

Workers of all lands, unite!

***For a Lasting Peace,
For a People's Democracy !***

**Bucharest. Organ of the Information
Bureau of the Communist and Workers'
Parties**



NO, 3(30), TUESDAY, FEBRUARY 1, 1949



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The Socialist Truth in Cyprus-London Bureaux
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E-Book: November 2018

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BUILDING SOCIALIST ECONOMY IN THE NEW DEMOCRACIES

Big changes have taken place during the past few years in the political and economic life of the countries of Central and Southeastern Europe, liberated by the Soviet Army from the fascist yoke. The State system of people's democracy has been established and strengthened in victorious struggle against reaction: the Communist and Workers' Parties have enhanced their influence; their fusion on the basis of Marxism-Leninism has put an end to the split in the working-class movement in these countries; land reform has been carried out; the basic industries, the banks, foreign and large-scale home trade have been nationalised. These measures have furnished the necessary preconditions for the successful building of socialist economy. All the countries of the new democracy have regained the pre-war level of industrial output; some have even considerably exceeded this level—Poland, for example, by 50 per cent. Czechoslovakia 10 per cent, Hungary 27 per cent, and Bulgaria by 71 per cent. In Rumania also, many of the basic industries have topped the pre-war level.

Agriculture, too, is now on the upgrade in the new democracies. State assistance to the labouring peasantry, the mechanisation of agriculture on the basis of the growing network of State tractor depots, not to mention other measures, are contributing to this. The agricultural producer associations in the countryside, organised on the voluntary principle, are beginning to acquire considerable importance in the reorganisation of agriculture. Increased output of consumer goods and agricultural products, has resulted in the complete abolition of rationing in Poland, almost complete abolition in Hungary, and partly in the other new democracies. Prices have been lowered on commodities and staple goods. Far-reaching

social-cultural measures are being carried out, real wages are increasing, and the standard of living is improving.

Economic rehabilitation in the new democracies is based on the decisive, nationalised branches of economy, and is proceeding parallel with the development of the socialist sector of the economy. The output of the means of production—heavy industry, machine-building—is growing more rapidly than the output of consumer goods; the relationship of industry to agriculture is undergoing change, a fact which is contributing to the gradual transformation of a number of backward agrarian countries into industrial-developed countries. All this strengthens the independence of the new democracies, and furnishes the preconditions for their rapid development on the basis of socialist economy.

The new democracies are now emerging from the phase of restoring their economies on the basis of short-term plans, to the reorganisation and development of the economy in keeping with long-term planning. Czechoslovakia and Bulgaria have begun work on their Five-Year Plans. Poland, which is completing her Three-Year Plan ahead of schedule, is getting-ready to begin her Six-Year Plan.

The long-term plans call for the industrialisation of the new democracies, for accelerated development of heavy industry, modernising industry, a substantial increase in the ratio of socialist industry in the economy, the further mechanisation of agriculture, a considerable increase in industrial and agricultural output, in the national income and in the well-being of the working people.

The new democracies have started to lay the foundations of Socialist economy. Building a socialist economy means eliminating the still remaining capitalist production, means creating the conditions for switching small-scale production onto the rails of Socialism, it means eliminating any and every possibility of restoring capitalist relations. This is a task that

calls for time and the maximum effort to overcome serious difficulties. To achieve this it is necessary, above all, to strengthen the people's democratic regime which is carrying out the functions of the dictatorship of the proletariat, organising the masses and drawing them into the work of socialist construction on an ever wider scale. The Communist and Workers' Parties are now concentrating on strengthening and extending the nationalised branches of economy, on a consistent policy of restricting and dislodging the capitalist elements. both in town and countryside, on an all-round consolidation of the alliance of the working class with the labouring peasantry.

The Communist and Workers' Parties are the guiding and leading force in the struggle of the working people to lay the foundations of socialist economy In the new democracies. The Party organisations are carrying on a successful struggle for early fulfilment of plans, for raising the productivity of labour and for careful economy. The local Party organisations are guiding the socialist emulation, and the struggle to improve the organisation of labour; they are popularising the experience of the leading workers. The old technical intelligentsia is being re-educated and the conditions furnished for creating a new intelligentsia from among the workers and labouring peasants.

In their struggle for Socialism, the working people of the new democracies are relying on the first Socialist State in the world—on the powerful Soviet Union, which is rendering extensive fraternal assistance to these countries. As a result of successful economic co-operation, expressed above all in increased trade between them, the new democracies and the Soviet Union are now in a position to accelerate the rehabilitation and development of their national economy. Close co-operation with the Soviet Union enabled the new democracies, which by themselves lacked sufficient forces and resources, to defend their independence against the onslaught

of American imperialism and to register substantial gains in their national economy in a short space of time.

The treacherous Titoites in Yugoslavia, who have taken up the stand of bourgeois nationalism, have broken with the Soviet Union and the new democracies, have linked up with Anglo-American imperialism, have resorted to venturesome Trotskyite measures in the economic sphere, which have resulted in a serious worsening of the standard of life for the working people of Yugoslavia. The Plan is not being fulfilled, the kulaks are digging in, and supplies to the working people of town and country are in a precarious state. Indignation at this anti-people's policy being pursued by Tito and his followers is growing among the working people of Yugoslavia.

Mutual co-operation between the new democracies and the Soviet Union has been further strengthened and has yielded considerable new successes during the recent past. This was stressed by the economic conference of representatives of the new democracies and the Soviet Union, held in January, which recognised the need of establishing a Council for Mutual Economic Aid. The conference noted that "the Governments of the United States, Britain and several other countries of Western Europe are actually boycotting trade relations with the new democracies and the Soviet Union, because these countries do not consider it possible to submit to the dictation of the Marshall Plan, since this Plan violates the sovereignty of countries and the interests of their national economy.

"In view of this circumstance, the Conference discussed the question of the possibility of organising wider economic cooperation between the new democracies and the Soviet Union."

The aim of this Council is the exchange of economic experience, granting of mutual technical aid, raw materials, foodstuffs, machines, equipment, etc.

The Council for Mutual Economic Aid will be based on the

complete equality of all its members. The organisation is open to other countries in Europe sharing the principles of the Council and willing to take part if broad economic co-operation with the Soviet Union and the countries of the new democracy.

The establishment of the Council, which has been enthusiastically received by the working people opens up a new phase in the development of economic co-operation between the new democracies and the Soviet Union. It will help to accelerate the growth of the productive forces and to raise the standard of living, will speed up the building of Socialism in the new democracies, and will make their independence more secure.

The Soviet Union and the new democracies are co-operating on the basis of complete equality and respect for the sovereignty of the member Countries. In Western Europe, the dominant position is held by American imperialism, which, under the guise of “aid”, is seeking a bigger market for American goods and is trying to enslave the European countries and to make them “economically and politically dependent on the dominant capitalist monopolies in the United States and on their aggressive plans, regardless of the interests of the peoples of Europe.” (Molotov).

The policy of American imperialism is aimed at world domination. This is evident once again in President Truman’s recent message. U. S. ruling circles, under the guise of fighting Communism, are endeavouring to use the United Nations for their aggressive plans; they are trying, through the Marshall Plan, to enslave the peoples of Europe, to postpone the approaching economic crisis in the U.S.; they are organising military blocs and alliances against the Soviet Union and the new democracies.

The attitude of the U.S. to the so-called North Atlantic Pact shows that the ruling circles of the United States and Great

Britain have resorted to the policy of open aggression with the aim of establishing by force, Anglo-American world domination, in accordance with which a policy of unleashing a new war is being pursued.

The North Atlantic Alliance which is being formed outside the framework of the United Nations, cannot serve the cause of peace; it pursues aggressive aims.

The initiators of the Pact are endeavouring to establish military bases close to Soviet frontiers, a fact which by no means speaks of peaceful aims.

The recent statement of the Ministry of Foreign Affairs of the U.S.S.R, concerning the "North Atlantic Pact", which puts the question clearly and directly, exposes the plans of the warmongers, lays bare the danger threatening the cause of peace and the vital interests of advanced and progressive mankind.

The peoples of the world, who see in the machinations and crafty designs of the Anglo-American imperialists the strivings of the black forces of reaction to once again embroil mankind in the horrors of sanguinary war, listen closely to the voice of the Soviet Union, which staunchly and, courageously, is fighting for peace and security for the peoples.

The so-called European recovery policy pursued by the American imperialists stands revealed as a policy of violence and domination to achieve which, every form of pressure is brought into play.

Economic co-operation between the new democracies and the Soviet Union is a striking expression of genuine democratic cooperation, based on the recognised principle of equality and mutual assistance, aimed at promoting the national economy and securing the well-being of peoples.

It goes without saying that the new democracies will unfold their energies to the full on the basis of this economic cooperation that they will show their mettle in the struggle for

Socialism, in new militant deeds and in the successes of their peoples.

CREATION OF MUTUAL ECONOMIC AID COUNCIL

In January of this year there was held in Moscow an economic meeting of representatives of Bulgaria, Hungary, Poland, Rumania, the U.S.S.R. and Czechoslovakia.

The meeting noted the considerable successes in the development of economic relations among the countries mentioned, which were evident especially in the great increase of the exchange of goods. The establishment of these economic relations and the carrying out of a policy of economic cooperation made it possible for the countries of the people's democracies and the U.S.S.R. to speed up their reconstruction and the development of their national economies.

The meeting further affirmed that the governments of the United States of America, Britain and several other western European countries are actually boycotting economic relations with the people's democracies and the U.S.S.R. because those countries do not consider it possible to submit to the dictation of the Marshall Plan, since this Plan violates the sovereignty of countries and the interests of their national economy.

In view of this circumstance, the Conference discussed the question of the possibility of organising wider economic cooperation among the people's democracies and the U.S.S.R.

To realize broader economic cooperation among the people's democracies and the U.S.S.R., the meeting considered it necessary to establish a Council for Mutual Economic Aid from representatives of the countries participating in the meeting, on the basis of equal representation, which will have as its aim the exchange of economic experience granting of mutual technical aid, raw materials, foodstuffs, machines, equipment, etc.

The meeting noted that the Council for Mutual Economic

Aid is an open organization which can be entered by other European states which agree with the principles of the Council for Mutual Aid and which wish to participate in broad economic co-operation with the above-mentioned countries.

The Council for Mutual Economic Aid will make decisions only with the agreement of the interested country.

The Council will meet for regular sessions in rotation in the capitals of the participating countries under the chairmanship of the representative of that country in whose capital the session is held.

**COMRADE J. V. STALIN REPLIES TO
QUESTIONS BY MR KINGSBURY SMITH,
EUROPEAN GENERAL MANAGER OF THE
AMERICAN AGENCY "INTERNATIONAL
NEWS SERVICE", SUBMITTED JANUARY
27, 1949**

Question 1: Would the Government of the U.S.S.R. be prepared to consider the matter of publishing jointly with the Government of the United States, a declaration affirming that the respective Governments have no intention of resorting to war against one another?

Answer: The Soviet Government would be prepared to consider the matter of publishing such a declaration.

Question 2: Would the Government of the U.S.S.R. be prepared to carry out jointly with the Government of the United States of America, measures aimed at realising this Peace Pact, such as gradual disarmament?

Answer: It goes without saying that the Government of the U.S.S.R. could co-operate with the Government of the United States of America in carrying out measures directed towards realising a Peace Pact, and leading to gradual disarmament.

Question 3: If the Governments of the United States of America, the United Kingdom and France agreed to postpone the setting up of a separate West German State pending a meeting of the Council of Foreign Ministers to consider the German problem as a whole, would the Government of the U.S.S.R. be prepared to raise the restrictions introduced by the Soviet authorities on communications between Berlin and the

Western zones of Germany?

Answer: Provided the United States of America, Great Britain and France observe the conditions set forth in question 3, the Soviet Government sees no obstacles to raising the transport restrictions, on the understanding, however, that the transport and trade restrictions introduced by the three Powers, be raised simultaneously.

Question 4: Would Your Excellency be prepared to meet President Truman in any place, mutually acceptable, to discuss the possibilities of concluding such a Peace Pact?

Answer: I have said before that there are no objections to a meeting.

SOCIALIST UNITY PARTY OF GERMANY HOLDS FIRST CONFERENCE

The First Conference of the Socialist Unity Party of Germany took place in Berlin on January 25-28, and was attended by 443 delegates.

In their speeches the representatives of the fraternal parties of 14 countries voiced the solidarity of the working people of Europe with the struggle, headed by the Socialist Unity Party, for a united democratic Germany, and against transforming her Western zones into a colony and military base of American imperialism.

A particularly warm ovation was accorded Comrade Suslov, representative of the Communist Party of the Soviet Union and Secretary of the Central Committee of the CPSU(B)—who conveyed the following message of greetings to the conference:

“The Central Committee of the Communist Party of the Soviet Union sends fraternal greetings to the Conference of the Socialist Unity Party of Germany and wishes it every success in its work.

“The Socialist Unity Party of Germany has carried out considerable work in rallying the democratic forces of the German people to the struggle for the historical transfer of Germany onto the new, peaceful, democratic path of development which opened with the destruction of German fascism.

“The Socialist Unity Party of Germany embodies the finest revolutionary, international traditions of the German proletariat, it expresses the national interests of the German people in their struggle for a united democratic Germany.

“The Central Committee of the Communist Party of the Soviet Union, wishes the Socialist Unity Party of Germany

every success in the work of reinforcing the democratic gains and in advancing the material well-being of the people, success in the struggle for a united, peace, loving, democratic Germany, against dismemberment of the country, against the instigators of a new war and their German accomplices who are seeking to involve Germany in the catastrophe of another war.

“We are confident that the Socialist Unity Party of Germany—the vanguard of German democracy—will fulfil with honour, the great historical tasks facing it.

“Long live the unity of the working people of all countries fighting for peace and democracy!

“Long live the Socialist Unity Party of Germany!

Central Committee of the Communist Party of the Soviet Union”

Comrade Suslov’s words met with a stormy ovation in honour of the Bolshevik Party and Comrade Stalin.

The conference agenda consisted of the following three points: 1. The struggle for peace, and against the warmongers—report by W. Pieck; 2. Some lessons in the sphere of State and economic policy and the carrying out of the Two-Year Plan—report by W. Ulbricht; 3. Party policy and the transformation of the Socialist Unity Party into a party of a new type—report by O. Grotewohl.

In his report, Comrade Pieck gave a detailed analysis of the international situation, emphasised the growth and strengthening of the democratic anti-imperialist camp and its successes in the struggle for peace. A considerable part of the report was devoted to exposing the policy of the Western occupation powers, which from the very outset, has been a policy of dividing Germany, of colonising her Western zones and turning them into a jumping-off ground for aggression against the Soviet Union. Referring to the political situation in

the Soviet zone, the speaker criticised the incorrect attitude of certain comrades who erroneously identify the situation in the Soviet zone with the system of people's democracy. This incorrect position hampers the consolidation of all anti-fascist forces in Germany into a united front of struggle for a democratic German State. The cardinal task of the Party is to fight for national unity and for the signing of the peace treaty. This struggle is at the same time, a struggle for the peaceful, democratic development of the German people and for peace throughout Europe. Comrade Pieck stressed the importance of inculcating the spirit of internationalism among the German people, and, above all, the need of strengthening friendship with the peoples of the Soviet Union and Poland.

Comrade Ulbricht spoke in detail about the Two-Year plan for the rehabilitation of the economy in the Soviet zone. The prime object of this Plan is to reach the pre-war output in industry and agriculture.

Comrade Ulbricht outlined the concrete tasks of the Party in industry and agriculture, culture, social security and in the sphere of improving the material conditions of the population in the Soviet zone.

Comrade Grotewohl pointed to the different conditions under which the Workers' Parties in the People's Democracies and the Socialist Unity Party of Germany carry out their work.

"In the Soviet zone of Germany," he said, "we are building an anti-fascist, democratic system which differs radically from bourgeois-parliamentary democracy. But there is no working-class rule in Germany, no peace treaty, nor is there a unified State. That is why the Socialist Unity Party centres the attention of the Party and of the people, above all, on questions which are vital to all Germany".

Comrade Grotewohl stressed the need to strengthen the bloc of the democratic forces under the leadership of the working class.

The struggle for national unity and peace is closely linked with the development of international consciousness and solidarity among the working people of Germany. Comrade Grotewohl quoted facts testifying to the treachery of the Schumachers who are performing the role of quislings and spies of the British and American intelligence services. Concluding his speech Comrade Grotewohl dwelt in detail on the task of transforming the Socialist Unity Party into a new type of party, the vanguard of the working class. He stressed the need to combat ideological vacillations, to sharpen vigilance in relation to opportunist and hostile elements who are engaged in undermining activities inside the Party.

After discussing these reports, the delegates unanimously adopted detailed decisions which, outlined the tasks of the Party in the struggle for the unity of Germany and a just peace, the tasks of further developing economy and culture, and of improving the work of the administrative bodies.

Of special significance for strengthening the Party are the decisions of the Sixteenth Plenum of the Central Board of the Party, held on January 24, concerning the need to improve the social composition of the Party, the introduction of probationary membership for recruits, the formation of the Political Board of the Party and Central and Regional control commissions.

The conference addressed a manifesto to the people of Germany.

The conference was distinguished by its remarkable enthusiasm and unanimity.

UNDER THE GREAT LENIN-STALIN BANNER TO VICTORY OF COMMUNISM

**Report Delivered by P. N. Pospelov on January
21, 1949 at Memorial Meeting in Moscow on
Occasion of 25th Anniversary of Death of V. I.
Lenin**



Comrades, a quarter of a century has passed since that bitter day when the heart of the greatest of men, the genius of the revolution, of the leader teacher and friend of all toiling humanity, the founder of the Communist Party and the creator of the Soviet State, Vladimir Ilyich Lenin, ceased to beat.

In those days of mourning; Comrade Stalin, at the Second Congress of Soviets, made the historic vow in the name of the Bolshevik Party to hold high and guard the purity of the great title of Party member; to guard the unity of our Party as the apple of our eye; to guard and strengthen the dictatorship of the proletariat; to strengthen with all our might the alliance of the workers and the peasants; to strengthen fraternal co-operation among the peoples of our country and to consolidate and extend the Union of Republics; to strengthen our Soviet Army and Soviet Navy; to strengthen and extend the union of the toilers of the whole World.

This was the great vow the Bolshevik Party made to its teacher and leader Lenin, who will live throughout the ages. Under the leadership of Comrade Stalin, the worthy continuer of Lenin's work, the Party has observed and is observing this vow with credit and is leading our country along the path mapped out by Lenin.

In his inspired speech at the Second Congress of Soviets, Comrade Stalin vividly described the grandeur of the immortal Lenin: "The grandeur of Lenin consists above all in the fact that by creating the Republic of Soviets he thereby demonstrated in practice to the oppressed masses of the whole world that the hope of deliverance is not lost, that the rule of the landlords and capitalists is short-lived, that the kingdom of labour can be created by the efforts of the toiling people themselves and that the kingdom of labour must be created on earth and not in heaven. Thereby he fired the hearts of the workers and peasants of the whole world with the hope of

emancipation. This explains why the name of Lenin has become the most beloved name among the toiling and exploited masses.”

The quarter of a century which has passed since Lenin's death has been a period of untiring struggle of the Communist Party and the Soviet people to give effect to Lenin's behests. The Soviet people have by their heroic and self-sacrificing labour built socialist society. The land of Socialism, which saved the world from enslavement by fascism, has become an inextinguishable beacon, the torch and hope of all toiling humanity, all impregnable bulwark of the forces struggling for a lasting peace, democracy and Socialism.

We owe the epoch-making victories of Socialism above all to him who raised high aloft the banner of Leninism, Lenin's great colleague and the continuer of his case, the wise leader of our Party and people, Comrade Stalin (*Stormy, prolonged applause*)

I. Victory of Socialism in U.S.S.R. is Embodiment of Ideas of Leninism

Lenin forged and steeled in the fire of three revolutions the great and mighty Bolshevik Party, a party of a new type which has proved itself to be “the mind, honour, and conscience of our epoch” The Party of Lenin and Stalin brought the working class to victory in October 1917; it has brought our people to the victory of Socialism because it is armed with the advanced revolutionary theory of Marxism-Leninism which correctly reflects the needs of development of the material life of society.

The Great October Socialist Revolution ushered in a new era in the history of mankind, an era when capitalism is collapsing and Socialism triumphing. The front of imperialism

was breached for the first time, the world capitalist system sustained a mortal blow. Lenin's theory of socialist revolution emerged victorious. The reformist theories of the Right Socialists, these lackeys of imperialism, to the effect that the capitalist system was immutable, suffered a crushing defeat.

The socialist revolution showed what an important leading and directing role can and should be played in history by the revolutionary Marxist party of the proletariat, by the party which has, assumed the leadership of the foremost class, the party which has succeeded in firing the great energies of the masses for the great aim of liberation from the yoke of imperialism, for the great aim of creating a socialist society.

Lenin repeatedly quoted the well-known statement of Marx that "together with the thoroughness of the historical action will consequently grow the size of the masses whose cause it is." Lenin stressed that this was one of the most important and profound concepts of the Marxist historical-philosophical theory.

"To raise the lowest of the lower ranks and make them creators of history", this is the way Lenin at the beginning of 1918 formulated one of the fundamental tasks of the socialist revolution. And this great task was performed. The socialist revolution, in contrast to bourgeois revolutions of the past, was a most thorough and profound historical action, and, therefore, it turned into active makers of history tens of million of people, who, until then, had stood outside of politics, who had been downtrodden and crushed by the landlords and capitalists, by eternal poverty and want.

The enemies of Leninism, the agents of international imperialism, the contemptible Trotskyites, Zinovyevites, Bukharinites tried to frustrate the building of Socialism, to poison the soul of the working class with the virus of Menshevist disbelief in the possibility of the victory of Socialism in our country. They worked for the restoration of

capitalism.

After Lenin departed from the scene of action, there took final shape in the struggle against the enemies of the Party, that guiding core of our Party which upheld the great banner of Lenin, which rallied the Party around Lenin's behests and led the Soviet people onto the highroad of industrialisation of the country and collectivisation of agriculture. The leader of this core and the guiding spirit of the Party and state was Comrade Stalin. In the struggle against the enemies of the Party and the people. Comrade Stalin upheld and thoroughly elaborated Lenin's teaching regarding the possibility of the victory of Socialism in our country, and ideologically armed our Party and our people with this teaching. Continuing Lenin's work, Comrade Stalin created an integral and complete doctrine of the Socialist state and armed the Party and the people with it.

Lenin taught that the chief material basis of Socialism is large-scale industry, which is also capable of reconstructing agriculture. Basing himself on Lenin's teachings, Comrade Stalin worked out the principles of the Socialist industrialisation of our country, its ways and methods. He showed that the essence of industrialisation lay in the development of heavy industry, of which machine building was the heart

The great idea of Lenin and Stalin, the idea of the possibility of the victory of Socialism in our country, gripped the minds of the masses and became a powerful material force. The heroic labours of the millions of builders of socialist industry in the years of the Stalin Five-Year Plans will go down in history.

Way back in the early years of Soviet power. Lenin spoke of the enormous significance of socialist emulation.

Comrade Stalin has called socialist emulation a Communist method of building Socialism. The millions of participants in Socialist emulation, gripped by enthusiasm engendered by the

great work of building Socialism, feel that they are active makers of history.

In an unparalleled short period, from 1928 to 1940, that is only thirteen years, our country made a gigantic leap from backwardness to progress. The land of Socialism became completely independent technically and economically of the capitalist encirclement and prepared for every eventuality, for active defence.

The building of Socialism could not be confined to industry alone; it was also bound to embrace agriculture. The Party bore in mind Lenin's warning that "so long as we live in a small peasant country there is a stronger economic base in Russia for capitalism than for Communism"; and that individual peasant farming, by its very nature engenders capitalism and a bourgeoisie constantly, daily, hourly, spontaneously and on a mass scale. The power of the Soviets could not for any prolonged period of time base itself on two different foundations—the foundation of advanced large-scale socialist industry, and the foundation of backward small-proprietor peasant farming.

On the basis of Lenin's co-operative plan Comrade Stalin elaborated the theory of the collectivisation of agriculture. It was he who inspired and organised the collective farm system.

The Party succeeded in changing the way of life and habits of thought of tens of millions of peasants, in switching them onto the rails of Socialism, to overcoming the force of age-old habits of millions. The deepest roots of capitalism were torn up. Equipped with up-to-date machinery, socialist agriculture was enabled to develop continuously and rapidly. In 1924, gross production of grain was only 3,100 million poods; in 1940 it rose to 7,300 million poods. Even greater was the increase in the remarkable surplus of agricultural produce.

Thus both in agriculture and in industry, there fully revealed itself the law that the development of the productive

forces is expedited when they are freed from capitalist relations of production.

One of Lenin's most important behests was to bring about the cultural revolution. The socialist revolution engendered in the people an unprecedented thirst for knowledge, a yearning for enlightenment and culture. The Soviet State does everything in its power to satisfy this thirst for knowledge. The years of socialist construction were years of the greatest cultural revolution. Universal literacy was achieved in the Soviet Union; universal, compulsory elementary education in the languages of the peoples of the U.S.S.R. was introduced; the number of schools and the number of pupils of all grades increased as well as the number of specialists graduated by the higher schools. A new socialist intelligentsia came into being, an intelligentsia of the people.

The Party has fulfilled Lenin's behest regarding the building of a socialist society in our country, For the first time in the history of the world, a social system has been created in which exploitation of man by man has been abolished forever, a system exempt from the anarchy of production, crises, unemployment, impoverishment of the masses, a system in which the way is open for all working people in the U.S.S.R. to a prosperous and cultured life.

Whereas the capitalist world, in the period between the two world wars, was stricken by a number of economic crises and depressions, and industrial output in the principal capitalist countries marked lime around the pre-war level, never rising more than 20 or 30 per cent above it, industrial output in the Soviet Union. between the years 1913 and 1938 increased more than nine-fold and by 1941 nearly twelvefold. In respect to the rate of increase of output, socialist industry advanced to first place in the world.

The Stalin Constitution of the U.S.S.R., the Constitution of victorious Socialism and full-scale socialist democracy,

summed up the grand achievements of the working people of our country. These achievements, show that Socialism and democracy are invincible.

The effect of the victory of Socialism and complete elimination of the remnants of the exploiting classes has been to render Soviet society morally and politically united and to knit close ties of friendship among the peoples of the U.S.S.R., which is the pledge of their prosperity and invincibility. This moral and political unity, this friendship among the peoples of the U.S.S.R., and this Soviet patriotism, have become powerful motive forces of our society.

The great advantage of the socialist system, its inexhaustible vital force based upon conscious participation by the millions of Soviet people in the making of history, the invincible might of the Soviet State, the most stable State in the world—were demonstrated with particular cogency during the Great Patriotic War.

The Soviet people proved themselves a nation of heroes, of dauntless and courageous fighters inspired by the life-giving ideas of Soviet patriotism and faith in the invincibility of their just cause.

The epoch-making victory over fascism was inspired and organised by the glorious Bolshevik Party, by the wise leader and teacher of the Party and the people, the brilliant strategist of the proletariat, the greatest leader of armies of all times and nations—Comrade Stalin. (*Stormy, prolonged applause.*)

The Soviet people are accomplishing miracles of labour heroism, fulfilling the post-war Stalin Five-Year Plan ahead of schedule and successfully coping with the task of building a Communist society. The national economy of our country is steadily on the upgrade and increasing the speed of its advance from year to year.

The 1948 programme of gross industrial output was fulfilled 106 per cent. Gross industrial output in 1948 exceeded

the level of the pre-war 1940 by 18 percent. It is a significant fact that in the regions which suffered from German occupation, gross output increased in the course of three year by 41 per cent. Such important branches of socialist industry have fulfilled their programmes for the third, decisive year of the Five-Year Plan ahead of schedule as among others, iron and steel, coal, chemical and machine building. While ensuring a fast rate of socialist reproduction on an expanding scale in heavy industry, the Party and Government are at the same time paying great attention to the development of the country of an abundance of food and consumers goods in order to promote a continuous and rapid rise of the material and cultural standards of the working people.

In 1948, new highly productive machinery and advanced technological and production processes were effectively mastered and introduced in the national economy of the U.S.S.R. On the initiative of the workers of Moscow, a new patriotic movement developed for the mobilisation of internal resources, profitable operation of plants and for accumulation in excess of the plan assignments. Economies effected over and above the plan as a result of the lowering of production costs in industry, amounted in 1948 to over six billion rubles. The pre-war level of economic development of the U.S.S.R. has not only been attained but surpassed. The conditions have been assured for further economic progress and further improvement of the material and cultural standards of the people.

The majority of our plants and branches of industry have undertaken to achieve the level of production of the Five-Year Plan, in four and even in three and a half years. There is no doubt that these patriotic pledges will be met with honour!

The great superiority of the socialist economic system is most vividly manifested in the rapid progress of agriculture which suffered heaviest of all from the war. In 1948, the gross cereal crop all but reached the level of the pre-war year of

1940, notwithstanding the drought in the Volga area, agriculture is successfully coping with the task of steadily raising the efficiency and technique of farming, increasing crop yields and productivity of animal husbandry. Our country has now proceeded to put into effect the historic decision of the Party and Government calling for the planting of extensive shelter forest belts, the introduction of lea crop rotation and construction of ponds and reservoirs. This sweeping plan for the transformation of nature, adopted on Comrade Stalin's initiative, has inspired the collective farm peasantry and all our working people with determination to achieve new and magnificent aims worthy of the era of Communism.

In the capitalist countries, in spite of the fact that more than 3 years have elapsed since the end of the war, the conditions of the working masses are not improving but are, on the contrary, growling steadily worse. Unemployment is in creasing, the masses are becoming impoverished, and reaction, growing more and more insolent, is intensifying its offensive against the fundamental rights of the working people. The capitalist world is being torn by acute class conflicts and the economy of the capitalist countries cannot overcome the profound contradictions of the post-war period.

In the Soviet Union, which bore such incredibly severe sacrifices for the sake of victory over fascism, economic progress is accompanied by steady improvement of the material welfare of the working people. As a result of the currency reform and reduction of prices on food and manufactured goods, as well as the growth of money wages, the real wages of factory and office workers more than doubled during the past year.

Socialist emulation in the countryside for the fulfilment and overfulfilment of the national economic programmes, and for better quality of output in all branches, indicates what a great force is the moral and political unity of the Soviet people,

closely rallied around the Party of Lenin and Stalin. The new and powerful progress made by our country since the war is a manifestation of the all-conquering might of Leninism.

We, Soviet people, have won, are winning and will continue to win, thanks to our supreme devotion to Leninism (*Applause.*)

II. Leninism—Banner of Liberation of Working People of World

Lenin's great teachings are more and more profoundly influencing the whole course of world history. They supply millions of working people. In the capitalist countries with Ideological weapons for the struggle for their liberation. The 25 years since Lenin's death have provided graphic confirmation of the enormous international significance of Leninism which indicates to the workers of all countries the only true way to achieve their emancipation from the yoke of imperialism and to build their lives on new socialist lines.

Lenin's analysis of imperialism and his theory of socialist revolution, developed by Comrade Stalin, disclosed the irreconcilable contradictions, the deadly ulcers of capitalism. In the era of imperialism, the development of capitalism as a whole follows a descending curve. Imperialism is moribund and decaying capitalism; for the workers it means increasing unemployment and poverty, a rising cost of living, intensified political reaction and' national oppression.

Manifestations of the general crisis of capitalism were such events as the First World War, the Great October Socialist Revolution, the Second World War, the series of economic crises and depressions in the capitalist countries in between the two world wars, and the growth of the national liberation movement in the colonies and semi-colonies.

“Capitalism is perishing” said Lenin in 1921; “But although it is perishing it may yet cause incredible suffering to hundreds and thousand of millions of people, but no power can save it from downfall. A new society, which will be founded on an alliance of workers and peasant, will arise inevitably. Sooner or later, twenty years sooner or twenty years later, it will come, and it is for it, for this society, that we are helping to work out the forms of alliance between the workers and the peasants.”

The whole course of world-historic development has demonstrated the truth of Lenin’s conclusions that the downfall of capitalism and the triumph of Communism are inevitable, and has revealed the treachery of the reformist lackeys of capitalism who are trying to save it from its inevitable doom.

As a result of the world historical victory of the Soviet Union over the fascist states in the Second World War, a number of countries of Central and Southeastern Europe dropped out of the capitalist system. These countries have established regimes of people’s democracy and have taken the road of socialist development. A new breach has thus been forced in the imperialist world system.

In the people’s democracies, the power of the working people has been established, guided by the working class, and which acts in an alliance with the working people of town and country.

The military defeat of the fascist aggressor states, the sharp accentuation of the general crisis of capitalism, the close cooperation between the U.S.S.R. and the people’s democracies, made it possible for the latter to effect the transition from capitalism to Socialism through the medium of the regime of people’s democracy. Relying for support on the U.S.S.R. and people’s democracies, embodying the rule of the working people, under the leadership of the working class, the people’s democratic regime performs the functions of the

dictatorship of the proletariat in suppressing and abolishing the capitalist elements and organising a socialist economy, solves the problems of the transition period from capitalism to Socialism.

Lenin said: “The transition from capitalism to Communism will certainly create a variety and great abundance of political forms, but in essence there will inevitably be only one: **“the dictatorship of the proletariat”**”.

The people’s democracies furnish corroboration of the historical truth of the view of Lenin and Stalin regarding the international significance of the dictatorship of the proletariat, as being the essence of the diverse political forms in the period of the transition from capitalism to Socialism. The experience of the Communist Party of the U.S.S.R. in building a socialist society is of extremely great importance to the people’s democracies,

The experience of the Soviet Union teaches that the advance towards Socialism is possible only through an implacable class struggle against the capitalist elements, only on the basis of the Marxist-Leninist theory of the class struggle in the period of the transition from capitalism to Socialism and the Leninist-Stalinist teaching on the leading role of the working class and its party, which has been corroborated by the whole historical experience of the Bolshevik Party.

A signal victory for Leninism was the fusion in 1948, on the basis of the Marxist-Leninist ideology, of the Communist and Socialist Parties in a number of the people’s democracies (Poland, Bulgaria, Czechoslovakia, Hungary, Rumania). In these countries an end has been put to the disunity in the ranks of the working-class movement which had been maintained by the opportunists for decades. All the finest and most advanced elements of the working class have united in, the revolutionary Marxist-Leninist parties, have taken their stand under the great banner of Leninism, in order to lead their countries along the

road of Socialism and democracy.

When one compares the situation in the people's democracies with that in the West European countries which have fallen under the heavy yoke of the enslaving "Marshall Plan", the whole difference between the two paths of development, socialist and capitalist, becomes patently obvious.

In the West European countries which have lost their sovereignty and independence and whose plans and budgets are dictated from overseas, one observes an economic decline which is growing more and more profound. Unemployment, inflation, the cost of living are all on the increase. The condition of the working masses in these countries is growing from bad to worse. Uncertainty about the morrow prevails. The bourgeois press now finds itself compelled to make the gloomy admission that as a result of the operation of the much-vaunted "Marshall Plan", Western Europe in 1952 will not achieve either the pre-war standard of living or economic independence.

Quite different is the picture in the people's democracies. Although this part of Europe suffered immeasurably more, from the war, there the working people can see that the national economy and the living standards are steadily progressing, thanks to the regime of the people's democracy. The working people have come to feel themselves the masters of their destinies and participants in the making of history. Before them new horizons—socialist horizons—are opening. That is why the people there look cheerfully and confidently to the future.

The development of the new democracies towards Socialism is possible only in cooperation and friendship with the first socialist country in the world—the Soviet Union. Only as a member of the united democratic anti-imperialist camp headed by the Soviet Union can each of the people's democracies, in the present international situation, ensure its

independence, sovereignty and security against imperialist aggression.

Devotion to the Leninist principles of proletarian internationalism and an uncompromising attitude toward every species of nationalism is the earnest of the consolidation and prosperity of the people's democracies, the chief guarantee of their national liberty and independence. Nationalism, as ideology of the bourgeoisie, an enemy of Marxism. The bourgeoisie has always endeavoured to utilise nationalism in order to divide and weaken the forces of the proletariat, the workers and the democratic movement. When the power of the bourgeoisie is overthrown, the exploiting classes and their agents endeavour to use the poisoned weapon of nationalism in order to restore the old system.

Comrade Stalin teaches us that "the deviation towards nationalism is the adaptation of the internationalist policy of the working class' to the nationalist policy of the bourgeoisie. The deviation towards nationalism reflects the attempts of ones 'own', 'national' bourgeoisie... to restore capitalism."

Today the imperialists are endeavouring to utilise nationalism as a means of weakening the democratic anti-imperialist camp. There was no little rejoicing in the bourgeois camp over the defection from Marxism of Tito's nationalist group which has broken away from the internationalist united front of the Communist Parties. But this jubilation was premature. The united anti-imperialist camp has rallied more closely and gained strength, and the vigilance of the Communist Parties with regard to nationalism has been enhanced.

Lenin said that "the gigantic majority of the population of the earth in the long run is educated and trained to struggle by capitalism itself."

The struggle of the working class against imperialist oppression is gathering momentum in all the capitalist

countries. In spite of severe persecution and terrorism, the Communist Parties are fighting self-sacrificingly for the cause of the working class, for the cause of all the working people. The working class is winning over to its side broad sections of the peasantry and progressive intelligentsia and uniting them in the struggle for a lasting peace, democracy, the vital interests of the working people and for national independence.

The national liberation movement of the peoples of the East has attained extremely broad scope. Speaking of the historical destinies of capitalism and Socialism and the historical inevitability of the ultimate victory of Socialism, Lenin wrote: "In the last analysis, the outcome of the struggle will be determined by the fact that Russia, India, China, etc., constitute the overwhelming majority of the population of the earth. And it is precisely this majority of the population that during the past few years has been drawn into the struggle for its emancipation with extraordinary rapidity."

China is a very graphic illustration of the fact that tens and hundreds of millions of oppressed toilers of the East are being educated and trained for the revolutionary struggle by capitalism itself. For, indeed, is not American capitalism helping to fan the flames of civil war in China by sending vast quantities of modern weapons to aid the Chinese reactionaries? Yet, in spite of this, the people's liberation army has liberated a considerable part of China's territory from the yoke of the reactionaries and is scoring decisive victories while the "far-sighted policy of the American imperialists in China has reached an impasse.

The victories of Chinese democracy, as well as the events in Viet Nam, Malaya, and Indonesia, confirm the words of Comrade Stalin that "the era of undisturbed exploitation and oppression of the colonies and dependent countries **has passed away.**"

The immense, vital power of the ideas of Leninism is

profoundly reflected in the growth of the Communist Parties and of their influence among the masses. Comrade Stalin has said that the growth of the influence and prestige of the Communist Parties among the masses is a law of historical development.

Whereas twenty or twenty-five years ago the membership of the Communist Parties abroad amounted to some 500,000, today the Communist Parties and United Workers Parties abroad unite over 18 million members. The Chinese Communist Party, which in 1924 had a membership of 20,000, today after two decades of heroic struggle for the liberty and independence of the Chinese people has more than 3 million members. The Communist and United Workers' Parties are loyal and consistent fighters against imperialist aggression and champions of a lasting peace, people's democracy and Socialism.

After the First World War, Lenin wrote that the "idealised democratic republic" of the U.S.A. "**has proved** in fact to be a form of the most frantic imperialism, of the most shameless oppression and strangulation of weak and small nations." This characterisation given by Lenin is even more true of the expansionist aggressive policy of the ruling circles of the U.S.A. after the Second World War.

The imperialist camp of reaction is opposed by the mighty camp of democracy, peace and Socialism. The bulwark and leading force of this camp is the great Soviet State where Lenin's ideas have been put into effect. The aim of the Stalinist foreign policy of the Soviet Union is to conduct a consistent struggle against the forces of aggression and incendiaries of a new war, to expose the expansionist schemes of the British and American imperialists, to cement all the anti-imperialist forces fighting for a lasting peace, people's democracy and the freedom and independence of nations, big and small. The Soviet Union unswervingly protects the sovereignty and

independence of nations from the new bidders for world supremacy.

The consistently peaceful foreign policy of the Soviet Union is indicative of its unshakable determination to maintain international co-operation based upon reciprocity, strict observance of obligations assumed, and respect for the sovereign rights of all nations.

In his reply to the open letter of Henry Wallace, Joseph Stalin, the great leader of the Soviet Union wrote: "... in spite of the difference of "economic systems and ideologies, the co-existence of these systems and peaceful regulation of differences between the U.S.S.R. and the U.S.A. is not only possible but absolutely necessary in the interest of general peace."

The Leninist-Stalinist foreign policy of the Soviet Union cements and inspires the entire anti-imperialist democratic camp. Emphatic confirmation is now being furnished of Lenin's words: "... Our peace policy is approved by the vast majority of the population of the earth."

The boastful troubadours of the capitalist monopolies arrogantly declare that the twentieth century is the "American century". A certain American professor in a treatise on "America's Mission", announces that this mission is to "unite" the world under the yoke of American monopoly capital by... fear. "The atom bomb will unite the world" prophesies this rabid ideologist of transatlantic imperialism.

This philosophy is not new. The Hitlerites also tried to "unite", that is, enslave the world by fear, but they only incurred the general hatred of the peoples and ended in ignominious failure. It is impossible to intimidate the hundreds of millions of people who have awakened to their role of conscious makers of history. The ignorant troubadours of imperialist aggression and their masters would do well to bear in mind the lessons of history.

Comrade Stalin has pointed out what the policy of the instigators of a new war can end in:

“The outcome can only be the ignominious failure of the instigators of a new war. Churchill, the chief instigator of a new war, has succeeded in losing the confidence of his own country and of the democratic forces of the world. A similar fate awaits all the other warmongers. The horrors of the recent war are too fresh in the minds of the people, and the social forces standing for peace are too great for the Churchill disciples of aggression to overcome them and turn them towards a new war.”

The entire course of historical development indicates that the twentieth century will not be a Wall Street century, a century of those who are trying to “unite” the world by fear. Not fear but great ideas are capable of uniting peoples. The twentieth century will be the century of the complete triumph of Leninism of the great ideology of equality and friendship among nations, the ideology of Lenin and Stalin. (*Stormy applause.*)

III. Party of Lenin and Stalin is Leading Soviet People to Communism

When the Stalin Constitution of the U.S.S.R. was adopted, on the eve of the Eighteenth Party Congress, the Soviet Union had already entered a new phase of development, the phase of completion of the building of Socialist society and the gradual transition to Communism.

The war temporarily interrupted our peaceful constructive labours. At the end of the war, in his historic address to his electorate on February 9, 1946, Comrade Stalin outlined a grand programme for the laying of the material foundations of Communist society. He said: “We must see to it that our

industry will be able to produce annually up to 50 million tons of pig iron, up to 60 million tons of steel, 500 million tons of coal and 60 million tons of oil. Only when we succeed in doing that can we be sure that our motherland will be guaranteed against all contingencies. This will need perhaps another three Five- Year Plans, it not more, but it can be done and we must do it.”

This programme inspires the Soviet people with the majestic prospect of advance toward Communism.

Every new victory we score on the front of labour, every new economic and cultural achievement brings us nearer to Communism. Communism is no longer a matter of the distant future. It is growing and will continue to grow out of the devoted labour of the entire Soviet people, out of the creative efforts of millions of the foremost Stakhanovites in factory and mine of foremost collective farm men and women, of Heroes of Socialist Labour who are obtaining in our fields crop yields unprecedented in the world, out of the creative achievements of our Soviet intelligentsia, scientists, writers and artists.

Lenin and Stalin teach us to see, understand, encourage and cherish the shoots of the new Communist future. There are plenty of these shoots in our life today and they are multiplying from day to day.

Take for example that remarkable movement for the electrification of the collective farms. Lenin said that “Communism is Soviet Power plus the electrification of the whole country”. Today the foremost collective farms are furnishing vivid illustrations of how marvellously life in the countryside is transformed by electricity, how the productivity of labour and prosperity of the collective farmers are increasing, how rapidly their cultural level is rising and the features of the Communist future gradually taking shape. Here the elimination of the contrast between town and country is taking place in practice.

When the Stakhanov movement was still in its infancy, Comrade Stalin said that “its significance lies also in the fact that it is preparing the conditions for the transition from Socialism to Communism.” The gigantic scope of the Stakhanov movement, the achievements of innovators who have attained high productivity of labour, are a graphic demonstration of how the contrast between intellectual and physical labour is being obliterated.

An expression of the patriotic labour enthusiasm of our people is the letters addressed by working people to Comrade Stalin in which they report their achievements and give pledges to the Party and Government to work better and more productively. These letters and messages to our beloved leader and teacher reflect the heroism of the day-to-day labour of millions of builders of Communism, of their feats of daring and plans and the great historical deeds they are performing.

In our advance towards Communism, an extremely important role is played by mass public organisations such as the trade unions and Young Communist League which enlist millions in the active work of building Communism.

A most important factor of the continued advance of our country towards Communism is today a more intense Communist education of the people. We must not forget that people’s minds lag behind their economic position and that therefore capitalist survivals tend to be tenacious in the minds of men and have to be combated indefatigably.

The Bolshevik Party is waging a vigorous offensive against the capitalist survivals in the minds of men, raises the ideological level of cultural endeavour in all fields, guides the development of literature and all the arts so that they serve the Communist education of the people. The Party pays great attention to the development of Soviet science, strives to inculcate the Party spirit in science and works for the triumph of progressive science based on the principles of materialism.

The discussion on biology vividly demonstrated the importance of this struggle for the development of an effective, progressive science closely bound up with the and actively assisting the people in the building of Communism. Leninism is the foundation of all our educational work. The Party organisations must more widely develop the education of the working people in the ideas of Leninism. Knowledge of the teachings of Lenin and Stalin is vital and essential for the builders of a Communist society, especially for Party and Government workers and all our Soviet intelligentsia.

We have all the conditions necessary for successful study of the science of Marxism-Leninism. Three editions of the works of Lenin have been published and the publication of the fourth edition will be completed this year. The works of Marx, Engels, Lenin and Stalin have been published in the Soviet Union in a total of 754 million copies.

Of tremendous ideological value is the first edition of the works of Comrade Stalin. The works of Comrade Stalin are a substantiation and creative development of Leninism, a theoretical generalisation of the experience of building Socialism in our country and of the international working class movement.

The great Lenin taught our Party and people not to rest content with achievements, not to become conceited but to consolidate successes and steadily move towards new achievements.

The keynote sounded by the Party in commemorating the 25th anniversary of the death of Lenin is to continue to mobilise the workers, peasants and intellectuals to work devotedly for the fulfilment ahead of schedule of the post-war Five-Year Plan and the economic programmes for 1949, for the mobilisation of internal reserves, for accumulations over and above plan, for greater efficiency in all branches of the economy and for the accomplishment of Stalin's plan for the

transformation of nature and the powerful progress of agriculture.

Comrades, we owe all our successes to the great Bolshevik Party, to the leadership of Lenin-Stalin, to loyalty to Leninism.

For 25 years Lenin and Stalin together built up the great Bolshevik Party, and moulded and educated its members, who overthrew the power of imperialism in our country,

For 25 years after the death of Lenin, Comrade Stalin has been leading the Party along Lenin's road, educating the builders of Communism. The Communist Party, the dauntless army of the great proletarian strategists Lenin and Stalin, is stronger, more united and cemented than ever before and enjoys immense prestige and warm love among our people and among the working people of the world.

If the immortal Lenin, our father and teacher could see today the mighty army of 6 million Communists which, having defeated countless enemies and coped with incredible difficulties, is inspiring the Soviet people and leading them to the triumph of Communism, he would say: the cause of Communism is in reliable hands, the cause of Communism is invincible. (*Prolonged applause.*)

Lenin's cause is invincible because it is being carried on by Comrade Stalin, the great leader and beloved teacher of the Bolshevik Party and the Soviet people, the inspirer and organiser of all the victories of our Socialist motherland. (*Stormy applause.*)

Long live the great and invincible banner of Leninism!

Long live our heroic Party of Lenin and Stalin!

Long live the great Soviet people!

Long live Communism! (*Prolonged applause.*)

ECONOMIC COOPERATION BETWEEN NEW DEMOCRACIES AND U.S.S.R. E. Szyr, Member, central Committee, United Workers' Party of Poland

The profound political, social and economic changes effected in the people's democracies constitute the basis for the new relations between them and the Soviet Union, and are expressed in the unity of aims in foreign policy, and in extending and strengthening political and economic cooperation.

The treaties of friendship and mutual assistance signed between these countries represent not only a basis for solidarity in the common struggle for peace and against the threat of new aggression, but also a basis for solidarity and mutual assistance in the struggle for the free, unrestricted development of the productive forces in each of these countries, for speedy economic rehabilitation, and for further social-economic and technical progress.

Mutual aid in the matter of economic cooperation became all the more necessary in view of the utilisation by the U.S. aggressive forces of the Marshall Plan as a means of subordinating the nations and the peoples of Europe, of depriving them of their economic independence, imposing upon them terms designed to hamper the growth of the productive forces, to secure the closing down of part of those industries competing with U.S. industries, of interfering with the free exchange of commodities between the countries of Western and Eastern Europe, and of increasing class oppression, poverty and unemployment.

The Soviet Union and the people's democracies rejected

these methods of imposing foreign domination on the countries of Europe. The Governments of the people's democracies, which express the will of their peoples, were able to do this because they relied on the friendly support and on the political and economic might of the Soviet Union. The Governments of a number of capitalist countries in Europe did not reject these methods, because they represent and defend the interests of the propertied classes and because they are more afraid of the will of their people than they are of the foreign yoke which they depict as the "generous", "philanthropic" and "selfless" aid of the "good Transatlantic uncle".

In rehabilitating and developing their economy, the people's democracies rely, above all, on their own strength, on the development of the productive forces freed from the impediments and obstacles typical of the capitalist system. Following the example of the Soviet Union, these countries are learning how to surmount the serious economic difficulties, which are difficulties of growth; they are harnessing the creative energy of the working people, and are laying the foundations of Socialism by means of developing industry, restricting and squeezing out the capitalist elements, and by the gradual switching of small, petty economy onto the path of socialised economy.

The bulwark and guarantee of this process are cooperation with the Soviet Union and aid on the part of the great land of Socialism. Without this bulwark and lacking this cooperation and aid, there could be no talk of preserving the economic and political independence of these states, of the powerful advance in the output of the means of production, and they would be deprived of the possibility of, going ahead with the rapid improvement of the conditions of the working people.

The mutual trade between the Soviet Union and the new democracies aims at developing the productive forces of these countries by supplying them with valuable raw materials and

means of production, and also by securing a considerable market for their manufactured goods.

Mutual economic cooperation presupposes a readiness to give immediate aid to these countries in the event, say, of crop failure or other unforeseen difficulties.

A feature of the mutual economic relations between the Soviet Union and the people's democracies is the long term trade agreements which are possible only under conditions of a planned economy fully realised in the Soviet Union and now considerably advanced in the new democracies.

The steady expansion in trade between the land of Socialism and the people's democracies shows that the Soviet Union holds an important place in the trade of all these countries. For example, Rumania's trade with the Soviet Union covers 50 per cent of the entire export and 49 per cent of imports (1947); Bulgaria's trade with the Soviet Union accounts for 51 per cent of the entire export and 60 per cent of imports (1947). The speedier the people's democracies develop economically, the stronger the economic bonds between these countries and the great land of Socialism.

The forms of economic cooperation between the new democracies and the Soviet Union are more varied than those contained within the framework of the usual trade agreements.

The Soviet Union is helping by means of investments and by technical and scientific aid, aimed at enabling the people's democracies to build their own heavy industry and at creating conditions for the speedy utilisation of their natural resources.

The Soviet trade missions have won general recognition in the people's democracies due to their exactness in observing the terms of agreements and contracts, and due to their friendly attitude towards the people handling the contracts who, as yet, are not always able to guarantee similar exactness.

Let us examine Polish-Soviet trade relations against the background of these general conclusions.

In 1938, Polish-Soviet trade amounted to slightly over 2 million dollars, that is, it was less than one-tenth of the trade between Poland and the countries of the Near and Far East.

The development of trade relations since the working people came to power in Poland reveals an altogether different picture. The first manifestation of the new forms of cooperation between the Soviet Union and Poland was the agreement signed on October 20, 1944, while the war was still on. This agreement secured for the liberated territory of Poland immediate supplies of flour, coal, oil products and even salt and matches; repayment of the debt was scheduled to begin after the lapse of one year. Other instances of aid were of a like character. For example, during the initial phase of the rehabilitation of Warsaw, the electric power station, the radio station and telephone system were repaired and a number of bridges were rebuilt; the same is true of the aid rendered the population in the form of food, etc.

Of cardinal significance for the rehabilitation of Poland's national economy were the trade agreements with the Soviet Union.

Deliveries of Soviet cotton, ores, apatites and other raw materials safeguarded to a considerable degree Poland's economy from the manipulations of the monopolist markets and from the attempts at discriminatory pressure on the part of the imperialist countries.

The export to the Soviet Union of coal, coke, textiles, cement, locomotives, and other goods, and also income from transport services are extremely favourable for the further development of Polish national economy.

Despite its own difficulties, particularly the grain deficit caused by the drought in 1946-47, the Soviet Union, in accordance with the agreements of February 8, 1946, August 7, 1947 and January 26, 1948, supplied Poland with grain (200,000 tons, 300,000 tons and 200,000 tons).

On March 5, 1947, the Soviet Union granted Poland a loan of 28 million dollars repayable over a period of 10 years beginning with 1950. It should be stressed that Poland was afforded the possibility of making repayments in the form of the usual goods export and that a very low interest was envisaged.

The agreement of January 26, 1948 providing for supplies of Soviet industrial equipment is of exceptional significance for Poland.

The delivery of goods, to the value of 450 million dollars, as foreseen in the agreement, is a sound guarantee that Poland's Six-Year Plan will be carried out. The new, large iron and steel aggregate which will be built in the course of the Plan, will practically double our output of steel. A new power station, cement, soda and nitro fertilizer plants, factories producing machine-tools, will be built.

Poland will pay for this equipment in annually increasing amounts over a period of five years beginning with the date of delivery of the given item. And she will pay, in the first place, in those goods the output of which is increasing precisely because of these supplies. Terms of this kind are impossible in the capitalist world, especially if one takes into account the fact that the complete machinery for a modern, largescale iron and steel works is being supplied at a time when Soviet metallurgy is undergoing considerable expansion. It is necessary to point out that these supplies are delivered on time, and that the building plans based on modern methods of construction are prepared without delay.

The protocol for mutual deliveries during 1949, signed between the Soviet Union and Poland on January 15 this year, provides for a 35 per cent increase in mutual trade during 1949, compared to the annual deliveries envisaged in the five-year agreement signed last year. The deliveries are valued at 715 million rubles on each side, excluding equipment delivered to

Poland by the Soviet Union in keeping with the credit agreement.

The Hungarian-Soviet trade agreement signed in October 1948 provides for trade to the value of 150 million dollars over a period of 17 months, and for long term (four years) orders for machinery and equipment for the Soviet Union also valued at 150 million dollars. This means that Hungary trade with the Soviet Union will be doubled and the development of Hungarian industrial exports will be greatly stimulated.

Due to the orders received from and to the help given by the Soviet Union, Rumania is in a position—in contrast to the prewar system of foreign trade—to pay for her import of essential raw materials with the growing output of her young industry.

The creation of a number of joint Soviet-Rumanian enterprises and their development has facilitated the speedy rehabilitation of Rumanian industry and the development of mining and transport. These enterprises represent a new, and for Rumania a profitable form of international cooperation. It should be emphasised that the output of these joint societies supplies the needs of the home market in Rumania and her export trade. In this way Rumania receives aid in the form of machinery, industrial equipment and means of transport, which she would not be able to get under different conditions.

Nor are Soviet-Czechoslovak economic cooperation and trade relations lacking in special interest. During the difficult years 1946-47, when Czechoslovakia suffered from the effects of the severe drought, the Soviet Union supplied her with grain and other items of food; the debt accruing from these deliveries which had not been envisaged by the agreement, is now being paid off in goods.

As a result of the trade agreement signed in October 1948, Czechoslovakia received a considerable number of Soviet orders for products of both light and heavy industry, while the

quantity of vital raw materials supplied by the Soviet Union, technical goods, grain, meat products and fats, has increased.

The significance of this agreement is obvious, taking into consideration the fact that nearly 70 per cent of the total Czechoslovak exports consists of goods, the sale of which could be endangered by the growing competition and the state of crisis on the capitalist markets.

In December 1948, these economic relations developing so favourably for Czechoslovakia, were further extended. The Soviet Union is helping Czechoslovakia to rehabilitate and reconstruct her national economy, is extending the range of raw materials supplied to her as well as manufactured goods and equipment for heavy industry and for mining.

Mutual trade is scheduled for a 45 per cent increase above the 1948 level.

Even a brief review of these agreements, which are known throughout the world since they were widely published in the Press, demonstrates in striking fashion that the economic relations between the Soviet Union and the people's democracies represent a new, higher form of economic relations, the essence of which is cooperation on the basis of planned foreign trade and the principle of assisting the economically weaker countries in order to accelerate the development of their productive forces and the utilisation of their natural resources.

Economic development will be accompanied by the growing and strengthening of permanent cooperation and mutual links between the national economies of these countries.

The principles and facts which characterise the economic relations between the Soviet Union and the new democracies find expression also in the mutual relations between the people's democracies.

Since 1947, economic agreements providing for long term

cooperation have been signed between the separate people's democracies. These agreements are designed to stimulate trade, to secure a rational scheduling of production programmes in order to ensure greater profitability by means of specialised and mass production, to provide for exchange of technical experience and in certain cases for cooperation concerning industrial investments.

There is not the slightest doubt that on the basis of this experience, new and higher forms of international economic cooperation between the Soviet Union and the people's democracies will be developed.

Together with the existing bilateral treaties and agreements, these forms evidently will be characterised also by many-sided agreements between the people's democracies, the aim of which will be jointly to solve a number of economic problems, to combat the discriminatory policy of the imperialist camp, to secure a sound direction of investments, secure a more rational utilisation of natural resources, and to oust completely unhealthy elements from the economy—elements hampering extended trade between the countries of the anti-imperialist camp.

PLAN FOR DEVELOPMENT OF BULGARIA'S NATIONAL ECONOMY. D. Terpeshev, Member, Political Bureau, Communist Party of Bulgaria

On December 31, 1948 the National Assembly of the People's Republic of Bulgaria ratified the Five-Year Plan (1949-1953). The Plan was thoroughly discussed throughout the Party and later was approved by the Fifth Congress of the Party. After approval by the Government the Five-Year Plan became the main law of the country's economic life.

Bulgaria embarks upon her first Five-Year Plan with the planning experience of 1947-1948 behind her. As is known, our people's democratic state, which represents the power of the working people, with the working class and its Communist Party playing the leading role, has nationalised industry, the mines, transport and the banks, and has secured a state monopoly of foreign trade and wholesale trade. These measures, together with the development of cooperative farming in agriculture and cooperation in the sphere of handicraft production and distribution, created the necessary pre-conditions for planning on a national scale.

The Two-Year Plan (1947-1948) was, in the main, fulfilled. It provided for: rehabilitation of the national economy and the easing of the food difficulties caused by the war and fascist occupation; raising the output of industry, agriculture and the handicraft enterprises; restoring transport to the prewar level; and the creation of conditions necessary for the further development of the country's economy.

It should be stressed that an important factor in the development of our economy was the selfless and constantly growing assistance on the part of the Soviet Union, and also our close cooperation with the other people's democracies.

The results of the Two-Year Plan for the various branches were as follows:

Industrial output for 1948 was 71.5 per cent above the 1939 level, agricultural output—103 per cent higher. There were 71 machine-tractor depots with 5,000 tractors. The social sector was extended: 84 state owned agricultural units were set up; the number of agricultural cooperatives exceeded one thousand, with a crop area of 300,000 hectares.

Rail transport was completely rehabilitated and extended by 13 per cent; the volume of goods transported increased by 101 per cent.

A total of 75,000 million leva (at current prices) was invested in construction work, excluding the private sector. The number of workers engaged in industry increased by 132,000 compared to 1946. Unemployment was completely abolished. Considerable social and economic changes were effected in our economy during 1947-48. The economic basis of the capitalist class in the towns and cities was radically undermined, while in the countryside the kulak elements were considerably restricted by legislative measures passed by the National Assembly.

The catching up with the pre-war level in the main branches of industry and transport, the improved standard of living, the higher cultural level and a number of other gains testify that the rehabilitation period in the development of our national economy has ended—that the pre-conditions for further development have been created.

The main economic and political purpose of our first Five-Year Plan is to lay the foundations of Socialism by means of the industrialisation and electrification of the country, by cooperative agriculture, and equipping agriculture with machinery. In order to achieve this aim it is necessary to change the existing relationship between industry and agriculture, that is, to ensure a much greater share of industrial production in the general volume of output. According to the

Plan, by the end of 1953 the ratio of industrial production (excluding handicraft trades) to agricultural production (without forestry and fishery), which now averages at 30:70 in favour of agriculture, will be: 45:55. During the next five years industry will make big strides forward. The Plan centres main attention on the expansion of industry on the basis of electrification, and on the further development of the mining industry. Such is the general line of the Five-Year Plan, which will change the entire structure of our national economy.

Profound changes will take place in the structure of industry. Heavy industry will develop much more rapidly than light industry. The ratio between the light and heavy industries which in 1939 was 76:24 and in 1948-70:30, will, by 1953, be 55:45.

The national income will increase (fixed prices) from 47.3 billion leva in 1939, and 51.8 billion in 1948 to 95.7 billion in 1953, that is, an 85 per cent increase over the 1948 level, and 100.2 per cent over 1939.

By 1953, the volume of industrial output will exceed that of 1948 by 11.9 per cent. Whereas industrial output as a whole will be doubled, output of the means of production will increase 3.2 times. The output of electric power will be increased by 221 per cent, that is 7 times more than in 1939. The electrical-supply network will be extended, and 1,800 towns and villages will be electrified.

The Plan provides for a considerable increase in the mining industries.

The industry providing equipment for building (concrete mixers, stone-crushers, trucks, pneumatic drills, etc.) will be built up along with the further development of existing industries. The production of agricultural machinery and of chemical products which are vital for the development of industry and agriculture, will be increased considerably. All these are branches of industry which did not exist in capitalist

Bulgaria.

Compared to 1939, light industry output will be 2.65 times greater.

The Plan provides for the large-scale development of agriculture along cooperative lines, mechanisation, modern technique, and a considerable restriction, squeezing out, and elimination of the capitalist elements in the countryside. There will be a 59 per cent increase, in the overall output of agriculture compared to 1939, grain output will go up by 20 per cent. Wheat will yield an average of 1,500 kilograms to the hectare. Raised to this level, our agriculture will provide amply for the people and the army, and will allow for the building up of considerable state stocks.

In 1953, irrigated land will cover an area of 300,000 hectares. Towards the end of the Five-Year Plan three new reservoirs, the "Rosiza", "Topolniza" and "V. Kolarov" will be available for use. Danube waters will be used to irrigate 70,000 hectares of low lying lands. In the Dobrudja and other level plains, forest belts are being created to protect crops from drought.

The machine-tractor depots will be the backbone of the mechanisation of agriculture. Their number will grow from the present 71 to 150 in 1953, and the number of tractors and other agricultural machines will likewise be increased considerably.

Agriculture in Bulgaria is characterised by the scattered nature of its households. In view of this the agricultural cooperatives will be the means through which agriculture, on the basis of its further development and the carrying out of a number of additional measures, will advance to Socialism. In this way the people's power will be able to rely upon a firm basis—on socialist industry and socialised agriculture.

According to the Plan, in 1953 sixty per cent of the entire output of agriculture, and 72 per cent of the marketable goods, will be produced by the social sector.

To secure the advance of the national economy, the Plan contains provision for a corresponding increase in capital building and in capital investment.

Total capital investment is estimated at 425,000 million leva. In 1949, capital investment will comprise 15 per cent, and in 1953—18 per cent of the national income. Capital investment will on the average, amount to 17 per cent of the total national income for each of the five years.

Sixty-two per cent of the total sum will be spent on construction and installation work, and 38 per cent—on industrial equipment. The sum earmarked for new building will account for 81 per cent of the total building allocations while 19 per cent is allocated for extension, reconstruction, and capital repairs to existing enterprises.

Increased productivity of labour in industry is estimated at 62.9 per cent. The biggest increase in labour productivity is planned for the iron and steel industry—113 per cent, in the electrical industry—101.1 per cent, in engineering and metal processing industries—100 per cent.

The Plan aims at an almost twofold increase in the national consumption compared to 1948.

Net production costs in industry (excluding handicraft trades and local industry) will be lowered 14 per cent; in the lumber industry—20 per cent; railway and road transport—16 per cent; in building (erection and installation—22 per cent. Accordingly as production costs are lowered and labour productivity increased, prices for industrial and agricultural goods will be cut.

The wage fund in 1953 will be 64 per cent above the 1948 figure: in the building industry it will be 80 per cent higher, in transport—34.1 per cent. Peasant income too, will be increased considerably. The growing network of agricultural cooperatives will secure a 30 per cent increase in agricultural income.

Big developments will be effected also in the sphere of building for cultural needs.

The Five-Year Plan will effect a radical change in the economy of our country which is advancing toward Socialism. It will strengthen the economic and defence might of the Republic, and will be a valuable contribution to strengthening the anti-imperialist camp of peace, democracy and Socialism, headed by the great Soviet Union.

Accordingly as we advance toward Socialism and towards the elimination of antagonistic classes, the class struggle will grow more acute. The building of Socialism is a difficult but noble task. For this our country will need a number of Five-Year Plans. The successful completion of the first Five-Year Plan will lay the foundations of Socialism in our country, and will be a matter of greatest historical significance for the future of our people.

Henceforth, the banner of the Five-Year Plan will be firmly carried by millions of working people in our country. Under the leadership of the Communist Party and its Central Committee they will realise the tasks set by this great Plan.

FRANCE UNDER YOKE OF MARSHAL PLAN. Jacques Duclos Secretary, Central Committee, Communist Party of France

The budget debate in the French National Assembly at the end of 1948, revealed the difficult financial situation of France and disclosed the political and economic reasons for this situation.

In April 1947, when the Communists were still in the Government, industrial output in France reached the 193.8 level and in some branches exceeded it; for example, the coal industry, the electricity and gas undertaking, rail transport, shipbuilding, artificial silk and wool, superphosphates, and others.

After May 1947, that is, after the bourgeois and Right Socialist leaders, obedient to the behest of the Americans, had excluded the Communists from the Government, the development of the country took an altogether different direction.

Instead of increased output, industry began to slow down, some branches (the film studios, aircraft factories and other industries) began to cut down output due to American demands. The carrying out of the Marshall Plan has steadily aggravated the economic and financial situation of the country. The Marshallisation of France found expression in an onslaught on the living standards of the working people. Purchasing power, which in April 1947 was 70 per cent of the 1938 level, by November 1947, had fallen to 49.4 per cent.

This fall in the standard of living was the main reason for the nation-wide strikes in November-December 1947. As a result of their struggle, the workers secured higher wages, and purchasing power went up to 60.5 per cent of the pre-war level. However, the capitalists immediately retaliated by launching a

new offensive against the standard of living by raising prices.

The beginning of 1948 saw the adoption of the Mayer plan which was directed mainly against the urban middle classes and the peasantry. The Mayer plan envisaged the introduction of a special tax on the income of these social groups. At the same time, the capitalist companies either enjoyed big privileges or were exempted from paying the special tax. The currency devaluation considerably depreciated the franc. The rate of exchange soared from 119 to 214 francs to the dollar; on the free market it went up to 306.

Mayer asserted that his plan would secure a balanced budget, and that it would facilitate the export trade. Promising a reduction in prices he declared: "After the new harvest, France will enjoy prosperity that will astonish the world."

However, last August the budget deficit amounted to 200,000 million francs; the trade deficit increased and prices were still going up. In July 1948, as a result of the situation created in the country, the Schuman Government was forced to give way to the Marie-Blum-Reynaud Government, which in the turn collapsed even before it could use the emergency powers accorded it by the reactionary majority in the National Assembly.

The two-days old second Schuman Government was followed by the present Queuille Government. The first measure of this new Government was to adopt a financial plan which contained provisions for another extraordinary special tax. To secure the additional 80,000 million francs needed to cover the deficit, the Government added 20 per cent to the general income tax and also added 20 per cent to the tax on the profits of industrialists and traders and on the income of the peasants and professional workers.

The capitalists utilised the increase in a number of taxes as a pretext for a further increase in prices, as a result of which the purchasing power of the working class declined by 50 per cent

compared to the 1938 level.

Increased Taxes

These were the circumstances in which the debate on the 1949 budget began. Of the total budget figure of 1,870,000 million francs, the sum of 900,000 million francs was allocated for civil expenditure; 350,000 million for military credits, and 620,000 million for re-equipment and rehabilitation of industry. It should be pointed out that the 350,000 million francs constitute the military expenditure openly indicated in the budget; the remaining military expenditure was concealed in the budgets of various ministries. Actually, total military expenditure amounts to 500,000 million francs.

The Government succeeded in getting the National Assembly to vote supplementary taxation to the tune of 110,000 million francs, to be derived from a 25 per cent increase on the output tax and a 15 per cent increase in various other taxes. This means an increase in indirect taxation which undoubtedly will lead to further price increases.

Moreover, Queuille has issued a loan to the value of 100,000 million francs with the situation that in the event of the loan not being fully subscribed by April 1, taxes will be still further increased. Finally, the Government is banking on the unfreezing of 270,000 million francs arising from the sale of Marshall Plan goods. However, even assuming that the military expenditure of 500,000 million francs imposed by the U.S. on France, in line with the Brussels military alliance and the Atlantic pact, now in the course of preparation—assuming that it represents the minimum, it is far in excess of the sum likely to be acquired by the sale of Marshall goods, and which the Queuille Government has depicted as a gift from Uncle Sam.

The new tax system, adopted recently by the reactionary

majority in the National Assembly, aggravates still further the social injustice in the distribution of taxation which was expressed so clearly in the Mayer and Queuille plans. This system, while adding to the burden of artisans and of small and medium traders, actually reduces the amount paid by the capitalist monopolies and the big tax payers. It is a draconic measure for the poor and middle peasants. It favours the landlords and makes clearer the demarcation line between the peasants—who bear the main burden of taxation—and the privileged upper layer in the countryside.

The people have little confidence in the French currency. They see inflation growing and the franc declining in value. On December 22 last year, the money in circulation in the country amounted to 969,156 million francs. During the period from January 22 to December, 1948, the amount of money in circulation increased by 200,000 million francs.

The franc, which had been devaluated in January, was subjected to a fresh manipulation in October. The exchange rate was fixed at 264 to the dollar; every change in the dollar rate on the free market is immediately reflected in the official rate of the franc. Consequently, the franc lacks any stability and naturally, cannot evoke confidence.

We see, therefore, that the Marshallisation of France, far from helping to normalise her finances has considerably complicated the situation. The Marshall Plan is not a plan for rehabilitation, as asserted by its supporters: it is a plan of preparation for war, a plan which dooms the Marshall countries to serious economic difficulties, and which involves them in a heavy burden of military expenditure.

Communist Party Proposals

In these conditions the Communist Party of France has put

forward the only possible solution of the financial and economic problem, a solution which utterly exposes the Queuille Government which is sacrificing the interests of the nation and its independence. The Communist Party's plan for reform of the tax system is based on the following principles:

1. Taxation should be on a progressive basis. Low and medium tax payers should pay proportionately less than the wealthy, the big magnates and the capitalist companies.

2. In determining taxation, the subsistence minimum should be taken into account. The sum necessary for subsistence should be untaxed.

3. The tax system should be simplified so that each taxpayer knows how much he has to pay to the State.

These are the main features of the tax reform suggested by the Communist Party. The Government has refused to discuss these proposals. It is striving, as the example of Queuille shows, to reserve to itself the right of applying decrees in order to change the tax system at will, with the aim of adding still more to the tax burden borne by the working people, whose conditions were made worse by the big rent increases imposed at the New Year.

Denied the opportunity of having its tax reform proposals debated in the Assembly, the Communist Party has advanced a number of concrete measures, including the suggestion that the illegal profits made during the war and which are subject to confiscation, be seized in the course of two months. Such a measure would bring in over 100,000 million francs.

In addition, the Party has suggested that the property which belonged to traitors and which was confiscated by law, should be disposed of and thus provide the nation with another 50,000 million francs.

The Communist Party has also pointed out that these 150,000 million francs could be supplemented by another 50,000 million by a) applying the provisions of the Mayer plan

to the companies exempted from tax payment; b) annulling the Government decision which lowered the tax paid by companies and large-scale enterprises; c) imposing a special tax on the reserve capital held by the big companies.

These measures of the Communist Party hit exclusively at the big taxpayers. That is why they met with the approval of the working people, and, at the same time, were rejected by both the Right Socialists and the de Gaulle supporters who are in the service of the French capitalists and their American masters.

The tax burden borne by the middle classes is exceptionally heavy. A poll recently conducted among these strata of the population, revealed that 450,000 people objected to paying taxes in the absence of a regime of economy. This result testifies to profound discontent among the middle classes. The peasants, encountering serious difficulties at present, are likewise protesting against the increased tax burden.

In view of the grave financial situation in the country, the question of economy becomes particular acute. But the Queuille Government is not at all perturbed about economy. Having no desire to satisfy the lawful demands of the miners, it spent a huge amount of money in suppressing the strike. The Communist Party alone, suggested a concrete solution by urging that military expenditure be reduced, by 100,000 million francs. This proposal corresponds both to the economic needs of the country and to the will of millions of French people.

The programme of national salvation advanced by the Communist Party corresponds to these vital needs and to the will of the people of France who are opposing the preparation for a new war against the Soviet Union. In the financial and economic spheres this programme lays down:

1. France must denounce the treaties which infringe upon her independence and which place her at the mercy of the

warmongers (the Marshall Plan, the bilateral Franco-American treaty, the Brussels military alliance, and the de facto alliance with Western Germany and Franco Spain).

2. France must pursue a policy of peace, and revive the treaty of alliance with the Soviet Union in order to frustrate the schemes of the warmongers.

3. France must defend her right to security and insist on the payment of reparations by Germany.

4. France must carry out a policy of increased production: a) by protecting French industry from threats on the part of American imperialism; b) by radically changing the nature of imports, which must consist of equipment and raw materials and not of manufactured goods; this will guarantee work for French industry: c) by considerable modernisation of industry since such expenditure is much more profitable than the heavy military expenditure which is a burden on the country; d) by introducing a subsistence minimum which will secure normal purchasing power for the working people.

5. France must restore normal trade relations with the U.S.S.R. and with the countries of Central and Eastern Europe, and thereby ensure markets for French goods.

6. France must secure a strictly balanced budget, effect a serious regime of economy, and, finally, effect a genuine democratic reform of the tax system in order to ease the burden of the small and medium taxpayers, and to hit harder at the industrial and finance monopolies which exercise an impermissible pressure upon the State.

7. France must take into her own hands the fate of her currency, and for this purpose should: a) revoke the Government decision of October 16 which created currency instability; b) forbid any change in the exchange rate of the franc without the adoption of a corresponding law; c) denounce all international treaties which make the franc dependent on the will of the American bankers.

On the basis of this programme, the Communist Party of France, headed by its General Secretary, Maurice Thorez, is rallying together ever broader masses of the people.

It is becoming increasingly clear to our people that France's budget is an American budget, aimed at imposing on our country the will of the American imperialists. In this connection the British "**Economist**" of December 18 made the following frank admission: "As long as the French internal investment programme rests on month-to-month decisions made by the officials of ECA to release the counterpart funds, the Americans retain the virtual power to decide who shall govern France."

The working class, the peasantry and the urban middle classes are waging and will continue to wage a stubborn struggle to change this policy, to form a government of democratic unity, to safeguard national independence, save freedom and defend peace.

PARTY PRESS IN POLAND

The circulation of the 12 newspapers (including 40 provincial editions) published by the United Workers' Party of Poland, has reached the 2 million mark.

The newspaper "**Trybuna Ludu**" is the chief organ of the Party.

The weekly journal "**Trybuna Wolnosti**" enjoy a circulation of 670,000, and has over 400,000 individual subscribers. "**Chlopska Droga**", the Party weekly published for the peasants, has a sale of 400,000. The theoretical organ of the Party, "**Nawe Drogi**" is published in 100,000 copies.

The Polish edition of "**For a Lasting Peace, for a People's Democracy**" has a circulation exceeding 110,000.

The Party press is supplied with material by the Workers' Press Agency which issues commentaries and a daily bulletin dealing with Party life.

After the July-August (1948) plenums of the Polish Workers' Party, the Party press began, with increasing frequency, to take up a more concrete and critical attitude in relation to the inner life of the Party, to the role of the Party organisations in fighting for fulfilment of the national economic plan.

"**Trybuna Robotnicza**", which is published in Katowice and has a circulation of 500,000, played an important role both a propagandist and organiser of the pre-Congress emulation among the workers. Whereas in the past the Party press restricted itself to recording facts, today it is assuming the role of organiser, subjecting shortcomings in the work to criticism, and organising the exchange of experience. Considerable space is devoted to popularising the experience of the Communist Party of the Soviet Union, and the experience of Socialist construction in the U.S.S.R.

The press and its cadres developed in the struggle against the Right-nationalist deviation in the Polish Workers' Party, and against Social-Democratism and reformism in the Polish Socialist Party. There is much closer contact between press and readers, as is evident from the increase in letters received by the papers. For example, the editorial office of "**Chlopska Droga**" which during 1945 received but 115 letters, received over 6,000 in 1947, and more than 25,00 in the course of 1948. This newspaper, which in 1945 had but 11 village correspondents sending in material regularly, now has 590.

A new fortnightly journal "**Party Life**", designed to help the local Party organisations, will soon make its appearance.

With the aim of training qualified Party journalists, a faculty of journalism will be opened at the National Party school.

PRESS REVIEW

“Independent” India In Grip Of Imperialism

The economic grip exercised by British imperialism on “Independent” India is clearly seen in the stranglehold of British capitalists over the Indian coal-mining industry. Seventy per cent of India’s coal production is controlled by British capitalist firms. In addition to controlling the bulk of coal production, these British capitalists control vast areas of coal-bearing lands which are kept undeveloped for the purpose of keeping up prices.

“**People’s Age**”, organ of the Communist Party of India, describes the conditions of the India coal-miner in these words: “The mine worker in India works the longest hours for the lowest wages and under the worst technical conditions in the world; hence he is worked out and dies at a faster rate than any other miner or worker. The coal pits of India are nothing but death pits for the miners.”

Aggressive Imperialist Plans Will Be Beaten

The following comment on the Pope’s Christmas message, by Pietro Secchia, Deputy General Secretary of the Communist Party of Italy, appeared in the journal “**Vie Nuove**”:

“The Vatican has taken an active part in all anti-Soviet campaigns, in all the ‘crusades’ against the U.S.S.R. In 1930, when the imperialist countries, seeking a way out of their grave economic crisis, were elaborating plans for aggression against the U.S.S.R., public opinion was prepared accordingly by means of an intensive anti-Communist campaign of hatred and

slander. Plus XI joined this campaign on February 10, 1930, when he issued an anti-Soviet encyclical. The schemes of the imperialist magnates miscarried, but the fascist countries used the anti-Soviet 'crusade' to prepare without hindrance, their plunder of Austria, Abyssinia, Spain, Czechoslovakia and Poland which enabled them in the end to prepare the greatest lot of aggression in history.

But the Soviet Union, which had been marked down by the fascists as their victim, saved mankind from fascist barbarity. Today, when military alliances and plans of aggression against the U.S.S.R. are being prepared, Vatican once again joins the 'crusade', as was the case twenty years ago.

The clock of world history is striking in favour of democracy and peace. The forces of war will not succeed. The aggressive plans of the big financiers, capitalists and landlords will be defeated, notwithstanding the Papal blessing.

New Collective Agreements In Hungary

"**Szabad Nep**", organ of the Hungarian Workers' Party, reports that Antal Apro, General Secretary of the National Trade Union Council, and Istvan Kossa, Minister of Industry, have signed a general collective agreement for 1949.

The new collective agreement provides for an eight hour working day, paid holidays of 25 days, plus 8 general holidays. The agreement also contains provision for a number of measures designed to further production, and to improve welfare and cultural services for the workers.

In a comment on the agreement, Comrade Apro wrote in "**Szabad Nep**": "Today the working people see not only the growth and strengthening of working class influence in guiding the country and its economy; they see also that the surplus created by the labour of the workers in the successfully

functioning factories is used for purchasing new machines and tools, for building new factories and for making labour easier:”

Signing the agreement the Minister of Industry stated: “This is the first agreement, in the discussion of which no capitalist interests were represented, and the sole aim of which is to serve the interests of the working people. The agreement was signed not by enemies, but by friends and comrades. Hence, it is not just an ordinary document; it is a document which reflects the victory of the working people in our country”.

Economic Decline In Belgium

Newspapers of all shades of political opinion in Belgium comment on the declining economic position of the country in 1949. The newspapers note that the existence of the economic crisis and consequences arising therefrom, are generally admitted.

According to the press, the textile industry, knit-goods, leather, boot and shoe, glass, timber and clothing industries have been in the grip of the crisis for the past seven months. The crisis is now spreading to the iron and steel shipbuilding, engineering and diamond-cutting-industries. Both domestic and foreign trade have been severely hit.

Speaking at a meeting in Liege, Prime Minister Spaak admitted that “unemployment had reached unheard of dimensions. Three hundred thousand people are out of work. We are on the threshold of considerable change in our economic policy.”

Such are the fruits of the Marshallisation of Belgium.

AMERICAN IMPERIALISTS RESTORE GERMAN MILITARISM. Otto Grotewohl, Chairman, Socialist Unity Party, Germany

The Yalta and Potsdam agreements of the Allied Powers envisaged a united German economy and democratic central government. So far, these agreements have not been realised, due to the resistance of the American monopolists who have rejected the policy which would have led to the liquidation of the monopolies and the demilitarisation of Germany.

In the American zone, U.S. monopoly capital has long since shown just what the much publicised American “liberty” means. Woe to anyone who opposes this version of American liberty”. He will soon feel on his own person the arbitrary and brutal methods to which monopoly capital resorts in pursuit of its interests. One need only recall the plebiscite carried out in Hessen (American zone), for instance, when the overwhelming majority voted for the socialisation of the coal mines and basic industries, and the American military authorities with a stroke of the pen, ordered the Hessen government to disregard this decision of the people. For that matter the decision reached by the parliament of North Rhine-Westphalia (British, occupation zone) concerning the socialisation of mining and other basic industries, has remained on paper—a fact indicative of the colonial dependence to which the population of the Western zones has been reduced.

The policy pursued by the American monopolists has allayed the fears of the German monopolists, Junkers, militarists and financiers who subsidised the war, that they might be punished as war criminals and forced out of public life, U.S. monopoly capital. Openly and persistently, has given every encouragement to the reactionary elements.

Denazification in the Western zones is nothing more than a

farce. Quite frequently, prominent Nazis and militarists are acquitted. And when the court simply cannot avoid a conviction, it can be taken for granted that the criminal will be acquitted later.

A large number of General Staff officers, including ten Hitler generals, have been released. Court proceedings started against fourteen Hitler generals have been dropped. Hitler generals are being enlisted for the intelligence service and other activity. Former Hitler officers are granted pensions while needy, displaced persons and refugees, to say nothing of the numerous victims of fascism, hardly get any assistance whatsoever.

Monopolists who were closely linked with Hitler are at liberty, and, in the guise of members of the Democratic or Christian Social parties, are active in their efforts to restore the dominant positions of monopoly capital.

The restoration of monopoly domination has proceeded apace in the Western Zones. The so-called decartelisation law, the alleged object of which was to secure the abolition of monopolies in German industry, has not affected property interests in the least, and has placed the leadership of the boards, formed in the process of “decentralisation”, in the hands of the trusted men of monopoly capital.

Any number of events in the Western zones testify to the steady growth of remilitarisation. Questionnaires issued by the labour exchanges contain a point concerning Army service. The newspaper “Die Neue Zeitung” wrote that the Western zones are far from being “an expanse lacking military potential”. In this way the organ of the American military authorities openly admitted the existence of German military units in the Western zones. In Lower Saxony, 45,000 former prisoners of war are united in the “volunteer soldiers” corps under the command of a Hitler general. Another military formation under training in the vicinity of Cologne, is

commanded by the Nazi General, Manteuffel.

Although Potsdam called for the destruction of all military objects, a considerable number of these objects is being reconstructed in the Western zones in keeping with the latest requirements of military science. Western Germany's war industry is being restored.

It is planned to make the multitude of "service groups", police units, industrial police, the civil guard and foreign legion the basis for restoring Germany's armed forces. These "service groups" alone, according to incomplete data, number more than 300,000 men. True, they were dissolved officially, and replaced by the so-called German Civil Labour Organisation. However, this simply means that the "unreliables" have been replaced by SS volunteers, and by officers and NCOs of the Hitler army. The job of the "German Civil Labour Organisation" is in the main, to prepare technical units. At the same time infantry formations are also being trained on a large scale. The main activities of the police units, consist, likewise, of military training. The civil guard and industrial police which already number 40 battalions, are purely military formations. In recruiting these forces, the Anglo-American occupation authorities are governed by the desire to preserve the "traditional cadres" of German militarism.

The war industry is developing at a rapid rate. Tanks and planes are being produced at the Messerschmidt works in Bavaria. Tank parts are again being produced at the former Goering works in Linz (Austria), which is under the jurisdiction of the U.S. military authorities. Production has been renewed at the Steyr aircraft plant in Ebens, at the Daimler-Puch factory in Graz, at the Heinkel works in Enbach and in the Messerschmidt factory in Kemsten. Some 20 underground plants are again turning out armaments for aircraft. France is compelled to forego her supplies of Swedish iron ore since Sweden, complying with American dictates, is

giving priority to Western Germany with an order for 3.3 million tons of iron ore, the biggest order placed since 1939. Franco Spain, which last year supplied Western Germany's war industry with pyrites valued at two million dollars has been instructed by the United States to multiply these supplies. Meanwhile, the peace-time economy and the industries working for export in the Western zones, are being destroyed through dismantlement and all kinds of restrictions designed to eliminate German competition on the world market.

At the end of last year the world learned that the Six-Power conference dealing with the Ruhr had reached agreement on all key points, including control of production and the administration for the Ruhr. Thus, on the eve of baptising the West German Republic, established by the Western Powers. it was finally decided to use the Ruhr in the interests of militarising Western Europe.

Agreement has already been reached concerning the formation of an international industrial police for which Western Germany. too, will provide contingents. What 'Ire known in the Western zones as the "I.P." battalions, under the command of American officers, are collections of international reactionaries and serve as asylum for criminals of the Hitler SS and SA units. Today these hordes are gangs of strike-breakers used against the working class; tomorrow they will be used for waging civil war against their own people, and, the day after tomorrow, a cadres for the new "Black Reichswehr", seeking to involve the peace-loving peoples of the world in a third world war. The significance of this process which constitutes a grave danger for progressive mankind, all the greater if the three-billion dollar credit with which the United States is financing the countries of the Western bloc and Canada, for the purpose of "modernising their armaments", be taken into account.

The American imperialists are bent on having the Western

Zones serve the dark designs of the Western bloc. There is, therefore, nothing surprising in the fact that “**Le Monde**”, which is close to the French Foreign Ministry, frankly admits: When speaking of the need to defend Western Europe against possible attack from without, it should be remembered that this would mean the simultaneous restoration of both the French and German armies.”

The political strategists of the Western Powers are feeding the bellicose ardour of the fascists sheltered in the Western zones, who react to the fanfare of war like an old cavalry mount prancing in response to a bugle call. There is nothing surprising in the fact that the British licensed “*Die Zeit*” elated by the conclusions of “*Le Monde*” expressed its “Teutonic sentiment” as follows: “As soon as we will have a police force proportionate to the population, corresponding to the police force in the Eastern zone, the Western powers can then calmly agree to the Russian proposal for the withdrawal of troops from Germany.”

The Communist Party, alone of the political parties in the Western zones, is waging a real struggle against militarisation. The representatives of the bourgeois parties are bartering the independence of the country: at the price of including the Western zones in the military plans of the Western bloc they want to buy recognition of Western Germany as an independent state.

The Schumachers, are suggesting a plan for incorporating the armed force and the war industry of Western Germany into the system of the Western bloc. In this way the Social-Democrat leaders are supporting the remilitarisation of Western Germany under the leadership of the military representatives of the Western powers.

The United States is not abiding by its Potsdam obligations. It is trying to replace joint settlement at outstanding questions by the Great Powers with its own

dictates, which are upheld by a group of subservient powers. Throughout the world, however the people who are anxious for peace are resisting the aggressive policy of the U.S. monopolists.

As for the working people of Germany their task is resolutely to oppose the remilitarisation of Germany. The German workers are determined that never again will the monopolists use them for their aggressive aims. Germany as a whole must be freed from the domination of monopoly capital. Only the consistent democratisation of a United Germany can secure lasting peace in Europe.

PEASANTS OF HUNGARY UNITE

Local branches of the All-Hungarian Union of Working Peasants and Agricultural Labourers are being set up throughout Hungary.

The inaugural meetings of the organisation mobilised large numbers of agricultural labourers and poor and medium peasants to struggle in an alliance with and under the leadership of the working class, against the exploiter elements and enemies of the land reform.

INTERNATIONAL UNITY OF WORKING PEOPLE WILL LIVE. Di Vittorio, General Secretary, General Confederation of Labour of Italy

The first phase of the struggle, which the American and British imperialists started through their agents—the reformist trade union leaders—ended in their defeat. The attempt to destroy the great interactional organisation of the working people—the World Federation of Trade Unions—failed. This once again demonstrated the will of the working people to preserve working class unity of action, to preserve trade union unity.

The course of events is known. But an analysis of the facts is most instructive. It shows, in particular, how the reformists trample upon the elementary principles of democracy which they hypocritically profess to champion.

The session of the Executive Bureau of the WFTU which opened on January 17, was forced to discuss the ridiculous proposal of the leaders of the British T.U.C. that the Executive Bureau should suspend all WFTU activities for one year. Then, after the lapse of a year, it would be decided whether or not to resume activities, in what form and under what conditions. In other words, this was a thinly veiled proposal to completely abolish the international trade union organisation.

After the TUC spokesman, Deakin, advanced his absurd proposal, the representative of the American CIO, Carey, supported him, and even went so far as to demand the immediate dissolution at the WFTU. This, of course, was what Deakin and Carey really wanted.

The representative of the Soviet trade unions, Comrade Kuznetsov, Chairman of the All-Union Central Council of Trade Unions, foiled the crafty designs of Carey and Deakin,

by posing a number of concise questions to the British delegate. Among the questions were these: first, on what conditions would the TUC agree to the WFTU continuing its activities with the participation of British unions; second, could Deakin offer any conditions for reaching at least partial agreement, and, if so, what were they.

The answers were in the negative. It was obvious that the American and British reformist leaders had not the slightest desire even to discuss the possibility of agreement; it was obvious that they had come to the Session with their minds made up, and perhaps, even with direct orders from their governments to destroy the WFTU. This intention was made crystal clear by Deakin. Deakin, a classic example of the British middle bourgeoisie, is an unscrupulous individual, lacking any serious grounding and filled with imperial prejudices and imperialist conceit. He blatantly announced that agreement was out of the question and all that was left for the Executive Bureau to do was to accept the proposal of the TUC and CIO leaders and dissolve the WFTU.

So cocksure was Deakin that he even tried to guillotine any discussion of this absurd proposal. Accept it and that's all But, discussed it was. And the majority of the Executive Bureau refused to submit to the pressure of the former Chairman, thus teaching him a lesson in trade union democracy.

What reasons, or to be more exact, what pretexts were offered by the TUC and the leaders for their demand to abolish a trade union organisation which unite 67 national organisations with a membership of 80 million workers? They can be summarised in the following three points: dissatisfaction of the British and American trade union leaders with the criticisms levelled against them by Communists and Left elements in the trade union movement in general; the fact that no agreement was reached between the WFTU and the international secretariats, formerly affiliated to the Amsterdam

International, concerning the formation of WFTU international departments; impossibility of co-operation between the “democrats” and Communists in view of the disagreements between them, and also in view of the profound current contradictions between the governments. Carey had the Insolence to advance as a fourth reason the refusal of the WFTU to support the notorious “Marshall Plan.”

The majority of the Executive Bureau had no difficulty in frustrating these crude tactics of the splitters and in showing up, in all its stark ugliness, their betrayal of the cause of the working people.

To begin with, the splitters were reminded of the slanders they and their friends had spread about the trade unions of other countries, about the Soviet Union and the new democracies. Had they shown the least desire to preserve world trade union unity, there would have been no difficulty in reaching agreement concerning a mutual obligation to practise criticism on fundamental issues. Hence this excuse cannot be advanced as a justification for the demand to dissolve the WFTU.

Second, the splitters were reminded of the series of concessions made by the leading bodies of the WFTU to the old trade union secretariats, and especially of the proposal submitted last September by this writer. The proposition was put to the trade union secretariats that the democratically-elected delegates to the various international conferences should freely decide on the relations of each of the secretariats toward the WFTU. What was the result? The proposition was rejected by the splitters who now allege that the WFTU did not want to reach agreement with the secretariats.

The third excuse advanced by the splitters was the most demagogic of all. They claimed that the difference in ideology between the “democrats” and the Communists makes cooperation between them and the united trade union

movement impossible. In this way they furnished a “theoretical” basis for the split in the trade union movement and the division of the working class into two camps. The Communist Parties and Communist ideology, which neither fascism nor nazism could destroy, are growing and developing in all countries. To speak now of the impossibility, in principle, of unity of action with the Communists in the trade union movement, means upholding the cherished aim of all capitalists and exploiters, namely to split the ranks of the working people.

Unity in the trade union organisations is based on the community of vital interests and social aims of the working people who are opposed to the exploiting class. This unity of interests and aims is, undoubtedly, far more powerful and profound than any difference in ideology, or in the political and religious views that may prevail among the working people.

Trade union unity is the result of the victorious defence by the working people of their livelihood and their rights. It precludes all political, ideological or religious discrimination among the working people and in their trade unions. The reformists were reminded that their anti-Communist stand brings them into kinship with fascism, leads to their unification with the capitalists, to their open alignment with imperialism.

The splitters were unable to counterpose this irrefutable testimony with any objection worthy of attention. Deakin went so far as to say that there was “no community of interests” between the reformist workers and Communist workers.

As for Carey’s reference to the “blessings of the Marshall Plan” at a time when the facts prove that this Plan is an instrument for achieving the political and military domination of American imperialism, all that one can say is that it beats the band for cynicism. The Chinese delegate described the “blessings”, in the form of “Marshall Plan” guns and machine-guns, sent to the traitor Chiang Kai-shek and the protracted civil war and the extermination of thousands of Chinese

people.

The existence of such a powerful international trade union organisation as the WFTU is a major obstacle to the war plans of the Anglo-American imperialists, plans which are directed against the Soviet Union and the new democracies. The liquidation of the WFTU would give a free hand to the monopolists who, for the sake of amassing more profits, are endeavouring to unleash a new war. This is what the U.S. and British reformist trade union leaders wanted to achieve. But their designs ended in fiasco, due to the resolute stand taken by the majority of the Executive Bureau who, refusing to be intimidated, continued and completed the work of the Session as originally planned.

The intention of the gentlemen “democrats” to capture the dominant positions and dictate their conditions, was clearly revealed in their attempts to violate the powers of the Executive Bureau and the rules of procedure. They insisted that the subordinate organ—the Executive Bureau—should make the announcement that the higher body—the WFTU—had suspended its activity and would be dissolved.

The Executive Bureau pointed out to the splitters that it lacked the right to take upon itself such decisions, since its functions were to strengthen and extend the activities of the organisation and not to abolish it. Moreover, it would be unworthy for an organisation such as the WFTU, which calls itself a democratic organisation, to demand that the Executive Bureau commit such an undemocratic, dictatorial act. Finally, the WFTU is the common possession of 67 central trade union bodies and consequently, the Executive Bureau has no right to dispose of this common possession as it sees fit. Only congress can lawfully decide whether the organisation should suspend its activities or be dissolved. The gentlemen “democrats” displayed their utter disregard for democracy and the working people by replying that these fundamental objections were a lot

important and that the Bureau must accept the decision dictated to it.

The majority of the Bureau, repelling the onslaught of the splitters resolved immediately to convene the Executive Committee and recommend it to hold a world congress as soon as possible. This determined action by the majority of the Executive Bureau saved the trade union organisation, saved international trade union unity.

The World Federation of Trade Unions continues its functions. It will carry on and will demonstrate its ability to cope with the great tasks of the struggle to raise the standard of living of the broad masses of working people, to safeguard and secure national independence for all peoples, to win democratic liberties and successfully defend the peace against the warmongers.

A YEAR OF IMPORTANT CHANGES IN PEOPLE'S REPUBLIC OF RUMANIA. M. Constantinescu, Member, Political Bureau, Central Committee, Workers' Party of Rumania

Nineteen forty-eight was a momentous year for the People's Republic of Rumania, a year of great revolutionary changes.

We are now in the transition period from capitalism to Socialism, when the class struggle is growing in intensity, when the proletariat is consolidating its victories, strengthening its alliance with the tolling peasantry, and guiding the struggle for the abolition of capitalism and the building of Socialism the first phase of Communism. As Lenin pointed out, "the transition from capitalism to Communism represents an entire historical epoch. Until this epoch has terminated the exploiters will inevitably cherish the hope of restoration, and this hope will be converted into attempts at restoration."

The victory of the Soviet Union in the Great Patriotic War against fascism created new historical conditions for the development of the countries liberated from fascism the support rendered by the Soviet Union and its assistance have facilitated and hastened the advance of the new democracies towards Socialism.

The abolition of the monarchy, the establishment of the Republic and the removal of the bourgeoisie from the Government strengthened the role of the working class—the leading class—in the young democratic State, and strengthened the alliance of the proletariat and the labouring peasantry. The

elections held last March showed the great change that had taken place in Rumania. The People's Democratic Front won a decisive victory. Once again the working people of our country made it clear that they stand for a people's democracy.

A dividing line was drawn between the two camps inside the country: between the bourgeoisie, and the proletariat united with the labouring peasantry, the bourgeoisie sought to regroup its forces, to combat the new system by plotting and espionage, and by increasing economic sabotage.

The proletariat, marching at the head of the working people, inflicted increasingly telling blows on bourgeois reaction. Nationalisation of the greater part of the means of production in industry, of the greater part of transport, of all banks and Insurance societies, the considerable expansion of the State and co-operative trade sector—these were crushing blows which sapped the foundations of the economic power of the bourgeoisie.

In the countryside, economic policy was carried out on the basis of a class approach. A differentiated system in taxation and grain deliveries, machines and selected seed for the labouring peasantry, the establishment of a central machine-tractor depot administration, and the reorganisation of State-owned farms (in all 360)—these measures furnished the conditions for laying the foundations of the socialist reorganisation of agriculture.

We switched from short-term industrial programmes to our first One-Year Plan. Comrade Gheorghiu-Dej, characterising this Plan, stated: "This Plan, which coordinates the activity of the various economic, social and cultural sectors, is an important factor which clears the way for a new phase on the path to Socialism in our country."

The extensive economic aid which we receive from the Soviet Union and the steadily expanding trade relations and the new forms of economic contacts—the Rumanian Soviet

Societies—are contributing in a decisive way to the development of the national economy.

The Rumanian-Soviet Societies are based on full equality in relation to management, capital investment and distribution of profits, thus affording a striking form of co-operation between the socialist State—the Soviet Union and the People's Democratic State of Rumania, a co-operation that benefits both peoples.

The united party of the proletariat, the Rumanian Workers' Party, formed at the Unity Congress in February 1948, is the political and organisational force guiding the struggle and work of our people. The Unity Congress was the culminating point in the process of organisational-political unification of the working class which had its origin at grass roots: ideologically, the Workers' Party is based on Marxism-Leninism.

The Central Committee plenums held in February, June and December of last year, guided by the Party congress line of criticism and self-criticism, analysed the work of the Party, exposed mistakes. They outlined the tasks of the Party in the general election, in putting the Constitution into effect, in carrying out nationalisation and the economic plan, In trade union work, work among the different nationalities in Rumania and among the youth, and also tasks in the sphere of science, literature and the arts. The Party fully supported the criticism of the Information Bureau of the Communist and Workers' Parties concerning the treacherous Tito clique, and engaged in extensive work in eradicating the influence of bourgeois nationalism.

What results did these political and economic changes produce? The workers began to display a new attitude to labour. Having realised the importance of nationalisation, the workers went in for labour emulation, which yielded splendid results, especially in the iron and steel, coal and oil industries: labour productivity increased considerably during 1948.

Following nationalisation, the output of the iron and steel industry considerably exceeded the 1938 level. New blast furnaces were installed in Resitsa and Hunedoara. Oil output exceeded the 1946 and 1947 levels, and continues to increase. Coal output reached 103 per cent compared to 1937, output of iron-ore mines 148.6 per cent compared to 1938, and 180 per cent compared to 1947, that is, record output. The output of natural gas reached 420 per cent compared to 1938, and 133.4 per cent to 1947.

Great headway was made in the manufacture of textiles, readymade clothing, and the production of building materials. State trade, too, grew considerably and strengthened its positions. Eighty per cent of consumer goods are now sold in State stores. Co-operative trade has expanded.

Nearly 9 million hectares were sown to crops during the spring and autumn. Favourable weather conditions contributed to a good wheat crop and an average maize crop. Thousands of IAR tractors (the first tractors to be produced in our country) were on the fields in 1948.

The financial system of the People's Republic was completely overhauled. The 1949 budget serves the interests of the working people and is an instrument for building Socialism in our country. The sum of 44 billion lei has been allocated for capital investments. To this will be added another 40 billion lei taken from the profits of enterprises. Total capital investments during 1949 will reach 84 billion lei. The tax system will be simplified and reorganised. The trade tax will be the main tax in 1949 and will account for 95 billion lei.

The reorganisation of industry, trade and finance on the basis of nationalisation made it possible to reduce prices on rationed goods three times in the course of the year—on May 1, August 23, and again on October 1. Thanks to this, real wages increased 22 per cent.

Far-reaching measures were taken in the sphere of public

health. All private hospitals were nationalised. Hundreds of new maternity homes were opened in the countryside, and creches and kindergartens in factories and offices.

Public education underwent fundamental changes which were made in the spirit of democratising, and introducing a scientific approach to teaching.

The new Academy of the Rumanian People's Republic opens up wide perspectives for developing a new Rumanian culture, inspired by the ideas of Marxism-Leninism. The changes introduced in the judicial apparatus and the appointment of judges from among people's assessors, helped to improve work in this sphere.

The army of the Republic enjoys the solicitude of the Government and the people; it not only defends the rights and freedom of the people, it has become a school for cultural and political education.

On January 13, the National Assembly passed the Law Concerning the People's Councils—the new local organs of State power. This law, which is a milestone in the development of people's democracy in our country, makes it possible to carry out the functions of the dictatorship of the proletariat in the most democratic manner—directly through popular organs, and strengthens the alliance of the working class and labouring peasantry.

But even though the bourgeoisie and landlords have been removed from power they have not yet been completely defeated. The more hostile elements are fomenting plots and sabotage. In order to safeguard the security of the Republic, the National Assembly on January 14, passed a law providing for the death sentence for high treason, sabotage and crimes against the people.

Reaction is using to the maximum the weapon of bourgeois nationalism. The bourgeoisie and landlords are endeavouring to whip up chauvinist enmity. But the policy of the Rumanian

Workers' Party on the national question, the laws and measures of the Government of the Rumanian People's Republic, which confirm the equality of all nationalities inhabiting Rumania, have cemented friendship between the peoples.

Our cardinal task is to strengthen the system of people's democracy—the system which is successfully carrying out the functions of the dictatorship of the proletariat.

Another important task is to intensify the struggle for the building of Socialism. The fulfilment of the plan both as regards quantity and quality of output, is irrespective if this task is to be successful carried out. It is, necessary, likewise, to begin the socialist reorganisation of agriculture, and, under the leadership of the working class, to promote the initiative of the poor and medium peasants. And when agriculture, following the reorganisation of industry on socialist lines, takes the path of collective farming, the building which we are erecting will rest on a stable foundation.

In order to cope with these great tasks it is necessary to remove careerist and opportunist elements from the ranks of the leading force of the Rumanian People's Republic—the Workers' Party. We have before us the great example of the Soviet Union. The history of the Bolshevik Party is a treasure house of experience for the working class of the world, a source of strength and vitality. It is also our true guide.

PROBLEMS OF PLANNING IN NEW DEMOCRACIES. J. Goldman, Director, Economic Research Institute, Socialist Academy, Czechoslovakia

While the outstanding result of World War One was the breach caused in the imperialist front over one-sixth of the earth's surface, one of the most important consequences of World War Two was the further weakening of the imperialist system caused by a number of countries of Central and Eastern Europe dropping out of this system. These countries, having effected fundamental changes in State power, having carried out a land reform and having nationalised the principal means of production, are now building a planned economy.

In planning their economy the new democracies are learning from the rich experience acquired by the Soviet Union in socialist planning, the essential principles of which were elaborated by Lenin and Stalin.

Relying on the State power of the working people headed by the working class, on the nationalised industry, banks, large-scale internal and foreign trade, and also on the fraternal aid of the Soviet Union, the new democracies are in a position to undertake successful socialist planning. This is borne out by the experience of their struggle to restore the post-war economy. Notwithstanding many major shortcomings in the initial period, they have achieved remarkable results, especially in strengthening and extending the socialised sector, in securing increased output and in improving the standard of life.

Today, the new democracies are tackling a more complex job—the industrialisation, reorganisation and building of economy on socialist foundations. But Socialism does not

come about automatically. This task can be realised only by promoting socialist forms of economy, above all, by developing socialised heavy industry, by means of restricting and eliminating the capitalist forms of production. In this way the preconditions are furnished for switching small-scale production onto the rails of Socialism.

The experience of the new democracies, like the experience of the Soviet Union, shows that the transition from capitalism to Socialism is accompanied by intensified class struggle, by bitter resistance on the part of the remaining capitalist classes, groups and elements in every sphere of life, including economy.

As was the case in the Soviet Union during the struggle for the victory of Socialism, so too, in the new democracies today, socialist planning is an essential instrument of economic construction, an instrument for securing the economic independence of these countries from the imperialist powers, an instrument for reinforcing their defence capacity and for building a socialist society based on the common ownership of the means of production.

Close co-operation with the Soviet Union and among themselves, enables these countries to plan their economy on a wide scale and to supply it with the essential raw materials and machinery. This cooperation is a guarantee that each of the new democracies will have at its disposal adequate reserves and means to avoid any disproportion in the expanding national economy, which might be the case if it did not rely on the broader planned basis of the Soviet Union and the other new democracies. This cooperation will likewise ensure, to a considerable degree, a steady tempo of socialist production.

This in itself shows that the new democracies greatly benefit from close co-operation with the Soviet Union and among themselves, and from the mutual assistance they render each other. This is a qualitative, new aspect of socialist

planning in the new conditions of the people's democracies which needs to be widely developed.

The current economic plans of the new democracies have the following principal aims: to restore the war-devastated economy, to secure a rapid increase in the standard of life, to strengthen the new social order on this basis, and to furnish the preconditions for its further development. In all cases the plans for restoring the economy are short-term plans, since the aims can be realised in the space of two-three years.

Accordingly as these plans are completed (1948-49) the national income will be, in Czechoslovakia 100 per cent of the pre-war figure; 116 per cent in Poland, and 114 per cent in Hungary. In Bulgaria the national income will be considerably higher but here account should be taken of the very low pre-war level.

In all these countries the plans have not been drawn up mechanically; in each case account is taken of the pre-war structure of the national economy. Priority is given to expanding industrial output, and especially to the output of means of production. In this way the basis is laid for the further economic development of these countries and the growth of their industry strengthens the socialised sector of the economy.

Judging by the results to date, it is clear that the targets will be reached in all countries and exceeded in some.

The standard of life is rising parallel with the development of production. Real wages in each of the new democracies are much higher than before the war: in Bulgaria wages are 10 per cent higher, in Czechoslovakia more than 40 per cent higher, while in Hungary and Poland the increase is somewhere between these figures. The land reform in the new democracies gave nearly 10 million hectares of land to the former landless and small peasants, thus greatly, improving their economic position. The economic plans provide for a further improvement in the living conditions of all working people in

town and country.

The changes effected in the economic structure of some of the new democracies are clearly evident from the following figures: Industrial output in Czechoslovakia during 1948 exceeded the pre-war figure by 10 per cent; in Poland by 51 per cent, and in Hungary by 27 per cent. Agricultural production in Czechoslovakia last year came level with the pre-war figure; in Poland it was 80 per cent of pre-war, and in Hungary, 90 per cent.

By the end of 1949 industrial production in Bulgaria will increase by 67 per cent and agricultural production by 34 per cent, compared to 1939.

The restoration of agriculture in Poland and Hungary, both of which suffered heavily from the war, will require more time. On the other hand, due to the rapid growth of industrial production, the national income in these two countries exceeds the pre-war level.

Economic planning in the Rumanian People's Republic, which began its One-Year Plan only this year, presents a somewhat different picture. Until now Rumania, where nationalisation of the decisive part of industry was effected only during 1948, that is, much later than in the other countries, had to confine herself to short-term 3-6 month industrial programmes.

As any number of facts show, Yugoslavia will not cope with her economic plan due to the venturesome, anti-Marxist policy of the present treacherous leadership of the Communist Party. Yugoslavia announced her Five-Year Plan in 1946. The principal aim of this Plan was to double the national income compared to pre-war, mainly by means of expanding industrial output, approximately, three and a half times. Thus, industrially backward Yugoslavia set herself a task far greater than that envisaged in the plans of Czechoslovakia and Poland, tasks far beyond her strength, and, therefore, unrealisable. The

nationalist policy of the Tito clique, which is directed against the leading role of the working class, against the Soviet Union and the new democracies, together with a number of economic setbacks, has had altogether serious consequences for the country's economy.

The present leaders of the Yugoslav Communist Party have had to revise their Five-Year Plan. "We must confine ourselves to what is most important," stated Tito at the congress of the Communist Party of Croatia. Industrial targets are not being reached, nor is the plan for agricultural deliveries being fulfilled. It is becoming obvious that the capital investments originally designed to help increase industrial output three and a half times, have proved to be unrealistic.

Until now means for capital investment were secured, more and more, from sources which were drained excessively and which led to a sharp deterioration in the standard of life, even compared to the beginning of the Five-Year Plan. The failure of the Five-Year Plan, the decline in the standard of life, the strengthened positions of the kulaks—such are the results of the economic policy pursued by the treacherous nationalist Tito group.

The planned growth of the basic industries in the three new democracies (Czechoslovakia, Poland, Hungary) where industry is comparatively developed, presents an interesting picture as the following figures show:

For instance, the output of coal in Czechoslovakia will increase from 28.2 million tons in 1937-38 to 32.3 million tons by the end of the economic plan; in Poland coal output will go up from 38.1 million tons to 80 million tons; in Hungary from 9.3 million tons to 11.6 million tons. Steel output in, Czechoslovakia will increase from 2.3 million tons in 1937-38

to 2.4 million tons in the last year of the Plan; in Poland from 1,4 million tons to 2 million tons; in Hungary from 0.6 million tons to 0.8 million tons. The output of electric power in Czechoslovakia will increase from 4.1 million kw. hours to 7.4 million kw. hours; in Poland from 3.9 million kw. hours to 8 million kw. hours; in Hungary from 1.4 million kw. hours to 2 million kw. hours.

The above figures give an idea of the considerable economic potential of these three countries, which approaches, for instance, the economic potential of France. These figures clearly reveal that the possibilities of economic development in the countries advancing to Socialism are far greater than in the countries whose economy is under pressure of the general crisis of capitalism and the disastrous influence of the "Marshall Plan".

It is not internal factors alone that account for the rapid development of planned economy in the new democracies. A planned economy would have been impossible in these countries without the political and economic assistance, and, during the period of the anti-fascist war of liberation, without the military assistance of their great ally, the Socialist Soviet State. The Soviet Union has signed long-term economic agreements with each of the new democracies, on the basis of which it supplies them with raw materials and partly with food, and above all, with important means of production. These supplies are often connected with large-scale credits.

Besides these agreements, nearly all the new democracies have signed mutual economic agreements. This raises the matter of planned economic co-operation between states with a planned economy. The common interests of these States which are bound up with the further promotion of both their national and general economic potential, and with strengthening their independence of the imperialist states, call for closer economic cooperation, and not only trade relations.

The new form of close, planned economic co-operation between the Soviet Union and the new democracies and the mutual assistance they render each other are reflected, above all, in the long-term agreements reached between these countries. In keeping with the economic agreements signed between the new democracies and the Soviet Union, considerable credits are granted the former, and in certain cases, prices are fixed far in advance.

The possibility of, and, at the same time, the need for intensive planned co-operation between these countries is the outcome, on the one hand, of their planned economies and, on the other, of the fact that the economy of each of the new democracies and also of the Soviet Union, differs in structure, and the one, to a considerable extent, complements the other.

Only a planned economy which gives a complete and detailed picture of the problems and difficulties of economic development, can help rapidly to discover bottlenecks likely to arise in one or another of the countries, and to eliminate these within the framework of joint co-operation with other states. Plans which take into account only the needs of the given country will not be able to solve the problems facing that country, to say nothing of the problems facing the other new democracies.

The principle of co-operation and mutual aid between the Soviet Union and the new democracies is that of the equality of these countries, and defence of the interests of each of these countries, in contradistinction to the "Marshall Plan" which is designed to subordinate other countries to the domination of American imperialism.

Integrated planned co-operation between the new democracies of Central and Southeastern Europe and the Soviet Union, and between each other, constitutes one of the principal guarantees of successful planning in these countries.

Such economic co-operation and mutual assistance are unthinkable between capitalist states. This is proved convincingly by the “Marshall Plan”, which is an instrument of the U.S. for exporting superfluous goods and capital, for acquiring sources of raw materials, for subordinating the European countries and for realising the predatory strivings of the leading imperialist power. The ostensible aim of the “Marshall Plan” is most modest—to restore the pre-war level of production in a number of European countries, even though the pre-war level of consumption will not be reached in 1951. But this object cannot be attained because American imperialism is trying through the “Marshall Plan”, to restrict and close those industries in the European countries which compete with American industry on the world market. Just how hard American imperialism is endeavouring to prevent the recovery of industry in the European countries which could compete with it can be seen from the fact that, so far, “Marshall Plan” deliveries of machinery and other industrial equipment constitute only 8 per cent.

In view of the fact that the Marshall countries are being subordinated, more and more, to the United States, their industry is developing much more slowly than in the new democracies, even though industry in the majority of the Marshall countries suffered incomparably less than that of the new democracies. The difference in the rate of industrial development in the two groups of countries can be gauged from the following data: in the Autumn of 1948 industrial output in Marshallised France reached 97 per cent of the 1937 level; Belgium—85 per cent; Holland—103 per cent; Italy—83 per cent and Bizonia Germany 46 per cent. In the new democracies there is a totally different picture. Industrial output in Czechoslovakia last Autumn reached 110 per cent compared to the pre-war figure; Poland—151 per cent; Hungary—127 per cent and Bulgaria—158 per cent.

Subordination of the economic interests of the Marshall countries to the requirements of the United States is reflected, above all, in the standard of living. Consumption per capita in these countries in 1951 will be even lower than pre-war; the consumption of meat will be 15 per cent lower, fats 10 per cent, bread 7 per cent, sugar 8 per cent and the general consumption per capita 10 per cent lower. In all probability the actual results will be even less favourable than envisaged in the "Marshall Plan".

Against this background there stands out in striking contrast the mutual interest and benefits of the economic co-operation between the new democracies and the extensive disinterested aid of the Soviet Union, without which planning and national economic development would have been impossible in these countries.

The new democracies, on the basis of the successful fulfilment of short-term plans, are putting the finishing touches to the restoration of their economies which suffered heavily from the war and enemy occupation. Many industries have already considerably exceeded pre-war targets. They are now drafting long-term plans which will be powerful weapons in the further economic and political development of the new democracies towards Socialism. The realisation of these plans will ensure the rapid growth of the socialist sector in the economy, the gradual restriction and elimination of the remaining capitalist elements, and will furnish the pre-conditions for switching small-scale production onto the rails of Socialism.

STRUGGLE AGAINST CLERICAL REACTION IN HUNGARY. D. Nemeč

The Catholic hierarchy in Hungary has for long been linked with both Hungarian and world reaction. It gave its blessing to the old landlord-capitalist system and to the criminal war waged by Hitler and Horthy. But the year 1945 arrived. The fascist regime, utterly defeated by the liberating Soviet troops, collapsed. The working class, in alliance with the peasantry, became a partner in, and the driving force of the new democratic system.

The new rule in Hungary carried out a democratic land reform. The feudal estates were broken up. Some 650,000 peasants shared a total of 3½ million holds of land. Among the bigger feudal estates were those in the possession of the Catholic Church, adding up in all to over a million holds.

The Reform transferred the greater part of this land to the agricultural labourers and to the poor peasants, to those who earned their living by tilling the soil. The carving up of the landlord and church lands severed the main roots of reaction. All the counter-revolutionary elements rallied against the Land Reform. Cardinal Mindszenty mourned the carving up of the landlords estates in these terms: "The landowning class in Hungary which by virtue of its wealth, its culture and contacts, is worthy of a leading role, has been deprived of the basis of its existence." This was said about those same landowners who, tied up as they were with finance capital, had twice sold Hungary to German imperialism and brought the country to catastrophe.

While singing the praises of the landowners, Mindszenty slandered the former landless labourers: "The chance of making easy money estranges from the land the new owners who are of the working class, and who are only too eager to

idle away their time... In general, the psychology of the new owners consists in extracting as quickly as possible as much profit as they can out of the land by doing as little work as possible.”

The aforementioned quotation was written in the autumn of 1945 and found in Mindszenty’s confidential archives before his arrest. Mindszenty had ideas of his own about a land “reform”. The princes and other feudal magnates would be paid a lump sum, the land given to the peasants would be taken away from them, new estates ranging from 500 to 1,000 holds would be created with an addition in certain instances of 2,000 holds of forest land. This new landlord class would be, in Mindszenty’s view, “the social bulwark of a restored Hapsburg monarchy.

In 1946 the people said, no, to monarchist rule, and proclaimed the republic. But Mindszenty and the higher Catholic clergy refused to recognise the new authority. At that time the bourgeoisie entertained the hope that Hungary would be a bourgeois republic, and that the bankrupt landowner class would be replaced by a reinforced kulak class.

The fearful post-war inflation which set in, was a period of enrichment for the Hungarian bourgeoisie. It was sharing political rule at the time, and, relying on being part of the Government and on foreign support, it engaged in an anti-democratic conspiracy. However, the anti-democratic conspiracy against the people’s authority was uncovered and rendered harmless.

Work on the Three-Year Plan, drafted and put forward . crashed against the combined strength of the Communists and Left Social Democrats. The alliance of the working class. with the labouring peasantry, against the landlords and bourgeois reaction, gained in strength. In these circumstances, American imperialism and home reaction began to give pride of place to clerical reaction headed by . Mindszenty.

In 1947, Mindszenty visited the United States where he talked with Archduke Otto about a Hapsburg restoration by means of armed force and the aid of American troops. The conspirators attached special significance to the traditional relic of Hungary—the crown of “St. Stephen”, the original founder of Hungary,

In a letter to Mr. Chapin, U.S. Ambassador in Budapest, dated August 31, 1947, Mindszenty suggested that the by the Communist Party, began in 1947. The newly-held elections gave first place to the Communist Party. Efforts by the right-wing Social Democrats to undermine the unity of the working class and to switch Hungary onto the rails of counter-revolution.

American authorities in Germany should give the crown into the keeping of the Vatican, he contacted the Austrian Archbishops Rohracher and Innitzer, the Bavarian Cardinal Faulhaber and Cardinal Spellman of New York. All of them united to “save the crown”. Horthy, the war criminal, who was informed about the conspiracy, hastened to associate himself with the venture. “I am boundlessly happy,” he wrote in a letter to the Pope, “that our sacred crown... will be handed over by the Americans to the apostolical throne.”

The people of Hungary are aware of the ulterior motives behind these shady machinations with this relic of the Hungarian nation, stolen by the fascists. The newspaper “**Kis Ujsag**”, organ of the Smallholders’ Party, in its January 6 issue made this comment: “It is no secret that the black reactionaries have far-reaching plans for the creation of a so-called Catholic middle-European confederation. This idea enjoys the sympathy of the Austrian and Bavarian Bishops, of Mindszenty and the Vatican. And it has found expression in the political fantasies of the American warmongers. The essence of the thing is this: Austria, Bavaria and Hungary should combine in a State, under Hapsburg rule, that would be a bulwark of imperialist and

world reaction.

It is not without significance that the organisation of the plot against the republic coincided with the centenary of the anti-Hapsburg revolution and national-liberation war of 1848-49. At the same time when the entire country was paying tribute to the great fighters for the first republic—Kossuth, Potoeffi, Tancsics and others, clerical reaction, just as was the case 100 years ago, jointly with the Archdukes and princes sought to restore the foreign domination which had oppressed our nation for four hundred years.

But 1948 was a lean year for reaction. Nineteen forty-eight saw the creation of a united workers' party in Hungary; it saw the nationalisation of big industry, which undermined the second main root of reaction—that of large-scale capitalism.

Mindszenty also denounced the nationalisation of industry, alleging that without foreign capital Hungary would “never develop”.

Where is the banker or manufacturer that would not gladly subscribe to release pleasant sentiments.

Freedom of religion is an inviolable law of the democratic republic. The Government, on the basis of recognition by the Church of the system of people's democracy, reached agreement with all denominations, the Roman Catholic excluded. For example, according to the agreement reached with the Reformed Church, the State will provide financial aid for the next 20 years so that thereafter the Church will be in a position to manage its affairs exclusively on the voluntary contributions of its members, without any material dependence on the State.

Mindszenty, using the threat of ex-communication, forbade priests, lay brothers and nuns to teach in the church schools now taken over by the State. Clerical reaction began a campaign among parents, urging them to boycott the State schools. Sermons were delivered in which people were told: far

better that the children be not educated than educated in the democratic schools. However, the working people eagerly sent their children to the schools. The reactionary propaganda ended in fiasco.

Resistance by reaction notwithstanding, the country is confidently marching forward along the road of people's democracy. By the end of 1948 it had surpassed the pre-war level of industrial output, and the standard of living, compared to pre-war, was up by 15 per cent. A base for the construction of Socialism in the countryside is being created.

A popular, democratic, socialist culture is making rapid progress. There is, on the one hand, a tempestuous growth of the forces of people's democracy, the forces of Socialism, and, on the other hand, desperate strivings by counter-revolutionary conspirators—agents of American imperialism. With whom is the Church siding? The Calvinists, and the other denominations in Hungary found it possible and necessary to take the side of the people against reaction and the instigators of war. Whereas, Catholic clerical reaction is deflecting the Catholic church into the swamp of counter-revolution. At countless public meetings this policy has been openly denounced by Catholic workers. The number of parish priests who have condemned Mindszenty's political intrigues, is growing. The base and stupid policy of Mindszenty, which in the first instance is causing injury to the Catholic church, is giving rise to discontent among the middle and upper strata of the Catholic clergy.

The Bishop of Pec informed a workers' delegation that Mindszenty's pastoral letters would not be read in any church in his diocese. Meanwhile, the security organs discovered a monarchist plot, the threads of which led directly to Mindszenty's palace. His secretary, Zachar and others were arrested. In a cellar of the palace the authorities found a metal case which, upon examination, was found to contain

Mindszenty's confidential documents—documents testifying to his espionage and his counter-revolutionary activity. Copies were found of the Primate's letters addressed to the Western Powers requesting them to intervene in internal matters of Hungary, the replies of the ambassadors of these countries, and also copies of the espionage reports, together with notes and plans for the restoration of the monarchy based on the model of Greece.

The depositions made by those taken into custody, and the documents discovered in the secret archives led to the arrest of the Primate himself.

Democratic public opinion in Hungary, including Roman Catholic circles, rejoiced at the news of the arrest and exposure of Mindszenty and his accomplices. The remarkable progress made by the country progress unprecedented in all its previous history, could not but make its influence felt on the Catholic, clergy, and particularly among the lower clergy. The Catholic clergy in Hodmezovasarhely headed by the parish priest Andras Cseh, published a statement saying: "We utterly condemn any action directed against the development of people's democracy in Hungary..."

Commenting on the criminal path taken by the Hungarian Primate, the organ of the National Peasant Party wrote: "Mindszenty did not serve the cause of religion, he wanted to restore the rule of the exploiters of the Hungarian people. His activity, therefore, was not religious. but political, counter-revolutionary activity."

The American and other imperialists can scream as much as they like, and bewail the collapse of yet another of their evil conspiracies against the liberated nations. The people of Hungary, now and in the future, will mercilessly expose the intrigues of reaction no matter what mask it may don."

MEETING EXECUTIVE COMMITTEE OF RUMANIAN GENERAL CONFEDERATION OF LABOUR

The recent meeting of the E.C. of the Rumanian General Confederation of Labour reached a number of important decisions including measures for furthering socialist emulation in the enterprises, strengthening trade union democracy and improving the organisational structure of the trade unions.

The meeting decided to restore the trade union groups, to reorganise the national trade union committees into organs of trade union leadership for the corresponding branches of industry, to set up factory committees in enterprises employing 500 workers and upwards, and to reorganise the regional trade union committees into organs for co-ordinating the work of the individual unions.

The meeting placed before all unions the task of organising and strengthening the Agricultural Labourers' Union. Measures were also taken to improve educational and cultural work among the union members.

Trade union elections, which will be held according to industry, have been fixed for February 5.

COMMUNIST PRESS CIRCULATION IN ITALY

A resolution of the Board of the Italian Communist Party urges the need for a wider circulation of the Party Press.

This task, says the resolution, must be regarded as one of the most important fighting tasks for all Party committees. Experience has shown, the resolution continues, that its successful solution requires the utilisation of various means. For example, circulation centres should be set up, groups of friends and reading and study circles should be organised to ensure that the Party Press finds its way to all working people and to all democrats.

A special national commission has been formed to supervise and organise the work of securing greater circulation.

COMMUNIST GAINS IN INDIA

The Communist Party of India won seven seats during elections to the Trichur (Madras Province) municipal council. Among those elected is Comrade Achutha Menon, a well-known Communist leader who has been forced to work illegally.

Commenting on this success, the organ of the Communist Party of India wrote: "This victory of the Communists under conditions of virtual illegality of the Party, coming as it does after a year of the most severe repression, is an index of how fast the people are getting disillusioned with the rulers of the State, and how they are rallying more and more behind the Communists."

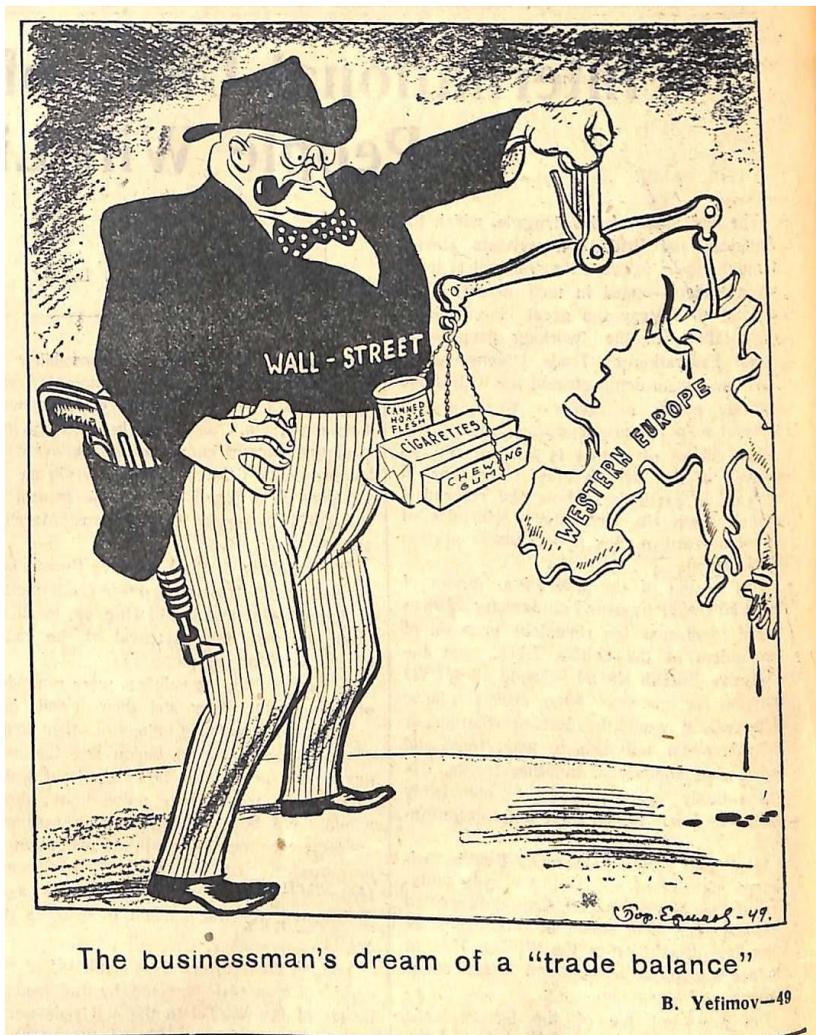
SEPARATION OF THE COMMUNIST PARTY IN WESTERN ZONES GERMANY FROM SOCIALIST UNITY PARTY

The Board of the Communist Party of Western Germany recently passed a decision concerning organisational relations between the Communist Party of Germany and the Socialist Unity Party.

The decision stressed the complete identity of views of the Communist Party of the western zones and the Socialist Unity Party on political questions: in the struggle for the unity of Germany, for the right of the German people to national self-determination, for democratic liberties, for the unity of the working class movement and also in the struggle against turning Western Germany into a colony of Western imperialism.

At the same time, the decision states, “the specific conditions of the struggle in the Western zones make it necessary for the German Communist Party to carry out an independent policy corresponding to these conditions. In view of this, the Board of the Party has decided on organisational separation from the Socialist Unity Party.”

THE BUSINESSMAN'S DREAM OF A "TRADE BALANCE" . B. Yefimov



POLITICAL NOTES

Victories Of Chinese Democracy

In China the democratic movement is surging forward like a tidal wave, sweeping out of its path the last remnants of the feudal-militarist regime of the Kuomintang clique. During the past three months the People's Liberation Army has won a series of brilliant victories: the large industrial and cultural centres of Tientsin and Peiping have been liberated; the Army is at the approaches of Nanking; more than a million of Chiang Kai-shek's troops have been wiped out. Manchuria, and practically all of North and Central China, have discarded the yoke of feudal and colonial oppression and taken the path of building a new, independent, democratic China.

The rapid disintegration of the Kuomintang regime, which has been clearly defeated in the armed struggle, impelled the Chiang Kai-shek clique to seek means of saving what they and their American patrons think can still be saved. This explains the Kuomintang's so-called "peace offensive", the departure of Chiang Kai-shek from Nanking and the decision of his Government to negotiate on the basis of the conditions laid down by the Communist Party.

The manoeuvring Kuomintang top leaders are becoming more and more isolated. Meanwhile, all the patriotic and democratic forces in China, anxious once and for all to deliver their country from the imperialist yoke, are uniting with, and rallying around the Communist Party. In declaration issued over their names, 55 prominent representatives of the democratic parties stated: "The people's revolution in China is directed against imperialism, feudalism and bureaucratic capitalism... Unless this obstacle is completely removed there

can be no peace, real or nominal. Therefore we must ruthlessly expose the “peace offensive” launched by Chiang Kai-shek and American imperialism. The people’s democratic dictatorship must include representatives of broad sections of the people, but it cannot harbour the embryo of counter-revolution.”

The people of China desire the speedy establishment of peace—a lasting and democratic peace, which is the condition needed for the regeneration and building of a people’s China.

Expressing these aspirations of the masses, the Chairman of the Chinese Communist Party Mao Tse-tung, in his reply to Chiang Kai-shek’s “peace proposals”, stated that the People’s Liberation Army has the forces and the reasons for completely destroying the remaining armed forces of the reactionary Kuomintang Government in the very near future.

However, anxious to end the war as quickly as possible, the Communist Party agreed to begin peace talks with the Kuomintang, and advanced the following conditions: punishment of war criminals; abolition of the reactionary Kuomintang organs and institutions; reorganisation of all reactionary armies in accordance with democratic principles; confiscation of bureaucratic capital; reform of the agrarian system; abrogation of treaties—that betray the nation, etc.

These conditions of the Communist Party became the programme of the people in the struggle for peace. They dealt a crushing blow to the political manoeuvres of the Chiang Kai-shek clique and its American advisers.

The struggle of the people of China for peace, democracy, freedom and independence is not yet over, but it is nearing an end. The brilliant victories won by the Chinese people—headed by the heroic Communist Party, are frustrating the American plans for enslaving China and turning the country into a strategic base for American aggression; at the same time these victories are acting as a powerful stimulus for the liberation struggle of all the colonial peoples.

The victory of Chinese democracy is brilliant confirmation of the truth, that a nation which is conscious of its strength is invincible.

Truman Discards The Mask

It was due only to his prolific promised safeguard democratic liberties at home, and to secure peace on the international arena, that Truman was able to stay on at the White House. But, judging by the first steps taken by the President, these promises were nothing but promises.

Truman's Presidential address shows that the U.S. intends to go ahead with American expansion on an even greater scale than hitherto. The three trends in U.S. foreign policy, announced by Truman include: intensified Marshallisation of the West European countries; the creation of a system of military political blocs which, in the guise of security measures are designed to consolidate American domination over Western Europe; a "bold, new" programme of U.S. penetration into the "backward areas", or, in plain English, extended activities by American monopolies in the colonies, and the conquest of a powerful colonial base for American world expansion, These three trends in U.S. foreign policy represent the finished programme of building up an American world empire.

Truman declared that all men have the right to think and express their thoughts freely, implying, of course, at only imperialist millionaires have the right to call themselves "men" and that the "thoughts" are their thoughts. He then launched into a violent tirade against Communism. Moreover, the President actually resorted to falsehood, representing Communism, contrary to all truth, as "advocating war".

The drive against democratic liberties in the country is being intensified. The un-constitutional Un-American

Committee, on which Democrats have replaced Republicans, is carrying on the same way as in the Rankin days. It is planned to replace the Taft-Hartley Law with another version which, in effect, will also deprive the workers of the right to strike. Proceedings instituted before the election against the leaders of the Communist Party and which have aroused the indignation of world opinion are being rushed through. This trial, engineered by the Truman Government, is strongly reminiscent, both in form and in content the famous Leipzig trial. The American imperialists are following in the footsteps of their fascist teachers.

The trial of a political party, as pointed out in the statement by Eugene Dennis, General Secretary of the Party, not for its actions but for its doctrine, is a heavy blow against the Constitutional rights of the people.

The Communists are being tried not for any unlawful action, but because they uphold the historical principles of Marxism. The trial bears out that in America, thought is actually under police control.

The persecution of the leaders of the Communist Party signifies that the U.S. Government has opened a campaign against democratic liberties in the country. The trial has come as a shock to millions of people throughout the world.

In the U.S. a protest movement against the trial is growing in scale. Evidence of this, in particular, is the "crusade for freedom", organised by the Congress of Struggle for Civil Rights. Over 5,000 demonstrators took part in this crusade. The people of the U.S. and the democratic forces in the other countries fighting against reaction and the instigators of war, will see to it that the puppets of Wall Street will be prevented from carrying out their wild plan for world domination.

JAN MAREK

EDITORIAL BOARD

Printed and Published in Rumania, Journal "For a Lasting Peace, for a People's Democracy" appears on the 1st. and 15th. of every month. Address of Editorial Office and of Publishing House: Bucharest, Valeriu Braniste, 56. Tel: 5.10.59