

V. b. b.

SPECIAL NUMBER

English Edition.

Unpublished Manuscripts - Please reprint.

- INTERNATIONAL -

Vol. 5 No. 78

PRESS

3rd November 1925

CORRESPONDENCE

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

Eight Years of Soviet Power (1917 — 1925.)

CONTENTS

The First Speech of Comrade Lenin after the Victory of the Proletarian Revolution.

Theses of the Agitprop of the E. C. C. I. for the 20th Anniversary of the Revolution of 1905 and for the 8th Anniversary of the Proletarian Dictatorship in Russia.

A. Lozovsky: The International Labour Movement and the October Revolution.

E. Kviring: Industrial Perspectives in the Soviet Union for 1925—1926.

E. Smilga: Economic System of the U. S. S. R.

M. Frumkin: Foreign Trade of the U. S. S. R.

A. Katkyn: Internal Trade in the U. S. S. R.

Kantor: Agricultural Co-operation in the U. S. S. R. at the time of the Anniversary of the October Revolution.

A. Ehlukidize: The National Policy of the Soviets during eight Years.

A. Lunatcharsky: The Prospects of the People's Education in the R. S. F. S. R.

R. Schüller: The November Day of the Young Workers.

The First Speech of Comrade Lenin after the Victory of the Proletarian Revolution.

The following speech was delivered by Comrade Lenin before the Petrograd Soviet on 8th November 1917. Unfortunately there exists no stenographic report of this speech. We therefore publish it in the form in which it appeared in the "Petrograd Workers' and Soldiers' Council News" of 27th October (9th November) 1917. — Ed.

Comrades,

The workers' and peasants' revolution, regarding the necessity of which the Bolsheviks have continually spoken, has been accomplished.

What is the significance of this workers' and peasants' revolution? The significance of this revolution consists before all in the fact that we shall have a Soviet government, our own organ of power, in which the bourgeoisie will play no part whatever. The suppressed masses will themselves constitute the power. The old State apparatus will be shattered from top to bottom and a new administrative apparatus will be created in the shape of the Soviet organisations.

A new epoch is commencing in the history of Russia. The present third Russian Revolution must finally lead to the victory of Socialism. One of our next tasks is the immediate liquidation of the war. But in order to be able to combat this war,

which is closely bound up with the present capitalist order, it is obvious that Capital itself must be fought.

In this struggle the international labour movement, which is already beginning to revive in Italy, England and Germany, will hasten to our aid.

The just and immediate peace which we have proposed to the international democracy will everywhere find an enthusiastic echo among the international proletarian masses. In order to strengthen this confidence of the proletariat, all secret treaties must be immediately published.

In Russia a great portion of the peasantry have said: enough of playing with the capitalists! We will side with the workers! We are winning the confidence of the peasantry by a decree which abolishes private property in land. The peasants will realise that their only hope lies in an alliance with the workers. We shall introduce a real workers' control of production. We have now learned to work unitedly in good comradeship. This is proved by the revolution which has just been accomplished. We have at our disposal that force of mass organisation which will vanquish everything and lead the proletariat to the world revolution.

Here in Russia we must now engage in building up the proletarian socialist State.

Long live the Socialist World Revolution!

Theses of the Agitprop. of the E. C. C. I. for the 20th Anniversary of the Revolution of 1905 and the 8th Anniversary of the Establishment of the Proletarian Dictatorship in Russia.

1. The simultaneous celebration of the 20th anniversary of the revolution of 1905 and the 8th anniversary of the October expresses the closeness of the bond existing between these two anniversaries. Without a knowledge of the historical rôle played by the revolution of 1905, a clear comprehension of the October revolution cannot be gained.

2. Lenin, in his "Radicalism, an infantile disease of Communism", characterised the revolution of 1905 as a dress rehearsal for October. We grasp the real profundity of this formulation when we recollect that the revolution of 1905 1. Drew millions of Russian workers into the revolutionary movement; 2. Opposed the workers' and peasants' front to the front of Absolutism, of the landowners, and of the bourgeoisie, and made the proletariat the leader of the people's revolution; 3. Organised the broad masses of the workers for the first time in trade unions and other associations, transformed Social Democracy into a workers' mass party, unmasked the true character of the Mensheviks as opportunists and consistent dealers in compromise, and at the same time proved the revolutionary inflexibility of the Bolsheviks, the revolutionary energy of their practical politics, and justified their reliance on the hegemony of the proletariat in the revolution; 4. Introduced new methods of proletarian class war — the general strike, the armed insurrection.

3. The lessons taught by the defeat of the first Russian revolution only supplement the lessons taught by the victory of October, and these combined lessons are most valuable additions to the store of experience already gained by the international proletariat in its struggle.

a) The alliance between the proletariat and the peasantry secured victory for the October revolution. It was precisely the lack of an alliance between the labour and peasant movements which was the main cause of the defeat of the revolution of 1905. In 1905 the army was at best neutral, and served at times as the tool of reaction. In 1917 the overwhelming majority of the army was on the side of the proletariat. The fleet bombarded the Winter Palace, the headquarters of the Provisional Government. One of the causes, and by no means the least important one, of the changed attitude of the army in 1917, as compared with 1905, was the skilful combination of the slogans of the workers and peasants in the revolution of 1917 (Land for the Peasantry, Peace, etc.); for almost everywhere the army is composed mainly of peasants. In 1905, on the other hand, work among the peasants and in the army was inefficient.

b) The existence of a close contact between the proletarian vanguard, Bolshevism, and the broad masses of the workers, and the skilful combination of partial demands with final aims, enabling all impeding obstacles to be thrust aside in October, and a rapid and decisive victory to be won within a few days. The noticeable lack of any such contact in 1905. The fact that the movement was elementary and immature, the influence known to have been exercised by the Mensheviks, etc., deprived the proletariat of all possibility of preparing and gathering its forces for the moment of decisive struggle (November—December 1905).

c) During the revolution of 1905 the proletariat expended its powers almost exclusively in strike struggles, without preparing for an armed insurrection, and when the strike ended in a blind alley, the working class was not able — and moreover it was too late — to resort to a rising. But it is precisely characteristic of the October revolution that during the period preceding it (February—October 1917) the proletariat was engaged in systematic preparations for the decisive struggle, without expending its forces on partial conflicts, and armed with feverish haste during the two or three months previous to October.

d) The October victory was gained under the conditions created by acute antagonisms among the imperialist groups, which prevented the imperialists of the West from hastening to the aid of the Russia of the bourgeoisie and the landowners. The victory gained by Tsarism in 1905 owed much to the active assistance (financial) lent by foreign capital.

4. The lesson to be drawn from this experience must be rendered specially clear to the international proletariat on the anniversary of the revolution of 1903, for at the present time we are witnessing similar attempts in China. International capital is taking every measure (from financing Chinese reaction to propagating provocative press canards) for the purpose of suppressing the 1905 now developing in China, for the Chinese 1905 is undermining the power of international imperialism, especially of English imperialism. It is a "dress rehearsal" of the coming victory of the workers and peasants of all the countries of the Orient, India, Japan, etc.

At the same time the events of the past year in China clearly confirm the main teaching of 1905. Only the proletariat can be the leader of the bourgeois democratic people's revolutions during the epoch of imperialism.

5. If 1905 was a "dress rehearsal" of October, then the October revolution itself, and the subsequent period of eight years, may be rightly termed the "dress rehearsal" of the proletarian world revolution, of the world's October. The eighth anniversary of the proletarian dictatorship in Russia closes a complete epoch in history, an epoch of struggle to prove the possibility of building up a socialist order, and of building it up within the confines of a single country.

Let us all remember how Bauer, Kautsky, etc. derided the idea of an attempt at constructive socialism in backward Russia, how Kautsky proclaimed the theory which designated coalitionism as the transitional stage between capitalism and socialism, how in 1921 Otto Bauer prophesied the approaching victory of capitalism in Russia, how international social democracy speculated on the catastrophe of the failure of crops in 1921, and called upon the workers to abandon all faith in the possibility of the victory of socialism.

6. Only four years have passed since the introduction of the New Economic Policy, and already reality has swept away the prophecies of the theoreticians of the II. International. The Soviet Union has succeeded in working its way out of that abyss of ruin into which Russia was thrust by seven years of imperialist and civil war, much more rapidly than even the workers of the Soviet Union themselves, and their vanguard the Bolshevik Party, had hoped.

The gross production of big industry which had fallen in 1920 to 17% of the pre-war level, has risen to 70% again by 1925.

Agricultural profits had fallen to 50% of the pre-war standard by 1921, and rose to over 80% by 1925.

At the present time the co-operatives unite over 30 millions members (including families), although the co-operatives did not begin to work normally until after the introduction of the New Economic Policy.

Trade, which became a fortress of private capital when the New Economic Policy first commenced, has now been regained to the extent of three quarters by the State and the co-operatives.

The monetary system, completely shaken in 1923 (calculations were already being made in millions) has been restored to the extent of 100%; it surpasses the English currency in stability (to say nothing of other countries), and competes with the American.

The bank and credit system, and the transport service, are almost entirely concentrated in the hands of the State.

The wages of the workers, in 1922 still only 42% of the pre-war level, have already risen to 80%; in the capital the pre-war level has even been passed by 20%.

When we draw the balance of the eight years, we see that 62% of all the means of production are concentrated in the hands of the proletarian state; in big industry the percentage is as high as 99%.

Many hundreds of thousands of workers and peasants, working steadily with a definite aim, are employed in the administrative work of the State. (Over a million workers and peasants are elected yearly as members of the Soviets alone.)

Millions of the working masses take active part in social life through the agency of the dozens of cultural and technical organisations (membership up to 3 millions), anti-religious organisations (more than 300,000 members), trade union organisations, the communist youth organisations (with over 1,200,000 members), the women's organisations (over half a million), and other organisations.

A fresh economic boom may be expected in the ninth year of the Soviet government; in many departments of economics we shall regain the pre-war level, and in some we shall surpass it. The output of the large industrial undertakings, for instance, will increase by almost 50%; the total mass of goods in the country by 25%; foreign trade will double; goods turnover and transport will increase by a third; the credit system will almost double.

7. The successes gained by the Soviet government do not by any means signify that the struggle is ended. The proletariat, the state, is confronted with enormous tasks. Briefly stated, these tasks consist of **making the country richer and more cultivated.**

For the attainment of this object agriculture must be industrialised, and the majority of the population co-operatively organised, in order that private trade may be driven from its last stronghold in retail trade (especially in the villages), the stronghold which Lenin spoke of as an inheritance from olden times; in order that bureaucracy may be eliminated from the Soviet state apparatus, that illiteracy may be abolished, etc. etc. The tasks thus facing the Soviet Union are great. And the difficulties lying in the way of socialist development in the Soviet Union are not small ones, consisting as they do of the constant danger of intervention (in various forms) on the part of international capital, of certain antagonisms between proletariat and peasantry, of the lack of connection, which has not yet been overcome, between the great Russian centre and the national border province, of the danger of the state apparatus escaping from the control of the vanguard of the proletariat — the communist Party —, and of the danger of temporary alienation of the Party from the needs of the broad masses.

8. Nevertheless, the successes won during these eight years of proletarian dictatorship are so enormous that almost the whole of the international social democracy has been obliged to alter the slogans of their anti-Soviet campaign. At the last Marseilles Congress the ideological attack made on the Soviet Union was no longer founded on the "bankruptcy of Bolshevik experiments", but was carried on under the flag of war on "Soviet imperialism". These social traitors no longer see the danger for the international proletariat in the weakness of the Soviet Union, but in its strength. With this they have had to abandon their last position.

It is now already clear that eight years of proletarian dictatorship in Russia have proved the actual possibility of developing a socialist order even in a single country, the indirect support of the international proletariat being assumed. Russia's backwardness is now merely another proof against the reformists. If it is possible to build up Socialism in a backward country, how much better are the prospects of doing so in the industrially developed countries of Europe, where the proletarian dictatorship would find a powerful ally in the Soviet Union from the first day onwards.

9. International capital is fully aware of the great danger threatening it in the victory of socialist construction in the Soviet Union. This is the explanation for the furious campaign waged by the English imperialists against the Soviet Union during the past summer. This is the explanation for the attempts being made by English imperialism, whose interests demand the destruction of the Soviet Union, to form a counter-revolutionary world front against the Soviet Union. This is the key to the persistent endeavours being made to force the Security Pact upon Germany, a pact having for its object the creation of more favourable conditions for imperialism in a future war against the Soviet Union.

These attempts at forming a counter-revolutionary international front against the Soviet Union, and at preparing for war against the Union, will not be abandoned in the future. One of the preparatory measures adopted by international imperialism is the exercising of ideological influence over the masses, the endeavour to represent the Soviet Union as the enemy of European peace.

The wailings of the II. International over "Soviet imperialism" are of indirect advantage to international imperialism. Every honest revolutionary worker must resist with the utmost

energy the provocation of the social-democratic leaders, must unmask the hypocrisy of those "Left" leaders who seek to conceal the counter-revolutionary character of Kautsky's actions. The workers of the Soviet Union have not the least intention of going to war; they are busily engaged in healing the wounds sustained in seven years of war. They do not want to go to war, for they are striving to raise themselves out of poverty, that accursed heritage of ancient times, by means of peaceful and persevering toil. The attempt to fasten the accusation of imperialism on the policy of the Soviet Union is therefore absolutely absurd.

The Soviet Union and its leaders — the Leninist Party — are engaged in the restoration of economics. The Soviet Union is the centre of peace, and its most faithful guardian.

If the international proletariat has an interest in the maintenance of peace, in the victory of Socialism, it must oppose the international united front of the workers to the anti-Soviet, counter-revolutionary front, in order to protect the first Socialist Soviet Republic.

10. This demand is unanimously put forward by all the workers' delegations from England, Germany, Sweden, Czechoslovakia, Austria, and Belgium, which have visited Soviet Russia. Hundreds of proletarians, many of them obviously mistrustful and doubting, have visited the vast Soviet Union. All these workers' delegations, consisting mostly of social democrats, have had to admit unanimously that our socialist structure is tremendously successful, and that the Soviet Union is a centre of true democracy, of passionate strivings towards peace.

The social-democratic leaders are already (in Germany) driving out of their ranks the sincere revolutionary workers who have dared to tell the truth about Soviet Russia. The bourgeois governments (Austria) are afraid to let workers' delegations come in contact with the masses of the workers. The trade union bureaucrats (in Czechoslovakia for instance) threaten members visiting the Soviet Union with expulsion, and prevent such visits (in Finland for instance).

The truth about the Soviet Union is a thorn in the flesh of the bourgeoisie and its reformist train-bearers. All the greater therefore, must be the energy with which all sincere revolutionary workers strive towards this truth. The ninth year of proletarian dictatorship must be made a year of closest contact between Soviet Russia and the workers of the whole world.

11. A no less important result of the visits of the workers' delegations to the Soviet Union is the call for the formation of an international united front. This is no accidental result. The imperialist war split the international unity of the working class, and inoculated the proletariat with the poison of Chauvinism. What better antidote can there be against this poison than the proletarian revolution, whose victory in one country proves more clearly than ever the necessity of the unity of the proletariat on an international scale? What can weld this unity better than the first Soviet republic, than its successes in the struggle for socialism.

12. The workers of Soviet Russia organised in the trade unions have been the pioneers of the international united front of the workers. They were the first and the most persevering in lending support to the English proletariat, for the latter suffers the immediate results of the imperialist war and the "stabilisation of capitalism" following the war, the Dawes plan, which intensifies the competition among the separate countries, the offensive of capitalism, the growing unemployment, the industrialisation of the colonies, the standstill in technical development, etc. etc.

The English proletariat has succeeded in overcoming all the old traditions, and in establishing an alliance with the Russian proletariat. The eight anniversary of the proletarian dictatorship reminds all honest proletarians of all countries of the necessity of extending this alliance until it is entirely international.

This alliance is rendered necessary by the danger of fresh wars, being prepared in the secrecy of military and diplomatic cabinets, just as was the case with the great imperialist war.

This alliance is rendered necessary by the attempt being made by Anglo-French imperialism to fasten on the workers the chains of the security pact.

This alliance is rendered necessary in many countries by the unceasing intensification of the capitalist attack upon the eight hour day, and upon the wages of the workers.

This alliance is dictated by the necessity of carrying on a determined and united struggle against the colonial wars which

are ruining the workers of Europe and leading to fresh international conflicts. This alliance is dictated by the dangers of reaction in Europe, as expressed in the growth of the monarchist forces in Germany (the election of Hindenburg), in the attack being made by the English conservatives against the principles of political freedom among the proletariat, and in the growth of Fascism even in countries like England.

This alliance is dictated by the recent growing tide of White Terror, which is specially to be seen in Bulgaria, Poland, and the Baltic countries.

Only the leaders of the trade unions of Germany and Belgium, the reformist trade unions of France, Czechoslovakia, Holland, Scandinavia and other countries, the serried ranks of the trade union bureaucracy, are against this alliance.

It is the most revolutionary important task of every sincere and determined proletariat to force a breach in this wall of reaction in the labour movement. It should never be forgotten that the trade union bureaucrats are ready for anything, even

for a split, and that the most certain means of frustrating them is to secure the victory of the workers' united front — the unity of the workers in the factories and workshops, the election of devoted adherents of the workers' united front to the trade union organs.

The slogans for the 20th anniversary of the first Russian revolution, and for the 8th anniversary of the first Soviet republic, are:

Defence of the first Soviet republic, close contact between the workers of the whole world and the land of the Soviets!
International workers' united front!

Fight against the colonial wars and the suppression of the revolutions in the East!

Fight against the oppression of the peoples of Europe beneath the yoke of Anglo-French imperialism!

Fight against the danger of fresh imperialist wars!

Fight against White Terror and Fascism!

The International Labour Movement and the October Revolution (1917—1925).

By A. Losovski.

Not more than eight years have passed since the working class of Russia took the power into its own hands. Eight years is a short time, nevertheless in this period as much has happened as would suffice for centuries of so-called peaceful evolution. We must bear in mind that the October revolution took place at the very height of the war. At that time it was not clear which side would be victorious. The war reached its highest tension and, regardless of the enormous losses, the great majority of workers engaged in the Labour movement in the countries at war, was held in bondage by war ideology and the new doctrine of patriotism.

The fresh wind of the February revolution penetrated the atmosphere of the embittered war of the seething cauldron of nationalism and of the extreme degeneration of the leading centre of the socialist parties and trade unions. Even the February revolution stimulated hopes among the broad masses of workers in all countries.

This revolution is the beginning of the end of the war. The more however the February revolution, under the leadership of the Mensheviks and the social revolutionaries, assumed an Entente aspect, the more it continued to juggle with the same phrases with which in Europe the "defenders of civilisation", Briand, Lloyd George, Henderson, Thomas and others juggled, the more keen grew the interest of the broad masses of the workers in the revolution. The socialists of the Entente Powers tried to send a special delegation to Russia in order to "persuade" the Russian revolution to fulfil the military and financial responsibilities which the Czarist regime had undertaken. The ray of peace which had shone forth, was once more extinguished, for the February revolution which had platonically pronounced itself in favour of peace without annexations and contributions, actually continued the foreign policy of Nicholas II. and his Prime Minister Stürmer.

The autumn of 1917 was very hard on all fronts. This was what caused the October revolution to break out, and its slogans: **Peace, Control by the Workers, the land for the people**, formed the starting point of the development of not only the revolutionary but also the political and trade union movement of the whole world.

As is well known, the October revolution did not meet with an equal reception from the workers of the different countries at war. The social patriots of the Central Powers endeavoured to make use of the October revolution to forward the interests of their imperialist State, whilst the leaders of the Labour movement in the Entente countries raised such a hue and cry against the October revolution because they anticipated that it would weaken the military strength of their countries.

But this social patriotic estimation of the October revolution could not be understood by the broad masses of the workers. In this revolution they instinctively recognised something akin to themselves and, regardless of the unprecedented agitation against Soviet Russia in the first months after October, regardless of the flood of lies and calumnies which were unexampled in their

shamelessness, the broad masses of the workers had an understanding for the revolution and especially for the peace policy of the newly formed Soviet State.

The masses did not know what was actually happening in Soviet Russia, they knew no details, but, in the measure that the whole bourgeoisie and the imperialist Press hurled thunderbolts at the revolution and reported on our crimes (seizure of the banks, factories, works and of the land, shooting down of members of the bourgeoisie and of officers of high rank etc.), the interest of the working masses in our "crimes", began to grow. This was so far no conscious acceptance of the tasks and aims of the revolution, it was merely the class instinct which led the masses of workers to support those who were so decidedly opposed to the bourgeoisie.

The October revolution forced the international Labour movement to take up a definite attitude for or against revolution by force, for or against the dictatorship of the proletariat and, since 1917, the fight between the different tendencies within the international Labour movement has continued under the banner of the fight for or against Soviet Russia. It was just this question which caused an opposition to be formed. Later on the Communist Parties developed out of this opposition, and the struggle in the trade unions raged round the question of Soviet Russia. For or against Soviet Russia, that is the wedge which since 1917 has been driven into the Labour movement, whilst clearness, determination and firmness have grown in proportion as the Soviet Union has progressed, and a real revolutionary Labour movement has crystallised which is, ideologically and politically connected with the hegemony of the revolution, the Russian proletariat and the C. P. of Russia.

As has already been said, there were no Communist Parties in 1917. Outside Russia, Poland, Bulgaria and the Spartacus Union in Germany, there was no political Party of any great significance, which was ideologically and politically allied to Bolshevism. The October revolution however promoted the formation of these Communist Parties and, with the development of our revolution and the formation of political groups within the organised Labour movement, the practical question arose of creating an international centre for uniting all international revolutionary Labour movements. This centre was created in March 1919 in the form of the Communist International, which was made possible by the work of the Zimmerwald Left.

During the first Congress of the Comintern, Communist Parties did not exist in all countries. At that time, indistinct oppositional ideas, which had not yet ripened into conscious communism, held sway among the broad masses. The formation of the Comintern favoured the further ideological and organisatory development of the international communist movement and the intensification of the fight within the Labour movement against class collaboration.

A year after the Comintern came into being (in July 1920), the question of the unity of the whole revolutionary and trade union movement arose which resulted in the creation of the

International Trade Union Council which subsequently became the **Red International of Labour Unions**. These two Internationals at first leaned on the creator of the October revolution, the **working class of the Soviet Union**. The formation of the Comintern and of the R. I. L. U. gave the signal for intensifying the ideological struggle within the Labour movement and for transforming the ideological political groups into independent Communist Parties. The revolutionary tactics adopted by the R. I. L. U. in the trade union movement served as a tool for the ideological rapprochement of all who were in favour of class war in the trade unions. The formation and development of the Comintern and of the R. I. L. U. could not have taken place without that very October revolution. Thus one of the first results of the October revolution was the creation of international, political and trade union organisations which set themselves the same tasks as the October revolution.

The connection between the international Labour movement and the October revolution can be seen from the fact that even the leaders of the reformist Labour movement were compelled, though only formally, to take the part of protecting the Russian revolution, when international imperialism threatened the existence of Soviet Russia. The 2nd and the Amsterdam International did not speak against intervention because they shared in any degree the aims and tasks of the Bolshevik Party, but because the workers who belonged to their organisations, feeling instinctively their relationship with the Russian revolution, exercised on the leading elements a pressure which took the form of more or less definite or indefinite resolutions of protest.

The October revolution brought the international Labour movement practically face to face with those questions which for many decades had only been raised theoretically. Socialism, the rule of the proletariat, these questions had been discussed for decades by word of mouth and in print, but in the abstract. Debates had been carried on as to in what way the working class would pass from capitalism to socialism, what would be the character of the time of transition etc. Some theorists of the 2nd International had endeavoured to show the "way to power". Up to then, as long as all this remained in the domain of theory, a number of theorists of the 2nd International, who afterwards became renegades, had declared themselves in favour of revolutionary methods of fighting. The most characteristic example in this respect is Kautsky, who had shown the way to power fairly correctly, but only at a time when the working class was far removed from power. When however the working class was practically faced by this question, the said theorist beat a retreat and began to work out a new theory to the effect that a period of coalition governments must lie between a capitalist and a socialist society, and that the dictatorship of the proletariat is contrary to the doctrines of Marx.

The working class had not regarded the problem of power as a practical task. The socialist party propagated the idea of the conquest of power, spoke of the transition from capitalism to socialism, but no one pictured to himself how all this was to be carried out. The October revolution faced the question of power in practice, and gave the answer as to how it could be carried out. The October revolution demonstrated that the working class cannot achieve power without the forcible overthrow of the bourgeoisie, without civil war, without an unrelenting fight for power, without harnessing all their forces, and all the talk of conquering economic and political power without a revolutionary fight is merely deceiving the masses of workers. The October revolution showed this in practice, it was an object lesson.

Has the international proletariat benefitted from this lesson? Only to a certain extent, for social democracy which, after the defeat of Germany, came into power in many countries, continued its policy of an understanding with the bourgeoisie, the policy of peaceful transition from capitalism to socialism, which led to the re-establishment of the power of the bourgeoisie and to the most violent reaction. A characteristic example in this respect is the German revolution; it brought the German bourgeoisie into power, and this led the German Republic from Scheidemann to Hindenburg. Social democracy set itself the task of maintaining the whole apparatus of the bourgeois State, of maintaining production without interruption, of coming to an understanding with the "living forces" of the old society; this whole reformist idyl however ended in the "living forces" returning to power and driving back social democracy.

The value of the two kinds of tactics can be compared from the example of German social democracy and of the C. P. of

Russia. The C. P. of Russia, which seized the power, used its political power for the establishment of the economic power of the proletariat; social democracy, which succeeded to power, limited itself to mere political reforms, to the extension of so-called democracy, without touching the economic mechanism of Germany. What did this lead to? It led to the bourgeoisie, in whose hands the whole enormous economic apparatus was left, taking possession of the apparatus of State as well, i. e. bringing politics into harmony with economics.

The "practical" politicians of social democracy took for granted that the socialist party, having acquired power, should begin by establishing an equality of economic rights between the workers and the capitalists, and that it is possible to abolish class war by working out an ideal constitution. But the embittered resistance of the bourgeoisie and the class war, masked by democratic phrases, showed the international bourgeoisie that economics and politics are one indivisible whole, and that he who wished to keep his hold on political power, can only do so if he has control of all the means of power in the country in question and of all the key positions in the field of industry, finance and agriculture.

The second example which proved the correctness of the tactics of the C. P. of Russia in the October revolution, was the taking over of the government by the so-called Labour Government of MacDonald. Thanks to the interplay of the written and unwritten English constitution, MacDonald assumed the Government. His was a minority government, supported by the liberal bourgeoisie. This "Labour" Government preserved everything, down to the last tiny screw of the old imperialist mechanism of the British World Empire. This policy of defending stolen goods was called constructive socialism and was contrasted to destructive Bolshevism.

The English Labour party, for whom parliamentary order and the democratic vocabulary are a symbol of faith, have shown in practice that a power which does not overstep the limits of the bourgeois constitution is not worth a farthing. A number of social democratic governments in smaller countries (Belgium, Sweden, Denmark etc.) proved also that these governments were and are nothing but managing clerks of the ruling classes who, at the moment in question, consider it advantageous to bring the social democratic government to the fore, in order that, with the support of a certain number of the workers, it may hold the Labour movement within the bounds of the law.

Thus, in the course of eight years, both methods — the social democratic and the bolshevist — have had their opportunity of showing what they are worth. The October revolution, armed with military and economic weapons, stood the test, it repulsed the attack of the Russian and the international counter-revolution. It subjected the whole economic apparatus of the country to the interests of the working masses and, at the end of eight years of revolution, Soviet Russia is striding forwards under the banner of economic progress.

The social democratic tactics have not stood this test, for everything that was built up by the social democratic leaders, led in the end to the return to power of the bourgeoisie and to further enslavement of the working masses. This parallel carrying through of two kinds of tactics and of two policies, of which one was carried out with complete bolshevist consistency and the other with complete social democratic adaptability, placed before the workers of the whole world the practical question as to which of these two kinds of tactics is better and corresponds more with the interests of the working class.

The correctness of a line of tactics is determined by the results. We have seen the results of social democratic tactics, we can also see the results of bolshevist tactics. After a period of pauperization, caused by the intensified civil war, we are witnesses of an enormous development of national economy, of a great advance in the economic prosperity of the broadest masses of the people. To put it briefly, we are witnesses of an enormous, actually creative development of the Soviet country. The October revolution is already beginning to reward a hundredfold the efforts which were exerted in the fight against the bourgeoisie at home and abroad.

Thus, the old European and American Labour movement has in front of its eyes, in the form of Soviet Russia, a socialist fact, which must be reckoned with. If Marx could say of the Paris Commune that its greatest merit was that it existed, the same can be said with even more justification of Soviet Russia. Soviet Russia has been in existence for eight years, and the mere fact of its existence proves the correctness of the Bolshevist

policy which was the basis for the creation of a united **International Communist Party** and of a **revolutionary Trade Union International**.

This however does not exhaust the influence of the October revolution. The defeat of Czarism, followed by the defeat of the landed proprietors and the bourgeoisie, the embittered fight of the workers and peasants of the Soviet Union against world imperialism, have excited the warmest sympathies of the **working masses of the colonial and semi-colonial countries**. Soviet Russia has become the centre of attraction for the whole of oppressed mankind.

The **national freedom movements** of the Near, Middle and Far East, recognise in Soviet Russia their natural ally and defender. The Labour movement of all colonial and semi-colonial countries feels itself drawn to Soviet Russia, independently of the currents and tendencies within its ranks — and there is, in those countries, much that is not clear, much undeveloped and insufficient self-consciousness. Why and whence this sympathy? Because the **October revolution has hitherto been the banner both of social and national liberation**, because it has been the incarnation of all forms of the liberation of mankind from slavery. It is therefore natural that the most miserable of all the pariahs, the most oppressed layers of the oppressed peoples feel more attracted to the Soviet Union than any others. Thus, the Soviet Union has become the ideological and political centre point of all national and social efforts to obtain freedom.

Only eight years have passed altogether, but in the meantime the **whole international bourgeoisie** has concerned itself with nothing but the question of how to stop the **growth of communism** and how to render innocuous the Soviet Union which has grown so exuberantly. In 1917, war was on the tapis. The Labour parties and trade unions were a blind tool in the hands of imperialism. On the social front peace ruled, but now Communism, the communist danger, is on the agenda of all countries. In spite of a number of defeats, the self-consciousness of the working class has grown. This is what disturbs the peace of mind of statesman of all countries; even where everything was comparatively quiet until quite recently, the Communist Party has become the bogey of the ruling classes.

The position in **England** is most characteristic in this respect. The working class of England has, for many decades been the most conservative group of the international Labour movement. Well organised economically, it has remained extraordinarily backward in the field of political fights and of setting itself class task. And now this same **English Labour movement** is causing the English bourgeoisie alarm, is upsetting it because fairly strong bonds have been tied between the **English and the Soviet trade unions**, which bind the working class of both countries more closely every day, and all this regardless of the endeavours of the bourgeoisie and of the Right wing of the Labour movement.

Why does the working class of Soviet Russia attract the Labour movement of England? Because the Labour movement in England, which has suffered a number of serious defeats and

has passed through the experience of the Macdonald Government, cannot but turn its attention to the economic success which has resulted from the free development of all the creative forces of the working masses in our country, because Soviet Russia is a telling example of how the power must be won by force. Sympathy for Soviet Russia has grown in the last year or two, because Soviet Russia itself has grown. This is a fact of which there can be absolutely no doubt.

It is only in the last few years that we have had a well developed international Communist Party, a revolutionary Trade Union International which rivals the influence of the Amsterdam Labour movement, an enormous growth of the Labour movement in all colonial and semi-colonial countries, especially in China, and violent fermentation among the masses who are faced by the practical question of a further fight for real and unmistakable power.

The October revolution carried the question of power into the masses. This is not a theory, but practice overflowing with life, not an abstract consideration of socialism but an attempt at a real, practical approach to it, this is not a threat to overthrow the bourgeoisie, it is its actual overthrow. This is not a dream of the creation of a State of our own, but the actual construction of our own State, this is a proof that the working class has become a class for itself. What else has the October revolution demonstrated? **It has shown that the working class can get on without the bourgeoisie**, without landed proprietors, whereas social democracy is making efforts to prove that the working class cannot exist without the bourgeoisie.

The international Labour movement has made vast progress in these eight years. From a small organisation such as was the **Zimmerwald Left in 1917**, it has grown into an **enormous international Communist Party** which causes no little trouble and anxiety to the international bourgeoisie and its social democratic allies. Only eight years have passed, but if we examine the international Labour movement more exactly, we see that it has grown older by several decades. It has grown up because it has been able to make use of the revolutionary experiences, the revolutionary work of the Russian proletariat, and to carry on the fight against its own bourgeoisie on the basis of these experiences.

The **October revolution is the greatest event in history**. As even our enemies and those who are ideologically in other camps, admit, it is the **starting point of the social world revolution**, the beginning of the replacement of the capitalist system by the new socialist system. Many decades will be necessary to clear away the vast capitalist machinery which it has taken centuries to build up. The chief thing however is that **the world revolution has begun** and that a fairly large piece of ground has been covered. It is difficult to say how many years the international proletariat will take to reach the end of the path it has struck out for itself. The point of greatest importance is that the **international Labour movement has started on this path**, and that is to the immortal credit of the October revolution.

Industrial Perspectives in the Soviet Union for 1925/26.

By E. Kviring

(Vice Chairman of the Supreme Economic Council).

The current year 1924—25 and the coming economic year 1925—26 will lay the solid foundation of the socialist economy of the first proletarian Republic in the world.

Numerous delegations of foreign workers, parliamentary deputies and teachers who have visited the Soviet Union during the last months were obliged to acknowledge unanimously our tremendous economic successes.

The fact that our economic life is getting on its feet again is so undeniable that it strikes the eye immediately even of the most superficial observers.

Statistics on all branches of the country's economy confirm this.

We shall examine these figures.

Heavy State industry is one of the most important commanding heights of the proletarian dictatorship and our successes in the way of restoring heavy industry are particularly important.

The years of civil war were a different test for the entire national economy of our country.

The most important branches of industry almost completely came to a standstill. Production of iron-ore, iron, textiles and sugar fell to 3—5% of the pre-war production.

The working class became scattered and declassed.

Only an exceptional devotion to the revolution, only the death throes on the part of the workers and peasant masses for their just cause can explain how the Soviet regime could emerge victorious from the period of ruin and destruction.

And moreover, we not only emerged from the economic ruin, but we are also forging ahead with gigantic strides along the road of gigantic achievements.

The following table of the output of the most important products of industrial production gives us an idea both as to the period of ruin that was experienced, and of our accomplishments.

Production for the most important commodities for 1913, 1919, 1920, 1921, 1921/22 and 1924/25.

Name of product	Unit of calculation	1913	1919	1920	1921	1921/22	1922/23	1923/24	1924/25	1925/26
Oil	mill. poods.	553.9	269.6	232.8	245.1	278.7	320.8	369.3	424.0	512
Coal	thous. poods.	1,717.878	504.905	464.500	620.231	688.833	700.541	930.213	973.720	1,417.000
Iron-ore smelted	" "	257.399	6.914	7.025	7.150	10.475	18.333	40.327	78.880	148.000
Iron	" "	263.918	12.152	12.875	11.825	19.399	37.547	60.601	102.000	168.000
Textiles (yarn)	" tons	286.555	17.985	13.645	20.180	50.859	74.394	101.893	186.925	260.000
Sugar	thous. poods.	57.238	20.342	4.850	5.542	3.064	12.784	23.023	27.903	57.500

Tempo of Growth.

With the commencement of the New Economic Policy industry began to grow rapidly showing a particularly sweeping increase in 1924—25.

For heavy industry the tempo of growth is expressed in the following figures according to pre-war cost of production in relation to the previous year:

1922—23	31%
1923—24	32%
1924—25	54%
1925—26	45% *)

At the same time this process approached pre-war production in the following manner:

1921—22	27% of 1913
1922—23	35%
1923—24	46%
1924—25	70%
1925—26	95% **)

The coming year of 1925—26 will crown this restorative process in relation to pre-war production. The fixed capital of pre-war industry will be fully utilised, during the coming year.

In order to understand the significance of this fact it must be remembered that world industry according to the most important products (coal, iron-ore, iron, etc.) have not up to the present yet reached the pre-war level of production. The stabilisation of world capital for the time being only amounts to marking time in the same place round about the pre-war level of production.

Under such conditions, the rapid growth of our industry is entirely systematic.

Our enemies endeavour to console themselves in this respect. They may say: you are restoring the old system, you are utilising what was left behind by capitalism, let us just see how industry will grow in the future after having used up the old basic capital.

Here also we are compelled to disappoint the expectations of Messrs. Kautskies and MacDonaldis, together with the Chur-chills, Caillaux and Coolidges and other pillars of the capitalist world, who up till now believe they can bring the Soviet Union to its knees by an economic blockade.

Despite all obstacles and without the aid of foreign capital, the socialist industry of the Soviet Union is jumping ahead by leaps and bounds, which is out of the question for capitalism.

The utilisation of the old basic capital left us in industry is by no means so simple as our enemies may now imagine. Industry is not growing in a vacuum and not because "these cursed Bolsheviks" are raising it with their criminal agitation, but only because the entire national economy of the country as whole is undergoing a rapid growth under the peaceful conditions of the peasants and workers' regime. And our industry is not simply growing because of what we are utilising from the heritage of the capitalists.

We are prepared once more to fill the workers of the whole world with joy and to embitter our enemies with the following figures: Electrical industry during 1924—25 already attained 100% of the pre-war level, whereas in 1925—26 again it proceeds ahead of our entire heavy industry, in its tempo of growth, with an increase of about a further 70%.

What does this fact mean?

It means firstly that already now in certain branches of our industry we have attained pre-war production and therefore have already completely used up the old basic capital. Secondly it means even under these conditions the electrical industry shows a speedy growth of production to an extent of 70% over the previous year.

*) approximately, according to figures of S. E. C.

***) approximately.

The average pre-war increase of production of Russian industry amounted to about 6%, rising by about 15%, (iron-ore and coal) for various products during the best years of industrial ascendancy.

We have seen that during recent years the production of our industries in pre-war prices has increased by more than 30% yearly.

According to separate branches, this increase of 1924—25 was much higher. For instance, iron-ore grew by 102% as against 1923—24, metal industry by 91%, electrical industry by 100%, glass by 77%, cotton goods by 102%, chemical pharmaceutical by 138%, rubber (goloshes) by 143%.

That this rapid growth is determined not only by the fact that the so-termed restorative process has taken place, is shown by the fact that capital expenditure in industry estimated for 1925—26 is not only calculated on a 45% increased production during this year, but thanks to this increase a considerable reserve remains for increase in production in 1926—27.

According to separate branches of industry, the following expansion of production would take place as a result of capital expenditure. (Estimated calculations):

in 1926—27 of approximately 30—35%, in comparison with

Metal industry for 1925—26 expansion of 70%, and in 1926—27 of approximately 30—35%, in comparison with 1925—26.

Coal mining industry in 1925—26 increase of 56% and in 1926—27 by 16%.

Oil industry in 1925—26 increase of 17—18% and in 1926—27, 10—20%.

Southern ore industry in 1925—26 increase of 12% and in 1926—27 of 60%.

Electrico-technical industry in 1925—26 an approximate increase of production by 70%, in 1926—27 up to 35—40%.

Textile industry: cotton goods 1925—26 increase by 36—37% and in 1926—27 by 15%, linen in 1925—26, 27% increase and in 1926—27, 80%, on conditions of transfer to two shift work as in vogue before the war; coarse woollen goods 1925—26 by 17% and 1926—27, 35—37% increase; fine cloths in 1925—26 increase by 34% and in 1926—27 by 10—12%; woollen materials 1925—26 by 39% and in 1926—27 by 25—30%.

Timber industry internal in 1925—26 increase by 50% and in 1926—27 approximately 60—65%.

Paper industry in 1925—26 increase of 16%, and in 1926—27, 15—16%.

Glass industry practically all the results will be apparent only in the year 1927—28 when the construction of new factories will be completed.

Chemical industry in 1925—26 an extension of about 110% and in 1926—27 of about 35—40%.

Cement industry in 1925—26, an extension of 105—110% and in 1926—27 about 30%.

It must be borne in mind that during the year 1926—27 further capital re-equipments will be effected, also new construction and perfecting of existing equipment, etc. This will give further productive possibilities.

It should be quite clear from all the above that industry of the Soviet Union is growing in a very intense manner. At any rate our rate of growth is leaping ahead of the average rate of growth of industry in capitalist countries.

This completely falls in with the Soviet system of economy in which the role of parasitical bourgeois groups is reduced to a minimum and the entire industry is absolutely in the hands of the proletarian State, in which the schematic basis of organisation of the national economic system becomes a more serious factor every year.

New Factories and Works.

Despite its rapid growth Soviet industry still lags behind the ever-increasing demands of the country. The quantity of goods is clearly insufficient. On the other hand, nearly all industrial enterprises confiscated from the bourgeoisie are already being utilised. The problem of constructing new factories and works now stands out in all its magnitude. The coming year 1925/26 will be a year of extensive industrial construction. Throughout the entire industry embraced and financed through the SEC., industrial construction will be carried throughout 1925/26 to the extent of 200 million roubles. The majority of constructional work commenced will not be finished in one year, but will take two or more years. The total cost of factories to be paid down during the coming year amounts to about 600 million roubles. One must add to this figure another 90 million roubles to be expended this year on electrification (completion and extension of a number of stations, including the tremendous Volkhovstroi and the commencement of construction on others). In addition to this, approximately several millions of capital will also be vested in new constructional work in local industries not covered by the SEC. (Co-operative, private, municipal). And economic organs not under the jurisdiction of the SEC.

In this manner during the year 1925/26, more than 300 million roubles will be invested in new industrial enterprises. One must add to this another 100 million roubles which will be devoted to the construction of workers' houses.

According to industry, the new constructions are planned in the following manner:

Branch of industry	Complete cost of enterprise	Expenditure 1925/26	Termination of the construction in the economic year
	in million Roubles		
1. Metal.			
Preliminary survey for construction of 4 metallurgical and 8 engineering works	—	2,0	—
1 planning machine factory	22,8	6,8	1927/28
1 Plough factory	1,0	1,0	1925/26
2 Saw mills	2,0	2,0	1925/26
6 metallurgical factories	57,0	10,25	1925/26 and 1927/28
1 Tractor factory	16,0	3,4	1927/28
1 bolt factory	3,6	1,6	1926/27
Total	102,4	27,05	
2. Electro-Technical.			
1 Machine factory	8,5	2,5	1925/26 and 1926/27
1 Cable factory	4,0	0,5	1925/26
1 lamp factory	1,5	1,5	1925/26
1 factory for insulating material	1,0	1,0	—
Total	15,0	5,5	
3. Ores.			
Southern Ore Trust News mines	1,26	1,26	1925/26
Total	1,26	1,26	
4. Coal mining.			
Donbas, working of 27 new pits (out of which 11 existing and 16 new)	190,0	11,2	1927/28 3 pits, 1928/29 3 pits, 1929/30 16 pits
Kizilovsk district 1 new pit	2,0	0,4	1929
Total	192,0	11,6	
5. Oil.			
Azneft oilpressing factory	2,0	2,0	1926
Grozny " "	6,8	4,6	1926/27
Tuapse " "	18,4	4,3	1928
Oil pipes (Grozny)	24,0	8,0	1928
Total	51,2	18,9	

Branch of industry	Complete cost of enterprise	Expenditure 1925/26	Termination of the construction in the economic year
	in million Roubles		
6. Timber.			
Export Trusts.			
4 Sawmills	5,44	4,75	by middle of 1926/27
2 Veneer factories for 16,000 kilometres	1,68	0,72	one factory by commencement of 1926/27
6 17-frame factories	3,72	3,72	1927/28
1 boot-tree factory	0,30	0,30	1927/28
1 bobbin factory	0,77	0,77	1927/28
Total	11,91	10,26	
7. Glass.			
3 bottle glass factories	30,2	18,7	By commencement 1927/28
3 window glass factories			
Total	30,2	18,7	
8. Ceramics.			
2 Earthenware factories	7,8	7,7	By commencement 1927/28
1 China factory	3,5		
Procelain articles	0,3		
Total	11,6	7,7	
9. Cement.			
6 Clay-slate aggregators	1,35	1,35	By commencement 1926/27
10. Bulding companies.			
Installations	3,0	3,0	By commencement 1926/27
Total	3,0	3,0	
11. Chemical.			
Various chemical factories	10,46	10,46	
Total	10,46	10,46	
12. Rubber.			
1 Pneumatic tyre factory	9,0	8,0	By commencement 1926/27
Total	9,0	8,0	
13. Textiles.			
Cotton industry.			
1 Mixed factory (spinning weaving, dying departments, 140,000 versts spinning, 63,000 versts winding, 5000 machines)	41,5	7,0	By end of 1927/28
3 Spinning mills (300,000 versts)	27,0	9,0	By commencement of 1927/28
1 Spinning-weaving (100,000 versts, 3000 machines)	13,1	3,1	By commencement of 1927/28
1 finishing factory	11,0	2,0	By commencement of 1927/28
2 spinning-weaving in Central Asiatic Republics (total 30,000 versts and 1000 machines)	4,8	3,5	By end of 1926/27
Total	97,4	24,6	Including 3,4 mill. rbls. for house construction out of total cost of 19,4 mill. rbls. for 1925/26

Branch of industry	Complete cost of enterprise in millions	Expenditure 1925/26 Rouble:	Termination of the construction in the economic year
Wool industry.			
1 Semi-wool factory (spinning) 30 machines.	3,5	3,5	By commencement of 1926/27
1 wool-spinning factory (18,000 versts)	4,0	4,0	By commencement of 1926/27
Various.			
5 Linen factories	3,0	3,0	By commencement of 1926/27
1 Hemp factory	0,6	0,6	By commencement of 1926/27
1 fibre factory (25,000 spindles)	3,2	3,2	By commencement of 1926/27
1 factory for camel hair belting	0,7	0,7	By commencement of 1926/27
Total	112,4	39,6	
14. Paper industry.			
1 combined factory (paper wood pulp and celluloid)	22,6	10,0	By commencement of 1927/28
1 cardboard factory	2,0	2,0	By commencement of 1926/27
1 combined factory	16,2	5,5	By commencement of 1927/28
1 combined factory (wood, pulp, paper)	3,5	2,25	By middle 1926/27
Total	44,3	19,75	
15. Leather.			
1 bootsole factory	2,0	2,0	
1 fine leather factory	0,3	0,3	
Total	2,3	2,3	
16. Starch factories.			
Restoration of Guliev fact.	1,5	1,5	By commencement of 1926/27
1 Maize fact. with auxiliary buildings	0,9	0,9	By commencement of 1926/27
Total	2,4	2,4	
17. Butter factories.			
1 Extraction factory	1,15	1,15	By commencement of 1926/27
1 Margarine factory	0,25	0,25	By commencement of 1926/27
2 Butter making factory	0,55	0,55	By commencement of 1926/27
Total	1,95	1,95	
18. Tinned fish.			
1 fishing base	0,6	0,6	By commencement of 1926/27
1 Refrigerator-ship	0,4	0,4	By commencement of 1926/27
New fisheries	0,7	0,7	By commencement of 1926/27
1 tinning factory	0,67	0,67	By end 1925/26
Total	2,37	2,37	
Grand Total	596,10	184,15	

All this is in addition the expenditure of industry during 1925/26 to the extent of 100 million roubles on workers housing construction.

To this must be added expenditure on structural repairs, equipment, re-installations and rationalisation of factories and workshops of about 589 million roubles.

All this amounts to a capital expenditure on industry to about 1 milliard roubles (together with electrification).

The following table shows the distribution of this expenditure according to destination and branch of industry with sub-division for heavy and light industry.

	In millions of chervonney roubles			
	Structural repairs, equipment, new installations and rationalisation	New factories, works etc.	Workers' houses construction	Total
1st. Group.				
Metal and electro-technical	180,0	34,0	40,0	254,0
Mining and ores	14,0	—	2,0	16,0
Valuable metals	11,0	2,8	0,7	14,5
Fuel	125,0	35,0	18,0	178,0
Timber industry, building material and glass	36,0	47,0	2,0	85,0
Chemical (excluding rubber and pharmaceutical goods)	23,5	18,0	2,5	44,0
Total	389,5	136,8	65,2	591,5
In percent of grand total	66	66	64	66
2nd Group.				
Textiles and cotton	100,0	40,0	25,0	165,0
Sugar	41,0	—	9,0	50,0
Other food stuffs	13,5	7,5	0,5	21,5
Rubber and pharmaceutical	7,8	—	—	7,8
Paper	14,8	19,7	1,0	35,0
Leather	3,0	2,5	—	5,5
Other industries	20,0	2,0	0,7	22,7
Total	199,6	71,7	36,2	307,5
In percent of grand total	34	34	36	34
Grand total	589,1	208,5	101,4	899,0

Where will the money be obtained for carrying out the above-mentioned work? Can it be true that foreign capital has really come to aid Soviet industry? Nothing of the kind. Foreign capitalists are still waiting for the Soviet regime to go on its knees to them, and meanwhile the proletariat of the Soviet Union is restoring industry with its own hands.

In 1925/26 1 milliard Soviet capital will be invested in Soviet industry. Out of this milliard, 500 million roubles go to the industry itself, in amortisation funds and out of profits 200 million (110 million plus 90 million for electrification) are demanded from the resources of the State budget, 163 million from the internal loan for economic restoration, and about 50 million long term credits for building construction from the Municipal Bank, whilst about 80—100 million roubles will be devoted to payments for 1925/26 and 1926/27 (credit for installations). A certain part of the latter sum is comprised of credits of foreign firms.

We may inform those of our enemies who try to say that our industry is growing at the expense of the people's resources of the State budget, that in 1925/26 industry in addition to all taxes paid to the State, brings in to the State budget out of its profits 100—130 million roubles by the way of redemption of advances, and therefore in actually speaking very little is received from the budget.

It will be seen from all the above that industry in the Soviet Union is on the right path to rapid subsequent growth. At the same time, we do not close our eyes to the fact of our great failings and great difficulties, which we still have to overcome, but the most difficult times are behind us.

We at any rate have proved that the proletarian dictatorship is not only the destruction of the old capitalist economy, but is the creation of a new economic system. We are treading the correct path towards Socialism. Our experience is pointing out the right path to the proletariat of the entire world, and we firmly believe that it will follow this path.

The Economic System of the USSR.

By D. Smilga.

In the Union of Soviet Socialist Republics, the economic year commences on October 1st. The economic achievements and difficulties of the Soviet Union are always reckoned up from this date. The past year has shown considerable economic attainments, despite the unfavourable situation caused by the partial crop failure of 1924. We see indications of these achievements in all branches of economy. The agriculture and industry of the Soviet Union are making gigantic strides ahead. On the basis of productive successes, the trading balance of the Union has developed, the financial situation has become strengthened, and the material position of both the urban and rural population has considerably improved. The period of goods crises and falling currency is a thing of the past. National economy has entered the period of revival.

The October Revolution and the subsequent civil war caused by the native and foreign landowners and capitalists, greatly impoverished the Union. Only four years ago our enemies were asserting that it would be impossible to restore the economic system of the Soviet Union without handing over the industry to foreign concessionaires and to the deposed capitalists. Once again life has wrecked the plans of our enemies in a brilliant manner. The toiling masses of the Soviet Union, blockaded by their neighbours and impoverished, set about restoring economy with their own resources. At the present time no doubt arises as to the economic future of the Union. We are witnessing not only a tremendous development of the productive forces of our country, but also the growth of Socialism in the Soviet Union.

The year 1925/26 has commenced under favourable conditions. The good harvest of 1925 will result in a considerable improvement in agriculture. Improved conditions in the towns create the material basis for an extensive housing campaign and improvements in public services. This in turn opens up new perspectives for the development of industry.

Side by side with these great possibilities, considerable difficulties are still to be met with. Up to the present we have come up against difficulties arising primarily from our extreme poverty. At the present time we are confronted with difficulties connected with the revival and growth of our national economy. First on one sector of the economic front and then on the other, we have to come face to face with the fact that we are either going beyond, or trailing behind the tempo of economic restoration taken as a whole. Much energy and labour must be spent in co-ordinating the separate sections of our gigantic economic entity. One of the main tasks and the main difficulties confronting us in the coming economic year is the establishment of such mutual relations between the economic system of the Soviet Union and world economy as will facilitate mutual relations between town and countryside. We have already reached a position wherein our economic connections with the world market will play a prominent role. But as compared with the difficulties arising from impoverishment, the toiling masses of the Soviet Union will have little difficulty in coping with those difficulties that arise from our economic revival and growth. The conquests of the October Revolution remain more stable than ever.

In order better to explain the processes taking place in agriculture, we must dwell on two phenomena which are of particular importance. These are the currency reform and the price dynamics of agricultural products and industrial goods.

There can be no doubt but that the system of parallel values was one of the main reasons for the economic inequalities between the town and the countryside. Within the Soviet Union, it was as if two separate economic systems existed — firm currency and favourable market conditions in the towns and depreciating currency and bad market conditions in the villages. Agriculture suffered most from inflation, and therefore it is perfectly logical that it should lose the most in the transition to firm currency. It was only after the currency reform that it became possible, for the first time, for agriculture to adopt rational methods and commence accumulation.

The second phenomenon is that from the first months of the year 1924 there was a clearly marked tendency on the part of agricultural prices to increase and industrial prices to decrease. This tendency may be fully explained by the conditions arising from the revival of our economic system. The rapid development of industry and corresponding increase of production constitutes

the economic basis for the policy of lowering the prices of industrial commodities. The change over to a firm currency and renewal of connections with the world market suddenly raised the prices of agricultural products.

The conditions in which agriculture developed in 1924/25 were, in the main, created by these two circumstances. Indeed, these two circumstances repaid with interest the losses suffered by agriculture owing to the partial crop failure of 1924. Despite the unfavourable commencement, the last economic year was the most successful of all Soviet years as far as the tempo of our economic development is concerned.

The perspectives of development for agriculture during 1925/26 are, on the one hand, determined by the condition of the harvest and on the other hand by this same price policy on agricultural goods. As far as the 1925 harvest is concerned it remains completely satisfactory after all reductions in connection with unfavourable reaping and threshing conditions. The 1924 harvest amounted to approximately 2,800 million poods. The 1925 harvest amounted, by Autumn, according to the figures of the Central Statistical Bureau, to 4.2 milliard poods. It is now already quite clear that even with the most unfavourable conditions possible in the near future, the output of tradeable wheat will exceed almost twofold that of last year. The harvest of the most important special crops is also very favourable.

As far as prices of agricultural products are concerned, these prices continue to remain at an extremely high level, despite the alarming expectations which were current until quite recently. The commencement of the Autumn wheat campaign was retarded owing to rainy weather. In addition, this year the "single" agricultural tax was reduced considerably, while this tax was collected in such a manner as not to cause pressure on prices in the Autumn. We have frequently remarked that the supply of industrial goods to the countryside will be the most difficult item in the coming wheat campaign. And indeed, until quite recently, information was being received concerning the inadequate supply of goods to the villages, even in those districts where our trading organisations are sending the largest quantities of industrial goods.

These factors have a retarding influence on wheat offers and place the peasantry in the most advantageous position. Recalling the sweeping rise of wheat prices in the spring of this year, the peasantry prefers to make payments to the State with secondary products such as poultry and eggs and not with wheat.

The foremost task of the coming economic year 1925/26 is to regulate the internal market for agricultural goods. The present position of prices makes our export disadvantageous. Whereas the state of prices within the country is rising, world prices are on the decline. High prices on wheat and other products of agriculture threaten the purchasing power of the currency. Finally, this state of prices of agricultural products darkens the perspectives for the future wheat purchasing campaign.

The conditions that give a stimulus to wheat sales are tax reductions and credits to the peasants.

The position with regard to the most important stimulus of all i. e., flooding the villages with industrial goods, is improving from month to month. During the first quarter, a considerable increase in home production is expected, as also the import of an extensive quantity of goods from abroad. All these factors taken together should have the effect of straightening out the uneven balance on the goods market between town and village.

A definite policy in the sphere of demands should also correspond with these measures. Up to October the chief measures amount to a considerable reduction in the proposed purchasing plan, which will automatically lead to a reduction in credits and decrease in demands. Last year limited prices were transformed into firm prices at the seat of production. The People's Commissariat for Internal Trade is faced with the tremendous task of establishing uniformity in the field of wheat provision.

While treating on agriculture one cannot fail to refer to the tremendous significance which agricultural credit has acquired during the last two years. At the present time about 300 million roubles is in circulation in the system of agricultural credits. Agricultural credit had played a tremendous role in financing the supply of machines for the countryside. A number of substantial

improvements in the agricultural methods in various districts had been effected with the aid of agricultural credits. Side by side with the most extensive achievements in this sphere one must refer, however, to one considerable defect. This is with respect to attracting peasant investments in the lower network of the agricultural credit system. Our primary societies conduct too many trading operations and give too little attention to credit matters. Until the lower apparatus becomes readjusted in the form of credit societies with middlemen functions, there is not much hope of attracting peasant investments. In particular, the lower co-operative system of agricultural credit is faced with a sharp swing round from trading operations into the sphere of attracting investments and granting credits.

In concluding our remarks on agriculture, we draw the reader's attention to the fact that the process of growth of productive forces in the countryside correspond to definite social processes in the villages. These processes are primarily expressed in the stratification in the countryside. Side by side with the middle and poor peasant, a new bourgeoisie is growing up in the villages, composed of rich peasants on the one hand, while on the other hand a section of the poor peasants is becoming transformed into proletarians. Certain comrades over-estimate the significance and extent of this stratification that is proceeding in the countryside. It seems to them that we are already faced with a clearly expressed and economically most powerful rich peasantry on the one hand, who are in the minority, while on the other hand there is the economically weakest poor peasantry, in the majority. We are of the opinion, however, that the middle peasant still remains the most important figure in the countryside, although this does not in the least degree lessen the significance of the movements which are taking place in the villages.

In the rate of development of industry, the past economic year was the most important of all the revolutionary years. During that year, industry developed by about 55—60 per cent as compared with October 1st 1924.

During the first years after the transition to the New Economic Policy the branches of industry producing articles of primary necessity, developed the most rapidly. It is quite comprehensible that the country, in full process of restoration, endeavoured to satisfy primary needs such as clothing, footwear etc. During the past economic year the metallurgical and metal goods industry reached the highest tempo of development. This signifies that, side by side with the satisfaction of demands for articles of primary necessity, demands for the means of production (machinery etc.) also grew. This in turn is the best proof as to the stability and vitality of the successes which we have witnessed during recent years.

When talking of the perspectives of industrial development for the coming economic year 1925—26, it is above all necessary to refer to two main points: firstly, to the condition of the Market for industrial goods and secondly, to the Possibilities for the further development of industry. As far as the capacity of the internal market is concerned, the matter stands as follows: the good harvest in 1925, and the high level of prices of agricultural products, will undoubtedly give a strong stimulus to the subsequent development of agriculture. This, in turn, will be and already is, reflected in an increased demand for industrial goods. Until quite recently, this demand considerably exceeded the supply of industrial commodities. The growth of demand on the part of the peasantry who were in a position to pay, overtook the increase in the production of industrial goods. We hope that in accordance with the subsequent increase of production the goods famine will commence to abate.

We are convinced from an analysis of the component parts of the internal markets on the one hand, and an analysis of our own possibilities on the other hand, that during the coming year one need not expect a crisis in the realisation of industrial goods. The period of housing and industrial construction that has now commenced will create a new demand for building materials and machinery. In this manner both the branches of industry producing articles of consumption and the branches of industry producing the means of production, may count on being able fully to realise their production to an equal degree. The increasing demand should also serve as a stimulus to what we term the stage of industrial ascendancy which the national economy of the USSR, is now entering.

As far as our productive possibilities are concerned, we have to draw attention to the following. The economic year 1925—26 will be the last year of "restoration" i. e., during this year the possibilities of further development at the expense of old fixed

capital will have been utilised to the full. In order to preserve in future the rate of industrial development that has been attained, it is necessary to prepare for a new stage in the field of industry. We generally designate this new period as the period of reconstruction of productive forces of the country as against the period of "restoration". During the next few years it will be necessary to construct a number of new factories and works and to renew the technical equipment in the existing industrial enterprises. This will demand tremendous expenditure for industrial purposes. In order to fulfil this tremendous task serious preparatory work is necessary. First, a plan of industrial construction has to be drawn up and secondly, a number of economic measures must be effected for mobilising and concentrating resources for this object. The last year of "restoration" must be a year of serious preparations for a higher stage in the field of industrial development.

Simultaneously with the growth of industry, the numerical strength of the working class has grown, as also real wages. The following table illustrates this:

Year	No. of workers in heavy industry (in thousands)	Average monthly wages in goods rubles, as per budget index	Wages in per cent age
1921/22	1,243	7.30	100
1922/23	1,446	12.39	169
1923/24	1,615	16.80	231
1st half 1924/25	1,798	19.25	264

There is one question connected with labour which should attract serious attention. This is the problem of preparing skilled labour power. The absence of a trained proletariat threatens to become a serious obstacle to the subsequent development of a number of industrial enterprises. The State, the trade unions and the Party, must give the most profound attention to this problem.

The trade turnover has grown and the financial system of the USSR, has become strengthened, both in agriculture and in industry on the basis of increased production. During the past economic year the liquidation of primitive relations in the countryside was continued, and agriculture was reconstructed on the basis of marked relations. This circumstance must be taken into consideration when seeking an explanation for the tempo of increase in the trading turnover and the currency mass in circulation.

As far as the currency mass in circulation in the country is concerned, this has almost doubled as compared with the end of the economic year 1923/24. The new currency has stood the test with honour during a period of 1½ years. It has coped with the extremely high prices of wheat during the autumn of 1924 and summer of 1925. This goes to show that the economic system of the country has become firmly and positively adapted to the stable currency. In the future our duty will be to follow attentively the condition of the purchasing power of our money and to destroy at the outset all dangers which might arise for the new currency.

The year 1924/25 has seen a considerable reduction in the dimensions of the single tax. The reduction in tax burdens, the rise in wages and the increased grants of funds for agriculture, also serve as a best proof that the successes attained by our economic system are immediately reflected in the material position of the toiling masses of the Union, which position is undoubtedly improving.

When we come to the question of the internal market it is first and foremost necessary to refer to the evolution of agricultural and industrial prices. Only two years ago we had the "famous" scissors. At the present time these "scissors" no longer exist. Agricultural prices have considerably risen while those of industrial goods have been considerably lowered. In connection with the expected increase in the development of industry, the fall of prices of industrial goods will continue. Of late, retail prices have jumped up excessively owing to lack of goods. The most effective method of struggle against this evil is to keep the market supplied with an adequate supply of goods. For this purpose both an increased development of industry and the importation of a considerable quantity of goods from abroad has been undertaken. At the present time one of the most effective measures

of struggle against speculating with prices, is an increased support for the co-operative apparatus. The State is firmly conducting this policy. However, it will only be successful if the population itself participates extensively in the activities of the lower co-operative apparatus. The nature of this activity depends upon the degree of activity and interest of the population itself in the co-operatives.

Foreign trade acquires tremendous significance for the subsequent development of our economic system. In our country there is a surplus of agricultural goods and an acute shortage of industrial goods. Our task is to export surplus wheat and other agricultural produce and import into the Soviet Union the necessary raw materials and equipment for industry, and a number of goods for agricultural purposes (agricultural machinery, seeds, etc.). In order to collect all possible resources for export in a successful manner, the peasantry must be supplied with an adequate quantity of industrial goods. This is only possible with considerable imports of these goods from abroad. Thus exports and imports are indissolubly connected one with the other.

Raw materials and semi-manufactures occupy an important place in imports during the coming economic year. In accordance with the growth of our own agriculture, these groups of industrial imports will be reduced and will give place to the machinery and equipment group. However, for the coming economic year it is just this item of import which is the most appropriate and which guarantees the country the highest industrial efficiency. During the "restoration" period, it is most advantageous to the economic system to import raw materials and semi-manufactured goods, as big possibilities in the field of installations still exist within the country. In the future, it stands to reason that the situation will change greatly.

When we speak of the attainments in the field of schematic work, we cannot pass by the "control figures" recently published by the State Planning Commission. These "control figures" are an attempt to give reliable figures for the main branches of industry for one year in advance, on the basis of a study of our economic development. Although we will not devote ourselves to estimating this work, we must recognise that such an attempt to compile these figures is a considerable accomplishment in the field of schematic work. There is no doubt that actual life will usher in considerable corrections to the Gosplan figures. However, the discussion in the press which has arisen in connection with the publication of these control figures and the consideration of these figures in the higher governmental institutions, have not up to the present brought any substantial changes to the conceptions put forward by Gosplan.

The control figures are not the first attempt at schematic forecasts. In 1920 such an attempt was made for the first time in connection with the drawing up of a plan for the electrification of Russia. But even then we knew too little about Soviet economics. Later on, separate perspective plans were drawn up according to different branches of industry. Until quite recently, however, the attempts to sum up the separate sections of this work have been unsuccessful. Only after the economic system of the union, after transition to the New Economic Policy, entered the period of restoration, and only after the main lines of our economic development were traced out on this basis, did it become possible to make a first attempt at generalising the separate sides of our schematic work.

The work of compiling these control figures was preceded by 18 months work in studying the economic market situation of the country. In connection with the events of autumn 1923, the State Planning Commission formed a "conjuncture" council whose task was to follow the changes in the economic situation month by month. Only after definite experiences had accumulated as a result of this work, was it possible to commence a profound dynamic study of the economic processes of the country.

The main idea underlying these control figures is the assertion that the coming economic year 1925—26 will be the last year of the "restoration" process. This means that by the end of next year, the possibilities of further development at the expense of old fixed capital will have been fully utilised. In this manner the pre-war level of economy on the whole will have been reached. As we have already emphasised above, there can be no question of the economic system of the Union coinciding with the economics of pre-revolutionary Russia. During the last ten years far too deep changes have occurred in the basic elements of national economy for this. The significance of different economic regions of the Union has substantially changed. The economic relations of the Union with the external market are also quite different. Tremendous changes have taken place in the structure of national income and expenditure. One need only point out the changes that have taken place in the field of wages to become convinced of this. In this manner the attainment of the pre-war level must be understood as being absolutely conditionally and approximately. Whereas the control figures place the schematic questions within the bounds of a restorative process, the coming work of planning our national economy should bring forward in all their magnitude the problems connected with the programme for the future reconstruction of our economic system. The plan of electrification approved in 1920, which is now being reconsidered, is closely bound up with this programme. We are now approaching a programme of reconstruction.

We must now refer to the main methodological considerations connected with the drawing up of the reconstruction plan. We consider that separate economic or technical principles cannot serve as a basis for this work. The only method of approach for the compilation of this perspective plan is to be found in the necessity of organising the economic system on a Specialistic basis. This sole object should dominate all other methodological approaches.

First and foremost, the following must be taken into consideration:

The Role of U. S. S. R. Economics in World Economics. The connection of our economics with world economics increases from year to year. The further we proceed, the more our influence in the external world is seen and, on the other hand, our economic system feels the stimulus of the world market more and more.

The Problem of Internal Balance. Social construction in the Union can only be successful if it be conducted by the concerted efforts of the proletariat and peasantry. The path and tempo of development of industry depends in the closest manner upon the nature and tempo of development of our agriculture. In addition to this basic approach, the economic inter-relation of the various regions and districts of the Union has tremendous significance.

Electrification and Energy as a Whole. The problem of energy must also be considered as a basic approach in the sphere of reconstruction of our technical productive forces. The energy resources of the Union, their quality and distribution, must serve as the basis for our future plans of economic construction. Socialism demands technically perfected productive forces. For this reason the significance of electrification is tremendous, and the work done so far in this field is only initial work for the immeasurably huge work of the future.

In this manner, we must base our work of reconstruction on a combined economic and technical approach. This work is bound up with colossal difficulties. However, in view of the tremendous importance of this work, we must not pause before any difficulties whatsoever, in our accomplishment of this task.

In this article we have only touched the most important problems of our economic situation and our economic policy. However, the sum total of the questions we have touched on will give, in our opinion, a general idea as to our position.

Foreign Trade of the USSR.

By M. Frumkin (Deputy People's Commissary for Foreign Trade of the U. S. S. R.).

From the very first days of its existence the Soviet regime has based its economic system on the principle of nationalisation of the land, heavy industry, transport, foreign trade and finance. The contours of Socialist economy were rather unclear. The Soviet regime was at first able at least to maintain the process of production and exchange by taking over the control of these factors which determine the economic life of the country. In consequence of the sabotage of all elements hostile to the proletarian dictatorship, especially of the bourgeoisie which was directly interested in its own domination, the only possibility of carrying on production and other economic processes lay in the transfer of the whole basis of economy into the hands of the Soviet State.

From 1921 the Soviet regime has been effecting a transition towards "a peaceful" situation and at the same time dispersing that type of economic administration which had been adopted during the war period. The State has abandoned the direct administration of petty production and the conduct of petty internal trade. The market has made its appearance where the "people with initiative", the private traders, are a very prominent feature. The internal market at the same time to a very large extent determines private economic relations. The external market, however, is entirely controlled by the Soviet Government itself.

The first law on the monopoly of foreign trade was issued in 1918. By this law the State decreed that the right of export and import of goods belongs exclusively to the Soviet State and is enforced by a special organ, the People's Commissariat for Foreign Trade. Frankly speaking, in 1918 and 1919 there was no need for such a law; we were so thoroughly blockaded from all sides that all foreign trade was impossible. We began taking the first steps in 1920 and 1921 when we began to make a road for ourselves in Esthonia and then to Great Britain, after which we commenced extending our external connections from month to month. These latter are now growing and becoming strengthened in accordance with the growth of the internal forces of the Soviet regime and the increased consciousness of the West European capitalist circles as to the hopelessness of the struggle both by warfare and also by economic blockade. Economic crisis in Western Europe compelled the capitalists to look for raw materials and markets, to realise their products even on the territory of the hated Soviet Republic.

The transition to the so-called New Economic Policy leaves no doubt whatsoever but that the monopoly of foreign trade decreed in 1918 must be enforced in its entirety and that this system can be the only form of foreign economic relations in keeping with the Soviet regime. V. I. Lenin attached particular significance to the foreign trade monopoly.

The monopoly of foreign trade created the peculiarity of Soviet economy in relation to the capitalist world. With the aid of the latter system we have been able to permit the export of such products only which we could get on without in our economic system and import what was absolutely necessary. With the aid of this system we were able to link up our demands with our capacity in a schematic manner. With its aid we were able to put at the disposition of the State a considerable portion, if not all, of the trading profits, which Western European capital would have "pocketed" for itself.

It is quite natural that West European capital by reason of its very class nature should meet us with enmity at every step. This hostility was increased by the system of self-defence of the Soviet regime — the foreign trade monopoly. Nevertheless, during recent years the Soviet Government has established its trade representatives in 16 States thereby carrying out the hated monopoly of foreign trade officially on hostile territory and in two or three States unofficially. The capitalist world had to become reconciled to the Bolshevik system.

The following table shows the increase in the foreign trade turnover of the USSR. (in pre-war roubles and at current prices).

Year	Export	% of 1913	Import	% of 1913	Total turnover foreign trade	% of 1913
1913 *)	1,370	100	1,237	100	2,607	100
1918	7.5	0.55	57.3	4.6	64.0	2.6
1919	—	—	0.6	—	0.6	—
1920/21	10.0	0.73	179.0	14.5	189.0	7.3
1921/22	64.0	4.7	270	21.8	334.0	12.8
1922/23	133.0	9.7	148	12.0	281.0	10.8
	210.0					
1923/24	370.0	27.0	240.7	19.5	610.7	23.4
	533.0		439.3		961.3	
1924/25	324.2	23.0	370.0	30.0	654.2	26.2
	503.9		658.7		1,162	

This table is very eloquent.

In the years 1920 and 1921 the export figures are negligible, while import is comparatively insignificant. In view of the complete exhaustion of the country, national economy produced no surplus for export. This same exhaustion and particularly the 1921 famine demanded increased import in payment of which our last gold reserve had to be spent. One could not even dream of credits in those days.

2) in the years 1922/23 export considerably increased while import decreased. The growth of productive forces of the Soviet Union only covered a deficit of 15 million roubles. By the following year these forces had grown. In 1923/24 the trade balance already shows a figure approaching a milliard roubles with an excess of export over import of 90 million roubles. This clear money profit provided the Soviet Union with the means for affecting the currency reform. Without this fund which served as a means for covering emissions, we would still have a depreciated currency to this very day.

In 1923/24 we recommenced wheat export for the first time to an extent of 185 million poods for a sum of 240 million roubles.

3) in 1924—25 we once more were faced with a partial crop failure. Not only was it impossible to export wheat, but we had even to import certain quantities (about 30 Million poods). Nevertheless by means of developing the export of other products and goods the production of which strengthens our economy, we were able to maintain the export level of the previous year. With the exception of wheat, there was a 60% increase in all remaining items of export in the years of 1924—25 as compared with the preceding year.

4) From year to year we can observe the growth in foreign trade operations, but both absolutely and relatively they are but trifling as compared with the pre-war year 1913. According to data of Gosplan agriculture and industry in 1925—25 have reached 71% of pre-war production. Foreign trade shows only 25—26%. We might ask, does not the very system of foreign trade itself contain factors such as might delay the development of export and therefore of import? It is sufficient to compare the above mentioned data of 71% and 26% to receive an answer to this question. Any State, and particularly the Soviet Union can export only its surplus product. In pre-war days export amounted to 7% of the entire production (agriculture and industry) and of agriculture separately — 8%. Or in other words 92—93% of the entire production remains in the country for home consumption. With the decreased production of 1924—25 by 29%, export will inevitably be a relatively lower percentage of production, as it expresses the difference between production and consumption.

*) The secession of the Baltic States and Poland is taken into consideration.

An analysis of the data concerning the main items of our export plan show that all surplus stock have been utilised.

The following nine types of products compose 85% of the whole export: 1) wheat, 2) oil products, 3) timber, 4) beef, 5) feathers, 6) oil cake, 7) seeds, 8) flax and hemp, 9) eggs.

During recent years wheat was utilised to a maximum. We exported 60% more oil than in pre-war days. Stock of timber had been utilised to the full although the production of same has been considerably below pre-war. At the same time construction work within the country is so extensive that prices on the home market have been higher than foreign. Butter has been exported to the largest possible extent, this has now had to be held up in the interest of regulating home prices. Export of feathers is about pre-war. The export of flax is limited in the interests of our linen industry.

The monopoly of foreign trade has displayed sufficient flexibility for utilising all export possibilities.

The growth in productive forces and of production increases the trade capacity of our economic system and the surplus stocks of same. The growth of production during the present year 1925—26 is estimated at 35—38% as compared with the year 1924—25. Our foreign trade turnover according to plan will increase by 75—80%. Export is expected to reach a milliard roubles while imports will reach 950 millions. The whole turnover is estimated at over two milliards. Translated into pre-war prices the turnover amounts to 50% of pre-war as compared with 26% in 1924—25.

Wheat will compose 40% of our exports. We occupy second place among wheat exporting countries. One more year and

we will once more be occupying the first place. More than 70% of our imports go to meet the needs of industry. We intend to provide agriculture with machines and equipment to a larger extent than in pre-war days. Considerable resources are being assigned for re-equipment of industry.

Year by year our national economy grows, expands and gains in strength. Even the partial crop failure of 1924/25 did not stop the steady growth of industry. During the present year we are bringing to finish a process of re-habilitation, our economy will be brought up to pre-war level so that we may force ahead with still greater speed.

The West European proletariat can become acquainted with our economic system through its own delegations. We invite the capitalist press to verify the reports of delegates. In Germany, Czechoslovakia, Poland, Italy and even Great Britain, the press by order of its masters is convincing the bankers of the soundness in granting the trade representations — the monopoly organs of the Soviet Union — trade credits. The famous stabilisation is already being replaced by crises and bankruptcies in a number of countries. They are searching for markets, and find the Soviet Union to be an available country for credits.

The Soviet economic system — nationalisation of industry, transport and finance, and the monopoly of foreign trade has become an object of envy on the part of even many honest bourgeois economists. Business men have long ago become reconciled to "Bolshevik system", but the diplomats, they have been left to make speeches in parliament.

Internal Trade of the USSR.

By A. Katkyn.

During the eight years of Soviet regime internal trade has undergone more changes than any other branch of national economy. During the last eight years the path of development of trade has been along the following general lines. There was first what was termed "free" private trading, during the first period after October (up to the commencement of the civil war). Then trade assumed the system of schematic supply and distribution during the period of civil war and famine, during which it was terribly undermined by cheating and speculation. The latter was the transition stage towards the system of trade in vogue during the epoch of the **New Economic Policy**, based on State co-operative experience and the annually developing cooperative and State retail trading. The path has been extremely complicated and tortuous. And if, nevertheless, by the end of the economic year 1925—26, there is a circulating goods mass on the market equal to 79% of pre-war, this only goes to show what exceptional efforts it cost to obtain such a great increase after the fall of the large trading balance almost to nil in 1920. This also shows what a tremendous stimulus is given to the development of the internal trade balance by the wide extension of the productive forces of the country through a system of **State co-operative capitalism**, combined with the nationalisation of the main sources of production and exchange and with a centralised planning and regulation system of the entire national economy under the proletarian dictatorship and with a close economic and political alliance between town and countryside.

Internal trade is the internal exchange of materials in the entire economic organism of the country. The conditions of the organism itself mostly depend on how this most important function operates. The same applies with regard to its normal productive and consumptive functioning, or, rather the process of production in all its parts and in the general economic process. During the epoch of "Military Communism" we endeavoured to place this function on a strictly schematic basis. At that time this was necessary, because of the famine conditions and the necessity for organising a minimum supply to town workers and to the Red Army. The peasantry only entered this system nominally, or to a very slight extent, insofar as they received practically nothing in exchange for their wheat and raw materials which they handed over for the supply of the towns. A schematic supply and distribution therefore only embraced the towns, working class districts, such for instance,

as "Donbas" and the fronts. On the termination of the civil war, we were compelled to abandon this system in view of the fact that it did not include the countryside. We had also to draw agriculture into the trading operations and at the same time into the general system of production. Up to that period agriculture had to rely on its own forces and energy, and therefore had become rapidly cut off from the towns and more and more naturalised with each year. Insofar as agriculture represents 20 million separate peasant farms, as self-supporting primary productive-consumptive units, only the market with its usual anarchistic form at least during the early days, could embrace them to an extent of complete co-operation. As a single economic process does not permit of two varying systems of internal production, it was also necessary to apply the same market system of supply in connection with nationalised and organised industry, transport and municipal economy.

We temporarily retreated from a system of more developed schematic supplies in one section of our economy in order to come back to this system later with respect to national economy as a whole.

In this retreat made as a concession to present interests, the substance of the **New Economic Policy** is also contained. The raising of the ban on markets as an apparatus for good exchange, was the starting off point for all subsequent measures: permission for private trading capital, restoration of the monetary system, credit, etc. and what is most important of all the allowance of free accumulation of capital and the growth of a new bourgeoisie out of the kulak elements in the countryside, corresponding to the substratum of petty-bourgeoisie in the towns. But all those who saw in NEP the capitulation of the Soviets, and the economic bankruptcy of the Socialist system were bitterly disappointed. In its highly organised and concentrated section, this system is still preserved even under NEP. Nationalisation has maintained itself if we do not count those petty enterprises of secondary importance, which at one time were formally nationalised, but in reality were not taken over and included in the general State economic system. Together with the basic social means of production and exchange, the proletarian regime retained the possibility of planning and of regulating according to plan the entire national economy, and not only those of its branches which were drawn into a single system of economy under "Military Communism", but also those branches which up till then had remained almost outside any

economic activity from the Soviet authorities. Simultaneously with the markets, co-operation began to be restored as a form of uniting the petty producer and the consumer, which was tested even before the war. Through the co-operatives, Soviet State capital has acquired a faithful ally and the best possible apparatus for also economically drawing the peasantry with their scattered petty holdings, cattle-breeding and various kinds of agriculture, into the Socialist system of management. This powerful lever, taken together with credit, taxation and insurance levers, under the monopoly of foreign trade and with an almost monopolist position of the State on the manufactured goods market, made it possible to embrace more and more and regulate through the market the entire unlimited, numerous and varied peasants and other petty proprietors sections of economy.

In this form of State regulation which has become more and more connected with the **planning of the entire economic system** there is also to be found that peculiarity of nep which has not been noticed by the rather enthusiastic economists and politicians of the West, and 2nd International, and even our own people (Ustrialov). This peculiarity lies in the fact that by restoring the market we have by no means restored the private property elements and the anarchy which are acquired by an undeveloped capitalist market. Our market was of that type only during the first two or three years of the New Economic Policy, and even then not entirely so; afterwards with every further step towards restoration and development of industry, currency, banks, and other regulating levers it began to fall more in line with the general economic plan of the Soviet regime, which was particularly strikingly expressed by **price regulation policy for agricultural and industrial goods**. This schematic-regulative pressure of ours on the market increases in proportion with the growth of co-operation, and state co-operative capital takes the ascendancy over private capital not only in wholesale, but also in retail trade. In this manner, the market as a system of commodity exchange becomes more and more forged into the general economic plan and accumulates those schematic elements which, if applied in a sufficient degree, will also change its quality, and transform the market from an elemental process into a system of general supply and distribution through co-operation and syndicates already assimilating socialism. This number of schematic measures in our national economy is increasing from year to year although the necessary pre-requisite for a complete transition is not yet in sight.

But we are approaching this stage year by year, and this may be clearly seen from the figures cited below which illustrate the development of our home market. In presenting these figures we must immediately make the proviso that during the years of "Military Communism" when statistics were lacking, we have no proper proofs. Moreover, not all the illustrations are comparable with pre-war figures, as in pre-war days trade statistics in Russia were very few and far between and by no means covered all processes of the market. Therefore, in sensing the tendencies of growth and development of the internal market, we must supplement the "Military Communism" period with general descriptions and various illustrations, and only make comparisons with the pre-war period in those cases where we have comparable data or, in other cases, with the necessary reserves.

The first thing we must draw attention to is the **increase of the commodity mass in internal trade**.

According to the control figures of Gosplan the commodity mass has grown in the following manner:

Year	Millions of roubles in pre-war prices			in % of 1913		
	Agric.	Indust.	Total	Agric.	Indust.	Total
1913			11509	100	100	100
1924—25	4498	7011	7307	63.7	63.3	63.5
1925—26	3639	5150	9149	81.1	78.6	79.2

From these figures it is to be seen that the general commodity mass should increase from 7,307 million roubles in 1925—25 to 9,149 million roubles in 1925—26 or by 25%. However, the commodity mass in agriculture increases by 27% whereas in industry only by 24%. The reason for this is because agriculture is growing exceptionally rapidly under the new revolutionary conditions and has taken a decisive course of transition to commodity production in proportion to the destruction of the old community which hitherto shackled this development. This process is retarded as far as industry is concerned

because the new system of organisation of State industry into **Trusts and Syndicates** in a number of cases replaces the former trade between separate private enterprises by a schematic distribution of raw materials, semi-products or fuel within these very same enterprises now combined into one Trust. This means that from ordinary goods exchange we are changing over to that higher form of natural distribution which is a part of the socialist system. At the same time agriculture is at present only just beginning to effect a transition from primitive natural exchange to commodity exchange as the highest form as compared with natural exchange, and only afterwards through co-operation and internal co-operative trade will approach the higher natural forms of exchange which industry has attained.

We have practically no exact figures as far as the period of "Military Communism" and the first years of nep are concerned. Commodity exchange existed then only within separate small sections of urban economy and partly of agriculture (trade with handicraft products in street markets) and also between town and village in an illegal speculative form. Judging by the dimensions of the monetary circulation in those years, commodity exchange was reduced to 5—10 per cent of prewar; but these are extremely enigmatic figures in view of the rapidity of the circulation of depreciating money at that time, the dimensions of monetary circulation, which had been reduced to 1—2% of pre-war, badly characterised the extent of goods exchange; commodity exchange by means of money in some places was substituted by exchange of goods according to one equivalent or another. We would not be greatly mistaken however, if we assume that the commodity exchange at that time that was confined to the hands of the Food Commissariat was 10% of pre-war. In all remaining economic processes at that period there was a form of barter more developed in industry in general and in urban economy, and lower in agriculture. In one case it was a process, a breaking through towards Socialism although still in the most crude forms, while in other instances it was a retrograde process, collapse of connections, splitting up of the economic system, disconnecting it with the towns — a retrograde stage. This divergence could not be borne very long since it threatened the entire economic system with ruin. The New Economic Policy was a way out of this contradiction, since under our conditions, it was insolvable in forms of schematic supply and distribution. The first two years of the New Economic Policy — 1920—21 and 1921—22 were marked by a brisk increase in commodity exchange and a restoration of the goods supply apparatus between town and village.

We may get a more exact idea of the modification in the exchange of commodities that occurred during the past three years of NEP, if we examine the following data of the People's Commissariat for Internal Trade.

We will first take the figures for general commodity exchange, including also market trade (peasant): for the years 1922-23 and 1923-24. The reservation must be made that these figures also are far from being exact, as calculations of trading operations are conducted on the basis of taxation statistics which are very inexact, owing to the fact that the fiscal factor lies at their basis. For State trade and co-operation these inaccuracies may be corrected on the basis of the trading statistics of syndicates, Trusts and co-operative centres. For private trade it is much more difficult to do this; for market (bazaar) trade in general we must in turn use estimates as it is impossible to secure exact data here.

General trading turnover of U. S. S. R. in 1922-23 and 1923-24.

(In millions of chervonny roubles.)

Year	Trade turnover without market trade	Extent of turnover of market trade	Total turnover
1922-23	7,719.0	1,100.0	8,819.0
1923-24	13,832.5	2,000.0	15,832.5

The first part of this turnover can be split up in the following manner between the main agencies:

Year	State	Co-operative	Private	Total
1922-23	3,203.5	1,123.3	3,392.2	7,719.0
In % of total turnover	41.5	14.6	43.9	100.0
1923-24	6,021.3	2,845.5	4,965.7	13,832.5
In % of total turnover	43.5	20.6	35.9	100.0

Both these tables show in what degree the total turnover increased between 1922-23 and 1923-24 and how within these trading operations the share of State and co-operative trade increases at the expense of private trade. In this connection the growth of the co-operative turnover is particularly significant. It is necessary to stress here that the whole of the dynamics emanate during the period of the development of the 1923 "scissors" and reached its highest point at the letter end of these two years, October 1st 1923. In 1922-23 the "scissors" steadily extended while in 1923-24 they began to contract. Both these tendencies could not but find their reflex in the trade balance.

Now let us examine how the turnover grew within the last economic year 1924-25. The final figures for this year have not yet been calculated, hence the total figure is lacking. But we can examine the development according to the separate branches of trade from quarter to quarter, and then compare this year with the previous year 1923-24.

Growth of turnover according to 280 productive institutions.

(Trusts and 12 Syndicates.)

		Productive enterprises	Syndicates	Total	% of general total minus Syndicates
1st qr. of	1923/24	418,8	102,1	520,9	19,6
2nd "	1923/24	509,3	212,5	630,8	19,3
3rd "	1923/24	599,6	157	756,6	20,7
4th "	1923/24	674,1	195,7	869,8	22,5
1st "	1924/25	778,7	218,7	997,4	22
2nd "	1924/25	805,2	225,2	1,030,4	21,9

We see from these figures that from quarter to quarter there is a steady growth in the turnover, and at the same time in the total turnover of industrial undertakings, the share of the syndicates grows steadily although with vacillations. This indicates their increasing significance in realising industrial products and at the same time the growth in the organisation and planning of our trade, for it is clear that in handling all this great mass of goods through 12 State syndicates, we are in the best possible position to direct this goods mass production for a definite goal.

Now let us see how the co-operative turnover has increased during these same quarters:

Growth of co-operative turnover.

	Consumers Co-ops.	Handicraft Co-ops.	Agricultural Co-ops.
1st quart. of	1923/24 . 341,6	—	75,6
2nd "	1923/24 . 418,2	227,2	134,5
3rd "	1923/24 . 539,7	—	166,5
4th "	1923/24 . 613,9	—	191,1
1st "	1924/25 . 345,7	272,5	224,5
2nd "	1924/25 . 808,4	—	236

The co-operative turnover discloses no less but actually still greater tendencies to growth than the turnover of industrial organisations. Whereas the turnover of entire co-operative taken during a year and a half are doubled, the turnover of agricultural co-operation during the last year and a half exceeds that of the entire preceding year, and the turnover of handicraft co-operation has more than trebled. It is true that in the second quarter of the year 1924-25 a certain stoppage in the increase of turnover may be observed, but in view of measures being taken in time this stoppage is outlived and from the fourth quarter of the new operative year co-operation attains very significant dimensions. Through this channel already 60% of the entire manufactured goods produced by our industry, and a considerable quantity of other goods are handled. This stoppage was caused by a goods famine at the end of the preceding year and by the rather increased influence of private capital.

A clearer idea as to the increase of turnover, calculated by the trading exchanges on the basis of both purchases and sales, with sub-divisions according to branches of trade is seen

from the following table, compiled from statistics of the People's Commissariat for Internal Trade and comprising the turnover of 70 of the largest trading exchanges attached to the Moscow Trade Exchange. These figures take us right up to the third quarter of 1924-25.

This table particularly illustrates with extreme lucidity the dynamics and composition of our general goods exchange. In the first place we see in this table the reflection of the seasonal nature of our trade which is so characteristic of an agrarian country such as the U. S. S. R. The first quarter (October-December) in which the realisation of the harvest and purchase of the main supplies of industrial goods on the part of the peasantry is proceeding, gives the customary sharp impetus to trading operations as compared with the fourth quarter. The latter which is also to a certain extent a harvest realisation period shows an increase as compared with the third quarter; the third and second quarters are either less than the first and fourth or stand on the same level. Secondly, the table shows the influential role of State trade in sales, and the decisive role of State co-operative organisations in purchases. This we have already seen from the statistical summaries on trade operations in 1922-23 and 1923-24. Although we have not yet any data as to the dimensions of petty private trade and market trade, one can nevertheless maintain that the share of State co-operative organisations in the general turnover is increasing considerably. Whereas the share of private capital in the general turnover of 1922-23 amounted to 43.9% and in the turnover of 1923-24 amounted to 35.9% it will hardly be higher than 20-25% in 1924-25, even including the entire market trade. As far as mixed companies are concerned, although these are placed in a separate group, the role of private capital within them is insignificant and State co-operative capital completely dominates therein. Furthermore, in the Trusts we observe a natural tendency of our trade turnover whereby sales become more and more the province of State organs (not counting of course, wheat and raw material purchases not registered at the Trade Exchanges) while co-operation is to an increasing extent winning itself a place as a wholesale purchaser from the State organs of industrial production. This tendency showed a particularly marked development at the end of the last operative year and commencement of the present, in connection with the famine in manufactured goods, when the State in the endeavour to bring goods really within reach of the peasantry and the workers deliberately distributed them in a large degree through the co-operatives, despite the fact cooperation was still too weak to cope with such a mass of goods. Therefore, it was at the same time necessary to undertake all necessary measures to strengthen and improve cooperation as the basis of the Socialist system of distribution.

In order to explain to what extent cooperation is developing into this new Socialist organisation, and to what extent its growth corresponds with the general economic growth of the country we present the following tables, exceptionally important for us since they are to a large extent a proof of the growth of Socialism in trade, that section of national economy least amenable to socialisation — and therefore in the entire national economy.

The first table shows the growth of the consumers' co-operative system according to its main sections, number of cooperatives, number of shops and number of shareholders. Here urban and workers' cooperatives and agricultural cooperatives are indicated separately.

The most intensive growth in the number of shareholders is apparent in agricultural cooperation, whereas the most intensive growth in the number of shops is to be seen in the town system. In respect of the number of town cooperatives, we see a certain stagnancy in growth, whereas in the agricultural co-operatives the increase continued, although it does not keep pace with the growth in the number of shops and the number of shareholders. This would imply that in the towns the co-operatives have reached the limit of expansion as far as the number of unions is concerned, and only extends its system and strengthens the separate societies by further membership. In the villages in those places where cooperation has not yet developed the masses are still being brought into the cooperatives, while in remaining areas the very same process of extending the network and strengthening cooperatives is proceeding as we observe in the towns. The total number of cooperated workers and peasants is 8 millions of which practically 3.5 million are workers and employees and 4.5 millions peasants. If we take into consideration the fact that every shareholder has an

average family of three, we get a total of 30 million inhabitants out of the 135-140 millions population of the whole country organised in consumers' cooperatives. If we add to this figure another 2,900,000 members of agricultural cooperatives and about 450,000 members of handicraft cooperatives*) then the proportion of the population cooperated is raised from 11 millions up to 45 millions including families, or 30% of the entire population. This is a direct proof of the growth of Socialism in the country. But this is still only a little, the majority of the population still remains outside the bounds of cooperation. It is steadily growing however, and therein lies our strength.

The second table shows the growth of cooperative turnover from year to year with sub-division according to the forms of cooperation and according to its stages from above to below (primary cooperatives, Unions Centres). For the year 1924-25 turnover doubled during the first half year. This at any rate does not exaggerate but rather minimises the real growth of the trading operations for this year as in the agricultural and handicraft cooperatives there is still a definite ascendant tendency, whereas in consumers' cooperation there is a certain stability in the second and third quarters which is replaced by a fresh increase in the fourth quarter. The following table is based on these assumptions.

Increase of cooperative turnover in operative years

1922-23, 1923-24 and 1924-25.

Consumers' Cooperation.

Year	Primary Coops.	%	Unions	%	Centres	%	Total turnover	% increase
1922/23	406,—	49,6	242,1	29,5	170,1	20,9	818,2	100,—
1923/24	1174,6	57,3	660,9	32,1	215,1	10,6	2050,6	250,7
1924/25	1906,4	61,2	912,6	29,3	298,—	9,5	3117,—	382,—

Agricultural Cooperation

1922/23	92,—	47,—	83,—	42,3	20,8	10,7	195,8	100,—
1923/24	290,—	52,1	216,—	38,1	61,7	10,8	567,7	289,9
1924/25	492,—	53,4	328,—	35,6	101,—	10,—	921,—	470,—

Handicraft Cooperation

1922/23	51,1	46,8	52,5	48,1	5,7	5,1	109,3	100,—
1923/24	155,3	68,4	62,8	27,6	9,1	4,—	227,2	207,9
1924/25	400,—	73,4	131,—	24,—	14,—	2,6	545,—	500,—

Summary Table

Year	Consumers Coop.	%	Agricultural Coop.	%	Handicraft Coop.	%	General total	% increase
1922/23	818,2	72,9	195,8	17,4	109,3	9,7	1123,3	100
1923/24	2050,6	72,1	567,7	19,9	227,2	8,—	2845,5	253
1924/25	3117,—	68,—	921,—	20,1	545,—	11,9	4583,—	408

We see from these tables containing statistics of the past three years how intensively the co-operative turnover grows year to year. At the same time the comparatively stagnant agricultural co-operatives (realisation of handicraft products) receive active support. As regards the miscellaneous branches of the co-operative system the very healthy tendency of growth in the turnover of the lower apparatus is particularly noticeable, the intermediary unions are relatively stable whilst the centres reduce their turnover. The co-operative system after the distorted operations of the higher co-operative organs during the first period of NEP. are now seeking normal relations in the turnover between the various branches of co-operation. If we compare this table with the table showing the growth of the co-operative system itself we see that the increase in turnover is considerably ahead of the growth of the system; therefore, independent of the growth of co-operation itself, its internal growth is proceeding as demonstrated by the increase in the turnover.

*) These figures are based on the statistics as to the number of members of agricultural cooperators in September 1924 which equalled 2,300,000 and handicraft cooperation 350,000, and with the assumption that the growth of this kind of cooperation in membership does not fall behind that of consumers' cooperation up to April 1st 1925 (24%).

In summing up the characteristics of this most important process which is proceeding on our internal market, we will present illustrative data as to the percentage of those goods which are acquired by the peasantry through co-operative and State trade. Here the goods are set out according to the proportion in which they are realised through co-operation. These figures relate to 1923-24 and have been compiled by way of selective budget investigation of 60,000 peasant holdings by the Central Statistical Board. We see from these tables that even in 1923-24 three commodities — matches, paraffin and soap — are mostly handled through co-operative and State trade. In 1924-25 the list of these goods is considerably increased but for the time being we have no data as to this.

As to forms of trade there has been a gradual transition from forms of petty primitive market trade, commencing with moneyless commodity exchange to higher forms, to goods exchange trade through samples. Our trading went through this evolution in a period of five years and then once more began to take definite shape after the years of famine and civil war had passed. But independent of this process another process is evolving. This is the process of relative and absolute growth of large standard forms of trade, but at the same time petty market trade, supplemented by fairs on a local and regional scale, even including fairs having an all-Union significance (Nizhni-Novgorod and to a certain extent Baku) is increased from the other end by those strata of the population who, now for the first time under the Soviet system are changing over from primitive forms of economy to trading. In view of the petty and scattered nature of these elements, they must inevitably pass through these stages of market — fair trade before passing through co-operation to higher forms of commodity exchange. Nearly all our semi-Nomads and semi-farmers of our South Eastern and Eastern border Republics and Unions are of this nature; the same thing holds good for the still numerous and non-co-operated handicraftsmen of the Volga, Central Industrial District, North East, and the Urals, and those of the Northern regions of Siberia, Kazakstan and other districts. All our Central-Asiatic Republics have trading relations of this nature and also the neighbouring Eastern countries (Azerbaijan, Turkmenistan, Uzbekistan, Kazakstan, the Buriat-Mongol Republic, Turkey, the Eastern Vilayests of Persia, Afghanistan, Western China, Mongolia, Manchuria, from the Eastern side). Therefore those comrades are greatly mistaken who see in the fact of our preservation of the development of market — fair forms of trade, a proof of the weak development of internal trade relations, an insufficient progress to higher Socialist forms, conservatism, and even the reaction of our internal market. These comrades forget about the tremendous development of large scale exchange already indicated, and that in accordance with the transition of certain sections of the national economic system to higher forms of commodity exchange new strata of the population are brought into this system from below and new extensive territories and new branches of economy, which hitherto had only existed on a primitive economic basis. As a matter of fact the growth and development of our market and fair trade is a great achievement, it is a proof of the stupendous movement among the ancient Eastern nations who only now, with the aid of the Soviet system are commencing their evolution through capitalism to Socialism; their centuries old inertia is only now being broken. A tremendous avalanche is moving in the East. Therefore, we may record with satisfaction on the yearly growth of most the important fairs — Nizhni-Novgorod and Baku. This growth has shown a 100% increase from one year to the other without counting the naturally inflated turnover of the Nizhni-Novgorod fair on the eve of the "scissors" when the fair, in view of its situation with undeveloped connections between lower and higher trade, became a kind of focus for artificial, inflated, and speculative trade of manufactured goods. If we make the appropriate modifications to the Nizhni turnover of 1923, its increase of turnover shows a steady upward curve to 150 millions in the last year 1925 (compared with about 200 millions pre-war). But we do not estimate the real results of the fair from the turnover summaries, but mainly according to trading operations with the East and with handicraft producers. In so far as this turnover also increases, we may record a more or less satisfactory process of attracting petty-producers into the trading operations.

Now let us turn to the characteristics of the price movement on the internal market as an indication of the economic relations

which have become established between various branches of national economy, in the first place **between industry and agriculture**. The market is the sphere in which these relations appear concretely and substantially, and in which elements of union or dis-union of both sections of our national economy are effected. Prices, in so far as they are fixed spontaneously by the market are a reflection of those price relations between products of town and village which should be determined by the actual situation in these branches. But prices in our trading system, in which we have seen State cooperative capital dominates, are by no means a result of elemental chances, or elemental vacillations in relation of the supply and demand of one or other set of commodities. The State, in its own political-economic interests is anxious to support the alliance between town and village and intervenes in the spontaneous process of price fixing, endeavouring to raise the prices on agricultural goods which have fallen too low and to lower the disproportionately increased prices of manufactured articles, if necessary even causing losses in certain branches of State Cooperative trade. These losses are either covered by profits from other branches, or by income from foreign industrial commodities imported by the State, in so far as the foreign trade monopoly is maintained firmly in the hands of the State. Price regulations is effected either by appropriate economic pressure through credit, taxes or by means of increasing or decreasing supply and demand of goods on the part of State and Cooperative organisations, (for instance regulation of wheat and raw material prices) and also with regard to industrial products in relation to private capital. In exceptional cases, for instance at the time of the sudden opening of the "scissors" in 1923, or during the period of wheat purchase by the government at the time of the poor harvest year of 1924, for lack of goods, purely economic pressure on the market had to be substituted by administrative methods; these comprised a partial lowering of industrial prices or else a partial limiting of prices on wheat or raw materials. The entire system of centralised planed supply and distribution based on food requisitioning during the period of "Military Communism" was in substance a compulsory regulation of this kind. The New Economic Policy is characterised by a gradual substitution of administrative-regulation of goods exchanged by economic regulation. In this respect with each year we attain greater results, but nevertheless so far we have not been able to pass over completely to economic methods of regulation. If during the past year 1924 it was necessary to apply further limits to regulation of wheat prices, this year it is possible that in certain cases we will have to resort to a compulsory regulation of prices on industrial commodities so as to stamp out speculation on the goods famine which has occurred this year in respect of certain industrial commodities (cloth, metal and leather), due to the fact that the demands of the peasantry have greatly increased this year as a result of the exceptionally rich harvest. Here also it is not proposed to resort to direct administrative methods: we endeavour in the first place to reduce typically high prices economically, competing with private trade and fixing prices by importing appropriate goods from abroad, at any rate within those limits which the financial resources of the country permit, which in either turn depend on the dimensions of our export and the credit granted us abroad. One must remark however, that in principle we by no means refuse to resort to administrative measures for regulating prices at critical moments, even if it means going as far as limiting purchasing prices. But practically speaking we endeavour to resort to these measures in the absolute minimum of cases.

This regulative action of the State is very clearly reflected in the movement of industrial and agricultural prices. It is true that in accordance with the improvement of the entire economic situation, and the restoration of the main branches of economy, the economic relations between industry and agriculture right themselves and there is a disappearance of marked disproportion between them such as was caused by the imperialist and partially by the civil war which took place in nearly all countries, but was particularly acutely felt in Russia, where a highly concentrated and organised industry, transport and urban economy was smashed up as a result both of direct military activities, and from being overloaded with military orders and operative tasks, whereas small scattered agricultural enterprises were hardly ruined at all, but only resorted merely to primitive forms of economy. Therein lies the origin of our exceptionally serious "scissors" of 1923 with their 310% discrepancy between industrial and agricultural prices. These "scissors" existed also

under "Military Communism" only in a more hidden form owing to the absence of the market. But helpful elements were found in the form of the regulative force of the Soviet State so that now for a period of something like 6 months the "scissors" have been closed and have remained thus right up to recent times, when a certain opening of the "scissors" has become apparent. The changes of the "scissors" are seen from the following table:

"Scissors"
(Relation of Index of Group to General Totals = 100)

	According to wholesale Index Gosplan			According to retail Index K. Institute		
	Agriculture	Industry	Relation of index of indust. goods to index of agric. goods = $\frac{1}{1}$ angle of divergence ^a	Agriculture	Industry	Relation of index of indust. goods to index of agric. goods = $\frac{1}{1}$ angle of divergence ^a
1 October 1923	57	176	3,10	54	164	3,01
1 October 1924	83	141	1,46	84	118	1,41
1 Sept. 1925	90	112	1,24	91	109	1,19

There is noticeable reduction in the divergence of the "scissors" from year to year. The danger of their expanding again is connected with the unexpectedly large supply of agricultural goods, whereas there is a lack of industrial commodities in the country despite the considerable development of industry and increased import of goods from abroad. But in view of the energetic regulation of activities on the part of the State we are able to maintain the present "scissors" within permissible bounds and prevent them from reaching threatening dimensions. One may judge how our regulating methods have influenced price movements from the following two tables, the first of which shows the growth of agricultural prices and the second the reduction of industrial prices. If the rise of the former is to a certain extent a reflection of the elements of crop failure, the fall of the latter was almost completely directed by the deliberate wishes of the Soviet State, which becomes apparent from the fact that the industrial goods famine in the country has been felt during the whole of the current year.

Movement of wholesale prices (average) for European section of U. S. S. R. on 1st October 1923 and 1924 and 1st September 1925 — rye, wheat, oats, and beef.

	Price per pood in kopeks			
	Rye	Wheat	Oats	Beef
October 1 1923	58	81	50	329,—
October 1 1924	84,4	128,0	99,1	572,6
% of change for 1923/24	45,5	58	98,2	74,1
September 1 1925	109,8	156,0	111,0	700,6
% of change for 11 months 1924/25	30,1	21,9	12,0	22,4
Diff. to October 1 1923	89,3	92,6	122,0	112,9

Movement of Prices on Industrial goods for Soviet Union.

(Average prices according to provincial towns.)

Description of goods	In which unit	Prices in Kopeks					
		1. October 1923	1. October 1924	1. Oct. 1924 in % of 1. Oct. 1923	1. Sept. 1925	1. Sept. 1925 in % of 1. Oct. 1924	1. Sept. 1925 in % of 1. Oct. 1923
1. Printed calico							
wholesale price per metre	76	43,6	42,6	38,9	10,8	48,8	
retail price	84	53,9	35,8	51,8	3,9	38,3	
2. Salt							
wholesale price per pood	140	71	49,3	65,6	7,6	53,1	
retail price	200	124	38	110	11,3	45	
3. Sugar granulated							
wholesale price	1402	1002	28,5	993	0,9	29,2	
retail price	1800	1204	33,1	1072	11,1	40,4	
4. Paraffin							
wholesale price	215	163	24,2	163	—	24,2	
retail price	308	216	29,9	197	8,8	36	
5. Nails							
wholesale price	957	564	41,1	471	16,5	50,8	
retail price	1200	800	33,3	672	16,—	44	

The subsequent trend of our price policy should proceed along the lines of a reduction of the still high price level, in order to raise the purchasing power of the rouble (see table of Index movements) on the one hand and should bring industrial and agricultural prices more in harmony on the other hand. This is necessary so that having closed the present "scissors" calculated in relation to the so-called "normal" year 1913, we may subsequently be rid of the "scissors" existing between industry and agriculture which were deeply embedded in the economy of tsarist Russia. In those days there was excessive protectionism with regard to industry and also exploitation of the peasantry which was one of the reasons which hindered the development of the inexhaustible productive forces of our agriculture and consequently of our industry. At the same time prices, in the hands of the Soviet State must to a still greater extent become levers for planning and regulating not only trade, but, through trade, also both town and agricultural production. Trade itself, while being put on a sound basis by such economic levers as credit, taxes, transport tariffs, export and import etc. in turn

becomes one of the most powerful levers for regulating the entire national economy and for stimulating the development of some branches and restraining the development of others. The planning and regulation of prices during the transition epoch is one of the most substantial elements of planning and regulating the national economic system in general. We see this from the entire experience of the Soviet regime.

All the above-mentioned facts go to show that internal trade, side by side with foreign trade, industry, transport, credit and other branches is becoming drawn more and more into the general development of Soviet planned economy. And as trade itself constitutes a link with agriculture and is a bridge also, this means that we can also draw agriculture towards us by means of planning the regulation of trade, and include it in our Socialist economic system. Cooperation, as a new form of trade will bring about, when all the peasantry will have been brought into the cooperatives, the complete crowning of this process, and then trade itself will recede into the background there being no longer any need for it.

Agricultural Cooperation in the USSR. at the Time of the October Revolution.

By Kantor.

When the All-Russian Central Union of Agricultural Cooperatives ("Selskosoyuz") was first organised in August 1921, there were only 600 primary co-operatives, representing 49 local unions.

Commencing with the XIII Congress of the R. C. P. agricultural co-operation became the centre of attention of the Communist Party and the Soviet authorities. Side by side with the revival of agriculture, and the increase in the productive forces of the country and development of nep, agricultural co-operation improved in quality and grew in its dimensions. On October 1st 1924 there were 33,340 primary co-operatives in the U. S. S. R. embracing 15% of the peasant farms.

The decisions of the XIV Party Conference were also of very great importance for agricultural co-operation. They determined the place that agricultural co-operation should take in the general Soviet economic system, in the role of the construction of Socialism in the countryside.

The strengthening of the co-operatives signified the commencement of the voluntary system, interest in economic management and elections to posts, and resulted in the gradual overcoming of the defects that the co-operative system had inherited from the period of economic and financial ruin — whilst the interest of the broad masses of peasantry in agricultural co-operation was increased.

On July 1st 1925 more than 5 million peasant farms were organised co-operatively, including 38,000 primary agricultural co-operatives of different kinds. It is characteristic that the growth of agricultural co-operation was to a considerable extent due to the attraction of new members and the simultaneous strengthening of the co-operatives. Whereas the number of co-operated farms during the year grew by 166%, the quantity increased only by 14%. This solidification of the existing system must be recognised as being quite sound. Taking into consideration the fact that the rate of growth of membership after July 1st not only did not drop but, on the contrary, was bound to be progressive in view of the realisation of the good harvest. One may assume that by the eighth anniversary of October agricultural co-operation will unite 28% of all peasant farms, i. e. up to 30 millions of the peasant population.

In substance a union of producers, agricultural co-operation organises all its work, including supply and realisation, on the basis of the development of the productive forces of agriculture. Furthermore, agricultural co-operation is linked up with the productive processes of agriculture by organising the production of dairy and farm products for realisation (dairies, cheese-making artels, potato-preserving co-operations, sugar-beet, and organisations for preserving vegetables and fruits). Finally, in the collective farms such as the collective land cultivation societies, the agricultural artels and communes, not only separate phases of the production processes are socialised, but also the labour, the means of production and the consumption, etc. (commune).

Despite the great variety of forms of co-operative construction, which in the main are based on the system of voluntary membership and correspond with the nature of the various economic districts of the huge Union of Soviet Republics, a tendency towards strengthening the two fundamental forms makes itself apparent; these two forms are **agricultural credit societies** and **special societies** (flax, butter making, potato, etc.)

The trade balance of agricultural co-operation is growing considerably. The gross turnover for instance in sales of products for 1924 amounted to 740 million roubles, while it reached practically the same sum during the first six months of 1925, i. e. 650 million roubles. Therefore the rate of increase of the turnover of agricultural co-operation in 1925 develops almost twice as rapidly as in the previous year.

The funds invested in the turnover of agricultural co-operation continue to grow rapidly. On July 1st 1925 the total funds of agricultural co-operation, not counting the Ukraine amounted to 847 million roubles as against 512 million roubles on January 1st, 1925 and 255 millions on January 1924, i. e. the total resources of the agricultural co-operative system increased by 50% during 6 months of 1925 and by 330% during one year and a half from January 1st 1924 to July 1st 1925.

According to the rate of growth, the primary co-operatives take first place, then the local unions, and finally the Central unions, which one must acknowledge as being a thoroughly normal state of affairs for the sound growth of the system.

The powerful growth of the operative work and the total sum of resources in circulation in the system of agricultural co-operation, its participation and successes on the foreign markets, and its increasing export and import permit one to look optimistically at the future of agricultural co-operation. This position is reinforced by the fact that the lower apparatus is most rapidly developing both in quality and quantity, and this is the very foundation of the co-operative system. Both with regard to operative work and in the accumulation of funds it is developing at an extremely accelerated tempo which as a result has brought about a doubling of the resources during the first half of the present year and a very great increase in the trading turnover: this gives 330 millions for the 6 months of 1925 as against 328 million roubles for 12 months of 1924.

Productive Activity of Agricultural Co-operation.

Agricultural co-operation has exerted noticeable influence on the structure of agriculture and its increased productivity. According to very incomplete data the lower agricultural co-operatives have equipped more than 80 electrical stations of various degrees of power embracing a district of more than 600 villages, or up to 100,000 peasant undertakings. Quite a new type of co-operative is springing up in the villages — **societies for the electrification of agriculture**.

On January 1st, 1925 there were more than 16—17,000 productive enterprises in the agricultural co-operatives. As far as the type of the enterprise is concerned 70% of same were

enterprises for producing agricultural bi-products (butter-making, cheese factories, flour mills, potato-starch and sugar-beet factories, vegetable drying, etc.) Next come enterprises for manufacturing and repairing agricultural equipment and implements for cultivating the soil, (mechanical and repair workshops, smithies, etc.).

Agricultural enterprises. The total number of agricultural enterprises of the agricultural co-operatives, in addition to cultural-educational institutions, amounted to 11—12,000 at the beginning of 1925 throughout the U. S. S. R. without the Ukraine as against the existing 4,000 at the commencement of 1924. The main body of enterprises of this type consist in grain-cleaning stations (60%), breeding stations (25%) and land-plots occupied as model farms and gardens (10%); even the lower co-operatives, such as the sugar-beet and others are commencing to employ agronomists. Altogether there are 1,500 agronomists in the Union and co-operatives specially engaged on this work. Some agricultural co-operative organisations are already making considerable expenditure out of their own resources for cultural measures. For instance 1924, 200 co-operatives investigated spent more than 100,000 roubles on agricultural improvement, and on an average 500 roubles each on organisation. Thirty five unions expended for the same purpose 176,000 roubles, or 5030 roubles per union.

There are 20,000 collective farms in the agricultural co-operative system. These are machine societies, societies for collective land cultivation, agricultural artels and communes, being the highest degree of productive co-operation. According to various types the collective estates are divided up in the following manner:

Societies	31 %
Artels	52.4 %
Communes	16.6 %
	100 %

During the past year the formation of a large number of collective societies may be observed, from among the poor and middle elements of the peasants, who have taken up social land cultivation as the simplest and most accessible initial form of collectivisation. Under the influence of economic advantages accruing from the general conduct of these enterprises, the members of the societies gradually transfer to the artel system of farming, socialising the equipment and live stock and the collection and threshing the corn.

One may judge as to the high degree of agricultural methods from the agro-technical point of view according to the statistics on the system of land tillage. Out of 705 collective farms subjected to close observations, 75% employ the modern system of tillage.

On an average the harvest in collective farms is double that of the peasant harvest. Last year marked the commencement of a mass penetration of tractors into the collective farms, which on the large social land areas have proved to be most profitable in their application.

The overwhelming majority of members of collective farms are peasants as may be seen from the following table:

Social Composition	1924	1925
Peasants	85%	96%
Workers	11%	3%
Intellectuals and others	4%	1%
	100%	100%
Economic Status		
Poor peasants	69%	50%
Middle peasants	23%	40%
Rich peasants	8%	10%
	100%	100%

Collectives organised on:		Peasant Holdwigs
State lands		
Cultivation Societies	38%	52%
Artels	45%	55%
Communes	57%	43%
Average	46%	50%

It follows from the above statistics that the collective farms are more and more attracting the various strata of the peasantry.

Enormous tasks confront agricultural co-operation. The plan of operative-financial work for the "Selskosoyus" alone proposes increasing the supply turnover by 306%, and sales turnover by 423% as compared with the preceding economic year 1924—25. During the coming year the "Selskosoyus" turnover should be almost four times last year's turnover.

Such is the manner of the activity of the combined sales and supply of these scattered petty goods producers of agricultural co-operations in the revival and technical progress of agriculture. There are many facts throughout whole territories which go to prove that agricultural co-operation is changing the very nature of agriculture. There are still more facts showing that co-operation has introduced into the countryside a number of separate technical improvements such as tractor work, perfection of agricultural machinery, thoroughbred cattle, etc.

On the whole, agricultural co-operation has become a necessary and organic element of agriculture under the Soviet regime which has already been acknowledged by the peasantry, which is spontaneously strengthening its connections with same.

The National Policy of the Soviets During Eight Years.

By A. Enukidize.

We can provide a speedy and brief reply to the question put by the theme of this article: the results of the national policy of the Soviets for the last eight years have surpassed the most audacious expectations. These results demonstrate that the national policy of the Soviet system has a real live basis.

What are the tasks confronting the Soviet regime in the field of national policy?

This is how these tasks were formulated in the programme accepted by the 8th Congress of the Russian Communist Party: "With the object of overcoming mistrust on the part of the toiling masses of the oppressed countries in the proletariat of the State which has oppressed these countries, it is necessary to abolish all and every kind of privileges of any national group whatsoever, to establish equal rights of nations, and to recognise the right of State secession for the colonies and the nations not having qual rights".

Has the Soviet system fulfilled this task during the past eight years?

This task was two-fold: it was necessary to conduct a previously determined policy in relation to the nations comprising the Soviet Republics and with relation to the people's beyond the borders.

What is the state of affairs within our Soviet Union? Are we at peace, or is there a struggle between separate nationalities?

Let us take a classical country of former national quarrels — Soviet Caucasus, with Azerbadjan, Armenia and Georgia. There they have already forgotten those times when the Azerbaidjans and Armenians under the protection of tsarist officials, spent their time in fratricidal bloodshed. According to the admission of all the foreign delegations which have recently visited Armenia and Azerbadjan, these two countries and Georgia are collaborating peacefully in the Soviet Federated Republic of the Caucasus — the TSFSR. — which they have formed together.

Have the peoples, comprising the former tsarist Russia now really got the right to self-determination?

We have a ready reply — we have a number of autonomous allied Republics — the Ukraine, RSFSR., White Russian SSR., Caucasian SFSR., Kuzbek SSR., and Turkoman SSR. — all these republics have been formed by the free will of the peoples inhabiting them. What is more there are many autonomous republics and regions formed according to national traits.

Having thus gained self-determination, did the nations of the Soviet Republics lose contact with one another? They did

not only retain this contact, but what is more, strengthened it voluntarily forming the Union of Soviet Socialist Republics.

This fact signifies that the separate nations entering the allied and autonomous Republics during the first years of their existence became convinced by the concrete work of the Soviet system, that this system is a bulwark and defence for oppressed nations and decided to unite their efforts on the economic front and for the struggle against their common enemies.

Have we in the Soviet Union realised the complete equality of nations?

This has been realised, as demonstrated by the entire system of State structure of the Soviet Union: firstly, according to the constitution of the Soviet Union, every republic of the Union has the right to leave the Soviet Union independently; secondly, every national formation, every allied and autonomous Republic and autonomous region, participates with equal rights in the decisions of general State affairs through the Council of Nationalities. The Council of Nationalities is the highest expression of this principle of equality — here the small peoples have the majority of votes and can make the most definite decisions on questions having a state significance.

This equality of rights is also observed in the constitution of the authoritative organs of the national formations; each republic and autonomous region has its own local elected organs of power, its Central Executive Committee, and the entire executive apparatus which functions in the national language.

In what other country in the world have such results been achieved in the field of national policy?

But in respect to the other side of the question also, — protecting the rights of the national minorities — no less has been done.

With the formation of national republics and regions, a certain replacement of the national minorities has certainly occurred — Russians, for instance, have now become the national minority in a number of Republics and regions. And the Soviet regime was faced with the task of securing for all these national minorities equal rights on a par with the majority of the population and participation in State and local affairs.

Under the Soviet system the national minorities were enabled to organise their own Soviets, to conduct courts and schools in their own languages, and to carry on correspondence with State institutions in their native language. At the present time throughout the entire Soviet Union the formation of this sort of Soviet of national minorities is in progress.

The Soviet regime has not only formally recognised the equal rights of peoples, and formally protected the rights of the national minorities, but at the same time has come to the material aid of all these national formations: it has commenced establishing a firm material basis for the existence of the autonomous republics and regions — has created their independent budgets, transferred to this budget a number of properties belonging to the Republic and from day to day supplied these national formations out of subsidy funds.

What is more, the Soviet system has set itself the task of developing the independent activity of these Republics and regions by means of developing their productive forces. With this aim in view, the Soviet authorities have begun to place

the local industries on their feet, to vitalise them, and supply them with the necessary fixed capital and to transfer the equipment of factories and workshops not in use in the RSFSR to the autonomous republics and regions.

During the last eight years, as we have seen, all the main demands put forward in our programme before the Party and before the class state, have been fulfilled.

Now we only have to clarify, extend and develop all that we have laid at the basis of national self-determination of the peoples entering the Soviet Union.

And what has been done in the field of our external national policy?

Are not the eyes of all suppressed peoples of the world now turned towards the Soviets? Are they not waiting for aid and deliverance from them? Are not the toilers of China, India, and in fact the whole East and all the enslaved peoples of the colonies sending their fiery greetings to the first Soviet State in the world?

The Soviets, with their national policy, have shaken to their foundation the entire edifice of world imperialism which is constructed on the exploitation of the enslaved peoples.

It was correctly stated in the declaration of the peoples on the formation of the Soviet Union, that only in the Soviet Camp has it been really possible completely to abolish national oppression.

During these eight years an unceasing warfare has been raging in the bourgeois states between the ruling nations and the vassal states, between the enslavers and the enslaved, and the shootings in Africa and in Asia do not subside, during these same eight years there has not been a single case in the Soviet Union of any kind of collision between separate peoples on the basis of the thirst for power of one side and the enslavement of the other.

During these eight years we have completely smashed the tzarist imperialist policy. We have formed a brotherhood of the nations populating the former Russian empire. We have created a Union of Soviet Socialist Republics on the basis of a voluntary concord of equal nations. We have created firm new economic conditions necessary for the cultural development of all nations of the Soviet Union. We have paid particular attention to the life and existence of nations who were dying out under tsarism. We, before anyone else, unconditionally recognised the right of Finland, Esthonia, Latvia and Poland to self-determination.

We were the first to raise the question of liberation of the oppressed nations of the entire world in all its magnitude. With our national policy, we have constructed a beacon during the last eight years which is a symbol of the best expectations of all colonial slaves. During these eight years we have formulated a new national policy based on class principles, on the solidarity of interests of all toilers of all countries of the world.

And by these methods during the last eight years, we have turned our State, our Soviet Union into a branch of an all-world Union of peoples, into a stage on the path towards the formation of a world Union of Socialist Soviet Republics.

Such are the results of eight years work of the Soviets in the field of the solving of the national problem.

The Prospects of People's Education in the RSFSR.

By A. Lunatcharsky.

The economic growth of the Soviet Union, the results of which are especially good this year, has created the most important preliminary conditions for the cultural development of the country. The progress of the Soviet Republic in the field of people's education, of arts and sciences cannot be denied even by those whose attitude towards the Soviet Power is anything but friendly. A further testimony to this is given by the articles and notices which frequently appear in the foreign Press, describing the impressions received by various foreign statesmen, politicians and scientists during their stay in the USSR.

We can of course only speak of achievements in so far as we compare the present with the past.

The most important feature of our offensive on the "third front", as we in the USSR, often call our activities in the domain of people's education (the first front was the military, the second

is the economic one), is its systematic character. The network of the various educational institutions no longer grows and expands spontaneously, in an elementary way, as was the case in the first year after the revolution, but is being spread according to a definite plan, strict consideration being observed with regard to the material means and sources available, and also in close connection with the economic and cultural demands both of the territorial district in question and of the whole country.

One of the chief problems with which the Soviet Power is now concerning itself in the domain of public education, is the introduction of a general elementary education for a period of four years. On Jan. 1st. 1925, only 59.5% of the children of school age (8—11) had the opportunity of going to school. When we consider however, that on Jan. 1st 1924, there were only schools for 47.3% of the children of

school age the figures of Jan. 1st 1925 imply an increase of 13.3%, which at any rate is an advance. It was originally intended that the plan of introducing general elementary education, which was worked out by the People's Commissioners and accepted by the Government, should be completed by 1933. In view however of the rapid development of the country and of the strengthening of its material basis, it is probable that general education will be introduced considerably earlier in most of the provinces. The preparations for the introduction of general education are already being made all over. A necessary preliminary to the construction of the network of elementary schools, is to get exact statistics as to the number of children among the population, but unfortunately we have so far had to make the best of the out-of-date statistics of the census of 1920. The census which is to be taken in 1926, will give us the opportunity of obtaining a more exact statistical foundation for our plan of introducing general education. We already have at our disposal a carefully worked out financial basis for our plan, which provides for an annually increasing State allocation for elementary education. In the current economic year, 1925/26, a beginning is to be made with the erection of new schools. There is, in the budget, an allocation of over 10 million roubles for this purpose and for repairing and renovating existing schools. Great attention is also being paid to the training of adequately qualified workers in our teachers' training schools and technical schools.

Another serious problem which faces the People's Commissioners is the abolition of illiteracy. This campaign is carried on under the slogan issued by W. I. Lenin:

"On the 10th anniversary of the October revolution, there must be no illiterate person in Soviet Russia."

If we bear in mind that, according to the results of the census of 1920, there were still 599 illiterate persons per 1000 inhabitants (over eight years of age), it is evident what an enormous piece of work remains to be done in order to wipe out illiteracy. The activities directed towards this aim have increased in energy from year to year. In 1922/23 there were in the USSR, 2828 elementary schools for illiterate and partly illiterate persons, in 1923/24 there were already 14,803 and in 1924/25 the number of these elementary schools had risen to 42,004. For the year 1925/26 a further increase is planned.

The chief weight in the abolishment of illiteracy is now laid on the country, as the work among the organised strata of society (trade unionists, members of the Red army etc.) can, in its essentials, be regarded as completed. Special attention is further being paid to wiping out illiteracy among the non-Russian peoples and tribes who are backward in culture. In the course of the next few years, the People's Commissioners for Education are intending to publish a number of readers in the Latvian, Ossetian, Balkarian, Karatschian, Circassian, Armenian, Assyrian, Buriatic, Mongolian, Carelian, Gipsy and other languages. A number of readers have also been re-published. An edition of 4 million readers will also appear in the Russian language. On the basis of the experiences of previous years, great stress will be laid, in the elimination of illiteracy, on carrying through a system of teaching individual groups which will be linked up with the schools for illiterates. Emphasis should be laid on the fact that the campaign against illiteracy can only be carried out on so large a scale thanks to the active participation of the workers themselves, more than a million of whom are members of the association "Down with illiteracy".

As regards the Universities and in general the schools for trade and occupational training, we have already to a certain degree met the economic and cultural demands of the State. In the coming academic year, 10,175 engineers, 5103 agriculturalists, 5203 doctors, 2636 teachers, 3589 highly qualified experts in questions of social economy and 739 artists will leave the Universities. The results we have obtained in the proletarianization of the Universities (21.8% students belong to the working classes, 25.6% to the peasantry), will make it possible for us in the future to open the doors of the University, more than was ever the case

previously, to all those who desire University education and have the necessary previous schooling.

As the People's Commissioners for education have now succeeded in creating a firm material basis for the extensive network of schools, the centre of gravity of their work is now transferred to the elaboration of questions of programme and method.

As regards the elementary schools, the so-called schools of the first degree, the most important question is that of introducing into living practice the programmes and plans of study worked out by the State Board of Education. To a certain extent a commencement was made with this last year. During the current year however, the new plans of study will be introduced all through the country. The study of human activities and active work on the part of the scholar himself form the basis of the programme. The teaching is on the "complex system", according to which the study of separate subjects, isolated from one another is replaced by working on a number of central themes which form the centre point for the study of the language as well as of mathematics, natural history, drawing etc. Thanks to the intensive activity of the State publishers (Gossizdat) which is under the control of the People's Commissioner, the schools will, during the current school year, have at their disposal a fairly adequate supply of school books, a necessary prerequisite for regular attendance at school, although up to the present it has not been properly fulfilled.

The pioneer movement (communist children's movement) which flourished exceedingly in the schools in 1924/25, continues to make rapid strides. The People's Commissioners for Education and their local officials, support this movement in every way and endeavour to bring it into harmony with the general school system. A new question, at the solution of which we are only beginning to work, is that of occupational advice for adolescents. A number of appropriate measures were called into being in 1925/26.

The former secondary schools, the so-called schools of the second degree, have, in recent times, passed through a severe crisis, which it will only be possible to overcome during the current school year. These schools, which had inherited from the pre-revolutionary secondary schools the significance of preparatory education for the University and were burdened with elements which were foreign to both the proletariat and the peasantry, were founded neither on production nor on politico-social conditions. The reorganisation of these schools, especially of the last two years, which is at present carried out, has the object of giving the pupils a complete education and turning out qualified average workers for various branches of industry. The fundamental types of the schools of the second degree are the co-operative school, the municipal school, the agricultural school and the social science school.

In the rural districts, a new type of school is being called into life and developed, schools for peasant children, the object of which is to train the pupils to become progressive agriculturalists.

The new tendencies in the domain of programme and method have also penetrated the Universities. The achievements which can already be recorded in some Universities in this respect must, in the course of the current year, be adopted by all the others. The method of seminary teaching and of the laboratory system, which is gradually ousting the old method of lectures, is recognised as being the method which meets the demands of the modern University. It is the task of the Universities to establish a close connection between the theoretical studies of University students on the one side, and their practical work and activity in production on the other side. Particular attention is paid to practical participation on the part of the students in works, undertakings and institutions during the summer.

It is with some satisfaction that we can report a steady increase in the sum spent by the State on education. For the economic year 1925/26, the Budget of the RSFSR provides 90,390,525 roubles for purposes of education as against 69,923,738 roubles in the previous year. Allocations from local budgets will also show a corresponding increase.

The November Day of the Young Workers.

By R. Schüller.

It has rarely happened that the fight for freedom of proletarian Russia has found so strong an echo among the masses of young workers as just now, at the time of the 8th anniversary of the Russian revolution, on November 7th, 1925. There can be no doubt that a swelling flood of sympathy for Soviet Russia is passing over the young workers of all countries, a flood which never reached such a volume except in the first years after the war.

What are the causes of this highly significant phenomenon which, among the adult workers, is finding expression in an increased measure in the growing "orientation towards the East", the movement for trade union unity, the delegations to Soviet Russia, the strengthening of the united front tactics and of the tendency towards the Left among the workers.

In the first place there is the contrast between, on the one hand the situation of the working youth in the capitalist countries steadily growing worse and, on the other hand, the complete revolutionary change and steady improvement in the situation of the working youth in the Soviet Union. The wages of young workers in the capitalist countries continue to decline. This decrease results from either direct attacks on the wages, as in **England**, or from a progressive increase in the cost of living, as in **France, Italy** etc. Equally violent attacks are being made on the working hours, and attempts to prolong them have already brought about that young workers and apprentices work, on the average, for ten hours. Unemployment is having disastrous effects among the young workers. In **England**, for instance, there are at least 300,000 unemployed youth under 18, and no less a number among those between 18 and 21. Youth has actually been robbed of the few social improvements of post-war times, such as holidays on full pay, the prohibition of night work etc.; all these advantages have been so tattered and torn that almost nothing remains.

In contrast to this, we have the position of youth in the **Soviet Union**. The truth with regard to this has long been concealed by the bourgeoisie and social democracy, but, in spite of this, it has now penetrated into the masses of Young workers. A 4 hours' day up to 16, a 6 hours' day up to 18, one month's holiday on full pay in the year, prohibition of night work, pay according to the qualification of the work, all-round general occupational training in technical schools in the works, the enjoyment of all political rights and cultural advantages, these are the most important facts which are becoming more and more known among the working youth of the capitalist countries.

Another strong impulse in the young workers' great new display of interest in the Soviet Union is the danger of war. Like the adult workers, the young workers are feeling the approach of a new and tremendous conflict, and know that the attack will in the first place, be directed against the Soviet Union. Many socialist young workers, who have for years turned a deaf ear to the agitation of the Young Communist League, have now been shaken out of their indifference by the talk of war in their own ranks. Thus, for instance, Kautsky's poisonous articles in which he calls for armed insurrection and for intervention against the Soviet Power, have roused great indignation in wide circles of the young workers belonging to the **Socialist Party in Austria**, and have contributed in no small degree, to its disintegration.

An unexampled cataclysm is shaking the social democratic youth leagues. Large numbers, who have hitherto been their adherents, have grown thoroughly tired of their inactivity and especially of their opposition to the Soviet Union. Thus for

instance, in many countries, an extraordinary decrease in the membership of the young socialist leagues of and at the same time a strong development of a tendency towards the Left within them is evident. The Y. S. L. in **Austria** has decreased from 35,000 to 19,000 members and, according to the latest, confidential but official data of its officials, to 9000. The best elements in **Vienna** — just because of its attitude towards the question of Soviet Russia — have split off from it and founded the **Independent Socialist League of Young Workers**. There is however still violent opposition within their ranks. The Young Socialist Guards of **Belgium** have fallen from 24,000 to 10,000 in membership. Their only strong and active district organisation is **Brussels**, and that only because the Left elements, which sympathise with the communists, are very strong. Even in stabilised **Germany**, the membership of the Y. S. L. has fallen from 110,000 to 90,000. But even these figures are much exaggerated, as their organ has a circulation of only 55,000. In **England**, the various shades of the tendency to the Left is very strong among the members of the young socialist group, and there is universal sympathy for the Soviet Union.

The Young workers are longing to see with their own eyes what is happening in the Soviet Union. In spite of the threats of expulsion on the part of the social democrats, a delegation of young workers from **Austria**, consisting mainly of social democrats and independent socialist, has already visited the Soviet Union. On the eighth anniversary of the proletarian revolution, an international delegation of Young workers, consisting of about 50 members, will arrive in **Moscow** from **Germany, France, Belgium, Czechoslovakia**. These delegations can come to no other conclusion than did the delegation of **Austrian** young workers, who, after a month's study in the Union, stated:

"Through our report on the USSR., we shall convince you, our young comrades in **Austria**, that the way of the Russian proletariat is the only right way, that the way which leads via the dictatorship of the proletariat is the only one to bring us to the final aim of socialism. The way of the young workers in other countries, which still have a capitalist regime, is the way of unity with the Russian proletariat, the way of a trade union and political united front. Let us stand by our Russian brothers in the fight against capitalism."

One fact will not fail to make the greatest impression on all young workers who come to the Soviet Union; — they will recognise that, without **Leninist tactics**, without a **Bolshevist Party** and **communist mass organisation** of young workers, it is impossible to attain and to maintain the rule of the working class and all the achievements of the young workers, which they see there. The Russian Leninist Young Communist League with its 1½ million members and its 1½ million pioneers in the children's movement makes a tremendous impression on every young worker. We have ourselves seen, how even the most convinced social democrats visibly change their point of view when they come into immediate touch with the **RYCL** and the **Young Communist International**. The evidence of facts is too strong. They cannot but recognise that the only leaders of the young workers are the **YCL** and the **YCI**.

This recognition must prompt our comrades to study Lenin's teachings far more thoroughly than they have done hitherto, and to put them into practice, to penetrate still further into the masses and, in the daily fight for the demands of the young workers, to form themselves into a mass organisation and to become the only leader of the young workers.

Page 1192
of
Imprecor 1925 Nov 3 Vol 5 No. 78

is

BLANK

M.H.G.

sept 2021