the rural districts pass solely through the hands of the co-operative and state organs. All machines supplied to the villages are delivered exclusively through the co-operatives, and only a very inconsiderable portion of industrial goods (fabrics, salt, petroleum, etc.) is supplied by private capital. The proletarian State aims in the first place at: 1. supplying the peasant masses with a sufficient quantity of the best and cheapest goods, systematically reducing at the same time the prices of industrial goods, 2. ousting intermediary private capital to an ever increasing extent, and replacing it by supplying the rural districts directly with industrial products, 3. utilising the socialised supply of machinery to the rural districts as a means for the advancement of the whole mass of peasant farms on co-operative lines, the productive co-operatives being made to play a leading part.

11. The experience gained during past years, and during the last few years in particular, completely confirms the correctness of Lenin's plan for the co-operatives. Socialist industry is being enabled, by co-operation with the small peasant producers, to lead these on to the path of Socialism. The individual and scattered units of production are being reorganised on a new technical basis (electrification, etc.) not only in the sphere of goods circulation, but even more by means of the reorganisation of production itself on a broader socialised basis. During the last few years the co-operatives (the consumers co-operative societies and the agricultural co-operatives) have developed into a huge organism, comprising some millions of peasant farms, and together with state trade practically controlling the whole exchange of commodities between town and country. The members of the rural co-operatives are drawn

at the present time from social categories differing greatly from those of the pre-revolutionary co-operatives. It is an indubitable fact that our co-operatives comprise for the most part the poor and middle peasantry. Their activities have changed correspondingly, for now they represent the interests of the main mass of the peasantry, and not merely of the leading group of rich peasants. Wherever the mutual relations of state and co-operatives are concerned, the co-operatives enjoy privileges and advantages arising from the fact that the proletarian State is bound to support the activity towards the development of the co-operatives in every respect, and therefore also materially.

Apart from the enormous economic importance of the co-operative in general, and of the agricultural co-operative in particular, the co-operative is the most advantageous form of economic combination for the masses of the peasantry, the most effective means of rousing their initiative; at the same time it is the most advantageous form in which economic and cultural political education can be imparted, for it leads directly into the path of general socialist construction. Here lies the fundamental difference, and here is the essential advantage for Socialism of the state trading and buying organisations.

It must be mentioned as characteristic of the lack of faith of the Opposition, that it doubts the possibility of bringing about the participation of the main mass of the peasantry in the work of socialist construction by means of the co-operatives. The Opposition renounces Lenin's co-operative plan, and thereby estranges itself from Leninism. This departure from Leninism is the inevitable result of the liquidatory attitude of the Opposition, which denies the possibility of building up Socialism in our country.

12. The development of the agricultural and consumers' co-operative societies, and their capture of the leading positions in the sphere of goods circulation between town and country, has led to the economic necessity and economic possibility of the penetration by the agricultural co-operatives, hitherto confining their activities to supplies and selling operations, of the sphere of production. Where the state and co-operative organisations already possess a monopolist or semi-monopolist position in buying operations, the transition to co-operative production, i. e., the direct demand for promoting the economy of the co-operatively organised peasants is a particularly urgent question, as otherwise the co-operatively organised population obtains no advantage over the population which is not organised in the co-operatives. The inner development of the co-operative itself is advancing on lines ensuring additional advantages for those peasant farms embraced by the co-operatives as compared with farms not thus organised, the greatest of these advantages being that the extension of the co-operative idea beyond selling and supplies, the transition to co-operation in production, implies the technical improvement of the farms concerned, and their enhanced yielding capacity.

In this process of productive co-operation an increasingly important part is already being played by agricultural industry (both state and co-operative). This is both technically and economically an integral part of agricultural production, and exercises a decisive influence on its inner structure. Productive co-operation furthers the intensive cultivation of the land, the extension of cattle breeding, etc., and is bound up with the growing possibilities of export (dairies, cheese-making, canning factories, factories for the manufacture of linen, for drying fruit, tinning meat, etc.)

The growth of the systematic influence exercised on the process of production by the co-operatives is expressed in the direct orders sent to producers organised in co-operatives, and is already being felt in various branches of production in the sugar industry, and in part in the cotton growing industry. Such orders are for definite quantities and qualities (the system of so-called contracts, agreements, etc.), and the contractor, that is, state industry, is in a position to improve the process of production by making the best methods of production one of the terms of the agreement (sowing in rows, high grade seed, fertilisers, etc.), and by assisting the carrying out of these measures. The means required for the improved methods of production are frequently supplied through the intermediation of the state or co-operative organisation giving the order. This form of co-operation can and must be one of the most powerful mediums employed in the future for bringing agricultural pro-

duction within the sphere of co-operation in the real sense of the word, that is, for inducing the small producers to join together in a form of co-operation which secures their connection with socialised industry.

14. The development of such productive combinations in their first stage, such as the "artels", various types of productive co-operatives and agricultural communes, is along the line of the co-operation of production. After passing through certain critical periods, these forms have proved their viability, and, since they chiefly represent associations of poor or economically weak peasant undertakings, they deserve general support and encouragement. The Soviet farms themselves play in general a very important role in the total balance of the socialist elements of agriculture, for they represent forms of state socialist land cultivation and live stock breeding on a large scale. The system of Soviet farms, after passing through a severe crisis, is now working at a profit, and is beginning to play an increasingly important part as cultural and agronomical guide, influencing peasant farming, and serving as an example to the small agricultural undertakings of the superior advantages of socialised production on a large scale.

15. An important factor influencing the peasantry is the large projects for the improvement of the soil, as for instance the irrigation plant in Central Asia (cotton plantations) and in the Caucasus. Wielded by a proletarian State, irrigation plant can become a powerful instrument for the regulation of the process of production, and a weapon in the struggle in support of the poor and middle peasantry. Another source of planned economic influence is the state and co-operative undertakings letting out machines on hire. These undertakings are provided with a sufficient number of complicated agricultural machines, and with a correct policy can become a powerful factor in the struggle against the exploitation of the poor and less well-to-do strata of the peasantry by the rich peasants. They further form a suitable basis for the transition to the collective forms of land cultivation with the aid of up-to-date technical means. In this connection mention must further be made of the widespread network of agro-technical assistance, the supplying of farming undertakings with high grade seed and artificial manures, the combating of drought, the measures for the reclamation of the central black soil district, etc.

16. The advance of industry, the growth of the general productive forces of the country, and the reinforcement of the state funds for the spread of co-operation among the millions of poor and middle peasants, create the possibility of carrying out with increasing rapidity the technical reorganisation of the whole of our national economy, and with this of our agriculture, on the basis of electrification. In the reorganisation of the technics of industry, electrification will furnish to an ever greater degree a new and perfected technical basis for all agriculture, will radically alter its methods, and give it a powerful impetus in the direction of the socialisation of labour. Thus all the powerful levers actuating the progress of the socialisation of the village, already aided by the powerful influence exercised by the credit and taxation systems, are further reinforced by the powerful factor of technical revolution, which must accelerate to the utmost the process of raising the level of agriculture and its gradual socialisation through the agency of the co-operatives.

Among the greatest errors of the Opposition are its attempts to oppose Lenin's co-operative plan to the electrification plan. This attempt shows the hopeless lack of comprehension of the Opposition for the indubitable fact that both the co-operative and the electrification plans are indivisible integral parts of Lenin's general plans for the building up of Socialism.

### III. THE CONDITION AND THE DEFICIENCIES OF PRACTICAL WORK.

#### The Distortion of the Party line.

17. Although the general policy pursued is perfectly correct in itself, and although the proletarian State is succeeding in influencing agriculture to an ever increasing extent through the agency of its organs, through the co-operatives, etc., nevertheless, a number of serious defects must be recorded — errors, distortions, and even unheard of violations of the Party line.

With regard to the activities of the state organs, the chief error committed was in the regulation of the prices of agri-

cultural products (errors of the economic year 1925/26). This greatly hampered our import and export plan, resulting in an inability to adhere to our production plan for industry, to a lessening of the area under cultivation for technical plants, etc. It must be recorded that the agricultural authorities, as well as the co-operative organs and the organs for agricultural credits, do not by any means devote sufficient attention to the carrying out of the correct proletarian policy in the rural districts (supply of machinery, credit, concession of land tenancies, land regulation, etc.). It must be further noted that the organs of the **People's Commissaries for Finance**, in spite of the very considerable successes gained by the progressive taxation system, have not always shown themselves capable of coping with the task of assessing the whole of the taxable revenue of the kulak group, or of taxing this group accordingly. It must be further pointed out that the State buying organs frequently under-estimate the importance of the co-operatives as mass organs entrusted with the task of socialising agricultural production, and show a tendency to relegate the co-operatives to an inferior status, and to transform the co-operatives themselves into branches of the state buying organisations concerned.

18. In the co-operatives themselves there is much that is unsound, much that denotes a distortion of Party policy. There can be no doubt that the co-operatives are composed, on the whole, of the poor and middle peasantry, and yet it must be admitted that not unfrequently we find the rural poor insufficiently represented in the co-operatives, and their places taken by a relatively large number of the topmost stratum of the village. In spite of the decisions that rich peasants are not to be admitted to the **elected co-operative organs**, we find the same fault here. The result is that in such matters as the supply of machinery it sometimes occurs that precisely the well-to-do are favoured. The same applies to the grants of credits. Again, it must be pointed out that the co-operative organisations do not always follow the directions of the Party, so that the means intended for the rural poor are not always expended as directed. Although such cases are tending to become fewer of late, and although the C. C. of the C. P. S. U. has issued very definite instructions in this regard, this kind of deviation from the Party line may still be observed. Attention must also be drawn to the existence of pseudo co-operatives, serving to cloak kulak "companies", and enjoying all the rights and privileges of the co-operatives. The existence of numerous "outsider" co-operatives, not members of the general centralised co-operative system, must also be designated as a serious blot on the organisational work of the co-operatives. A fault common to the work of the agricultural authorities, of the economic organs and of the co-operative organisations, is the frequent lack of agreement, or even direct contradiction, of the measures adopted by them.

19. In Soviet work undoubted success may be recorded for the Party policy striving for the revival of the village Soviets. The Soviets (their sections and commissions) are becoming more and more the organised focus around which economic political life centres, a school of administrative practice, and a means for the enlightenment and training of fresh cadres of poor and middle peasants, etc. The method of grouping the active non-Party workers around the Soviets has increased the authority of the latter in the eyes of the masses. The Agricultural labourers and the poor peasantry are being widely reached by our organisations, our success here being shown in the elections to the Soviets, to the co-operative organs, etc. This work, however, though progressing, is not by a long way being pressed forward to a sufficient extent.

20. The reports on Party work show that work among the agricultural labourers is still inadequate (the composition of the village nuclei shows this), and that Party political work is too loosely connected with the work of economic construction. The Soviet election campaigns, carried through under the guidance of the Party on the basis of a broad democracy for the workers, show, however, that the authority of the Party organisations is increasing among the masses of the peasantry. The **Young Communist League** plays an extremely important part in the village. It must direct its endeavours towards recruiting its membership from among the young agricultural labourers and the youth of the poor peasantry. It must further educate a large number of its members from this

social stratum for work as functionaries, at the same time carrying out with greater exactitude the line of the Party and providing for the political education of its members, so that it may serve the Party as one of its most effectual instruments for raising and collectivising agriculture. And finally, it must promote to the utmost the cultural initiative and training of fresh cadres of socialist functionaries. The peasant women delegate meetings are doing excellent work towards gathering together the poor peasant women and women agricultural labourers in the group formed by the poor and middle peasantry for raising the cultural level and furthering the co-operation of the peasantry. These meetings of peasant women delegates must extend their activities, to the end that the greatest possible number of the peasant women sympathising with the aims of the Party may be induced to participate in the general work of the building up of socialism in the village.

#### IV. THE IMMEDIATE TASKS OF THE PARTY.

It will be seen from the above that 1. the socialist section of our national economy — in matters pertaining to economics — has greatly increased, and with this the specific weight of the working class, 2. private capital has been supplanted in a number of important positions, 3. both the fundamental antagonisms and the levers of socialist advancement influencing the development of the village have become perfectly clear, that is, the admitted growth of the rich peasantry on the one hand, and on the other the rise of the middle peasant group, the better organisation of the village poor, the rapid progress of the co-operatives (according to Lenin, equivalent to the "growth of socialism", given the proletarian dictatorship as a basis for this progress), and the increasing influence of the systematic planning methods of the state organs upon peasant economy.

Since the XIV. Party Conference and the 14th Party Congress various changes have taken place in other directions, in correspondence with the policy pursued by the Party: 1. the area under cultivation has increased, the land left uncultivated has decreased, and with this the prosperity of the main mass of the peasantry has increased, 2. an important political symptom is the growing chasm between the middle peasant and the rich peasant, the firmer alliance of the working class with the masses of the middle peasantry, and the decided isolation of the rich peasant.

We are therefore in a position to claim that the aims set by the Party at the time of the XIV. Party Conference and the 14th Party Congress have been attained on the whole. The Party owes this success to its policy of combating both the under-estimation of the kulak danger and the oppositional deviation directed against the middle peasant. The Party would not have been able to attain these successes if it had not directed its fire against the opportunist deviation of the Opposition, which opposed the middle peasantry, for this deviation undermines the alliance between the proletariat and the masses of the middle peasantry, throws difficulties in the way of separating the middle peasant from the kulak, and actually tends to strengthen the influence of the kulak in the village. The Leninist policy of the Party, which aims at an alliance with the middle peasant, must be continued. The success won in the village by our Party policy, and the new situation thereby created, enable the Party of the proletariat to utilise the whole power of its economic organs for reinforcing its attack upon the rich peasantry; it draws support as before from the masses of the poor and middle peasantry, and adopts fresh measures setting up barriers against the development of capitalism in the village, and guiding peasant economy into the paths of Socialism.

Hence there arises for the Party the following immediate tasks:

##### 1. The elements of State planned regulation in agriculture.

a) The firmer establishment and extension of the success already gained by the state organs and the co-operatives in obtaining control of the sale of industrial goods in the rural districts, and of the buying up of agricultural products for the cities, this control being the most important premise for the overcoming of the market element, for the extension of the principle of systematic planning to agriculture, and for securing

to socialist industry the leading rôle in our whole national economy.

b) The tenacious adherence to the policy aiming at the reduction of prices for industrial goods, accompanied by the maintenance of the stability of agricultural prices, this being a necessary condition for the improvement of the material condition of the working masses and for strengthening the alliance between town and country.

c) The most extensive support to the policy of contractual relations (contracts, agreements, etc.) between the peasants organised in co-operatives and the state organs, enabling direct co-operation to be established between the peasant undertakings and the corresponding branches of socialised industry (sugar, textile industry, etc.), and facilitating the state planned regulation of agriculture in the corresponding districts and in the branches of production.

d) In the same measure as the co-operative system (both the agricultural co-operatives and the consumers' co-operative societies) gains a firmer foothold, and the rich peasant and the private dealer are ousted more and more from the sphere of goods circulation, in this same measure must the mutual relations between the co-operatives and the state organs become closer, securing a wide expansion of the field of co-operative activity and safeguarding the interests and leadership of the Soviet State.

## 2. Taxation.

a) The exercise of strictest control over the actual carrying out of the decisions of the Party and the Soviet power on the exemption of the weaker peasant farms (35 per cent of all peasant undertakings in the Soviet Union) from the agricultural tax.

b) The C. C. is to be commissioned to institute a thorough inquiry into the question of transition to a complete system of progressive taxation, as an effectual means of taxing the growing incomes of the well-to-do strata of the village.

## 3. The co-operative system.

a) The extension and strengthening of the network of consumers' co-operative societies and agricultural co-operatives, special attention being devoted to the inclusion in co-operatives, in the immediate future, of the poor peasantry and the majority of the middle peasants.

b) Efforts must be made to co-ordinate as rapidly as possible in the system of agricultural co-operatives those so-called "outsider" co-operatives which have as yet not been reached by our co-operatives, owing to lack of adequate organisatory effort.

c) The practice of forming agricultural special co-operatives (the reorganisation of the unions of agricultural co-operatives, grain centres, butter centres, linen centres, beetroot growing co-operatives, etc.) is to be approved, and the further development of this description of co-operative organisation is to be recognised as the best medium for the gradual transition from the co-operative organisation of sales and supplies to the socialised production of the individual peasant farming undertakings.

d) The struggle for freeing the economically weak and badly equipped peasant farms from dependence on the kulak elements, which make use of their superior agricultural machinery, etc. for exploiting the labour of the poor peasantry, is to be carried on with greater energy. For this purpose the state network of organisations letting out agricultural machines on hire is to be supplemented by a widespread network of similar organisations connected with the co-operatives which hire out implements to economically weak farms on specially easy conditions, thereby paving the way for the development of collective action for the tilling of the ground, the harvesting of crops, etc.

e) Special facilitations accorded in supplying the collective undertakings of the less well-to-do peasants with agricultural machinery, provision to be made for special advantages with respect to credit, terms of instalment payments, etc. Restrictions on the supplying of agricultural machinery to the kulak elements,

suitable measures being adopted with this object (lessened comparative share of the kulak in the total number of machines supplied, cash payment, etc.)

f) The provision of larger funds, both in the state and local budgets, for the support of the poor peasantry, and the utilisation of these funds for purposes of productive co-operation (collective' undertakings). At the same time the necessity of according a larger share of other credits to the rural poor is recognised.

g) The firmer establishment of the successful results gained in training trustworthy elements of the poor and middle peasantry for leading positions as co-operative functionaries, and the formation of new cadres of socialist co-operative workers from these elements, is to be further reinforced by a determined struggle against the efforts being made by the kulak elements to gain control of the lower co-operative organisations.

h) Approval must be given to the project of a union of the associations of agricultural co-operatives as a centre uniting agricultural co-operatives of every kind, and as an organ which is intended to support the consumers' co-operative societies in extending the sphere of co-operative influence in rural districts, and in inculcating the masses of the peasantry with the socialist methods of co-operation.

## 4. Collective Farms and Soviet Farms.

The Party Congress resolves:

a) to confirm the decisions issued by the C. C. on 30th December 1926, on the results of the constructive work in the collective and Soviet Farming undertakings, and to call upon all Party organisations and Party workers belonging to Soviet and co-operative organs to increase their support of the constructive work being done in the collective agricultural undertakings, and to lend all possible aid to the Soviet undertakings, enabling these to become actual models of the socialist type of large-scale undertaking.

b) to take energetic steps against all bogus societies (and sham co-operatives in general), serving the kulak elements as a cloak for the illegal appropriation of various privileges in credit grants, goods supplies, etc. This suppression of sham co-operatives to be a part of the actual energetic furtherance of the extension of the network of societies combining the poor and middle peasantry for the collective purchase and use of agricultural machinery.

## 5. The Utilisation and Distribution of the Soil.

a) The principle of the nationalisation of the land must be adhered to with the utmost strictness, and any direct or indirect attempt to violate this principle, whether by sale or purchase, or by gift, as is being done in some parts of the Caucasus and in Central Asia, must be treated in every case, without exception, as a serious criminal offence.

b) The graduated reduction of the amount of land leased in districts where the leasing of land is leading to a growth of the kulak element. The restriction of the length of lease to a term not exceeding one rotation of crops, and in any case not exceeding six years. Persons who do not cultivate the land at their disposal themselves or with the aid of their families, in spite of the assistance given them by the State and the co-operatives, and who let their land to tenants year for year, are to be restricted by the enactments of the district executive committee to from three to six successive years of leasing of their land, after which term the lessor forfeits his right to the land, and the same is placed at the disposal of the land commission.

The severe punishment as criminals of all offenders against the laws regulating the various descriptions of land tenancies.

The leasing of land, through the agency of the state land funds, chiefly to working undertakings, the term of the lease being again limited to six years. Departures from this rule referring to the state land funds can be made for the various districts only with the sanction of the central economic organs.

c) The all round furtherance of such forms of land cultivation as are best adapted to the development of the co-operative system and the mechanising of agriculture, where-

by the practice of allotting land for reclamation into arable ground, etc., is to be restricted, and, where such allotment leads to the growth of the kulak element, entirely avoided.

d) The formalities involved in the granting of land to the poor and economically weak sections of the peasantry to be carried out at the expense of the State. The regulation of land distribution must be closely bound up with other measures of an organisatory-economic character (aids to cultivation, credit, soil improvement, machinery, etc.). Care is to be taken that the interests of the poorest peasantry are protected in the allotment of land (quality of soil, situation, etc.).

The term provided by the Plan for the completion of the work of land regulation in the Soviet Union is to be shortened.

e) The execution of the fundamental measures for the distribution and utilisation of land over the whole Soviet Union is to be recognised as an immediate necessity not to be postponed.

#### 6. Wage work and the Union of Agricultural and Forest Workers.

a) The provisions of the labour code with respect to the male and female agricultural labour employed on farms of the kulak type are to be strictly kept, a sharp control being exercised and offences against these regulations prosecuted with the utmost rigour of the law.

b) Care is to be taken that the peasant farms employing occasional labour observe the "temporary rules" applying to such labour, and failure to adhere to these rules is to be severely punished.

c) The laws referring to the social insurance of agricultural and forest workers are to be strictly observed.

d) The necessity of intensified work on the part of the Union of Agricultural and Forest Workers for the organisation of workers still unorganised must be recognised. The inclusion in the Union of non-organised semi-proletarian agricultural labour, whose main source of existence is wage work, is to be facilitated.

#### 7. Insurance of the small-owning peasantry. Committees for mutual aid among the peasants.

a) The C. C. is to be commissioned to take measures in order to initiate the preliminary work for the carrying through of a bill on old age insurance for small owning peasants at the next Soviet Congress.

b) The associations organised by the peasants for mutual aid are to be strengthened by all possible means, in order that these may become actual mass organisations of the poor and middle peasantry, having for their object the intermediation of mutual aid and the adoption of economic measures for the improvement of the position of the small-owning peasant. An effectual continuation of the work for individual aid for the village poor requires that the work of the "Association for Mutual Aid among the peasants" should be directed towards the collective advancement of production among the economically weak strata of the peasantry.

#### 8. Soviets, — Cultural Work.

a) The continuation of the policy of revival of the Soviets in their capacity as centres for the political education of the broad masses of the working peasantry under the leadership of the proletariat, is to be accompanied by the devotion of special attention to the education and extension of the category of active non-Party poor and middle peasantry, and efforts must be made to reach the agricultural labourer and the small-owning peasant. The inclusion of peasant women and women

agricultural workers (as delegates and Soviet members) in this cadre, and the training of these elements for leading functions in the Soviets, are to be given special attention.

b) In connection with the re-elections to the Soviets at the beginning of 1928 there must be conducted a broadly organised campaign for reporting on the work of the Soviets. The poor and middle peasantry are to be induced to take part in the elections as far as possible, and the leading rôle of the Party in the whole campaign effectually secured. The regulations contained in the Soviet instructions for striking the kulak and other anti-proletarian elements from the election lists must be strictly observed.

c) The C. C. of the Party is to be commissioned to work out the question of the improvement of the mutual relations between the Soviets and the land associations, keeping in view the necessity of securing the leading rôle of the Soviets and of depriving of the franchise those elements whose names have been struck from the lists of electors to the land associations (at the communal meetings).

d) The initiative of the local Soviets in introducing general and compulsory elementary education is to be given every support.

The greater provision of opportunities for schooling for the children of agricultural and forest workers and of the peasant poor (in all grades of schools) is to be accorded special attention. For this purpose the formation of a special school fund for the children of the village poor is necessary.

e) Increased attention is to be devoted to the formation of new cadres, and the improved qualification of those already existing, of the village intelligentsia, from whose ranks active and socially conscious co-workers for the socialist reorganisation of the village may be recruited.

The formation of fresh cadres of specialists for the organisation of collective undertakings and extensive model Soviet undertakings in agricultural districts must also be accorded special attention.

f) The work of political enlightenment in the village is to be intensified. Special attention is to be given to the development of village wireless plant, cinemas, extension of the library, etc.

g) The increased influence of the proletariat over the peasantry is to be furthered by the organisation of elementary cultural work by the trade unions (wireless, newspapers, libraries, etc.) among their members in the villages, thus reaching elements who spend a great part of the year in agricultural undertakings (seasonal workers, building workers, etc.)

#### 9. Questions of Party Organisation.

a) The groups of village poor in the Soviets and co-operatives must be extended and strengthened, so that consultations among these groups may be arranged from time to time in the villages and districts for the purpose of exchanging their experiences of various departments of work.

b) In the Party Committees (from the District and Government Committees to the Central Committee,) departments are to be organised for the work in the village, and upon the initiative of which district and government conferences of the groups of the village poor are to be convened as required.

c) The concentration of attention on the preparation and training of cadres of agricultural workers and poor peasants in the Party, in the trade union of the agricultural and forest workers, in the groups of the poor peasants, and in the practical work of the Soviets and co-operatives, increases steadily.

d) The co-operative and Soviet organs are to be reinforced by fresh Party forces, in order to ensure the correct carrying out of the Party line in the village.

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marty goodman July 2021