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A. ARAKELYAN

A NEW STAGE IN THE CREATION OF THE MATERIAL-TECHNICAL BASE OF COMMUNISM

Upon the initiative of Comrade Stalin in August–September 1950, the Council of Ministers of the USSR adopted historic decisions on the world's largest construction projects, which represent new and important links in solving the main economic task of the USSR—in creating the material-technical base of communism in our country. In 1950–1955, the Kuibyshev Hydroelectric Station will be constructed on the Volga River with a capacity of about 2 million kW with an annual power generation of about 10 billion kWh in an average water-flow year; in 1951–1956, the Stalingrad Hydroelectric Station on the Volga with a capacity of no less than 1.7 million kW with an annual power output of about 10 billion kWh. In 1951–1957, the Main Turkmen Canal Amu-Darya – Krasnovodsk will be built over a length of 1,100 km, which will ensure the irrigation of 1,300 thousand hectares of new lands primarily for the development of cotton growing and the watering of up to 7 million hectares of pastures in the Karakum Desert, as well as fully supplying water to the population and industrial enterprises of Western Turkmenia; simultaneously, protective shelterbelts will be created and sands stabilized over an area of about 500 thousand hectares. In 1951–1957, the Kakhovka Hydroelectric Station on the Dnieper River will be constructed with a capacity of 250 thousand kW with an annual output of about 1.2 billion kWh, alongside the South Ukrainian

and North Crimean Canals, which will ensure the irrigation of 1.5 million hectares of arid lands and the watering of 1.7 million hectares of land in the southern regions of Ukraine and northern regions of the Crimea.

Comrade Stalin, in his report to the 18th Congress of the VKP(b), pointed out that in order to overtake the main capitalist countries economically—that is, to solve the main economic task of the USSR—it is required above all to make serious capital investments for the all-out expansion of our socialist industry. The Communist Party and the Soviet State devote exceptionally great attention to the growth and perfection of the productive apparatus of the USSR, ensuring the continuity of capital construction and its constantly increasing scale.

In his historic speech on February 9, 1946, Comrade Stalin outlined a program for a new powerful surge in the national economy, which would make it possible to raise the level of our industry threefold compared to the pre-war level. "This will take, perhaps, three new five-year plans, if not more," Comrade Stalin pointed out. A tremendous contribution to the implementation of this program was made during the years of the first post-war five-year plan. The Soviet people, under the leadership of the Communist Party, successfully fulfilled the grandiose tasks of the five-year plan. In a short period, not only was the economy destroyed during the war restored, but the pre-war level of production was significantly surpassed. The Five-Year Plan provided for an increase in industrial output in 1950 by 48% compared to pre-war 1940. In fact, this level was exceeded in 10 months of 1950 by 70%.

During the same time, ferrous metallurgy production exceeded the pre-war level by 44% instead of the planned 35%, coal extraction—by 57% against 51% planned, power generation—by 87% against 70% planned, machinery production increased by 2.2 times, and so forth.

The new grandiose construction projects represent a further unfolding of the construction work carried out in the post-war period, and a development of the Stalinist Plan for the Transformation of Nature, adopted in 1948 and currently being successfully implemented.

The new grandiose construction projects became possible thanks to the victory of socialism in the USSR, which aroused a rise in the great energy of liberated labor. In the report at the 17th Congress of the VKP(b), Comrade Stalin, speaking of the gigantic upsurge of the national economy, stressed that it "could unfold only on the basis of the successful construction of socialism, on the basis of the collective labor of tens of millions of people, on the basis of the advantages of the socialist economic system over the capitalist and individual-peasant systems."[1] In the period when the Soviet people are carrying out the transition from socialism to communism, the scale of their constructive labor has increased even further. The creation within a five-to-seven-year period of such structures as the Kuibyshev, Stalingrad, and Kakhovka Hydroelectric Stations, the Main Turkmen, South Ukrainian, and North Crimean Canals, is feasible only for our Motherland. Not a

[1] *J. Stalin, Problems of Leninism, 11th ed., p. 440.*

single bourgeois country has undertaken or is capable of undertaking such gigantic projects.

The combined capacity of the Kuibyshev, Stalingrad, and Kakhovka hydro-stations and the hydro-stations on the Main Turkmen Canal will exceed 4 million kW, and their annual output of cheap hydroelectric energy will amount to 22 billion kWh in an average water-flow year. In terms of capacity, the new hydroelectric stations will exceed the capacity of all power stations of pre-revolutionary Russia by 4 times, and in annual output—by more than 11 times. The annual electricity output of the new stations will significantly exceed the amount of electricity generated by the power stations of Italy, Switzerland, and Sweden combined. The largest power station of the capitalist world, Boulder Dam on the Colorado River (USA), will have an installed capacity of 1.3 million kW, i.e., much less than the capacity of either the Kuibyshev or Stalingrad Hydroelectric Station.

The capacity of the new hydroelectric stations is almost 2½ times greater than that projected by the GOELRO plan in 1920 for a period of 10–15 years. The annual output of the new power stations will constitute about 2/3 of the amount of electricity available to our national economy by the end of the second five-year plan.

The new giant structures of the Stalin era are magnificent construction projects of communism; in their scale, complexity of construction, and national economic impact, they have no equal in the world. Such projects are unknown not only in the practice of hydraulic engineering in capitalist countries, but

were also unknown in the history of our country at preceding stages of building and strengthening socialism. They represent a vivid manifestation of the increased power of the USSR. If the scale of the Volkhov Hydroelectric Station corresponded to the economic and technical capabilities of the restoration period, if Dnieproges, the White Sea–Baltic Canal, the Moscow Canal, the hydro-nodes on the Upper Volga (Ivankovo, Uglich, and Shcherbakov), the Nevinnomyssk Canal in Stavropol Krai, the Great Fergana Canal, and the Farkhad Hydroelectric Station bore witness to the capabilities of the pre-war Stalinist five-year plans, then the giant structures provided for by the historic decisions of the Party and the Soviet Government on the construction of the Kuibyshev, Stalingrad, and Kakhovka hydro-stations, the Main Turkmen, South Ukrainian, and North Crimean Canals, and the majestic work of the Stalinist Plan for the Transformation of Nature correspond to the growing capabilities of the new era—the era of completing the construction of socialism and the gradual transition to communism.

The steady growth of the economic power of the USSR, the high level of its industrial might, rapid technical progress, and the presence of technically equipped Bolshevik cadres—these are the conditions created by the Communist Party and the Soviet Government that make the gigantic scale of construction possible.

The great construction projects of communism are a vivid demonstration of the advantages of growing, developing socialism over decaying and dying capitalism. Thanks to the advantages of the socialist economic system, not only the scale,

but also the rate of construction in the USSR is incomparably higher than the rate of construction in capitalist countries. The construction of the Beauharnois Hydroelectric Station on the St. Lawrence River in the USA and Canada lasted 16 years; the construction of hydro-nodes on the Tennessee River, begun 35 years ago, is still not completed; for more than 40 years the American press praised the Boulder Dam hydraulic engineering structure on the Colorado River, yet this power station has still not entered full-capacity operation. The construction of the new giants in the USSR, however, will be carried out within the next 5–7 years, in unprecedentedly short periods. On the whole, the rate of increase in power plant capacity and power generation growth in the land of socialism is 6 times higher than in the USA.

The Suez Canal was built over a period of 22 years, and the Panama Canal over 35 years. The dams in the Nile Delta were built over 68 years, with all these structures being engineeringly imperfect. Their construction took place under conditions of brutal exploitation of workers, accompanied by mass worker fatalities. The construction of the Main Turkmen Canal, which has no equal in the whole world in terms of size and complexity of engineering structures, will be carried out in 1951–1957, i.e., many times faster than smaller-scale canals were built in capitalist countries.

In bourgeois society, all hydraulic engineering structures are created for the enrichment of capitalists and serve as a source of speculative profits. Private ownership of the means of production and the competitive struggle it causes exclude the rational, integrated use of hydropower resources. Monopolistic

cartels in the coal or oil industries that own thermal power stations wage a struggle against the construction of hydro-stations; railway monopolies fight against the construction of canals and the improvement of waterways, and so forth. One of the most serious obstacles to the execution of hydraulic engineering structures in capitalist countries is private land ownership: hydro-engineering projects fail to materialize because landowners (whose plots must be built upon or flooded), speculating on land, demand ransom at inflated prices.

In socialist society, the utilization of hydropower resources is comprehensive in nature. Thanks to public ownership of the means of production, and thanks to planned management of the national economy, hydraulic construction takes into account all the needs of power engineering, irrigation, water supply, navigation, fisheries, forestry, and so on. Capital investments in hydro-construction in the USSR are utilized in the interest of simultaneously developing several branches of the national economy. Such efficiency of capital investments and rationality in the use of natural resources are possible only under a planned, socialist economy.

Only in the USSR has it become possible to create huge, unified high-voltage power transmission grids covering numerous power stations across different regions and republics of the country.

At present, there exists a unified power system of power stations of Moscow, Gorky, Ivanovo, and Yaroslavl. The Volga hydroelectric stations—Rybinsk, Uglich, and Ivankovo—are

included in this system. In the near future, two new Volga giants will join this system. The construction of hydroelectric stations on the Volga makes it possible to include all power stations of Kuibyshev, Stalingrad, Saratov, Voronezh, and many other cities into a single unified system. As a result of constructing the Kuibyshev, Stalingrad, and Kakhovka Hydroelectric Stations, not only will national wealth increase; this construction will entail a most important qualitative shift in the field of rational utilization of energy resources, creating the world's largest unified high-voltage grid covering the entire central part of the USSR.

A unified high-voltage grid is the technical foundation for carrying out the Lenin-Stalin program for the electrification of the whole country; it ensures total power supply coverage of the territory and the best utilization of power capacities. The creation of this grid is of immense national economic importance. The high-voltage grid makes it possible to properly combine energy servicing for industry and agriculture. In summer, when urban electricity consumption is lower, a significant portion of it is directed to agriculture, where the demand for electricity rises at that time (mechanical irrigation, electric plowing, threshing, etc.).

The high-voltage grid ensures a rational combination of the operation of thermal power stations and hydroelectric stations. For example, long before the Great Patriotic War, the power stations of the Dnieper region, the Donbas, and the Rostov region were united by transmission lines into a single power system. This made it possible to transfer surplus energy from Dnieproges during spring floods to the Donbas, and in

autumn and winter to transfer energy from the thermal power stations of the Donbas to the Dnieper region to meet the needs of the metallurgical, mining, chemical, and other industries. In the near future, the Kakhovka Hydroelectric Station will join this grid, as a result of which the maneuverability of power station load dispatching will increase even further.

Uniting different power stations into a single power system ensures a significant improvement in the utilization of their equipment. During spring floods, when hydroelectric stations produce the maximum amount of energy, capital repairs are performed on thermal stations to prepare them for operation during the most intensive autumn-winter period.

The efficiency of a unified high-voltage grid increases with longer transmission distances, a growing number of high-capacity power stations connected to the unified grid, and an expanded service area.

Electricity from the new giants will be transmitted via high-voltage lines over very long distances. As is known, in the USA the maximum transmission distance is about 430 km, and the voltage does not exceed 287 thousand volts. The Kuibyshev –Moscow line, however, will exceed 800 km, and the Stalingrad–Moscow line—about 1,000 km. The hydroelectric stations will be connected to consumer areas via several circuits of transmission lines operating at 400 thousand volts.

The capitalist social order, which has long become a hindrance to the development of productive forces, excludes the possibility of rational utilization of power resources. The creation of a unified high-voltage grid, technically entirely

feasible on the scale of an entire country or even several countries, is unachievable under capitalism. Only the socialist social order, in which there is no private ownership of the means of production and production relations fully correspond to the nature of the productive forces, opens unlimited scope for technical progress. The construction of new giants as critical links in the unified high-voltage power system is new evidence of the advantages of the Soviet social system over the obsolete capitalist system.

The new hydraulic engineering structures are a powerful lever for further lightening labor and improving the material well-being of working people. In capitalist countries, hydroelectric stations are built mainly in connection with the expansion of war industries. In the Soviet Union, the construction of hydroelectric stations is subordinated to the tasks of raising the productivity of peaceful labor, creating an abundance of products, and strengthening the economic power of the socialist state. In bourgeois society, large-scale construction worsens the ruin of small commodity producers, increases unemployment, and degrades the situation of working people.

In the USSR, every new construction project increases public wealth and strengthens the growing well-being and culture of the Soviet people, who are forever liberated from exploitation, the threat of unemployment, and other evils of capitalism.

The construction of the Kuibyshev, Stalingrad, and Kakhovka Hydroelectric Stations, and the Main Turkmen,

South Ukrainian, and North Crimean Canals is a vivid manifestation of the care of Comrade Stalin, the Communist Party, and the Soviet Government for the welfare and prosperity of our Motherland, for raising the well-being of the working people of the land of socialism. It is an important factor in the growth of public property—the foundation of the power and well-being of Soviet society. Socialist society is taking a gigantic step forward along the path of creating an abundance of material and spiritual culture for millions of working masses.

The Soviet people received the historic resolutions of our government, adopted on the initiative of Comrade Stalin, as a battle program answering their vital interests. The majestic construction projects of the Stalin era inspire Soviet patriots to deeds of self-sacrificing labor. In response to Stalinist care, millions of workers take on obligations to accelerate through their labor participation the realization of the plan for grandiose construction projects. The great structures on the Volga and in Turkmenia, on the Dnieper and in the Crimea are being built by the whole country. Socialist competition for the early fulfillment of orders for Stalinist new construction projects is unfolding ever more widely. Machine-builders of Moscow and Leningrad, Kharkiv and Sverdlovsk, metallurgists of Ukraine and the Urals, oil workers of Azerbaijan and tufa cutters of Armenia, timber harvesters in the upper reaches of the Kama, collective farmers of the Volga region, Turkmenia, Ukraine, and the Crimea, scientists, designers, inventors—all working people of the Soviet Union strive to increase their contribution to the nationwide construction projects. Creative work is

unfolding in the country with new force, aimed at making the lights of communism shine brighter to the glory of brotherhood and friendship of peoples, in the name of a happy and joyful life.

The classic Leninist formula states: "Communism is Soviet power plus the electrification of the whole country."[2] The construction of new power stations and the expansion of the sphere of application of electricity are inextricably linked with the introduction of the newest technology into all branches of the national economy. Comrade Stalin, in his speech at the November Plenum of the CC VKP(b) in 1928, said that "by electrification of the country Lenin understands not the isolated construction of individual power stations, but the gradual 'recasting of the country's economy, including agriculture, onto a new technical base, onto the technical base of modern large-scale production,' linked one way or another, directly or indirectly, with the cause of electrification."[3] A significant share of the electric power from the new stations will be directed to industry for its further expansion and technical equipment.

Comprehensive mechanization of labor, automation, and chemicalization of production—these most important links of the material-technical base of communism—are based on electrification. The quantitative and qualitative development of these processes depends on the development of the electric power base. Consequently, the new hydroelectric stations serve

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2 *V. I. Lenin, Works, vol. 31, p. 484.*

3 *J. V. Stalin, Works, vol. 11, p. 254.*

as a powerful lever for the further growth of the production-technical foundation of communism, for further raising the economic power of the socialist Motherland.

Electric machines and appliances make it possible to mechanize and automate almost all production processes; they are compact and high-speed. Electrification accelerates production processes and thereby raises labor productivity; simultaneously, it increasingly lightens the labor of Soviet people. Electrification leads to the freeing up of production floor space; cumbersome transmission systems required for mechanical transfer of energy become unnecessary. Electric wires make it possible to control mechanisms from a distance.

A massive increase in the amount of electric power will make it possible to electrify railway trunk lines, including all short- and long-distance approaches to Moscow, which is of great importance for the whole national economy. Electrification of railways increases their capacity by 2–3 times, reduces fuel consumption by 2.5 times, and reduces the need for maintenance personnel by 25%.

The construction of new power stations on the Volga and Dnieper, thanks to the creation of huge reservoirs and the raising of water levels in the rivers, will improve navigation conditions, increasing and cheapening mass water transport.

In the electrification of agriculture, labor productivity rises by at least 10 times, and working conditions are fundamentally improved. Electrification plays an especially large role in increasing the area of irrigated land, raising crop yields, and boosting livestock productivity.

The introduction into household life of the most diverse electrical appliances, refrigerators, washing machines, and so forth, also provides colossal savings and lightens the labor spent in domestic housekeeping. Thus, the construction of new hydroelectric stations will be a major factor in the further growth of labor productivity across all branches of the USSR national economy.

Electrification raises the cultural and technical level of the working people of city and countryside, lightens labor, and contributes to the elimination of the antithesis between mental and physical labor, between town and country.

Electrification accelerates the catching-up of previously backward regions to the level of advanced ones and ensures the comprehensive development of all regions and districts, and an even distribution of productive forces corresponding to the nature of socialism. The new hydraulic engineering structures on the Volga, in Ukraine, Central Asia, and the Crimea represent a giant step forward on the path toward rational distribution of productive forces and the realization of the Lenin-Stalin national policy. This is one of the vivid manifestations of the Communist Party and Soviet Government's care for the further flourishing of the material and spiritual forces of all peoples of the USSR.

The construction of new hydroelectric power stations means a major step forward along the path of utilizing the free energy of nature—water resources. The use of hydroelectric power from the Kuibyshev, Stalingrad, and Kakhovka stations instead of energy from thermal stations will save more than 20

million tons of coal annually. The cost of energy generated by these stations will be several times lower than the cost of energy produced by thermal stations. Thanks to the use of electricity in industry, fuel consumption will decrease by approximately 50 million tons per year. Along with this, rail and water shipments of coal to the Central and Volga regions will be sharply reduced. These figures by no means exhaust the high economic efficiency of the new hydroelectric stations.

In the historic decisions of the Soviet Government concerning the construction of new hydro-stations and canals, state assignments for hydro-reclamation work occupy a large place.

V. I. Lenin, in a letter dated April 14, 1921, to the Communists of the Caucasus, wrote: "Irrigation is especially important in order to raise agriculture and stock-raising at all costs." He called upon the Bolsheviks "to begin large-scale work on electrification and irrigation. Irrigation is needed most of all and will most of all remake the region, revive it, bury the past, and strengthen the transition to socialism."[4]

In 1924, Comrade Stalin, outlining the prospects for the further development of the national economy, set the task of insuring our country against weather hazards. He wrote: "We have decided to utilize the heightened readiness of the peasantry to do everything possible to insure themselves in the future against the hazards of drought, and we will try in every way to use this readiness in order to carry out (together with

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4 *V. I. Lenin, Works, vol. XXVI, p. 192.*

the peasantry) decisive measures for land reclamation, improving agricultural methods, etc. We plan to begin by forming the minimum required reclamation belt along the Samara – Saratov – Tsaritsyn – Astrakhan – Stavropol zone."[5] In his report to the 17th Congress of the VKP(b), Comrade Stalin pointed out that irrigation of the Trans-Volga region "is the main thing from the point of view of combating drought." He stated that the Bolsheviks could not "do without a serious and completely stable grain production base on the Volga, free from weather hazards..."[6]

The Soviet people have achieved major successes in the field of field irrigation. Many canals and dams have been built, and huge reservoirs created. The planned construction of irrigation systems has ensured the irrigation of many hundreds of thousands of hectares of arid steppes in Central Asia, Transcaucasia, Central Black Earth regions, the Volga region, Ukraine, and other areas, transforming them into rich, fertile lands.

The pace and scale of the new hydro-reclamation works leave far behind everything that has been done up to now. As a result of the construction of power stations and canals, the area of irrigated lands in the Trans-Volga, Caspian, Turkmenia, Ukraine, and Crimea will increase by 5.3 million hectares. If we add to this the hydraulic engineering and reclamation structures started in previous years in the Central Black Earth regions, Azerbaijan, and other republics, the irrigated area of

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5 *J. V. Stalin, Works, vol. 6, p. 275.*

6 *J. Stalin, Problems of Leninism, 11th ed., p. 456.*

the country in the coming years will reach over 6 million hectares, i.e., it will increase almost twofold. In addition, 20.2 million hectares of land will be supplied with water.

The construction of dams and canals will ensure gravity-flow irrigation for large areas. Along with this, fields will be irrigated by mechanical water pumping powered by electricity. The Kuibyshev Hydroelectric Station will supply 1.5 billion kWh for irrigating the lands of the Trans-Volga region, and the Stalingrad Station—2 billion kWh per year for irrigating and watering the lands of the Trans-Volga and Caspian regions. The utilization of part of the electricity from the Kakhovka Hydroelectric Station for mechanical water delivery will ensure the irrigation of 800 thousand hectares of land.

The unfolding of hydro-reclamation work is of immense importance for the upsurge of all agriculture. It is especially important for the southern and eastern regions of the country. Irrigation and water supply make it possible to shield agriculture from natural caprices, raising crop yields and livestock productivity.

Human history has never known such a gigantic scale of hydro-reclamation work as that being carried out in the USSR. Only the Soviet people, led by the party of Lenin and Stalin, are capable of setting and successfully accomplishing such grandiose tasks. To carry out the construction work, socialist industry is creating the largest and most highly productive machines: suction dredges with a capacity of 1,000 cubic meters of earth per hour, concrete plants with a capacity of up to 650 cubic meters per hour, powerful excavators, cranes, etc.

Uralmashzavod has designed and is building new super-powerful walking excavators with a bucket capacity of 14 cubic meters. In one year, 25 such machines can dig a canal equal to the Moscow Canal. At the Novokramatorsk Machine-Building Plant named after Stalin, another type of super-powerful excavator has been created with a bucket capacity of 15 cubic meters.

The broad expansion of irrigation works will ensure the further upsurge of farming culture, guaranteeing high yields of grain, industrial, and fodder crops even in the driest years. On irrigated plots, yields are several times higher than on non-irrigated ones. For instance, in the "Krasny Partizan" collective farm in Astrakhan Oblast, collective farmers harvested 73 centners of spring wheat per hectare on a large irrigated plot. In 1946, the driest year in the last half-century, many collective farms of the Trans-Volga region obtained 20–30 or more centners of grain per hectare of irrigated land, i.e., several times more than on non-irrigated fields.

To cultivate high and stable yields, the transition to a new irrigation system is of colossal importance. This system increases the area of usable land and makes it possible to fully mechanize labor under irrigation conditions, using machinery most productively and introducing advanced agricultural techniques. The old irrigation systems were characterized by a dense network of permanent channels spaced every 80–150 m; these channels divided the irrigated area into small plots ranging from 1.5 to 10 hectares. As a consequence, the loss of useful irrigated land amounted to 4–6 to 10–12%, and high-productivity use of tractors, combine harvesters, and other

agricultural machinery was excluded. Shortcomings of the old irrigation system also included relatively high water losses due to seepage into the soil, the spread of weeds and pests along permanent distributors, etc.

Taking into account the experience of advanced science and leading state and collective farms, the Council of Ministers of the USSR, on the initiative of Comrade Stalin, adopted a decree on the universal transition (over a total area of more than 4.3 million hectares) within the next 3–4 years to a new irrigation system. The new irrigation system, as a method for better and faster execution of irrigation works, is an integral part of the great plan for the transformation of nature. It corresponds to the modern high level of development of socialist agriculture. It allows for a 3–4 fold reduction in the number of permanent irrigated plots, a 2–3 fold reduction in the length of the permanent irrigation network, and an increase in useful land area. It ensures a reduction in water losses and cuts labor costs for cleaning channels of silt and vegetation.

The new hydro-reclamation works will not only supply irrigated fields with the necessary amount of moisture. For instance, the waters of the Amu-Darya carry substances useful to plants: every cubic meter of Amu-Darya water contains twice as much sediment as the water of the Nile River, which is known for its high silt content. Chemical analyses show that Amu-Darya sediments contain a much larger quantity of substances beneficial to plants. Consequently, the construction of the Main Turkmen Canal will provide irrigated areas with high-quality fertilizers. Floods on the Amu-Darya almost completely coincide with the growing season of agricultural

crops: they begin in March and last until October. The floods on the Nile, on the other hand, which was considered one of the best sources of irrigation in the world, begin in August and end in December.

Thanks to the irrigation and watering of vast areas in southern arid regions, the yields of fodder crops will sharply increase, as will the opportunity to utilize natural pastures. For example, in Turkmenia, a vast area of natural pastures could not be utilized due to the lack of drinking water. Water supply makes it possible to develop large and small land tracts for the further development of the fodder base, providing livestock with drinking water, and thus serving as a powerful factor in the development of animal husbandry.

Gigantic irrigation and watering projects are combined with the expansion of work on creating field-protective forest shelterbelts. Forests are also planted on sand dunes in order to halt their movement. All these measures will improve climatic conditions. The arid regions of the Caspian, Trans-Volga, Southern Ukraine, and Northern Crimea will be transformed into areas of intensive farming, horticulture, and developed animal husbandry. Where crops were once impossible or scorched by dry winds, boundless fields of cotton, wheat, and other crops will soon stretch out, beautiful orchards and vineyards will bloom, vegetable gardening will develop, and a solid fodder base will be created.

The construction of new giant canals will expand and strengthen economic ties between economic regions and republics. For instance, the Main Turkmen Canal, being

navigable throughout its entire length, will strengthen transport connections between the regions of Central Asia and link them with the European part of the country. Until now, the only navigable waterway of Central Asia was the Amu-Darya River, flowing into the Aral Sea, and freight transport in these areas was carried out by combined rail-water transport. As a result of the construction of the Main Turkmen Canal, the waters of the Amu-Darya will be directed toward the Caspian Sea. This will open prospects for a water transit connection between the regions of Central Asia and the European part of the USSR via the Amu-Darya – Main Turkmen Canal – Caspian Sea – Volga.

The giant construction projects of communism are a most vivid example, an incontrovertible testimony to the peace-loving policy of the socialist power. The construction of magnificent power stations and canals, the upsurge on this basis of industry, agriculture, transport, urban and rural municipal development—to these goals the Bolshevik Party and the Soviet Government direct major capital investments; on peaceful labor are concentrated the forces of the Soviet people who have embarked on new construction projects.

The peaceful construction of the Soviet country stands in sharp contrast to the feverish arms race being conducted in capitalist countries, and the steady growth of military expenditures in the USA, England, and other imperialist nations. The main and ever-growing portion of the budgets of capitalist countries is now directed toward war preparation. The US Government has sharply increased its military expenditures. After the US Congress, at the dictation of American monopolists, additionally appropriated 17 billion

dollars for military purposes, US military expenditures in the 1950/51 fiscal year reached an unprecedented figure of 50 billion dollars, compared to 1 billion dollars in the pre-war 1938/39 fiscal year. This preparation for a new imperialist war places a heavy burden on the shoulders of the working people of capitalist countries, where taxes are steadily rising, prices of prime necessities are growing, real wages are continuously falling, and unemployment is increasing.

American imperialists are waging a bloody war of aggression against the Korean people, committing acts of aggression against the People's Republic of China, the Democratic Republic of Vietnam, and other peoples of Asia defending their freedom and independence. American aviation carries out piratical raids on peaceful Korean towns and villages, razing them to the ground, killing thousands of peaceful residents—elderly people, women, and children. On instructions from the reactionary ruling cliques of the USA and England, bourgeois "scientists" are developing projects for the mass destruction of human beings using atomic bombs and other types of lethal weapons.

In contrast to the camp of imperialism, the Soviet Union and the countries of the camp of democracy and socialism united around it tirelessly fight for peace and demonstrate their love of peace to the entire world. The working people of the Soviet Union are engaged in peaceful construction, solving the grandiose tasks of creating the material-productive base of communism, transforming nature, building factories, the largest power stations, and giant canals. Soviet people want to make their labor even more productive, and their lives even

more cultured, prosperous, and happy. The scientists of the socialist country, responding to the call of the Party and Government, are devoting all their strength and knowledge to solving problems associated with the new, unprecedented development of productive forces, further multiplying public wealth, remaking nature, and transforming deserts into blooming fields and orchards.

The grandiose construction projects on the Volga, in Central Asia, Ukraine, and the Crimea are a vivid demonstration of the majesty and power of the peaceful, creative labor of the Soviet people, led by the genius of Stalin. Millions of plain people throughout the world see in these giant construction projects a new manifestation of the strength and power of the Soviet Union, and of its firm, consistently peace-loving policy.

The material-productive base of communism currently being created, of which the newly built giants will form a most vital part, serves the cause of strengthening peace, freedom, and the independence of peoples. The new majestic construction projects of the Stalin era clearly show all of humanity that the Soviet Union is a solid bulwark of world peace.

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F. Kovalyov

FOR THE SCIENTIFIC GENERALIZATION AND MASS DISSEMINATION OF STAKHANOVITE EXPERIENCE

Comrade Stalin in his speech at the First All-Union Conference of Stakhanovites on November 17, 1935, said that Stakhanovites are innovators in our industry, that the Stakhanovite movement represents the future of our industry, that it contains the seed of the future cultural and technical rise of the working class, and that it opens up to us the path on which alone we can achieve those highest indicators of labor productivity that are necessary for the transition from socialism to communism.

These prophetic words of the leader have found vivid embodiment in our country. The working people of the Soviet Union, inspired by the great ideas of communism, show high examples of creative labor. Over the years of the post-war Stalinist five-year plan, in every branch of industry, in every enterprise of the Soviet Union, many advanced innovators and masters of socialist labor have grown. Millions of Stakhanovites at our enterprises have accumulated vast experience in Stakhanovite work, which is the golden fund of our socialist economy.

To study and generalize this experience, to disseminate it among all working people means to draw the inexhaustible reserves into communist construction. On the other hand, not to use this experience means not to use those colossal opportunities and that valuable capital created in our socialist construction, it means not to use the force, energy, and

enthusiasm of our people who have accumulated this experience.

In the field of studying and disseminating Stakhanovite work experience, there are still significant shortcomings at present: first of all, a superficial approach to the presentation of material, the lack of a strict system for studying Stakhanovite experience, and weak involvement of engineering, scientific, and technical forces. The description of Stakhanovite techniques is often entrusted to inexperienced workers. The exposition of many published brochures is superficial and unscientific. The dissemination of Stakhanovite work experience is entrusted to the Stakhanovites themselves, and often they are not provided with proper organizational, technical, and methodological assistance. As a result, along with advanced working methods, techniques that should not find mass application are sometimes disseminated.

This issue is especially important for new workers who are being drawn into our industry. The system of training these workers has a number of shortcomings. New workers are taught a technical minimum, which often provides only some technical and technological knowledge and acquaints them with internal labor regulations and enterprise safety rules. Then these workers are assigned individually to old workers, who instill in them their working method, developed individually by each over many years. These working methods and techniques have not been properly studied.

As a result, many new workers replenishing our industry receive insufficient training.

The currently existing system of technical training — both the tech minimum and Stakhanovite schools — brings enormous benefit; but one cannot be limited to it, since it fails to achieve a truly mass dissemination of advanced, Stakhanovite work experience. Most measures in the field of technical study cover only new workers, whereas senior workers also need to

improve their skills, and they need to enrich their experience with the achievements of other Stakhanovites.

The technical training existing at enterprises did not ensure the utilization of the vast experience of Stakhanovite work, and we decided to search for new ways to study and disseminate this experience. The method proposed by us is based on a thorough study of labor processes performed by individual Stakhanovites. This method has already been tested at many textile and light industry enterprises. It has yielded a major effect.

We were prompted to undertake a detailed and deep analysis of workers' labor processes by the fact that at our "Proletarian Victory" factory, about 30% of workers did not fulfill output norms; at the same time, there was a group of Stakhanovites fulfilling output norms by 120% and above.

Such a difference in the fulfillment of output norms is characteristic not only of textile enterprises, but also of enterprises in other industries. For example, at one engineering plant among riveters there were workers who processed 2,500 rivets and more, while others under the same conditions processed only 800 – 900. At a brick factory, one drawer spends 5.04 hours on a given job, while another spends 6.62 hours, etc.

Many such examples can be cited. What is the reason for such a difference in labor results? The whole secret is that workers organize their work differently and use different techniques. Even the best Stakhanovites, achieving approximately identical labor results, turn out to work differently.

Studying and analyzing the work of individual Stakhanovites at the "Proletarian Victory" factory, we established that Stakhanovites of any profession achieve success at the expense of different elements of their labor process. Thus, one Stakhanovite performs a given work technique with great skill and spends a minimum amount of time on it; another

Stakhanovite performs this technique incorrectly, which increases the time expenditure on execution, but on the other hand, he masters another technique better and performs it quickly, compensating for the losses from the incorrect execution of the first work technique.

We analyzed and compared the work of three best weaver Stakhanovites — P. Kozlova, K. Anisimova, and N. Chekina, working on super-standard intensification, i.e., multi-loom operators, and significantly over-fulfilling the output norm. For comparison, two main operations were taken: the elimination of a warp thread break and the shuttle change. According to the norm, 2.8 seconds are supposed to be spent on a shuttle change. Stakhanovite Kozlova performs this operation in 2.5 seconds, i.e., spends less time than stipulated by the norm; Anisimova performs this operation in 3.3 seconds, and Chekina for 4 seconds. Consequently, Kozlova performs this operation faster than provided by the norm, while Anisimova[7] and Chekina do not fit into the established time. The second operation — elimination of a warp thread break — must be produced according to the norm in 16.5 seconds. In fact, Kozlova spends 25 seconds on this operation, Anisimova 14 seconds, and Chekina — 30.3 seconds. Thus, all three Stakhanovites perform one and the same operation: weaver Kozlova performs the shuttle change most rationally, saving 0.3 seconds on this operation, while Stakhanovite Anisimova performs the thread break elimination best of all, saving 2.5 seconds on the execution of each thread break elimination operation.

Thus, comparing the working techniques of the Stakhanovites on two operations, we revealed that one Stakhanovite performs one operation well, the second another, and the third Stakhanovite does not perform any of these operations correctly and spends more time on them than required by the

[7] *Chekina do not fit into the time established by the norm.*

norm. Then we posed the question: why does Stakhanovite Chekina fulfill and overfulfill the norm, even though she performs two techniques incorrectly, with a large expenditure of time? It turns out that Chekina has an advantage over other Stakhanovites in that she better plans her working time and thereby reduces loom downtime. This gives her the opportunity to cover losses due to the incorrect execution of the first two operations.

Thus, when studying the work of Stakhanovites, attention should be paid to the method of working time planning and workplace organization, to the reduction by Stakhanovites of the so-called preparatory time, which occupies a large place in the work of Stakhanovites of many professions.

If we trace the work of all workers of the same profession within the same production, we will see that the same operations are performed differently. Information received from other enterprises and industries confirms this position. For example, the molders' brigade of the Uralvagonzavod led by Comrade Pukhta, with a norm for core molding of 5.2 minutes, fits into 3.3 minutes, while Comrade Volokhina's brigade spends significantly more time than the norm. Metro-builder driller Comrade Artamonov drilled one borehole in 6 minutes, while driller Comrade Trunov — in 7.5 minutes, etc. These different indicators in time expenditure for the same operations are explained by different methods of executing these operations by workers. It is clear that before introducing Stakhanovite experience, it must be studied and generalized by individual techniques and operations of the best Stakhanovites and then organize the mass dissemination of advanced methods and work techniques.

The labor of a worker of any profession is divided into individual working operations and techniques. The work of a weaver, for example, consists of seven main operations, the work of a spinner — of six operations, etc. In order for a

worker to master his profession to perfection, he must perform these operations to perfection. But this is still not enough. One can master operations to perfection, but not cope with the assignment, since in addition to this, one must be able to correctly combine operations and techniques, i.e., correctly plan working time and organize the workplace in the best possible way. Working time planning is of great importance. Let's take routing in multi-loom servicing or the development of certain rules in case of coincidence of operations. Suppose two looms stopped simultaneously. The question arises: which loom should be approached first, from which work should one start first, in order to gain more time and minimize the downtime of these looms due to the coincidence of operations? This moment in multi-loom servicing is very important; in some professions, about 30% of all time depends on it. Therefore, to study Stakhanovite work experience and its mass dissemination, we decided to study and introduce it by individual operations, considering the planning of working time and workplace organization as one of the most complex and serious operations.

First of all, it is necessary to establish the decisive professions or sections at a given enterprise, the improvement of whose work yields significant results. This determines the sequence in the study of professions. Next, it is important to establish which operation and which technique should be studied first. First of all, it is necessary to study operations that occupy a large specific weight in a given work, as well as such operations or techniques that are at a given stage a source of overexpenditure of raw materials, the appearance of defective products, etc. Consequently, the manager of each enterprise and shop heads must draw up thoughtful plans for studying and disseminating Stakhanovite working methods, outlining which professions or operations should be studied first.

The first stage is the study and generalization of Stakhanovite work experience. Based on chronometric data and personal observations of the foreman, two or three worker-Stakhanovites are chosen who perform the operation or technique designated for study faster and better than others. It is impossible to limit oneself to generalizing the experience of only one Stakhanovite, because all things and phenomena are known in comparison and contrast, and when describing the techniques of one Stakhanovite, there will be nothing to compare his work with, there will be no choice. Selection must be made, it is necessary to compare the work of a number of Stakhanovites. After two or three descriptions of an individual working technique are compiled, these materials are discussed at a technical meeting of the shop. This meeting is attended by the shop manager, foreman, assistant foreman, industrial training instructors, and Stakhanovites whose experience we are studying. We select the best work techniques for which descriptions have been compiled and which will then be disseminated among all workers. For example, a description of the shuttle change technique performed by weavers Kozlova and Vasilyeva in 2.5 seconds (the norm prescribes 2.8 seconds) has been compiled. It seems that both workers have correctly mastered this technique and it can be introduced. However, when we looked at the description, we saw that weaver Vasilyeva performs the shuttle change while the loom is running, without waiting for it to come to a complete stop. Although the time indicators for this operation by weaver Vasilyeva are good, the technical meeting did not find it possible to recommend her techniques, as they violate safety regulations. This is a kind of recklessness, and it is not recommended to disseminate it among workers. The technical meeting invited Vasilyeva to master the shuttle change according to the method of Stakhanovite Kozlova.

In spinning production, when studying the bobbin change technique, it was established that one of the spinners performs this technique as follows: in front of her is a bobbin on which there are 30 threads; she takes these threads and ties them, or attaches them, to the old threads, and performs this operation immediately and quickly. Another worker first distributes all threads across all thread dividers and then makes the attachment. It seems as if the first worker gets a time gain: she attaches the threads immediately. The second one lays them out first and only then attaches them. However, upon verification, it turned out that the first worker could confuse the order of the threads. Then she will have to tear off all the threads again and attach their beginnings or wait until this bobbin works out, i.e., approximately an hour and a half. This means that for an hour and a half an incorrectly attached thread will bother the worker in her work, and the time gain she received will be lost.

One of the weavers performed the studied technique very quickly, but with one hand. This caused excessive fuss and tension in her work. Such a method of work was also not accepted by the technical meeting. For introduction, such techniques of Stakhanovites are approved and endorsed that are performed quickly, but at the same time calmly, without excessive tension. The best Stakhanovites perform their operations without fuss, without physical overstrain; their work proceeds smoothly, rhythmically, and calmly. Returning home after a working day, they do not feel special fatigue. However, some Stakhanovites return home quite tired. This is explained by the fact that their techniques are not rational enough; they need to be reviewed and enriched with the work experience of other Stakhanovites who perform this work much more smoothly, rhythmically, and better.

When approving the description of a studied working technique, it is also necessary to take into account elements

aimed at improving product quality and economical use of raw materials.
After the descriptions of working techniques are adopted at the technical meeting, they are finally approved by the methodological bureau and the chief engineer.
Thus, we have completed the first stage of work, identified the best Stakhanovite work experience for this working technique, illuminating it from all sides from the standpoint of both engineering and technological considerations and from the standpoint of the labor process itself.
The second stage includes the preparatory work necessary for the mass dissemination of this technique among workers. It is impossible to give all workers a description of the technique and say "work the same way as the best Stakhanovites work, whose technique..." and limit oneself to this. It is known that Stakhanovites achieve better results also because they themselves have worked out and created conditions for Stakhanovite work. They have better equipment condition and their workplace is organized differently. Preparatory work should be carried out beforehand, which primarily consists in putting equipment in proper order. At the technical meeting, measures to be taken before starting the mass introduction of Stakhanovite experience are outlined. Thus, when introducing working techniques for shuttle change, it was required to put all shuttle boxes in working order; when introducing bobbin change techniques on spinning machines, it was necessary to check and repair the stopping mechanisms of the spinning machine, horns for storing roving, etc. At the same time, we encountered the following fact: the description of the shuttle change technique recommends removing the shuttle from the shuttle box with one hand, and upon checking the equipment, we discovered that individual looms are not adjusted and, despite all desire, the shuttle cannot be removed with one hand. This means that beforehand, all mechanisms associated with

the execution of this technique must be brought into proper condition.

When the general task is set — to bring all equipment into proper condition — the fulfillment of such an all-embracing task is often disrupted. But when we set the specific task of putting into proper condition those mechanisms associated with the execution of a separate technique, it turns out that this task can be solved very quickly. For this purpose, it is necessary to distribute equipment among individual foremen, assistant foremen, and establish deadlines. It goes without saying that by improving individual mechanisms of machine tools and machines with each studied work technique and consolidating this improvement, we will gradually bring all equipment into proper condition. At the technical meeting, foremen, assistant foremen, and Stakhanovites establish what requirements should be presented to the equipment and what measures must be taken before starting the mass introduction of this Stakhanovite technique.

Workplace organization is of no less importance. For example, before the mass introduction of the Stakhanovite technique for shuttle change, it is necessary to fully provide weavers with shuttles, since the description provides that there must be a spare shuttle on the loom.

One of the factories, due to the poor work of the supply department, was not provided with a sufficient number of shuttles. Then the management and engineering and technical workers of the factory decided to describe the technique, showing how to work without a spare shuttle. They naively believed that it was possible to disseminate Stakhanovite work experience under conditions of backward, uncultured work in the supply field.

Along with the study and dissemination of Stakhanovite experience, work must be carried out to improve the condition

of equipment and improve all economic and organizational work at the factory.

The second stage — preparation for the mass introduction of Stakhanovites' techniques — also includes work on creating personnel who will disseminate the studied and described technique. During the preparatory period, industrial training instructors and assistant foremen train and study the technique to be disseminated. Descriptions of working techniques approved at the technical meeting are duplicated by printing, which makes it possible to provide every worker with them. Such descriptions must be compiled briefly, technically competently, and accessible to rank-and-file workers. They must indicate the surname of the Stakhanovite whose work technique we recognized as the best at the enterprise. This is very important. A whole group of Stakhanovites participates in the transfer of Stakhanovite work experience, from whom the best experience is selected grain by grain, by individual elements.

In order to make the descriptions more visual and accessible, we publish them in the form of posters that we hang at the workplace. We illustrate these posters with separate photographs, diagrams, and drawings that depict and explain work techniques, the position of the product, tool, etc. All this taken together makes it possible to better explain this technique. At the same time, efforts should be made to ensure that posters are varied, that they illustrate the description of the working technique more clearly, but do not distract attention with all sorts of artistic effects.

When equipment preparation is completed in the shop, planned technical measures contributing to the introduction of the studied technique are carried out, posters are hung, descriptions are duplicated and distributed to workers, and instructors, assistant foremen, and engineering and technical workers are prepared, we move on to the third stage — the mass

introduction of this working technique or operation. Workers of a given profession are gathered in small groups, usually by sets or brigades, together with an assistant foreman and conduct a class on technical study designed for an hour or an hour and a half. During this class, we explain the content of the technique; if the class takes place close to the shop, the studied technique can be demonstrated on machines. After this, mass instruction is carried out at the workplace. Prepared instructors, assistant foremen, and Stakhanovites whose experience we are studying (for this period either they are released from work or they transfer experience after work) begin mass instruction of workers.

In order to be able to track the progress and results of instruction, we obligate instructors to keep a special log. Such a log indicates the surname, name, patronymic of the instructed worker, the time of instruction, what remarks the instructor made, and the results of training. Let us give as an example a record of instruction of K. F. Makarova on May 21: "Shuttle is removed not with the left hand, but with the right, the rest of the techniques are performed correctly." On May 23, after the demonstration, the instructor recorded that she performs the operation correctly. Initially, the worker did not fit into the time allotted for this operation. On May 25, it is recorded that the worker performs the technique correctly within the allotted time; the instructor makes a note that the operation has been mastered by her.

If some workers do not master this operation, they have to be gathered into a separate group and classes, additional training, etc., conducted with them, while the rest of the workers, the overwhelming majority of whom quickly mastered the technique, proceed to study the next working technique.

When introducing new working methods, one cannot approach all workers in the same way. For example, old senior worker-Stakhanovites, whose work methods are close to the described

ones, find it easy to learn the new technique. It is enough for such workers to point out what errors need to be eliminated. More attention has to be paid to young workers with little experience, as well as to those old workers who perform the new technique incorrectly.

Usually we spend 4–5 days ensuring that all workers master a particular technique. In total, two to three weeks, and sometimes a month, are spent on studying, generalizing, and conducting preparatory work to create conditions for the mass introduction of an individual technique. Thus, workers of certain professions, for example, weavers, undergo a full training course in new Stakhanovite working techniques within 6–7 months. Hence, this is not a campaign, but prolonged work on selecting Stakhanovite experience, creating conditions for its mass introduction, and then its mass introduction itself.

New working techniques must be mastered by both foremen and assistant foremen. When we became better acquainted with this category of workers, it turned out that some of them do not master the techniques of the workers they are supposed to lead. For example, an assistant foreman of the weaving shop does not know how to perform the work of a weaver; his role is reduced to the role of an equipment adjuster and administrator. Such an assistant foreman is unable to instruct workers and control whether new techniques are performed correctly. Therefore, we established an order in which this category of workers also mastered Stakhanovite work techniques.

It is very important that new worker personnel master Stakhanovite working methods and the best Stakhanovite techniques. In factory-plant training, instructors do not always master advanced, Stakhanovite work techniques. We demanded that factory-plant training be conducted according to techniques embodying the best Stakhanovite work experience, and this much improved the training of new personnel.

The friendly joint work of Stakhanovites and engineering and technical workers contributed to the successful dissemination of Stakhanovite work methods at our factory. The role of engineering and technical workers in this matter is enormous. For example, in the process of studying the experience of Stakhanovites, we encountered the fact that individual operations are performed by workers without taking into account the machine design and its technical dressing. Such weaving operations include "seeking the shed" (iskaniye raza). This means that if the filling thread breaks, the machine must be put into the position it was in when the break occurred, and only then continue work. If the machine does not have a special device for this, the worker must perform this operation as follows: after each idle revolution of the machine, she checks with her fingers whether the machine has returned to its initial position. For this, a certain number of idle runs must be made. We instructed engineering and technical workers to develop rules on the basis of which it would be possible to determine, from the position of the machine, shuttle, and broken thread, how many idle runs must be made in order to put the machine into the required position. It is clear that in other industries as well, there are individual operations that are difficult to master without appropriate technical and engineering knowledge and for which it is difficult to develop the most rational work techniques.

Another example. One of the techniques was performed poorly by all brigades. The norm provided for a certain duration of execution of this operation, and when checked in practice, it turned out that not a single brigade fit into this norm. We created a group consisting of an engineer, a Stakhanovite, and a foreman, and instructed them to develop methods for performing this technique (and the technique was a brigade one, the entire brigade participated in its execution) that would make it possible to fit into the technical norm. As a result, such

a technique was developed, which made it possible for individual brigades to reduce the duration of this operation by one and a half to two times.

At one of the transitions of an enterprise, product defects were systematically obtained. First of all, engineers and technicians took up this matter: they began making calculations for technical conclusions, calculating drafts, and monitoring whether there were interruptions in the machine's work. But defects were not reduced. And when they began to study Stakhanovite work experience, they discovered that workers working at another transition performed the work technique incorrectly, incorrectly connecting the ends of this product, which systematically caused defects in subsequent transitions. In this shop, incorrect performance of the technique did not cause complications and went unnoticed, but in subsequent transitions it caused defects.

All this suggests that engineers, technicians, and Stakhanovites must work together, jointly, on studying and generalizing Stakhanovite experience, and must complement each other. Attempts by some enterprises to entrust this work to a single labor organization department or a single personnel training department were unsuccessful. It is very important that the entire team of engineers and technicians headed by the chief engineer participates in the work of studying and introducing Stakhanovite methods.

All this work must be directed by the party organization. Trade unions must take an active part in the work of mass introduction of Stakhanovite experience. In addition to general factory meetings and conferences, extensive mass work must be carried out in shops, departments, and brigades. Individual conversations with workers should become widespread. It must be explained to workers that this work is aimed at mutual assistance, at creating conditions for more productive labor.

Enormous work has been done at textile and light industry enterprises to study and massively introduce Stakhanovite techniques. Tens of thousands of workers have been trained in Stakhanovite methods; as a result, the percentage of workers who have mastered output norms has increased, new Stakhanovites have appeared, and labor and equipment productivity has risen. All this yields great results. An example is our "Proletarian Victory" factory, which has sharply improved its overall performance indicators. Labor productivity increased in spinning by 20%, in weaving by 5%, equipment productivity increased in spinning by 10%, in weaving by 5%. This affected the number of workers fulfilling output norms especially. While previously the number of workers fulfilling new output norms was 80% in spinning and 85% in weaving, at present all workers in these shops fulfill output norms. Our work helped not only workers who did not fulfill output norms, but also made it possible to increase the fulfillment of output norms by Stakhanovites. For example, tier-ender Martynova fulfilled norms before training at 104%, after — at 125%, screw-worker Levoshina at 103% and 110%, respectively, etc.

At the same time, the work of the factory is accompanied by an improvement in product quality and raw material savings. If before the war the factory produced 76% first-grade products, at present the factory, overfulfilling plan targets, produces 85.6% first-grade products. In the first 8 months of 1950 alone, the factory saved 6.1 tons of wool, 3.6 tons of mixture, and 8.5 thousand meters of grey goods.

Our method of studying and mass introducing Stakhanovite work experience is applicable not only at enterprises where there are mass professions, but also at other enterprises; not only at textile enterprises, where the usefulness of this business has been proven by experience, but also at enterprises in other industries. The materials published in our press, as well as

letters received by me, confirm that our method has found wide dissemination in all branches of our industry. For example, machine builders, chemists, metallurgists, and workers of the auto-tractor industry have engaged in the deep study and organizational introduction of the best work techniques. The collectives of the Sinarsk Pipe Plant in the Urals, Three-Hill Manufactory, Krasnospresnensky Brick Factory, "Burevestnik" factory, enterprises of the city of Rubezhansk, and other plants and factories report on the positive results they have obtained. Labor productivity is growing, product output is increasing, and product quality is improving.

Everything said concerned the experience of studying, generalizing, and disseminating Stakhanovite labor methods at an individual factory, an individual plant. We selected the best work techniques of the best Stakhanovites of our enterprise. The next stage is the generalization and exchange of advanced work experience between enterprises. Recently, workers at the Kosino Knitwear Factory received a brochure describing the work of Stakhanovites at another enterprise. However, when they compared the performance indicators of this enterprise with their own indicators, it turned out that their speed and quality indicators were better than those described in the brochure. This example is instructive. It is necessary to expand the study and generalization of Stakhanovite work techniques not only of a single enterprise, but of an individual industry. Here is a large field of activity for the technical departments of ministries, main administrations, and research institutes. However, one should not wait until all enterprises generalize their experience and only then compare it, select the best Stakhanovite techniques; this work should be carried out constantly. It is necessary to avoid depersonalizing this material so that books in the form of general rules, instructions, standards, etc. do not appear. Each book must indicate the experience of which Stakhanovite is taken into account when

describing each individual technique or operation. The technical departments of ministries and main administrations must generalize work experience, consolidate it as the best performance indicator for the industry, and present it as a draft to the technical conference of Stakhanovites. Technical conferences of Stakhanovites of enterprises of a given industry must be convened to select the best work techniques for mass introduction.

In conclusion, it is necessary to make several remarks on issues that arose in the process of carrying out this work at various enterprises.

First, Stakhanovite work techniques are a movable element: they change and improve, and therefore they must be studied constantly. In addition to studying work experience in one's own production, one must study and introduce the best techniques developed by Stakhanovites of other enterprises throughout industry.

At the same time, it is necessary to approach the issue of studying Stakhanovite work techniques creatively. A deep analysis of the work of Stakhanovites allowed a number of enterprises to introduce a new technological regime, switch to work according to a new regulated schedule, and find ways to more purposefully apply new technology and automation in production.

All these measures greatly facilitate the worker's labor and make it possible to sharply increase labor productivity.

Second, some workers mistakenly believe that the most important thing is the study of small and smallest movements of the worker. Compiling descriptions of work techniques, they pay attention only to the movement of hands, feet, and fingers and do not take into account mental, creative activity in performing a particular operation. Such an approach is wrong and should not be recommended. We must study the techniques and methods of work of Stakhanovites, which are the result of

high organization, great ingenuity, strict calculation in movements, and testify to the creative nature of their labor.
Third, turning the study and introduction of Stakhanovite techniques into a bureaucratic affair, some economic executives took the path of creating new departments with new staff units, etc. Considering this work as ordinary production work, we carried out it without attracting additional workers, without increasing staffs. We all together engaged in this work and recommend organizing it in the same way at other enterprises.
Fourth, some comrades try to find ready-made universal answers and recipes for all questions, while they themselves take no practical steps. It is clear that at all enterprises it is necessary to practically begin work on studying and disseminating Stakhanovite work techniques. Individual issues caused by the singularity of the technological process, the nature of production, etc., and requiring a special approach and their own forms, must be solved by the collective of these enterprises themselves.
At present, the study and mass dissemination of Stakhanovite work techniques is unfolding at enterprises in various industries. All working people of our socialist Homeland with their heroic, selfless labor actively participate in socialist construction. The task is to help all workers master the experience of Stakhanovites, create all necessary conditions for this at our enterprises, carefully and thoroughly select and study Stakhanovite work experience and make it the property of all working people.
By this we will accelerate the powerful rise of our industry.
From the Editorial Board. Publishing the article by engineer F. Kovalyov, initiator of the broad movement for the scientific generalization and mass dissemination of Stakhanovite experience, the editorial board invites scientific and production

workers to speak on the pages of our journal covering work experience in this field.

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A. Savin

ISSUES OF CONSOLIDATION OF COLLECTIVE FARMS

(Based on materials from the central and local press)

This year, under the leadership of the Party, tremendous work unfolded to merge small collective farms into larger artels. Emphasizing the great significance of the work on consolidating small collective farms, "Pravda" wrote on October 5, 1950: "Thanks to the merging of small collective farms, even more favorable conditions are created for the development of all agricultural production, for the further rise of the productive forces of socialist agriculture and animal husbandry. The resolution of one of the most important tasks of communist construction — the task of eliminating the antithesis between town and country — is greatly accelerated." The consolidation of collective farms carried out on the basis of decisions of general meetings of collective farmers is an important step along the path of a further rise in agriculture and the organizational-economic strengthening of collective farms. It creates the necessary conditions for the highly productive utilization of modern machine technology of MTS, the application of achievements of agronomic science and advanced experience, the growth of crop yields and livestock productivity, for the comprehensive development of the communal economy of artels, the creation of an abundance of agricultural products in the country, and the further rise of the

material welfare and culture of the Soviet collective farm peasantry.

The victory of socialism in the countryside opened unlimited possibilities for the development of agriculture. In a short historical period, the collective farm system demonstrated its greatest advantages over capitalist and small-commodity farming. Socialist agriculture is the largest, most mechanized, and most productive in the world.

The socialist state secured vast land tracts for collective farms. Securing land for collective farms and the modern technology of MTS created the basis for a rational system of farming, for high, stable yields. In 1940, the gross grain harvest exceeded the pre-revolutionary level by 2 billion 300 million poods. Cotton production increased compared to 1913 by 3.5 times, flax fiber nearly 2 times, wool more than 3 times, sunflower 4.5 times, and sugar beet nearly 2 times.

The post-war period was marked by a new powerful rise in socialist agriculture. In 1950, the gross harvest of grain crops will amount to 7.6 billion poods and will exceed the level of pre-war 1940 by more than 300 million poods. The gross cotton harvest in the current year is 40% greater than in 1940. Sugar beet will be harvested, at a minimum, 25 million centners more than in 1940. The grandiose Stalin plan for the transformation of nature and the Three-Year Plan for the development of communal productive collective and state farm animal husbandry are being successfully implemented.

In 1950, agriculture receives tractors (in 15-horsepower units) 4 times more than in 1940, combines 3.8 times, tractor plows 4

times, tractor seeders nearly 6 times, and tractor cultivators more than 3 times.

A serious obstacle to the further rise of agriculture and the strengthening of collective farms was the presence of a significant number of small agricultural artels, which could not sufficiently successfully develop their communal economy. "In the first period of collectivization," said N. S. Khrushchev in his speeches on March 16 and 31, 1950, "our collective farms were often created on the basis of existing villages and hamlets. And that was a good beginning. At that time, newly organized collective farms were still weak. Cadres of collective farm leaders were only beginning to learn how to conduct large-scale collective farming. There were few agronomists, livestock specialists, and other experts in the countryside. Moreover, at that time there were very few tractors and other agricultural machines. Clearly, at that time it was inexpedient to create only large collective farms"[8]. In that period, some workers in a number of districts were carried away by the creation of "giant" collective farms, lacking economic roots and having no conditions for their development. Speaking against the artificial creation of "giant" collective farms, Comrade Stalin pointed out in 1930: "Now the attention of workers must be focused on organizational and economic work of collective farms in villages and hamlets. When this work shows appropriate success, 'giants' will appear by themselves"[9].

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[8] *N. S. Khrushchev, On Certain Issues of Further Organizational and Economic Strengthening of Collective Farms. Gospodolitizdat, 1950, p. 13.*

[9] *J. V. Stalin, Works, Vol. 12, p. 226.*

Over the elapsed years, the overwhelming majority of collective farms grew immeasurably and strengthened in organizational and economic terms. The Soviet State, with the help of MTS, provided collective farms with powerful and ever-growing technology. Numerous cadres of collective farm leaders and specialists have been trained. The achievements of modern agronomic science and advanced experience are widely introduced into collective farm production.

At present, the consolidation of small collective farms has become an urgent practical task. Small collective farms do not have the capability to properly utilize modern powerful machine technology — tractors, combines, threshers, and other complex agricultural machines. It is difficult for small collective farms to create large, highly marketable communal livestock farming, carry out the construction of new collective farm villages by their own efforts, maintain agricultural specialists, comprehensively develop communal collective farm production, and ensure the rapid growth of the communal economy of collective farms and the rise of the material and cultural level of collective farmers.

Until recently, there were particularly many small collective farms in the central, non-black earth, western, and north-western zones of the country. By the beginning of 1950, there were 6,069 collective farms in Moscow Region, with 66% of them having up to 200 hectares of arable land each. Over 45% of collective farms had up to 30 households each. In Kalinin Region, there were 7,500 collective farms, including 5,498 with an area of arable land not exceeding 200 hectares; 1,754 small collective farms in this region were not serviced by MTS.

In Leningrad Region, there were more than 2 thousand collective farms, 600 of them small, with 464 collective farms not serviced by MTS. In Smolensk Region, there were 5,486 collective farms, of which 277 collective farms had up to 100 hectares of arable land, 1,316 from 100 to 200 hectares, and 1,470 from 200 to 300 hectares of arable land each.

In Gorky Region, 29% of collective farms had up to 200 hectares of arable land each, and 425 collective farms up to 100 hectares; 44% of all collective farms united up to 50 households, and 813 collective farms fewer than 25 households. In Pskov Region, 84% of collective farms had up to 200 hectares of crops, 16 collective farms numbered up to 15 households, and 43% from 16 to 30 households.

In the Byelorussian SSR, until recently, more than 100 collective farms united fewer than 15 households each, and 1,148 collective farms from 16 to 30 households. Half of the collective farms in the eastern regions of the republic had up to 300 hectares of arable land.

There were also many small collective farms in other regions, territories, and republics of the Soviet Union. In the main grain regions of the Soviet Union — in Ukraine, the North Caucasus, the Volga region, and Siberia — the average land area in a collective farm was always above the average level for the USSR (in 1940, on average across the entire Soviet Union, there were 493 hectares of socialized sown area per collective farm). But here, too, there were many small, economically weak collective farms. As "Pravda" noted (Sept. 3, 1950), by the beginning of 1950 in the eastern regions of Ukraine there

were 26,412 collective farms, of which 684 collective farms had up to 200 hectares of field arable land, 1,266 collective farms up to 300 hectares, and 4,020 collective farms up to 500 hectares of arable land. Under Ukrainian conditions, such collective farms were small.

Small collective farms cannot fully utilize the advantages given by large-scale collective farming. Numerous facts showing the impossibility of productive application of modern machine technology in collective farms with a small sown area are widely known. "How, for example, can a tractor or combine work productively in the collective farm 'Krasnoye Znamya' of Astradamovsky District," wrote "Ulyanovskaya Pravda" (July 14, 1950), "if the entire arable area in this artel is 120 hectares? Yet this area must still be divided into 9–10 fields of proper crop rotation. On a patch of land of 10–20 hectares, most of the time during processing will be spent on turns and tractor relocations."

Chief Agronomist of the Staro-Krymsky District Agricultural Department Comrade I. Miroshnikov wrote in the newspaper "Krasny Krym" (April 15, 1950): "More than a third of the collective farms in Staro-Krymsky District have field sizes even in field crop rotations of up to 30 hectares. And in agricultural artels named after Klementyev and 'Krasny Luch', fields of field crop rotations do not exceed 10–15 hectares. Fields are even smaller in special crop rotations: tobacco vegetable, and fodder crop rotations. Field sizes in vegetable crop rotations do not exceed 0.85–10 hectares. It goes without saying that on such plots, resembling experimental plots in

size, it is impossible to apply the complex technology with which our collective farms are equipped."

In the zone of the Pavlovsk-on-Don MTS, as noted by the Voronezh regional newspaper "Kommuna" (Aug. 8, 1950), there were quite a few collective farms whose arable area equaled 200–500 hectares. If this is divided into ten crop rotation fields, it turns out that each field has no more than 20–50 hectares. Such fragmentation of fields forced the MTS to create small tractor brigades, with one brigade often servicing two, three, or even four collective farms. Tractor drivers had to migrate from collective farm to collective farm, wasting extra time and fuel on relocations. In small collective farms, rational utilization of crawler tractors is impossible. It is all the more irrational to carry out work on small fields with combines. As a rule, MTS directed crawler tractors, combines, and complex threshers to large farms. In small collective farms, workers were lacking to service certain machines. Thus, servicing an "MK-1100" thresher requires over 40 people; harvesting flax with an "LT-7" flax puller and performing subsequent operations of binding sheaves, combing them, and retting or spreading requires 25–30 people each; effective use of a tractor potato digger requires 30–40 people (for picking potatoes behind the potato harvesting unit). The creation of such brigades is beyond the capacity of small collective farms.

The consolidation of collective farms is carried out on a voluntary basis. Decisions on merging are adopted at general meetings of collective farmers in the presence of no less than two-thirds of the total number of artel members. Resolutions of general meetings enter into force only after review by the

District Executive Committee. Local Party and Soviet bodies study the economic and organizational-operational characteristics of each collective farm individually (provision with means of production, manpower, land composition, territorial placement of merged collective farms, etc.). They explain to collective farmers the profitability of merging small collective farms into large ones and exercise practical leadership over the work of uniting collective farms.

The Voronezh newspaper "Kommuna" (July 16, 1950) tells of how the consolidation of collective farms took place in Talovsky District, emphasizing the tremendous activity shown by collective farmers. Collective farmers studied land use maps, discussed the proposed configuration of land tracts, determined distances from extreme points of fields to the new collective farm center, made necessary calculations, and submitted concrete proposals on how best to carry out the merger. A general wish was expressed that the land area of consolidated collective farms be no less than 1.5–2 thousand hectares, and that consolidation be carried out on the basis of an economically stronger collective farm. The District Party Committee and District Executive Committee studied all proposals submitted by collective farmers, and after that decisions on merging collective farms began to be adopted at general meetings. In the Kharkov newspaper "Krasnoye Znamya" (July 14, 1950), Secretary of the Volchansk District Committee of the CP(b)U Hero of Socialist Labor Comrade A. Kovalenko writes about how Party and Soviet workers help collective farms in preparing for the merger and in organizing the work of consolidated farms. "After collective farmers

unanimously resolve the question of merging artels at meetings, special commissions travel out to collective farms, helping the newly elected artel board and newly created Party organization to clearly plan their activity, organize accounting, labor organization, streamline land management, and new construction. With the help of these commissions, measures for the immediate period are developed, aimed at a new rise in the production activity of the consolidated collective farm, better utilization of technology, and comprehensive development of the communal economy. Party, Soviet, and agricultural bodies exercise constant control over the implementation of scheduled measures."

Thorough preparatory work carried out by local Party organizations made it possible to accomplish the large and important task of consolidating collective farms, taking into account the concrete characteristics of each collective farm. The merger of collective farms took place under the banner of struggle for the further flourishing of artel farming and turned into a powerful demonstration of love and devotion of the collective farm masses to the Party and Government, the leader and teacher of working people Comrade Stalin. Thanks to the organizational work of Party and Soviet bodies on consolidating small collective farms, warmly supported by broad masses of collective farmers, significant successes have already been achieved. In Moscow Region, as a result of uniting small, economically weak artels into large ones, by June 20, 1950, instead of the former 6,069 collective farms, 1,668 large collective farms were formed. In individual districts, the number of collective farms decreased after

consolidation by 4–5 times. Before the merger in Moscow Region, on average per collective farm there were 42 households and 163 hectares of arable land; now one collective farm unites 152 households with 713 hectares of arable land. In many districts of the region, there is significantly more arable land per collective farm: thus, for example, in Kimovsky District, an average of 1,667 hectares of arable land instead of 460 hectares; in Zaraysky District, 1,667 instead of 423 hectares; in Shakhovskoy District, 1,273 instead of 283 hectares.

In Kalinin Region, by August 1, 1950, consolidation of 7,148 small artels was carried out, forming 1,800 large collective farms. On average across the region, one consolidated collective farm now accounts for 130 households instead of the former 35, and 2,100 hectares of land instead of 570 hectares. In Leningrad Region, the number of collective farms after merging decreased from 2 thousand to 600. In Smolensk Region, the total number of collective farms decreased from 5,486 to 2,300. Before consolidation, there were on average 42 households and 305 hectares of arable land per collective farm here; now each consolidated collective farm unites on average 120 households and has 800 hectares of arable land. In Yaroslavl Region, instead of 3,820 collective farms, 964 were created. In 4 months of 1950, 1,650 collective farms of Pskov Region merged into larger collective farms. In Ryazan Region, instead of 3,925, 1,639 collective farms were created; on average per collective farm, there are now over 1.5 thousand hectares of arable land.

In the eastern regions of the Byelorussian SSR, instead of the previously existing 9,771 collective farms, 3,279 collective farms were formed. On average per consolidated collective farm, there are now more than 1 thousand hectares of arable land — i.e., 3 times more than before. In Mogilev Region, each collective farm has on average 1,139 hectares, and in Gomel Region 1,683 hectares of arable land. In the regions of the non-black earth belt, where small artels previously prevailed, very large, economically powerful collective farms arose.

In Zaraysky District (Moscow Region), the collective farm "Soznaniye" merged five small artels. In this collective farm, there are 267 households with 500 able-bodied collective farmers. The land area of the collective farm is 2,435 hectares, including nearly 2 thousand hectares of arable land. In Brusovsky District (Kalinin Region), collective farms "Moldino", "Avrora", "Vorontsovo", the collective farm named after Kalinin, "Mikhalevo", and "8th of March" merged into one collective farm. In the consolidated collective farm, there are 266 households with a total land area of 3,455 hectares (including 1,384 hectares of arable land, 551 hectares of hayfields, and 893 hectares of pastures), 575 head of cattle, 320 pigs, and 566 sheep. In Kingisepp District (Leningrad Region), the collective farm "Krasnaya Zvezda" merged 10 collective farms: in the consolidated collective farm, there are 335 households, 315 able-bodied collective farmers. The total land area of the collective farm is 4,562 hectares, including 1,214 hectares of arable land, 1,059 hectares of hayfields, and 443 hectares of pastures. The collective farm has 120 horses, 785 head of cattle, 235 pigs, 416 sheep, and 900 poultry.

Great work on consolidating collective farms was conducted in the Ukrainian SSR, in the Volga region, and in the central black earth and eastern regions of the country.

In an article in "Pravda" (Oct. 3, 1950), Secretary of the Central Committee of the CP(b) of Ukraine Comrade L. Melnikov writes: "As a result of great work on the further organizational-economic strengthening of collective farms, by August 20 in the republic 10,735 small artels have already been merged, and thus the number of collective farms has decreased by more than 6 thousand. Party, Soviet, and agricultural bodies continue to conduct work on consolidating collective farms and strengthening them organizationally and economically. Many small collective farms merged into large ones as early as during spring sowing and before the start of harvesting. Most consolidated collective farms harmoniously and in an organized manner conducted the harvest and fulfilled their obligations to the state ahead of schedule."

In Belokurakino District (Voroshilovgrad Region, Ukrainian SSR), out of 52 artels, 23 large collective farms were organized. Most of them have 2–3 thousand or more hectares of arable land each. In Nikolayev District (Odessa Region, Ukrainian SSR), 17 collective farms were created instead of 40. The average arable land size per district increased from 833 to 1,960 hectares. In Shiryayevo District of the same region, as a result of merging, 28 consolidated artels were organized with an average arable land area of 2,697 hectares.

In Saratov Region, in Khvalynsk, Petrovsk, and Lysye Gory districts, major work on consolidating collective farms was

conducted in June–July 1950. In Lysye Gory District, out of 13 small artels with small land area, 5 large collective farms were created with an area from 2.5 thousand to 3.5 thousand hectares. In Voronezh Region, 3,188 small collective farms merged into 1,119. In Pavlovsk District (Voronezh Region), instead of 48 collective farms, 16 were created. If previously among the 48 collective farms there were many farms whose arable area did not exceed 500–600 hectares, now out of the 16 consolidated collective farms, 2 collective farms have up to 2 thousand hectares of arable land, 5 up to 3 thousand hectares, 4 up to 4 thousand hectares, 4 up to 5 thousand hectares, and 1 collective farm over 5 thousand hectares of arable land.

In Altai Territory, instead of 1,783 small collective farms, 723 consolidated ones were created. In Marushino District, before consolidation, there were 63 collective farms. In the summer of 1950, 59 collective farms merged into 24 artels. In total in the district at present there are 28 artels, of which 2 collective farms have up to 1 thousand hectares of arable land, 6 up to 1,500 hectares, 12 up to 2 thousand hectares, 5 up to 2,500 hectares, and 3 up to 3 thousand hectares. Consolidated collective farms possess sufficient manpower; 3 collective farms unite up to 100 households, 20 up to 200 households, and 5 up to 300 households.

In Novosibirsk Region, 396 consolidated collective farms were created. In eight districts of Tomsk Region, instead of 165 collective farms, 69 consolidated collective farms were organized. Before the merger, each of these collective farms had on average 56 households and 387 hectares of arable land.

After consolidation, on average per collective farm there are already 132 households and 887 hectares of arable land.

In a number of eastern regions, large collective farms with land area over 10 thousand hectares were created. Thus, for example, in the village of Pereyaslavka, Rybinsky District, Krasnoyarsk Territory, the merged collective farm "Stalinets" has more than 10 thousand hectares of land area, including about 5 thousand hectares of arable land, 4 thousand hectares of pastures and hayfields. In Kolyvan District, Novosibirsk Region, the collective farm named after Stalin unites five artels. Securing 14 thousand hectares of land for it, winter and spring crops constitute 2,800 hectares. In the fields of the collective farm, 16 tractors and 9 combines work. Securing 15 thousand hectares of land for the merged collective farm in the village of Bogoslovka, Zyryanskoye District, Tomsk Region, including 4.5 thousand hectares of harvested area.

As reported by "Omsk Pravda" (July 22, 1950), in the village of Bolshoy Atmas (Cherlak District, Omsk Region), in spring, from two collective farms — "Budushchy Gigant" and "Vtoraya Pyatiletka" — the consolidated collective farm "Gigant" was created. It has 20 thousand hectares of land, of which 9,700 hectares are already in crop rotation fields. In 1950, the collective farm expanded the sown area under grain, industrial, and other crops to 5,632 hectares instead of 4–4.5 thousand hectares sown by both artels before the merger. In main crop alone — spring wheat — 3,200 hectares were sown. The collective farm possesses thousands of hectares of hayfields and pastures. Four tractor brigades of the Cherlak MTS service the collective farm and perform all main tasks of

land processing and harvesting. In 1950, during spring sowing, 4 "S-80" tractors, 9 "ChTZ" and "STZ-NATI" tractors, and 3 "STZ" tractors worked. For harvesting, 11 combines were allocated. In the collective farm, there are 699 head of cattle, 1,046 sheep and goats, and 231 pigs. The collective farm will deliver to the state in the current year 132 thousand poods of grain, 7,200 poods of milk, and about 2,500 poods of meat.

In irrigated agriculture regions — in the republics of Central Asia and Transcaucasia — the existing irrigation system with its dense network of permanent irrigation canals, with small plots of irrigated land, hindered the highly productive application of modern technology, leading to underutilization of irrigated land and loss of part of the crop. For example, in the Uzbek SSR, more than 46% of collective farms had sown area from 50 to 300 hectares; irrigated plots up to 1 hectare constituted 25%, from 1 to 2 hectares 25%, from 2 to 5 hectares 40%, and over 5 hectares 10% of all irrigated area. Such sizes of irrigated plots reduced the productivity of the tractor fleet and led to large water losses during irrigation. Recently in Uzbekistan, 2,425 small collective farms merged into 986 large farms. In Tashkent Region, out of 398 small collective farms, 195 large farms were created with sown area each averaging 1,177 hectares (against 574 hectares before consolidation). In Ordzhonikidze District, after consolidation, instead of 42 collective farms, 20 were formed; in Nizhne-Chirchik District, instead of 64 there became 25; in Pskent District, instead of 35 collective farms, 15 were organized, etc. The consolidation of collective farms in irrigated agriculture

regions contributes to the introduction of a new irrigation system.

"Pravda" in its editorial on July 20, 1950, wrote that "with the merger of small collective farms into large ones, only the first, and not the most complex, part of the matter ends. The main point is to ensure the organizational-economic strengthening of merged collective farms."

Local Party and Soviet bodies help consolidated collective farms correctly resolve basic priority organizational and economic issues. In consolidated collective farms, artel charters were developed and adopted, careful accounting and acceptance of property, monetary funds, and other assets of merged artels were conducted, internal regulations, output norms, and piecework rates for agricultural work in workdays were approved, production plans and income-expenditure estimates were compiled, contracts with MTS for machine-tractor work were re-concluded, production field and livestock brigades were reorganized, and cadres were selected.

One of the urgent tasks of organizational-economic strengthening of merged collective farms is conducting land management work. In many collective farms, it is necessary to eliminate land fragmentation, interspersing, wedging, long distances, and other shortcomings in land use, and establish external land boundaries of consolidated collective farms. After conducting this work, consolidated collective farms are issued state deeds for perpetual land use. Immediately after the state deed for perpetual land use is presented to the collective farm,

it is necessary to carry out internal territorial organization and introduce crop rotations with consolidated fields.

In many collective farms, inter-farm and intra-farm land management is successfully conducted, the crop rotation structure is established, the territory for organizing the economic center and constructing a new collective farm village is determined, etc.

A consolidated collective farm is a complex, multi-branch, and highly mechanized enterprise managed systematically on the basis of achievements of modern agronomic science and advanced experience. To manage such a farm, board members and primarily their chairmen must have deep agrotechnical and zootechnical knowledge, thoroughly study the economics of agricultural branches and mechanization issues, and be experienced organizers. Therefore, a priority task was the selection of chairmen for consolidated collective farms.

In his speeches at the meeting of collective farm chairmen on June 21 and at the meeting of tractor brigade leaders and MTS directors of Moscow Region on June 24, 1950, Comrade N. S. Khrushchev related that some collective farmers of lagging artels raise the question of allowing them to nominate agricultural specialists or practical workers with extensive leadership and organizational experience to posts of collective farm chairmen. Collective farmers declared that they guarantee such leaders in the post of collective farm chairman no less pay than they currently receive. Approving such proposals, Comrade Khrushchev said: "No one has calculated how much a

bad chairman costs a collective farm. Yet he costs very dear"[10]. Under a bad chairman, a collective farm suffers losses that many times exceed the pay of the most qualified specialist, experienced leader, and good organizer.

In many regions and districts, collective farmers select politically and practically tested specialists with secondary and higher education, as well as practical workers knowledgeable in agriculture capable of managing a large collective farm, for the post of collective farm chairmen. As reported by "Volzhskaya Kommuna" (Aug. 3, 1950), collective farmers of the artel named after Kuibyshev, Bezenchuk District, elected as chairman Comrade Martynov, who graduated from the Timiryazev Agricultural Academy and has extensive agronomic and management experience. In the collective farm named after Lenin, Molotov District, Comrade Saldayev was elected chairman, having worked as a collective farm chairman for 10 years and been awarded two orders. In Lgov District (Kursk Region), Comrade A. Novikov, head of the agricultural department of the District Party Committee with ten years' experience as a livestock specialist, was elected chairman of the consolidated collective farm named after Chernyakhovsky. Many collective farm board chairmen released in connection with artel consolidation are nominated to posts of vice-chairmen of large collective farms, heads of collective farm livestock farms, and brigade leaders; part of them are sent to study at technical schools, schools, and courses for training and retraining collective farm chairmen.

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10 *"Moskovskaya Pravda", June 28, 1950.*

As a result of collective farm consolidation, machine and tractor stations received wide opportunities for the rational application of machine technology. In the collective farm named after Malenkov (Lukhovitsy District, Moscow Region), after consolidation, crop rotation is introduced, each field of which has an area of 90 hectares; before consolidation, in one of the collective farms, field sizes were 18.5 hectares, in another 13.8 hectares. In the collective farm "Znamya Kommunizma" (Khotynets District, Orel Region), the size of each crop rotation field now constitutes 176 hectares.

At the beginning of 1950, there were on average 52 collective farms per MTS in Moscow Region, while now there are only 14. Now a tractor brigade services, as a rule, 1 collective farm, less often 2 collective farms, whereas previously it serviced 5–7 collective farms. Thus, in Lgov District (Kursk Region), an MTS tractor brigade that previously serviced 4–5 collective farms now works in one collective farm, while in larger collective farms there are even 2 tractor brigades each.

The consolidation of collective farms introduced big changes into the organization of production and labor. First of all, permanent production brigades were strengthened; the number of brigades decreased, but the number of people in them grew significantly. Reorganized brigades were replenished with collective farmers capable of performing diverse and primarily skilled work. In them, the advantages of socialist labor cooperation and specialization of workers are utilized more fully. Thus, for example, in five collective farms of Khotynets District (Orel Region), before their merger, there were 12 small field-crop brigades. At present, in the merged collective farm

"Znamya Kommunizma", having 2,698 hectares of arable land, 3 field-crop brigades are organized. Each brigade accounts for 600–700 hectares of arable land, with 60–70 collective farmers in each brigade. Land plots, work stock, agricultural implements, transport means, and necessary production buildings are secured for the brigades. Inside each brigade, links for cultivating industrial crops (hemp, kok-saghyz) and caring for forest plantings are organized. In addition, fodder-procuring and orchard-vegetable brigades were created. Experienced workers capable of properly and skillfully organizing agricultural work and using labor resources and means of production of the brigade were nominated as leaders of field-crop brigades. Four collective farms of Vakhrushevo Village Soviet (Kochenevo District, Novosibirsk Region) had 5 field-crop brigades before merging; after their merger into the collective farm "Iskra", 3 field-crop brigades of 50–60 people were organized, with 700–800 hectares of arable land secured for each.

As is well known, questions of organization and strengthening of production field-crop brigades are closely linked with the work of MTS tractor brigades. Only proper, coordinated work of tractor and field-crop brigades ensures the growth of farming culture and obtaining high, stable yields. In this, the leading role belongs to tractor brigades performing all main agricultural tasks in the collective farm. In many MTS, planning the work of tractor brigades is linked with work plans of field-crop brigades. Proper combination of the labor of machine operators and collective farmers is one of the most

important levers of organizational-economic strengthening of collective farms.

In connection with the merger of collective farms and increase in land plots, tractor brigades are also consolidated. Thus, for example, in Lysye Gory District (Saratov Region), instead of small tractor brigades having 2–3 wheeled tractors each, larger ones disposing of 5–6 tractors of different makes are organized. Such consolidated tractor brigades have the opportunity to perform the entire complex of agricultural work.

"The merger of small collective farms helped us during the harvest period to better plan the placement of equipment and quickly maneuver it," relates Secretary of Kotovsk District Committee of the CP(b)U Comrade A. Botvinov in an article published in the Odessa regional newspaper "Bolshevistskoye Znamya" (July 30, 1950). On the eve of harvest, instead of 82 collective farms in Kotovsk District, 36 were organized. The presence of a large number of small collective farms in 1949 did not allow proper and rational utilization during harvest of the powerful equipment disposed of by the district (43 combines and 36 threshers). One combine or one thresher serviced several collective farms. While one collective farm harvested, threshed, and delivered grain, others awaited their turn and did not participate in grain delivery. Often in one collective farm a thresher worked below full capacity due to lack of people, while in another there was no machine. Moreover, much time was wasted on transferring combines and threshers from one collective farm to another. All this dragged out harvesting, threshing, and grain delivery. In the current harvesting campaign, after collective farm merger, equipment

was utilized significantly better, an opportunity appeared to allocate both a combine and thresher to each collective farm, and to the largest two combines each. In not a single artel was there a shortage of people, transport, or draft power to service machines. As a result, Kotovsk District successfully conducted harvesting and threshing of grain crops and ahead of schedule, by July 26, 1950 — a month earlier than in 1949 — finished grain delivery.

As a result of collective farm consolidation, their manpower provision improves. Thus, in the collective farm named after Komsomol (Karachev District, Bryansk Region), before merging, there were 5.3 hectares of arable land per able-bodied person, while in the collective farm "Pravda" 2.69 hectares. Shortage of workers in the collective farm named after Komsomol led to the fact that during grain harvesting, hemp harvesting, potato digging, and haymaking, the collective farm was forced to attract outside labor. At the same time, in the artel "Pravda", collective farmers were often not loaded with work. These two collective farms were merged into one collective farm "Komsomolskaya Pravda". In the consolidated collective farm, labor power is loaded evenly.

In Polnovsky District (Pskov Region), before merging, in the collective farm "Zvezda" there were 18.4 hectares of arable land per able-bodied person, in the collective farm "Burya" 2.1 hectares, in the collective farm of Zalokhtovye settlement 3.5 hectares, and in the collective farm named after Zakharov 3.2 hectares. After merging, there are 3.9 hectares of arable land per able-bodied person here.

In Kaluga Region, before merging, in a number of collective farms there were 20–25 hectares of arable land per able-bodied person, which hindered timely execution of agricultural tasks; in other collective farms there were 5 hectares or less of arable land, leading to incomplete labor loading. Here, too, even and fuller utilization of labor power in collective farms has now been achieved.

In consolidated collective farms, necessary conditions are created for the development of all branches of agriculture. As a result of consolidation, instead of dwarf livestock farms existing in many collective farms with low marketable output, large farms were organized. As reported by "Sotsialisticheskoye Zemledeliye" (July 13, 1950), in the collective farm named after Malenkov (Lukhovitsy District, Moscow Region), before merging, there were 14 livestock farms. Sheep farms numbered 30–80 sheep each, pig farms 3–7 sows each, and poultry farms 50–200 hens each. Head of cattle on farms was also small. Now 4 large farms have been created. Livestock is better provided with premises, pastures, and fodder. Qualified collective farmers work on the farms.

In the consolidated collective farm "Leninsky Put" (Volosovo District, Leningrad Region), instead of the former 5 farms, 1 dairy-market farm was created having 430 head of cattle. A livestock specialist was appointed farm manager. On the consolidated farm, over 5 months, herd productivity increased 1.5 times, as it became possible to raise production culture, rationally utilize fodder resources, and widely introduce advanced zootechnical science. Separate grazing of productive cattle and young stock was introduced in the collective farm,

an artificial insemination station for cattle was organized — i.e., that was done which was beyond the capacity of small farms.

Before consolidation, some collective farms, having developed animal husbandry, did not dispose of sufficient pastures and hayfields, wrote Secretary of Mekhonskoye District Party Committee Comrade I. Dolgikh in the newspaper "Krasny Kurgan" (Aug. 9, 1950). As a result of merging, these obstacles hindering further livestock growth were eliminated. Possibilities were created for proper utilization of available hayfields and pastures. This also permits engaging in processing flooded meadows, grass sowing — i.e., expanding the fodder base. For example, the collective farm named after Frunze before merging had over a thousand head of cattle, while in the adjacent collective farm "Vostok" livestock was 3 times smaller, but it had more hayfields and pastures. In the first collective farm, further livestock growth was held back by lack of the needed fodder base; in the second, due to lack of manpower, hayfields and pastures were not utilized. Merging these farms resolved the fodder base issue and created favorable conditions for further growth of animal husbandry as well as field crop cultivation.

As a result of consolidation, collective farms are better provided with all agricultural tracts, hayfields, and pastures. In the collective farm "Bolshevik" (Pukhovichi District, Minsk Region, BSSR), per every 100 hectares of total area, there were 4 hectares of hayfields and pastures, while in the adjacent collective farm "Vtoraya Pyatiletka" 25 hectares. After merging these two collective farms, a large farm was created

with a total area of 1,824 hectares, with a better ratio of land tracts. In the collective farm named after Budyonny (Dzerzhinsk District, Minsk Region, BSSR), per 100 hectares of arable land there were only 11 hectares of hayfields and pastures, while in the neighboring collective farm "Chyrvonaya Zorka" 70 hectares. After merging these two collective farms, per 100 hectares of arable land there are 45 hectares of meadow-pasture tracts, which created better conditions for livestock development.

Before consolidation, individual collective farms dragged out haymaking and failed to fulfill the fodder accumulation plan. In the current year, consolidated collective farms conducted haymaking in tight schedules and prepared rough and succulent fodder in sufficient quantities. Thus, for example, the merged collective farm "Novaya Zhizn" (Ovnishche District, Kalinin Region) in 1950, before the start of grain mowing, mowed and harvested all natural and sown grasses. Simultaneously, hundreds of tons of silage were prepared.

Consolidated collective farms received the opportunity to deploy the construction of well-arranged livestock premises and broadly mechanize work on farms. In a short period, by June 25, 1950, in Ryazan Region over 300 livestock premises were constructed according to standard designs providing for complete mechanization of labor-intensive processes in animal husbandry and fodder preparation. In Pavlovsk District (Voronezh Region), in 1950, 4 dairy-market farms, 5 pig farms, and 3 sheep farms are being mechanized. Necessary equipment — electric milking machines, sheep shearing

apparatuses, fodder steamers, etc. — has already been purchased and will be used on farms in the near future.

Consolidated collective farms organize a comprehensively developed communal economy. Four artels of the village of Ivanovka (Volnovakha District, Stalin Region) — "Zavet Ilyicha", "Chervony Prapor", collective farm named after Artyom, and "Chervony Step" — owing to their small capacity did not develop such highly profitable branches of agriculture as animal husbandry, vegetable gardening, and horticulture. The specific weight of these branches in the income of named collective farms was negligible. Basic income was given by field cropping. After merging these artels into the collective farm named after Malenkov, the situation changed. Livestock and poultry previously located in 37 primitive, unadapted premises will be concentrated in a livestock town equipped with automatic drinkers, fodder-processing machines, and other technology. All this will greatly raise livestock productivity. On land bordering a huge pond with a water surface of 24 hectares, which was previously used only for watering livestock, a large irrigated vegetable garden is being created. This plot previously belonged to the collective farm "Chervony Step", which could not organize an irrigated vegetable garden due to lack of funds and people. The consolidated collective farm received the opportunity to also engage in horticulture and viticulture. A power station is being built, and auxiliary enterprises are organized.

Thanks to consolidation, collective farms received tremendous economic benefit from reducing the administrative and managerial apparatus. This released a significant number of

collective farmers for work directly in collective farm production. Thus, for example, in Moscow Region, according to preliminary data, 7,470 people were released, in Kalinin Region over 16 thousand, and in Omsk Region 2,780 people. In seven eastern regions of the Byelorussian SSR alone, after collective farm consolidation, over 20 thousand people were transferred to production work from the administrative-managerial apparatus: in particular, 4,889 people in Vitebsk Region, 5,145 in Mogilev Region, 5,240 people in Minsk Region, etc. In connection with the reduction of the administrative-managerial apparatus, collective farms of Moscow Region will save 2,460 thousand workdays a year, Kalinin Region 3,500 thousand workdays, and Omsk Region over 1,200 thousand workdays. In Shchors District (Dnepropetrovsk Region), as a result of merging small artels, 38 collective farm chairmen, as many accountants and storekeepers, 10 agrotechnicians, and many bookkeepers were released for use in other work. At the expense of reducing administrative-managerial personnel, 50 thousand workdays were saved. In Chaina District, Tomsk Region, upon merging collective farms, their administrative-managerial apparatus decreased by 300 people; the result is an annual saving of over 110 thousand workdays and nearly 1.5 million rubles. At the expense of this saving, it will be possible to make a whole series of useful expenditures, as well as maintain 60 agricultural specialists.

Obligations and debts of merged artels are assumed by the consolidated collective farm. At first, here and there among some workers, there were fears that this would lead to a

reduction in workday pay. Life refuted these fears. The collective farm named after Dimitrov (Poltava District, Poltava Region), merged into the powerful collective farm "Zorya Zhyttya", had not fulfilled its obligations to the state, and its income was extremely low. The Party organization together with the board of the merged collective farm established Bolshevik order in all sections and achieved that the consolidated collective farm "Zorya Zhyttya", having liquidated all debts, in 1950 will issue to collective farmers per workday much more than last year: no less than 3 kg of grain, 2 kg of potatoes, 500 g of vegetables, and about 3 rubles in cash.

The consolidation of collective farms evoked everywhere a new rise in political and labor activity of collective farmers. Collective farmers of previously lagging collective farms now show in consolidated collective farms models of selfless labor and better utilization of collective farm production reserves. Many consolidated collective farms in the very first days of their existence conducted measures that were beyond the capacity of small collective farms, such as reclaiming long-term fallow lands. The consolidated collective farm named after the 15th Anniversary of October, Porkhov District, Pskov Region, reclaimed 60 hectares of fallow land this year, and the collective farm "Opytnik" of the same district 58 hectares.

In the collective farm "Novy Put" (Lukhovitsy District, Moscow Region), which merged 6 small artels in spring 1950, spring field work passed faster and in a more organized manner. Grain sowing and potato and vegetable planting were conducted in tight schedules and at a high agrotechnical level. If last year wheat, oats, and other grain crops were sown in 16

days, in the current year spring sowing was completed in 8 working days, while the third and fourth field-crop brigades conducted grain sowing within 5 days. Potato planting was completed twice as fast as last year. All land plots intended for sowing were processed by tractors, and grains were sown by tractor seeders. This significantly reduced sowing time, labor and draft power expenditure, and ensured high sowing culture. Sowing was performed with selected, dressed seed.

In Pavlovsk District (Voronezh Region), collective farms harvested winter grains in 7 working days, writes in "Izvestia" (Aug. 25, 1950) Chairman of Pavlovsk Executive Committee of District Soviet of Working People's Deputies Comrade V. Khaleev. All rye from the plot of the former collective farm named after May 1st, now merged with the collective farm named after Zhdanov, was harvested in one day, whereas before consolidation more than a week was spent on this. In the collective farm named after Kalinin, the presence of large grain tracts permitted organizing straw stacking behind the combine with a mechanized drag constructed by Vice-Chairman of the collective farm Burimov. With such a drag attached to 2 tractors, in 8 hours of work straw from 205 hectares was stacked, which released much labor power and draft power needed for other urgent tasks.

Before the start of spring sowing in 1950, in Belokurakino District (Voroshilovgrad Region, Ukrainian SSR), a merger of 3 artels — named after Kalinin, named after Voroshilov, and named after Molotov — was conducted with a total land area of about 3 thousand hectares. Before merging, these artels year after year lagged in conducting agricultural campaigns,

obtained low yields, and often remained in debt to the state. In the consolidated collective farm, the situation changed immediately: the collective farm began to develop rapidly and is now an advanced one in the district. In its fields worked up to 10 powerful tractors, 2 "Stalinets-6" combines, over 10 reapers, and many grain-cleaning and other machines. The collective farm conducted spring sowing in 8 days, whereas before merging sowing lasted 15–20 or more days in these artels. Harvesting passed in an organized manner. The collective farm gathered up to 100 poods of grain per hectare.

In consolidated collective farms, there is now much land, labor resources, work stock, and productive livestock; they are serviced by tractors, combines, and other complex agricultural machines of MTS. Consolidated collective farms have already achieved significant successes in developing the communal economy and raising agricultural labor productivity. At a conference of scientists, specialists, and agricultural innovators of the Ukrainian SSR, as reported by "Pravda Ukrainy" (June 16, 1950), Chairman of the collective farm named after Stalin, Cherkassy District, Kiev Region, Hero of Socialist Labor Comrade Bratko said: "Collective farmers of six agricultural artels in May of this year merged into one collective farm.... Lands of our collective farm occupy about 15 thousand hectares, livestock farms number over 2 thousand head of cattle, 3,200 pigs, and up to 20 thousand hens. Work in the consolidated collective farm is conducted more successfully than before merging." Grain crop harvesting from an area of 2,069 hectares was conducted in 6 working days. The agricultural artel fulfilled the grain delivery plan to the state

ahead of schedule. Collective farmers received per worked workday an advance of 2 kg of grain. An average grain yield of 22 centners per hectare was obtained, while in the brigades of Comrades Ryashko and Voloshchenko the yield was 35 centners per hectare. A high yield of kok-saghyz seeds was also grown. Harvesting work in the artel was conducted in close connection with preparations for obtaining high yields next year. The stubble breaking plan was significantly overfulfilled.

Hero of Socialist Labor Comrade F. Korchinskaya in the Odessa newspaper "Bolshevistskoye Znamya" (Aug. 8, 1950) writes about the first successes of the work of the consolidated collective farm named after Lenin (Vradiyevka District, Odessa Region), which merged the collective farms named after Lenin, named after the 18th Party Congress, "Bolshevik", and named after Shevchenko. Last year, the artel named after the 18th Party Congress dragged out harvesting and threshing until December and failed to fulfill the grain delivery plan. Now the consolidated artel named after Lenin had already by July 25 completely fulfilled the grain procurement plan, having long finished harvesting. As an advance per workday, 2 kg of grain was issued. Collective farmer Shchur in 1949 worked with his family 1,030 workdays for the year and received 309 kg of grain for them. Now, in half a year, for 650 workdays he was issued an advance of 1,300 kg of wheat.

In consolidated collective farms, the construction of economic and production buildings, hospitals, nurseries, clubs, libraries, houses of agro-culture, stadiums, well-arranged houses for

collective farmers, and new large collective farm villages is deploying.

In Moscow Region, there are quite a few consolidated collective farms uniting 5–10 villages each. In the Byelorussian SSR, most consolidated collective farms have on average 6–8 settlements located at a distance of 1–2 km from one another. Along with this, there are also quite a few collective farms where the number of settlements exceeds 15–20. Of course, such fragmentation hinders proper organization of the economy of a consolidated collective farm. As a rule, these villages and settlements are unarranged and lack necessary cultural and community institutions. That is why collective farmers of such consolidated artels consider it necessary to build new, unified, well-arranged collective farm centers in order in the near future to resettle there all collective farmers residing in small, unarranged, remote villages and settlements.

In the collective farm named after Kalinin (Vysokovsk District, Moscow Region), uniting 9 settlements, preparations for resettling small villages began with selecting a site for a new, well-arranged village and deploying architectural-planning work, writes in the newspaper "Sotsialisticheskoye Zemledeliye" (Aug. 22, 1950) Candidate of Agricultural Sciences Comrade A. Yenyukov. When locating a new large residential center, designers took into account the entire complex of economic and natural conditions of the farm and sought to resolve the task in such a way as to create conditions for fulfilling and overfulfilling state plan targets for agricultural production with minimal expenditure of labor and funds. The new residential center of the collective farm is being created on

the basis of three existing villages — Olisovo, Polushkino, and Masyugino — where about 1/3 of collective farmers' households are already concentrated. Located here now are the collective farm board, village Soviet, a picturesque park, and a system of ponds and reservoirs. When locating the residential center, farm conditions and prospects for its development in accordance with national economic requirements were taken into account, as well as the distance from main agricultural tracts and crop rotation fields, and from the railway station and main roads of the district.

In Yershichi District (Smolensk Region), the District Executive Committee created a commission of qualified specialists to determine sites for future economic centers of collective farms. In half of the artels, this work is already completed. Together with artel boards, commission members on site determine the location of future residential and production centers. Along with allocating land for constructing livestock buildings, grain stores, etc., sites for establishing reservoirs, planting orchards, laying out parks, and setting up sports grounds are outlined.

In "Moskovskaya Pravda" (Sept. 16, 1950), an article by I. Ivanov and Yu. Monfred was printed recommending moving houses from small settlements to one center without dismantling, as complete dismantling of houses, transport by parts, and assembly at the new site is a labor-intensive and expensive process. The authors emphasize that the problem of moving wooden houses was successfully solved by Soviet specialists. In connection with the construction of the Moscow Canal, several villages were moved to other sites. Whole large villages were moved near Kolomna. Residential houses with

their entire arrangement, up to Russian stoves, were placed on metal runners, transported over snow cover by tractors, and set up at new sites. The authors recommend moving houses in winter. When moving wooden houses, at the new site only building the house foundation and basement part is required.

As is well known, in Ukraine the idea of creating agro-towns arose. Construction of agro-towns by consolidated collective farms has already acquired wide scope in the republic. The collective farm named after Stalin, Genichesk District, Kherson Region, the collective farm named after Stalin, Cherkassy District, Kiev Region, the collective farm named after Vasilyev, Dymer District of the same region, and many other advanced artels are also building agro-towns according to designs developed by city architects.

"Pravda Ukrainy" (June 8, 1950) thus describes the future agro-town in the collective farm named after Stalin, Cherkassy District, Kiev Region: "Two thousand beautiful houses along asphalted streets, along boulevards and lawns. Two thousand two-, three-, and four-room houses with electricity, radio, running water, and baths. Near each house, a fruit garden. A magnificent square with a monument to Comrade Stalin. Two-story buildings of Soviet and Party institutions. A House of Culture with a theater hall for 800 seats. Hotels, shops, tearooms and dining rooms, a hospital for 75 beds, a House of Agricultural Culture with laboratories, five secondary schools, ten kindergartens, and six nurseries. Three bathhouses and a laundry plant. Pharmacies, consumer service workshops, bus stations, a cinema, reading-room libraries, a park of culture and rest with a stadium and water stations, a rest home for

collective farmers, and its own nursery for ornamental plants. Right up to the town, with huge wings, approach orchards and berry patches over an area of 750 hectares. In such a town collective farmers want to meet communism. And this town is not a dream, not plans on architects' tracing paper, but today's reality, today's concerns of thousands of people. An industrial plant is already being created, and from July continuous construction of the first quarters of the agro-town will begin. And not in ten years, as planned, but in five years collective farmers want to complete the construction of their town." On the construction of the agro-town, 360 people are employed. An experienced engineer directs the construction. Construction is fully provided with its own materials.

Following the example of advanced Ukrainian artels, consolidated collective farms of other districts are also outlining plans for creating agro-towns on the site of present villages. Thus, the collective farm named after Dimitrov, Kolomna District, Moscow Region, which merged with three neighboring artels, decided to rebuild the village of Myachkovo, construct a palace of culture here, dozens of two-story brick houses, a ten-year school, lay a water supply system, and build a highway to the Moscow-Ryazan motor highway. As reported by "Leningradskaya Pravda" (June 18, 1950), Lenoblproyekt is currently developing dozens of planning and building designs of new villages for merged artels. Collective farmers of artels named after Stalin (Roshchino District) and named after Kirov (Primorsky District) reviewed the submitted designs at their general meetings, discussed them like true masters, introduced

changes, approved them, and are already starting work. The Institute for Planning Rural and Collective Farm Construction of the Ministry of Agriculture of the Byelorussian SSR is currently developing planning and building designs for 30 consolidated collective farms of the republic. In total this year, the institute will develop planning and building designs for 110 consolidated collective farms. Work is conducted in close connection with internal land management.

In many consolidated collective farms, enterprises for producing brick, tile, and other building materials have already been created, and building brigades are organized. Thus, in Shchors District (Dnepropetrovsk Region), some merged collective farms — for example, named after Kalinin — have already built brickworks fully providing needs for building materials. A number of collective farms — for example, the consolidated collective farm named after Zhdanov and others — are currently building brickworks.

In the struggle for the organizational-economic strengthening of merged collective farms, for the full utilization of all advantages of large agricultural artels, collective farm Party organizations are a tremendous force. Before consolidation, in many collective farms there were no Party organizations. Now they exist in almost every consolidated collective farm. The numerical composition of collective farm Party organizations has also grown. In a number of regions (Voronezh, Ryazan, etc.), 40–50 or more Communists work in collective farms. In many field-crop brigades and on livestock farms, Party and Komsomol organizations have been created. Communists head decisive sections of collective farm production. Collective farm

Party organizations render collective farm boards active daily assistance in eliminating difficulties, delve into all details of collective farm economics, and tirelessly strive for precise organizational work in all links of complex artel farming. Party organizations of consolidated collective farms deploy ideological-political work on the communist education of the collective farm peasantry and broadly organize socialist emulation of workers of the collective farm village.

Consolidation of collective farms is still continuing in many districts of the country. The first results of the work of consolidated collective farms show that they are rapidly strengthening and that all agricultural tasks are conducted by them at a significantly higher level and in shorter schedules than in past years. Merging small collective farms into larger artels strengthens the communal economy of collective farms, helps improve land processing, contributes to more productive utilization of technology and labor resources, allows improving Party leadership over collective farms, nominating more qualified cadres to the post of chairman, increasing the number of specialists, strengthening agronomic and zootechnical service to collective farms, raising farming culture, and strengthening the introduction of achievements of agricultural science and advanced experience into collective farm production.

Work on the organizational-economic strengthening of consolidated collective farms is of exceptionally important significance. Meanwhile, some district agricultural departments and MTS are still poorly engaged in organizing collective farm production and do not render necessary assistance to boards of

consolidated collective farms in current and long-term planning of artel farming, conducting land management, and introducing and mastering grass crop rotations. Eliminating shortcomings in leadership over consolidated collective farms is a most important task of local organizations. It is necessary to ensure the speediest organizational-economic strengthening of merged collective farms and thus create all conditions for an even more powerful growth and flourishing of socialist agriculture and animal husbandry.

The Communist Party and Comrade Stalin show exceptional care for strengthening the collective farm system. The consolidation of collective farms carried out by broad collective farm masses under the leadership of the Party of Lenin and Stalin is of tremendous national economic significance. It ensures the further flourishing of socialist agriculture, a rapid rise in the material and cultural level of the collective farm peasantry, and the strengthening of the economic might of our Motherland.

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A. Birman

TAKING ACCUMULATED EXPERIENCE INTO ACCOUNT

The development of the patriotic movement for the better use of working capital requires that in the system of national economic planning the turnover indicator stand on a par with the indicators of labor productivity growth, production cost reduction, and profitability. This is achievable only on the condition of preliminary, deep scientific development of methods for evaluating the use of working capital. Therefore, the discussion opened on the pages of the journal "Voprosy Ekonomiki" is very relevant.

It could be said that the rationing of funds itself determines the task for their use. Indeed, by determining standards for individual elements of working capital and the aggregate standard based on the cost estimate, we thereby establish the planned speed of fund turnover. However, in reality, in the production process, an enterprise invests funds not only in standardized, but also in non-standardized objects, involves the funds of other enterprises in its turnover, overfulfills or underfulfills the plan, changes the cost structure, etc. As a result of such changes, it happens that although the enterprise has inventories no higher than permitted, the actual turnover ratio of funds turns out to be lower than planned, or, on the contrary, the enterprise uses funds more efficiently than scheduled according to the plan, although stocks of materials or work in progress exceed the standard.

To properly organize working capital in the sectors of the national economy, it is necessary (as Comrades Lisician, Chugai, Zusman, and others correctly raise the question) to supplement existing planned and reporting indicators with a task on the use of working capital, a working capital turnover ratio. Comparing the actual ratio with the planned one will show to what extent the enterprise (sector) fulfilled the given planned task. Further analysis will help clarify the reasons that contributed to or hindered the fulfillment of the plan.

The absence of a consolidated planned target for the use of working capital is a serious shortcoming in the organization of finances in the sectors of the national economy. This gap is explained, apparently, by the fact that the use of working capital as a whole has comparatively recently become an object of socialist emulation of the working masses. Experience increasingly confirms the necessity of such a planned indicator.

The main methodological document on the basis of which the use and release of working capital in industry is currently determined is the letter of the USSR Ministry of Finance and the USSR Central Statistical Administration of April 14, 1949. This important document helped organize the movement for the release of funds from turnover. A year and a half has passed since then. The experience accumulated during this time requires a revision of a number of provisions of the letter.

When developing the methodology for calculating turnover and the release of funds, it is necessary first of all to determine starting positions and answer a seemingly simple question: what is the turnover of funds?

Many scientific and practical workers believe that the turnover of funds is a certain conventional relative indicator, the content of which can be formulated depending on need. Thus, Comrade N. Ovchinnikov writes: "The absolute number of fund turnovers cannot have significance for evaluating the activity of an enterprise if considered apart from connection with the corresponding indicators of the previous period or with the plan"[11]. Comrade G. Etchin believes that one should speak not of the speed of turnover of funds, but of the acceleration or slowdown of their turnover; consequently, these concepts mean only a comparison of some indicators with others. "The essence of the matter is not in the absolute number of turnovers, but in the suitability of the indicator for evaluating the work of enterprises..."[12].

Proceeding from such an understanding of the essence of fund turnover, some authors believe that the turnover indicator should cover all sides of an enterprise's activity, characterize the struggle for reducing production costs, etc. "The indicator of fund turnover," writes Comrade Etchin, "is a complex, synthetic reflection of the entire production, economic-operational, and financial activity of the enterprise. If this indicator yields a positive result... no doubts should arise that the enterprise worked well"[13]. In our view, such an opinion is incorrect.

The turnover of funds is their real movement — and only that — in the process of expanded socialist reproduction, the

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11 *"Voprosy Ekonomiki" No. 8, 1950, p. 78.*

12 *Ibid., p. 86.*

13 *Ibid., p. 88.*

change of forms reflecting the physical movement of assets in the process of their transformation from one use value into another, in the process of creating the aggregate social product and national income. This process must be reflected by indicators of fund turnover.

Of course, establishing a target for fund turnover contributes to their correct use, prevents their immobilization, and promotes profitability growth. It cannot be otherwise, since all sides of economic activity are closely interrelated and influence one another. But one must not confuse different indicators and different sides of an enterprise's activity. When determining the turnover of funds, for example, one should not take profitability into account, just as when determining profitability the indicator of fund turnover is not taken into account. Not only theoretically, but also practically, it is important to clearly define the essence of fund turnover and the turnover indicator. Inaccuracy in this matter can lead to a distortion of enterprise performance results and disorient worker collectives fighting for better use of working capital.

Further, it must be clarified what the indicator of working capital use should be. In Comrade Etchin's article it is stated that "the sole criterion in determining the suitability of one economic method or another... must serve its practical usefulness for strengthening and expanding the power of socialist society, and not abstract mathematical accuracy"[14]. Such a definition seems to us illogical and essentially incorrect. It is unclear why scientific accuracy is contrasted with practical

[14] *Ibid., p. 87.*

usefulness. Our socialist social system is scientific, and therefore practically invincible. The indicator of working capital use must be scientifically correct, i.e., objectively reflect real ongoing processes, and practically convenient for application, simple and understandable for the working masses participating in the struggle for accelerating fund turnover in the reproduction process. Comrade Etchin cites examples of inaccuracy and heterogeneity in evaluating individual elements of working capital and comes to the conclusion that under these conditions the overall indicator cannot be accurate either. In reality, a diametrically opposite conclusion suggests itself: it is necessary to improve the organization of accounting for all elements of working capital.

Experience has shown that it is necessary to make amendments to many points of the letter of the USSR Ministry of Finance and the USSR Central Statistical Administration. First of all, the circumstance that the letter speaks only of industry and the methodology recommended by it cannot be directly applied in other sectors of the national economy, in particular in construction, due to their specific features, evokes serious criticism. Consequently, other sectors besides industry do not have a unified methodology for evaluating the effectiveness of working capital use.

It is also incorrect to consider all working capital as a whole, highlighting only standardized assets, without analyzing the efficiency of using funds invested in individual types of commodity and material values. It is precisely these individual indicators — for materials, fuel, work in progress, finished products, etc. — behind which stand concrete people and

shops, that are of the greatest importance. On the whole, working capital relates to the entire enterprise. However, for socialist emulation for accelerating working capital turnover to be effective, and to involve millions of people in this struggle — which decides the success of the matter — concrete indicators applicable to each shop, warehouse, department, and to every worker of the enterprise are necessary. Comrade Andrianov is wrong in objecting to the separate calculation of the turnover of funds invested in packaging, auxiliary materials, and other more secondary elements of working capital. He believes that such a calculation will complicate "analysis in the context of fund turnover by stages of reproduction"[15]. On the other hand, differentiating turnover as applied to individual elements of working capital will make it possible to draw into competition additional many thousands of workers related to packaging, auxiliary materials, etc.

Furthermore, a serious shortcoming of the letter of the USSR Ministry of Finance and the USSR Central Statistical Administration is that it indicates how to evaluate the actual turnover of funds, but does not state how to plan it. In the letter, references are made to forms of accounting statements, which naturally relate to the past, not the upcoming period. It is recommended to add diverted funds, which also cannot be foreseen in the plan. In point 7 of the letter, devoted to planning, it is proposed to add to the standards seasonal accumulations of goods in the amount of "credits actually issued for this purpose and all indebtedness to suppliers offset by the State Bank during crediting." But after all, when

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15 *"Voprosy Ekonomiki" No. 7, 1950, p. 77.*

drawing up the plan, neither the credits actually issued nor the amount offset by the State Bank can be known.

A shortcoming of the current methodology, undoubtedly, is also that it lacks a single indicator of fund turnover. Three indicators are recommended in the letter: 1) turnover of all working capital compared to the previous reporting period or the corresponding period of the previous year; 2) the same for standardized assets; 3) turnover of standardized working capital compared to planned indicators.

Indicators of individual turnover elements, as indicated above, are extremely necessary. But the fulfillment by an enterprise of the planned turnover target must be evaluated according to one main indicator, and alongside it there can be any number of indicators for detailed analysis.

The absence of a single indicator complicates the evaluation of enterprise performance regarding capital turnover and leaves loopholes for abuses. When prices and the structure of output change, the ratio between individual indicators is distorted: the enterprise's planned target for turnover can be considered fulfilled, although the acceleration of fund turnover against last year provided for by the plan has not been achieved. The reverse is also possible. During the discussion at the Institute of Economics of the USSR Academy of Sciences, examples were cited when individual enterprises, wishing to have at least one positive turnover indicator of working capital, artificially "transferred" standardized assets into non-standardized ones,

shipping products in large batches at the end of the month without taking into account the solvency of buyers[16].

The greatest objections are raised by the method recommended in the letter for evaluating realized products in wholesale prices of enterprises without turnover tax, i.e., including profit. The essence of the objections comes down to two points: a) the compared indicators are incomparable; b) the varying level of profitability distorts the indicators of fund utilization at different enterprises or at one enterprise when producing products of varying profitability.

In favor of the method recommended in the letter, the argument is made that evaluating realized products in wholesale prices without turnover tax shows the actual revenue of the enterprise and presents great practical conveniences. Wholesale price is a definite quantity specified in the price list, independent of the quality of work of enterprises. It is easy to verify, especially when speaking not of one enterprise, but of an entire industry. References are also made to the fact that, since more profitable enterprises find themselves in a privileged position, such an evaluation method stimulates the growth of profitability.

With all practical conveniences, evaluating realized products in wholesale prices seems to us incorrect and inexpedient. The main mistake, in our view, consists in the fact that turnover is not considered as a real phenomenon, as was briefly mentioned above. What is turnover? The circulation of funds invested in production. But that part of the wholesale price in which profit is expressed was not advanced, but was created by the labor of

16 *See "Voprosy Ekonomiki" No. 4, 1950, p. 96.*

workers in the production process, and therefore it should not be taken into account when analyzing the turnover of working capital. It is not without reason that Marx, examining the circuit and turnover of capital, leaves surplus value aside and analyzes only the movement of advanced capital. Engels criticized the method of calculating capital turnover used in capitalist commercial practice precisely because it is based on the sum of realized commodity prices[17].

Evaluating realized products in wholesale prices is also incorrect methodologically, since in the numerator of the fraction (in the turnover formula) fund balances are evaluated at factory cost, while in the denominator revenue is given in wholesale prices. Understandably, an indicator resulting from comparing incomparable values cannot objectively reflect the actual use of working capital. It appears even more distorted if we take into account significant fluctuations in the level of profitability of individual types of products manufactured by one enterprise, or at individual enterprises within a single industry. This can be clearly shown in the following example:

Enterprises	**Factory cost of production [8]**	**Average annual balance of working assets**	**Proceeds from product sales in wholesale prices [9]**	**Profitability (in %)**	**Turnover ratio of funds (4:3)**
No. 1	18,00	6,000	18,000	0	3.0

[17] *See K. Marx, Capital, Vol. II. Gospodolitizdat, 1949, p. 237.*

	0				
No. 2	18,000	6,000	18,180	1	3.03
No. 3	18,000	6,000	18,900	5	3.15

We conventionally assume that all products are sold and factory cost equals commercial cost.
In reality, fluctuations in the level of profitability are larger.

As can be seen from the presented data, the turnover of funds and their average balances at all three enterprises were identical. Consequently, the turnover of working capital was also identical. But because of the varying level of profitability, the indicator of fund utilization at enterprise No. 3 is 5% higher than at enterprise No. 1. This means that the ratio of fund utilization obtained when accounting for realization in wholesale prices embellishes and artificially exaggerates turnover indicators.

The viciousness of such an evaluation of products especially manifests itself in the case when an enterprise, while reducing production costs, does not reduce inventory accordingly. Under the methodology recommended in the "Letter", available reserves remain hidden. Let us illustrate what was said with an example:

Quarters of the year	**Proceeds from product sales in**	**Factory cost of production**	**Average balance of working assets**	**Turnover ratio (2:4)**	**Turnover ratio (3:4)**

	wholesale prices [10]				
I	20	20	19	1.05	1.0
II	20	19	19	1.05	0.95
III	20	18	19	1.05	0.89
IV	20	16	19	1.05	0.84

We conventionally assume that all products are sold.

In this case we are dealing with an enterprise successfully reducing production costs. However, the growth of profitability is not accompanied by an acceleration of working capital turnover: costs are reduced, while the size of balances is stable. Consequently, turnover is slowed down, as is visible in column 6, where the turnover ratio is defined as the ratio of factory cost of realized products to the average balance of working capital. But under the current methodology of calculating turnover, this slowdown is hidden (see column 5), since the sum of sales proceeds in wholesale prices remains unchanged from quarter to quarter.

In our opinion, the evaluation of realized products should be carried out at factory cost, reflecting the real expenditure of funds on production. Against this method of evaluation, three objections are raised:

1. Calculation by cost is technically extremely difficult, especially on the scale of an entire industry; furthermore, the cost level changes from year to year.
2. When actual cost exceeds planned cost, a better turnover ratio will be obtained.
3. When cost is reduced due to labor productivity growth

(without reducing material cost norms), the turnover ratio will deteriorate, and such an enterprise will find itself in a worse position than another that did not reduce production cost due to relative savings on wages.

Let us examine all these objections.

Indeed, it is somewhat more difficult to calculate product realization by cost than by wholesale prices, especially on the scale of an industry. However, one cannot refuse a correct planning methodology because of technical difficulties. A way must be found to overcome technical difficulties. As for the annual change in the cost level, firstly, when comparing actual turnover with planned turnover this does not matter, and secondly, not only cost changes, but also wholesale prices. Price reduction as a method of influencing the cost level and as an effective way to raise the material welfare of working people was and remains the general line of the Party in the field of prices. "...the policy of steady reduction of prices of industrial goods is that cornerstone of our economic policy without which neither the improvement and rationalization of our industrial economy nor the strengthening of the alliance of the working class and peasantry is conceivable"[18]. The two-fold revision of wholesale prices during 1950 is additional proof of this.

They also object to calculating product realization by cost because failure to fulfill the target for cost reduction formally yields a better turnover indicator of funds. This is indeed so. If, for example, the planned production cost is 20 million rubles,

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[18] *J. V. Stalin, Works, Vol. 10, p. 229.*

and the actual is 22 million rubles, the turnover ratio will be 10% better. But is this a convincing argument against evaluating realized products by cost? In our opinion, no. Just as when calculating the director's fund, profit obtained as a result of price reductions on raw materials or for other reasons independent of the enterprise is excluded, so here "acceleration of turnover" due to actual cost exceeding planned cost will be excluded. Such an imaginary obstacle can be eliminated by a three-line instruction.

Finally, let us consider the third objection as applied to three groups of industrial branches: in the first group, the share of wages in the production cost estimate is insignificant (for example, light industry); in the second it is significant (machine building); in the third it predominates (extractive industry). Can the turnover ratio turn out to be incorrect in the case when production cost is reduced not due to savings on materials, but due to growth in labor productivity and relative savings on wages? In our opinion, it cannot.

In the first group of industries, where the share of wages is no more than 5-8%, and the share of materials is 80-85%, a cost reduction practically significant for the turnover indicator is achieved only through savings and better use of materials: a relative saving on wages even of 20% will overall reduce cost by roughly only 1-2% and will affect the turnover ratio by 0.1-0.2 points[19]. This distortion (in the direction of understating the ratio) is many times smaller than the distortion (in the direction of overstating) that is obtained when evaluating products in wholesale prices. We are not even speaking of the fact that the growth of labor productivity that yielded savings on wages will lead to an increase in the volume of realized products and will more than offset the insignificant decrease in the turnover ratio.

In the second group of industries (for example, machine building), relative savings on wages are inevitably associated with a reduction in the production period and, consequently, with a reduction in balances of work in progress. Therefore, cost reduction will be accompanied, as a rule, by an even greater decrease in the average sum of funds in turnover (on the asset side), which will not lead to a distortion of the turnover ratio.

Finally, in the third group of industries (extractive industry), where the share of materials is insignificant (basic materials are absent altogether), growth in labor productivity leads to such an increase in production volume as overrides possible minor inaccuracies in the turnover ratio.

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[19] *The turnover ratio in light industry is conventionally assumed to equal ten.*

Thus, in our opinion, there is every reason to calculate fund turnover based on the evaluation of realized products at factory cost. Such an evaluation will allow comparing the efficiency of working capital use in different sectors of the national economy and clarifying the reasons for differences in turnover ratios. When evaluating products in wholesale prices, such a comparison makes no sense because of differences in the level of profitability.

We consider that on the issue of evaluating realized products Comrade Andrianov is right, while Comrades Etchin and Ovchinnikov are wrong.

Comrade Etchin is wrong in believing that when evaluating the turnover of all funds one can proceed from wholesale prices, although when analyzing individual elements it is necessary to evaluate them at cost. The justification provided by Comrade Etchin justifies nothing. "Varying evaluation of partial and overall turnovers," he writes, "is fully legitimate, since it correctly orientates enterprises toward such acceleration of fund turnover that arises as a result of overfulfilling production and sales plans, reducing product costs, decreasing carryover balances of working assets, and effective, rational use of working capital"[20].

We also consider incorrect the proposal of Comrade Ovchinnikov not to attribute to the enterprise's account a slowdown in turnover caused by reasons independent of the enterprise (absence of orders for shipment of products, etc.). The turnover indicator must characterize the actual turnover of

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20 *"Voprosy Ekonomiki" No. 8, 1950, p. 96.*

funds. Subsequently, it is necessary to clarify the reasons and point them out to the enterprise, glavk, etc.

Also doubtful is the proposal recommended in the letter of the USSR Ministry of Finance and the USSR Central Statistical Administration to add diverted funds (unplanned losses, immobilization of funds in capital investments and capital repairs, excess transfers of funds to glavk or Prombank) to non-standardized working capital. The goal of this proposal — to punish enterprises that immobilized part of their working capital — is achieved incorrectly through distorting the turnover indicator. Here again we encounter the concept of turnover as something conventional, arbitrary, which can be treated this way and that. In our opinion, diverted funds should have no bearing on determining turnover for the simple reason that they did not participate in turnover. For if one were to collect from enterprise managers without regard to the actual situation, then one should make deductions from profits and depreciation contributions from planned, rather than actual, profit or depreciation. However, this is not done. Deductions come from actual profit, while managers who failed to fulfill the profit plan answer in the manner provided for by law.

The second group of questions touched upon in Comrade Andrianov's article concerns the determination of the sum of funds released from turnover as a result of accelerating turnover, and the very understanding of the release of funds. The author's position seems to us unclear and incorrect. This question is very important, and it is necessary to figure it out.

Comrade Andrianov writes: "...the most effective result of the struggle to accelerate working capital turnover is the transfer of released own working capital into the state budget or to a higher economic organ. All enterprises (emphasis ours — A.B.) that have joined socialist emulation for accelerating working capital turnover must set this task before themselves. Refusal of such a task deprives socialist emulation of proper purposefulness, practically weakening its results"[21].

Thus, Comrade Andrianov asserts that only contributions of funds to the state budget or to a higher economic organ mean their release from turnover. True, in the next paragraph he admits that if an enterprise overfulfills the plan without requiring additional working capital, this is "tantamount to transferring" funds. But still he assigns a smaller role to this form of their release, recognizing for it only an "indisputably important" significance.

In our opinion, there exist two forms of release of funds from turnover: 1) absolute, when as a result of turnover acceleration a surplus of working capital is formed at the enterprise, which is paid into the state budget; 2) relative, when the surplus formed as a result of turnover acceleration allows the enterprise to manage with a smaller sum of financing into working capital.

In a number of works and in some cases in practice, the difference between absolute and relative release of funds was blown out of proportion. The opinion was expressed that only contributions of funds to the budget constitute a real release of

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21 *"Voprosy Ekonomiki" No. 7, 1950, p. 81.*

funds, that relative release has no real significance, etc. We see no economic difference between absolute and relative release of funds from turnover. Whether an enterprise will be able to contribute released funds to the budget or will not be able to depends on the correlation between the rate of growth of production volume and the rate of fund turnover acceleration, and in no way characterizes the performance level of the enterprise. Let us illustrate what was said with an example:

Enterprises	**Realized products (in thousand rubles) - Plan**	**Realized products (in thousand rubles) - Execution**	**Average annual balance of working capital (in thousand rubles) - Plan**	**Average annual balance of working capital (in thousand rubles) - Execution**	**Turnover ratio - Plan**	**Turnover ratio - Actual**	**Release of funds (in thousand rubles - Absolute**
Plant No. 1	1,000	1,000	200	180	5	5.6	20
Plant No. 2	1,000	1,500	200	200	5	7.5	-

Before us are two enterprises that fulfilled the production plan and the target for working capital turnover, with Plant No. 2 having accelerated turnover to a greater extent than Plant No. 1

(7.5 turnovers against 5.6 turnovers per year). However, Plant No. 1 released 20 thousand rubles absolutely and contributed them to the budget, while Plant No. 2 achieved relative release of funds in the amount of 100 thousand rubles, since to produce 1,500 thousand rubles of output at the planned turnover rate it would need 300 thousand rubles of working capital, whereas it managed with 200 thousand rubles. Can one really consider the performance of Plant No. 1 better than Plant No. 2 simply because it contributed funds to the budget? Of course not. From a national economic point of view, the result achieved by Plant No. 2 is more effective, since it produced 50% more output without requiring additional working capital.

A serious mistake of the methodology set forth in the letter of the USSR Ministry of Finance and the USSR Central Statistical Administration is also the method of calculating the release of funds. In point 11 of the letter it is stated that the release of funds is determined by comparing actual balances of working capital with planned ones or with balances of the previous period. Such a calculation does not reflect the real state of affairs. If an enterprise overfulfills the production plan, its working capital balances may increase compared to the plan, but turnover may accelerate. In this case, relative release of funds takes place, which is not captured by comparing balances. Conversely, if an enterprise underfulfills the production plan, its balances may decrease, creating the appearance of fund release, whereas in reality turnover has slowed down.

To correctly determine the sum of released funds, it is necessary to compare the actual balance of working capital

with the balance that would be required to produce the actual volume of output at the planned turnover rate (or turnover rate of the base period). Only such a method of calculation objectively reflects the results of the struggle to accelerate fund turnover.

Summarizing the discussion, the following basic principles for calculating the turnover and release of working capital can be formulated:

1. The turnover indicator of working capital must reflect the real movement of funds in the process of expanded socialist reproduction. The main criterion for evaluating the work of an enterprise regarding working capital should be the fulfillment of the planned turnover target and the acceleration of indicators of fund turnover (as a whole and by elements) compared to previous periods.
2. The determination of turnover must be made by relating realized products, evaluated at factory cost, to the average balance of all working assets (on the asset side) really participating in turnover.

Along with these general principles, it is necessary to develop methods of planning turnover for individual sectors of the national economy and the turnover of individual elements of funds within each sector.

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B. VRONSKY

THE FASCISTIZATION OF SOCIO-POLITICAL LIFE IN THE USA

Comrade Stalin teaches that fascism is the dictatorship of the most reactionary, most chauvinistic, most imperialist elements of capitalism[22].

At the 17th Congress of the AUCP(B), Comrade Stalin pointed out that "chauvinism and the preparation of war as the main elements of foreign policy, the curbing of the working class and terror in the sphere of domestic policy as a necessary means to strengthen the rear of future military fronts—that is what particularly occupies modern imperialist politicians at present"[23]. These Stalinist words fully characterize the modern foreign and domestic policy of aggressive American imperialism.

The fascistization of socio-political life in the USA after the Second World War is a sign of the weakness of the American imperialist bourgeoisie. By the policy of fascistization of the country, the monopoly capital of the USA is trying to consolidate its shaken position, crush the progressive forces, and prepare the rear for military adventures with the aim of establishing its world domination. Today's America—the center of world imperialist reaction—is increasingly turning into a military-police, terrorist state, into a penal colony for progressive Americans, into an arena of reprisals and provocative trials against the democratic forces of the

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22 See "History of the CPSU(B). Short Course," p. 288.

23 J. Stalin, Problems of Leninism, 11th ed., p. 430.

American people. Not a single regime in the history of the USA has brought the American people so much grief and misfortune, nor so degraded human dignity, as the regime of the Truman government.

The imperialist circles of the USA are mobilizing international reaction for the struggle against the forces of peace, democracy, and socialism throughout the world. They hoist on their shield the most reactionary "theories," preach obscurantism, racism, and misanthropy, nurture and support all varieties of fascism, and intensify persecution against the working class and its communist vanguard. The Chairman of the Communist Party of the USA, William Foster, correctly emphasizes that fascism is by no means simply a German-Italian-Japanese phenomenon. In his brochure "In Defense of the Communist Party and Its Indicted Leaders," written in connection with the judicial reprisal perpetrated against the leadership of the American Communist Party, W. Foster wrote: "All monopoly capital is now basically fascist, regardless of whether the capitalists call for fascism openly or not. This also applies to American monopoly capital. If the Wall Street imperialists succeeded in achieving their present goal of establishing world domination, the result would be the inevitable danger of a fascist world." In the article "The People's Front and People's Democracy," published in the journal "Political Affairs" in June 1950, W. Foster again noted that the monopoly capital of all countries under the aggressive leadership of Wall Street is actively trying to recreate everywhere fascist groups and movements smashed during the Second World War, and that "the craving for fascism on the

part of the imperialist bourgeoisie remains and is still very strong"[24].

Fascism is one of the striking manifestations of the general crisis of capitalism. The merging of the bourgeois state with capitalist monopolies and aggressive militarism, the subordination of the state apparatus to the monopolies, and the increased control of militarists over the foreign policy of the American government contribute to the accelerated spread of fascism in the USA.

The driving force of the fascistization of the country is the financial oligarchy of the USA, настроенная [disposed], in Foster's expression, "aggressively, fascistically, imperially, belligerently." All major branches of American industry are seized by one, two, or three giant monopolies (which, of course, does not exclude struggle between them). It is by their will in the USA—and not only in the USA—that the ruling circles are destroying the last remnants of bourgeois democracy, driving communist parties underground, intensifying the offensive against the working class and all working people, and increasingly openly transitioning to terrorist methods of preserving the dictatorship of financial capital.

American capitalist monopolies and militarism are leading the United States along the same path that Hitler's clique led Germany. Following in the footsteps of the German-fascist imperialists, the American imperialists begin the business of unleashing a new world war with a racial "theory," asserting

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[24] "Pravda," August 3, 1950.

that only nations speaking English are full-fledged nations called upon to decide the destinies of the whole world, that nations speaking English as the only full-fledged ones must dominate the rest of the nations of the world. These racist ravings are directed toward the ideological "justification" of the policy of world domination pursued by the American imperialists on an even larger scale than by Hitler's bandits in their time.

American bourgeois economists, philosophers, sociologists, and reactionary journalists extol war almost as "the highest good," as the most important means of preserving the thoroughly rotten capitalist system. The American neo-Malthusian fascists Vogt, Pearson, and Harper cynically call for developing a "program for reducing the population of the globe."

Obsessed with the delirious idea of world domination, the American invaders are intensely whipping up war psychosis, preparing war against the USSR and the countries of people's democracy. To this end, Wall Street's Washington lackeys are sharply increasing the military budget and the armed forces of the USA, suppressing the organized labor and general democratic movement in the country fighting for peace, liquidating the meager remnants of the democratic rights of the people, and knitting together the forces of fascism and war.

Military hysteria and misanthropic propaganda in the USA have especially intensified since the start of the armed intervention of American imperialists against the Korean Democratic People's Republic. US political figures—Senators

Brewster and Johnson, members of the House of Representatives Cruz, Bentsen, Rivers, and some others—demanded not only the expansion of the scale of US aggression, but also the use of the atomic bomb against the Korean people. These man-eating appeals were inspired by the open objection against the prohibition of atomic weapons made by US Secretary of State Acheson at a press conference on July 12, 1950. Acheson essentially merely repeated the repeated statements of atomic bomb enthusiast Truman that he "will not hesitate" to give the order to use atomic weapons if he finds it necessary.

The entire policy of the ruling clique of the USA is subordinated to the preparation and unleashing of a new war. The country's economy is being hurriedly placed on a war footing. The overwhelming share of US budgetary funds is directed toward military purposes. In his speech at a meeting of the Political Committee of the UN General Assembly on October 23, 1950, the head of the Soviet Union delegation, Comrade A. Y. Vyshinsky, cited convincing facts testifying to the gigantic growth of US military expenditures. In 1949/50, 12 times more was allocated for military purposes in the USA than in the pre-war year of 1938/39, and in the 1950/51 fiscal year, US military allocations will amount to about 50 billion dollars, i.e., almost 50 times more than in 1938/39.

Again, as during the war, a system of "priorities" in the distribution of so-called scarce materials is being introduced. Large monopolists and their henchmen, such as International Telephone & Telegraph Company Chairman Harrison, who currently heads the US Production Authority, are being

appointed to leadership posts in state military-industrial administrations. Enormous reserves of food and strategic materials are being created in the United States.

Reservists are being mobilized into the US armed forces. The American imperialists are increasing the size of their army not only within the country—the contingents of US armed forces located with aggressive aims in Western Germany and other countries are constantly expanding. The American General Staff is continuously sending large troop formations, tanks, artillery, warships, and aviation to Korea.

The transition of the US economy to a war footing is extremely profitable for American monopolies. They are enriching themselves extraordinarily by exploiting the war hysteria, which assumed a particularly wide scope in the conditions of the economic crisis that began in the USA at the end of 1948. Even according to obviously understated data from the newspaper "Wall Street Journal," the profits of 321 American corporations for the second quarter of 1950 were 46% higher than for the corresponding period of 1949. General Motors for the first half of 1950 received 485 million dollars in net profit compared to 656 million dollars which it extracted for the entire year of 1949. The profit of another major American corporation—General Electric—for the first half of 1950 increased compared to the corresponding period of 1949 by 66% and amounted to 77 million dollars.

American monopolies and the government in their service are shifting the heavy burden of the frantic arms race onto the shoulders of the working people, continuously intensifying the

offensive against their living standard. Even the economic advisers of the US President cannot hide the fact that the wages and incomes of the American working population are catastrophically declining. Even according to deliberately embellished data of the bourgeois press, the real wages of American workers for the period from 1944 to 1950 decreased by more than 12% and continue to fall due to the growth of prices for consumer goods.

The capitalist monopolies of the USA, waging a full-scale offensive against the living standard and the remnants of political rights of the working class, are zealously helped by American reformists. They have seized leadership of many labor organizations and turned them into an instrument for exploiting the American proletariat and squeezing enormous profits out of it. This venal bunch of social-fascists propagates the rotten idea of "class collaboration," imposes upon workers the absurd notion that their "well-being" allegedly depends on the "solvency" of capitalists, on the size of profits they receive, and calls on workers to abandon the struggle for better working conditions, for higher wages.

American social-fascists from the yellow leadership of the AFL and CIO play a treacherous role in the labor movement of the USA. All their activity is a continuous chain of monstrous crimes against the working class. They are the most inveterate hypocrites, liars, provocateurs, and traitors to the vital interests of the working masses. Modern American reality reaffirms with new force J. V. Stalin's proposition on the indissoluble connection of fascism with social-democracy. "Fascism," Comrade Stalin pointed out, "is the combat organization of the

bourgeoisie, resting on the active support of social-democracy. Social-democracy is objectively the moderate wing of fascism. There is no reason to suppose that the combat organization of the bourgeoisie can achieve decisive successes in battles or in governing the country without the active support of social-democracy. There is equally little reason to think that social-democracy can achieve decisive successes in battles or in governing the country without the active support of the combat organization of the bourgeoisie. These organizations do not negate, but complement each other. They are not antipodes, but twins. Fascism is an unformed political bloc of these two main organizations, which arose in the setting of the postwar crisis of imperialism and is designed to struggle against the proletarian revolution. The bourgeoisie cannot retain power without the existence of such a bloc"[25].

The main instruments of American reaction in carrying out the tasks of suppressing the progressive movement in the country are the Federal Bureau of Investigation (FBI) and the House Un-American Activities Committee, operating by the methods of Hitler's Gestapo.

The Chairman of the American National Lawyers Guild, Clifford Durr, stated: "The secret police is instructed to keep surveillance over our beliefs and associations; agents and informers are sent to record our words and register our deeds; neighbors are encouraged to spy on neighbors, and gossips and scandalmongers are officially surrounded with attention and endowed with great power." This testimony reveals the vile

[25] J. V. Stalin, Works, vol. 6, p. 282.

methods of the FBI's provocative activity. Police surveillance, the planting of spies and provocateurs in progressive organizations, vile blackmail, and perjury—these are the methods by which the FBI terrorizes progressive Americans. The true purpose of the FBI as the central operational headquarters for suppressing the progressive movement in the USA is not concealed by FBI Director Hoover either. Speaking at a meeting of the House Appropriations Committee of the US Congress, he stated with cynical frankness that the main purpose of the FBI is "to ensure surveillance over all persons and organizations" to whom the bureau headed by him attributes the conduct of "subversive activity."

The House Un-American Activities Committee, or as it is called in the USA, the "Un-American Committee," whips up anti-communist hysteria aimed at suppressing the growing progressive movement in the USA. The actions and working methods of this committee are no different from ordinary political sleuthing and gangsterism. The Un-American Activities Committee is an ordinary fascist gang endowed with great power by the US Congress. American progressive writer Howard Fast in his speech at a rally of representatives of progressive organizations of the USA held in New York in October 1949, stated that "the Thomases, Rankins, Mundts, Brenners are merely voluntary despised puppets in the hands of a much more powerful group of tyrants who pull their strings. This is the State Department, the Department of Justice, the bulk of Congress, and their masters—the trusts and monopolies."

In 1938, when the Un-American Activities Committee was just being created, public opinion in the USA believed that the main emphasis in its activity would be placed on investigating the subversive work of Hitler's agency in the USA, which was exceptionally active at that time. However, it soon became clear that this committee had no intention of exposing and suppressing fascist activity in the country. On the contrary, operating under the flag of investigating un-American activity, it engaged in persecuting progressive, democratic circles of the USA. With the entry of the USA into the war with Germany, this committee ceased its activity, although, as is known, Hitler's agency was actively conducting subversive work on the American continent even then. The committee's activity resumed in January 1945, when inveterate reactionary Rankin introduced a resolution in the US Congress proposing to revive the committee. This served as a signal for intensifying the American reaction's offensive against the remnants of rights and civil liberties of US working people. Since then, not a day passes without all sorts of "subpoenas" of progressive Americans for questioning by the committee, bringing honest individuals to trial under the pretext of "contempt of congress," arrests, and other forms of repression against democratically minded Americans.

Fascist elements entrenched in the US judicial organs sentence a huge number of people speaking out for their political and economic rights to various terms of imprisonment and execution in the electric chair. On April 4, 1950, a jury in a San Francisco court brought in a guilty verdict in the case of the leaders of the West Coast longshoremen and warehouse

workers union, against whom a slanderous accusation was concocted that they allegedly "deceived" the authorities.

Already dozens of victims of persecution by the House Un-American Activities Committee, convicted for "contempt" of Congress, are incarcerated in prisons. Among them are J. Dennis—General Secretary of the Communist Party of the USA, 11 leaders of the Joint Anti-Fascist Refugee Committee, 10 progressive screenwriters of Hollywood, etc. The leaders of the "Un-American Committee" under various fictitious pretexts intend to bring to trial Daily Worker newspaper director Philip Bart, scientists David Bohm, Irving Fox, and Giovanni Lomanitz. They intend to begin criminal prosecution in the near future on charges of "contempt of the committee" against 39 witnesses (including the secretary of the Communist Party in Hawaii, members of the West Coast longshoremen's union, and others) who during the investigation of "communist activity" in Hawaii refused to answer provocative questions asked them by members of the committee.

In one of his speeches at a meeting of the US Congress in March 1950, committee chairman Wood threatened that he intended to compile a "bible of subversive activity" in which one million names of "communists" would be cited. It should be noted that the label of "communist" is stuck on all progressive, advanced people of America. The committee's "arithmetic" is very simple: each communist in the USA is surrounded by approximately ten sympathizers, and therefore, together with the one hundred thousand American communists, they make up one million people who, according to the plans of

the reactionaries, should be brought to justice for "subversive activity."

The "Un-American Committee" has already compiled a "black list" of individuals who, in the opinion of the obscurantists, are "communists" or "close to communists." This list includes many workers, scientists, teachers, doctors, writers, screenwriters, directors, journalists, radio commentators, and other public, political, and trade union figures. At the committee's bidding, hundreds and thousands of progressive people have already been deprived of work in the USA, and many have been brought to trial on arbitrary charges of "sympathy for communists," "pro-communist sentiments," "communist tendencies," etc.

In May 1950, 8 teachers were dismissed from New York schools for refusing to sign a pledge that they were not communists. Harvard University Professor Kirtley Mather stated that the dismissal of New York teachers "ominously recalls the technique used by Hitler in the early years of the Nazi regime in ill-fated Germany." On the same grounds, the Board of Regents of the University of California, consisting of bankers, stock speculators, and industrialists, decided to dismiss 157 professors, instructors, and employees from the university. New York hospital doctor Thurman was deprived of work for "suspicion of communist tendencies."

These and many other facts show that a whole system of persecuting all progressively minded people is operating in the USA. It has a striking resemblance to Hitler's system of persecuting progressive elements in Germany. Expressing his

indignation at the activation of fascist forces in the USA, anti-fascist writer Thomas Mann in the preface to the American edition of Gordon Kahn's book "The Hollywood Trial" wrote that "the persecution, dictated by ignorance and superstitions, of adherents of a political and economic doctrine created, undoubtedly, by great thinkers, not only degrades the persecutors themselves, but also inflicts great harm on America's reputation as a cultural country... Spiritual intolerance, political Inquisition, the gradual dying out of legality—and all this ostensibly in the name of a 'state of emergency'—that is exactly how it began in Germany. Then followed fascism, and after fascism war."

The storm detachments of American fascism are numerous fascist organizations. Aside from the Ku Klux Klan, this oldest openly fascist American terrorist organization, dozens of other fascist organizations operate in the USA, subsidized by major monopolies. These organizations conduct criminal propaganda for unleashing war against the USSR and the countries of people's democracy, unfolding pogrom-style racial, anti-labor, and anti-people activity.

Shortly after Germany's capitulation, reactionary American radio commentator E. Close together with the ardent defender of the Franco regime in Spain, M. Hart, created an organization called "American Action." This organization set itself the task of fighting "dissenting radicals," by which all progressively minded Americans are meant. The governing board of "American Action" includes leaders of other fascist organizations, including General Wood from the "America

First" organization, Harris from the "Christian Front," Hayes from the "American Legion," and others.

In the city of Anderson (Indiana), an organization called "American Guard" was recently created, headed by former city chamber of commerce chairman Harbaugh. The actual leaders of this fascist organization are General Motors representatives Kemm, Bagot, and Cox. This trio is on the board of directors of the "American Guard," determining and directing its activity.

A fascist "Committee of Twelve" was recently created in the USA. According to a report by the weekly "In Fact," this committee will engage in disseminating fascist propaganda. Its leaders set themselves the goal of recruiting 250 thousand people by the end of 1950 into the fascist organization "Freedom Fighters," created by the notorious "Committee for Constitutional Government." Members of the "Committee of Twelve" include Armco Steel Corporation President Hook, Thompson Products Company President Crawford, National Association of Manufacturers Director and Fruehauf Trailer Company President Fruehauf, millionaire newspaper publisher Gannett, cotton speculator Harris, Dairymen's League President Sexauer, and others.

All these facts indicate that major capitalist monopolies of the USA have transitioned to open active support and knitting together of a fascist front of struggle against the progressive forces of the country.

In late January 1950, the leaders of the "American Legion" convened a special conference, in the work of which representatives of various industrial, trade, and other

organizations participated. This gathering of rabid reactionaries raised the wildest anti-communist and anti-Soviet hubbub. It adopted a resolution brazenly stating that "the general goal of the conference is the destruction of worldwide communism." A "steering committee" consisting of 17 members was elected at the conference, charged with creating an anti-communist organization. On May 14, 1950, in Chicago, the creation of this new fascist organization named the "All-American Conference to Combat Communism" was officially announced; former legion leader Craig was appointed its chairman.

The attempts of the ruling circles of the USA to activate and unite fascist organizations in the country are the result of their animal fear of the growing forces of peace and democracy fighting against the implementation of the aggressive plans of American imperialism. The ideas of the struggle for democracy, for a stable and lasting peace are increasingly deeply penetrating the consciousness of the American people, rallying ordinary people of the USA into a single front of peace and democracy.

The Dixiecrats—those fascists and racists from the southern states entering Truman's "Democratic" party—frankly propagate the false and misanthropic idea of the "racial superiority" of Americans over other nations, and terror against the Negro people. Experiencing fear of the growing liberation movement of the Negro people, the Dixiecrats intend to drown this movement in blood in order, as they express it, to "stabilize" the situation in the South. The Dixiecrats brazenly declare: "Negro voting means Negro rule in some of the best areas of the South, because there are ten times more Negroes

there than whites... If these Negroes voted and elected officials from their midst, which is what will happen if they enjoy the right to vote, a year after they establish their control not a single enterprise will remain, unless violence is used."

The Dixiecrats organize mass murder of Negroes in the southern USA. As their storm detachments and executioners, they widely use the Ku Klux Klan, which conducts its criminal terrorist activity completely openly and with impunity. With the help of the blood-stained weapon of Ku Klux Klan bandits, they strive not only to suppress the liberation struggle of the Negro people, but also to stifle their aspiration for peace, their love and respect for the Soviet Union, which are so eloquently expressed by Paul Robeson and other Negro public and political figures, who state that American Negroes will not fight against the Soviet Union.

Fascist organizations in the USA, with the direct support of monopolists, are unfolding anti-labor and anti-democratic activity on a huge scale, conducting open propaganda for a new war. Fascist "scholars," economists, sociologists, psychologists, and biologists unceasingly preach misanthropic racial "theories," vigorously stoking racial chauvinism and striving to "justify" Anglo-Saxon domination over other nations [73].

The ideas of racial and national inequality find their concrete expression in the policy of American ruling circles toward the Negro population of the country. Fourteen and a half million American Negroes live behind the color bar, most brutally exploited by American capitalists.

Director of the Trusteeship and Information Department of the United Nations Ralph Bunche, speaking on February 11, 1950, in Rochester (New York), stated that in all American states the Negro minority experiences "political, economic, and social deprivations solely because of skin color." This system of brutal racial discrimination is protected by American laws. According to a report by the Negro organization National Association for the Advancement of Colored People, in 14 states laws on the isolation of Negroes in railway transport are in effect, in 11 states Negroes are prohibited from riding in buses and streetcars together with whites, in 15 states joint education of Negroes and whites is prohibited, in 36 states mixed marriages are prohibited, etc.

Negroes are the object of brutal persecution by fascist gangs. These gangs organize bloody pogroms, rob, torture, and kill people whose only "crime" is that they are Negroes. The American bourgeois press, boasting of its "freedom," almost never publishes facts about brutal reprisals against Negroes. But even from the few reports appearing in the press, one can form an idea of the scale of bloody anti-Negro terror in the USA.

Secretary of the Civil Rights Congress Patterson stated on June 5, 1950, that currently 21 Negroes in seven states face the death penalty on various false charges. Patterson stated further that these Negroes are victims of only "well-known cases," but there are hundreds of other Negro victims of all sorts of judicial frame-ups. It is completely clear, he said, that the policy of persecuting Negroes, carried out with the help of

lynch courts and terror, has become the official policy of the US government.

As an example of the arbitrariness of American courts regarding Negroes, one can cite the "trial" of the Negro Edward Honikat (Louisiana). On March 6, 1949, shortly after the "court session" at which Honikat was falsely accused of "assault," a mob of hooligans tried to lynch him. Honikat managed to escape. But after he surrendered himself into the hands of the Louisiana authorities, he was put on trial a second time. In early June 1950, an all-white jury, after "deliberations" lasting 24 minutes, sentenced 22-year-old Negro Honikat to death.

The fascist sortie in Peekskill in the autumn of 1949, when fascists intended to lynch Paul Robeson, represents a typical example of political rights [lawlessness] in modern America. The police and the authorities of the State of New York openly connived with the fascist bandits. State Governor Dewey in his statement on September 14 made the absurd accusation against Robeson's supporters that they "deliberately provoked an attack on themselves," while the fascist pogromists allegedly merely "fell into a trap set by communists." On June 16, 1950, after a nine-month "investigation," the grand jury entrusted with the "investigation" issued a ruling in which the accusation is essentially leveled against the victims of fascist violence.

All these orgies of lawlessness and wild arbitrariness pursue a completely definite purpose—to suppress the progressive movement rising higher and higher in the country. But these repressions clearly fail to achieve their purpose. At a rally held in New York on March 28, 1950, worker Sidney Marcus

spoke; as a result of wounds received on September 4, 1949, during Paul Robeson's concert in Peekskill, he lost an eye: "I am filled with indignation and hatred toward the fascists," he stated, "who attacked not only me, but 25 thousand people who came to listen to Robeson in Peekskill. Having lost an eye, I have acquired a new inner vision and see what fascism means... Before the events in Peekskill, fascism was for me and for many Americans just a scary word. Now we know that the fascists want to do a million times more than they did in Peekskill; they want to split and destroy the forces of peace and progress. In Peekskill we learned to repulse them. We will not forget this lesson."

Falsely portraying itself as an "absolutely free" judicial instance allegedly independent in its decisions from monopoly capital, the court in the USA is thoroughly venal and corrupt, dependent on Wall Street. It faithfully serves the monopolies in their struggle against the democratic camp. American "justice" tries to stun and intimidate progressive figures, to paralyze their struggle for peace and democracy. "Justice" in America has merged not only with financial and industrial capital, but also with the criminal underworld. The criminal underworld is in the USA under the patronage of justice. Investigative and judicial organs display complete inactivity regarding fascist, gangster, and other criminal organizations.

Thomas Jefferson once said that the US Supreme Court is attached to Congress "like a kite, in order to keep the henhouse in order." Of the current courts in the USA, one can justly say that they are attached to the American people in order to suppress every manifestation of thoughts displeasing to the

ruling circles. So-called "American freedom" ends where the sphere of Wall Street's interests begins, on guard of which stands American "justice."

The main blow of American reaction is directed against the Communist Party, which is waging a resolute struggle for the cause of the working class, against the infringement of the rights and freedoms of the American people. The judicial reprisal against the leaders of the Communist Party vividly characterizes the criminal designs and actions of the ruling circles. The enemies of democracy wage an offensive against the Communist Party because all the democratic forces of the country support it. American reactionaries believe that if they succeed in driving the Communist Party underground, it will be easier for them to deal with the progressive movement, with the peace partisans movement. Therefore, they try to put handcuffs on and throw into prison casemates first of all the communists who expose the criminal policy of the ruling clique of the USA aimed at crushing the democratic movement, fascistizing the country, and unleashing a new aggressive war.

Perpeting reprisals against communists and all progressive American figures, the fascistizing clique in the USA pursues the goal of preparing the rear for unleashing war against the Soviet Union and the countries of people's democracy. The struggle against communism waged in the USA is designed to become a "model" for the anti-communist terrorist activity of the governments of other capitalist countries. The anti-communist activity of American imperialists is aimed at concealing from the peoples of the world the true firebrands of a new world conflagration and provocatively shifting all blame

for the preparation of war onto the communists, falsely presenting them to public opinion as conspirators and violators of peace, and thereby justifying the harshest terror and monstrous persecution of peace fighters.

Bringing charges of "conspiracy against the government" against the leaders of the Communist Party of the USA served as a signal for the terrorist campaign of American reaction and fascism against advanced, progressively minded people of America. According to the design of the FBI and the fascist House Un-American Activities Committee, this provocative accusation against the communist leadership was supposed to be the beginning of the "destruction" of communism not only in the United States, but also in all other countries under their control. The rulers of the United States have taken upon themselves the mission of being the gendarme and strangler of the progressive, democratic movement throughout the world.

The anti-communist trial in New York was directed not only against American communists, but also against all progressively minded Americans. It was intended to serve as a signal for organizing anti-communist trials in all countries dependent on the USA, which, in the opinion of the "Journal of Commerce," should "weaken support for communists among the peoples." Not limiting themselves to the judicial-police reprisal against 11 members of the National Committee of the Communist Party of the USA, fascist elements entrenched in American legislative organs and judicial bodies began persecuting leading figures of the party throughout the country.

The Birmingham City Court (Alabama) sentenced state party chairman Sam Hall to 6 months imprisonment and a fine on a false charge of "vagrancy" (?!). Birmingham Police Chief Connor ordered his agents to track down and arrest as "vagrants" all known communists in the city. Later, the Birmingham City Council without any discussion adopted a decision that essentially outlaws the communist party within the city limits. The decree provides for the arrest of any person who "is found in a secret or non-public place in voluntary association or communication with any person or persons who are or have been members of the communist party." After approving this decree, which gives the authorities the right to arrest any person displeasing to them, the Birmingham City Council ordered members of the communist party to leave the city within 48 hours. In turn, the police chief of the city of Knoxville (Tennessee), Kimsey, announced that he would subject to arrest or deportation every communist who enters the city limits. Kimsey stated that the same order adopted in Birmingham should be introduced in Knoxville. State party leader Steve Nelson is being persecuted for "contempt" of Congress. A representative of the House Un-American Activities Committee stated that Nelson refused to answer the committee's questions, especially those concerning the political beliefs of scientist Weinberg, who worked during the war in the radioactive laboratory of the University of California. Nelson faces a year in prison and a fine. Similar charges were brought against the leader of the communist party organization in the State of California, William Schneiderman, who also refused to answer provocative questions of the committee.

Currently, the US Department of Justice is developing far-reaching plans for persecuting and crushing the Communist Party of the USA. Following the example of the judicial frame-up against the communist leaders, the judicial organs intend to conduct similar frame-ups against thousands of American communists in the near future. Speaking on January 12, 1950, in Congress, Acting US Assistant Attorney General Whirty stated that the Department of Justice is ready to begin prosecuting 12 thousand communists[26].

Reactionaries demand an intensification of the campaign of persecution against American communists. Fascist columnist Pegler of the "New York Journal-American" demanded on July 18, 1950, that the US government put all members of the communist party, sympathizers, and persons suspected of sympathizing with the communist party in concentration camps. The next day, Congressman Shafer, speaking in Congress, demanded that all members of the communist party and their supporters be interned. But no monstrous judicial frame-ups, no concentration camps and persecutions are able to destroy the ideas of communism, which are spreading ever wider in the USA, as throughout the world, and force progressive people to renounce their political convictions.

One of the characteristic features of the fascistization of socio-political life in the USA is the adoption of a whole series of laws aimed at suppressing the democratic forces of the American people.

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26 "Voprosy Ekonomiki" No. 9.

In the first half of 1947, about 200 anti-labor and anti-union bills were introduced in the US Congress. The Taft-Hartley Act, subsequently dubbed by workers the "slave labor law," is one of the typical manifestations of the fascistization of the USA. This law curtails the rights of workers to strike, to conclude collective agreements of trade unions with capitalist entrepreneurs, abolishes the practice of hiring only trade union members, and thereby gives into the hands of capitalists a weapon to undermine the organization and unity of workers, to ensure the freedom of strikebreaking and remove communists from union leadership. Under this law, all trade union officials must present evidence that they are not communists and do not recognize or support any organizations opposing existing capitalist institutions of violence and arbitrariness.

On March 23, 1947, Truman issued his notorious order on the "loyalty check" of civil servants and purging the state apparatus. According to this order, government employees are subject to dismissal from work if there are "sufficient grounds" to suspect them of "disloyalty" to the regime existing in the USA. Further, the order provides that if a person interrogated by loyalty review boards refuses to answer questions or if their answers do not "satisfy" the board, they are dismissed from work. If the board establishes that the given person attended rallies convened by progressive forces, maintains friendly relations with communists, reads "subversive" literature, or listens to Soviet radio broadcasts, they are immediately expelled from the institution.

In the United States, the campaign against the forces of democracy and progress, against elementary democratic

freedoms, has assumed unprecedented proportions. "Loyalty certificates" have been introduced in institutions, and progressive literature is being seized and destroyed in schools and libraries. Fascistizing hooligans commit armed attacks on meetings and gatherings of working people, smashing the premises of progressive organizations.

However, inveterate reactionaries from the ruling circles find even this anti-democratic bacchanalia insufficient. In the Republican Party platform document published in February 1950 under the title "Statement of Principles and Objectives," the "failure of the government to recognize the full significance of the communist danger" is sharply condemned. This document criticizes the "soft position of the government toward those civil servants who hold communist positions or support them." The statement demands a new purge of the state apparatus, the removal of "communists, their fellow travelers, and communist sympathizers" from it, and the establishment of "closer ties between our intelligence agencies with the full use of the FBI apparatus."

Realizing these "tips" from their colleagues in the Republican Party, Truman on July 24, 1950, ordered the FBI to intensify measures against, as he expressed it, "espionage, sabotage, and subversive activity." He also called on judicial officials to send all information at their disposal to the FBI.

In July and August 1950, the House of Representatives and the Senate approved the so-called Hobbs bill, providing for the imprisonment of all "undesirable aliens." Currently, 112 progressive figures have already been classified in this

category and are to be deported allegedly for "subversive activity." In the near future, as the press reports, the arrest of another three and a half thousand people is planned.

On September 23, 1950, the US Congress, overriding Truman's hypocritical "veto," adopted the fascist McCarran Act. This act, called the "Internal Security" Act, under the pretext of establishing control over "subversive organizations," legalizes fascism in the country. It represents an attempt by American monopolies to openly introduce fascist orders in the country, to suppress progressive forces waging a struggle against the criminal policy of fascistizing the country, against the intervention of American imperialism in the affairs of other countries and the unleashing of a new world war. It essentially outlaws the Communist Party and other progressive organizations of the USA. The act requires the registration of members of the Communist Party and all other progressive organizations of the USA that are classified by the Department of Justice as so-called "subversive" organizations, as well as the submission by them of regular reports on their activity and financial standing. Violation of these requirements is punishable by imprisonment for up to 10 years and a heavy monetary fine. Any organization whose views differ from the official, reactionary, and aggressive policy of the US government can be included in the list of "subversive" ones. In addition, the McCarran Act provides for the creation of concentration camps for communists and members of other progressive organizations in the event that the President declares a "state of emergency" in the country. The act also provides for harsh repressions regarding "suspicious" aliens

(deportation from the country, imprisonment in prisons and concentration camps, etc.)

Secretary of the National Committee of the Communist Party of the USA Gus Hall compared the McCarran Act with fascist legislation in Germany, with the help of which Hitler carried out his terrorist activity: "The obscene hysteria gripping the Senate has nothing equal to it in American history... Over the Senate chamber hangs the foul spirit of gas ovens and crematoria where people are burned."

During the discussion in Congress of the fascist-police McCarran bill, a broad protest movement against its adoption unfolded in the USA. The Progressive Party, numerous trade unions, national, women's, youth, and religious organizations spoke out against the adoption of the bill. Even many bourgeois organizations and press organs objected to the adoption of the McCarran bill. On September 17, 1950, 17 Washington bourgeois organizations published a statement demanding that Truman veto the bill and condemn the totalitarian methods used to violate the freedoms of the American people. More than a thousand prominent public figures of Chicago protested against the McCarran bill. About 500 public figures from 44 states, including scientists, teachers, writers, clergy, joined this protest and demanded a veto of the fascist bill. The Communist Party decisively protested against the fascist actions of Congress. On September 19 at a rally in Madison Square Garden, where 14 thousand people were present, the report on the party's decision not to register and not to obey the McCarran Act was met with enthusiasm. In his speech at the rally, Gus Hall stated: "We do not intend to

register for three reasons: we will not abandon our true principles and goals; secondly, we will not be with those who, under the guise of the registration law, strive to destroy the Bill of Rights; thirdly, we will not betray the trust of our members and other advanced workers, we will not betray them, we will fight against throwing them into concentration camps and subjecting them to judicial persecutions."

Currently, when the McCarran bill has acquired the force of law, a movement for its repeal is beginning to unfold ever wider in the USA. In a statement by the Communist Party published in late September, it is stated that popular resistance to this law will grow. Emphasizing the fascist character of the law, the National Committee of the Communist Party states: "We call upon all our compatriots to come out to the struggle and fight together. The time has come to create and strengthen all democratic organizations of workers and the entire people... The time has come for all who hate fascism to act together, regardless of political convictions." The National Committee of the Progressive Party in its statement emphasized that the McCarran Act was a product of American foreign policy and a betrayal of the constitutional rights of the USA. "The Progressive Party," the statement emphasizes, "will resolutely wage a struggle in the courts and at the ballot boxes so that not a single person and not a single organization suffers or is deprived of freedom as a result of the adoption of this bill. We will act jointly with all organizations and masses of the American people in order to erase this stain from our national character and morality and remove it from our country's statute books." The Civil Rights Congress also pledged to fight for the

repeal of the monstrous fascist legislation. 200 delegates to the congress of the New York committee of the Trade Union Conference in Defense of Peace adopted a resolution declaring their determination to fight for the repeal of the McCarran Act.

This law was a further step in the fascistization of the socio-political life of the USA. The American government, Congress, the Federal Bureau of Investigation, the Department of Justice, the House Un-American Activities Committee, and the courts openly qualify the struggle in defense of peace as "subversive activity" and persecute, accuse, and imprison all those who speak out for peace.

The ruling circles of the USA conduct mass terror against peace partisans and especially against collectors of signatures for the Stockholm Appeal. In New York, the police arrested 5 young peace partisans when they wrote the slogan on war monuments and sidewalks in Brooklyn Park: "Peace—not a single atomic bomb!" The police stated that the arrested would be charged with "conspiracy with intent to commit malicious mischief." For distributing leaflets and literature calling for the struggle for peace, 3 people were arrested in Philadelphia: Toll, Scheinman, and Geiting. The judge trying their case stated that persons distributing literature and speaking out against "government actions" will be "charged with treason."

Everywhere, in all states of the country, local authorities are waging a broad terrorist campaign of intimidating the population with the aim of preventing the collection of signatures for the Stockholm Appeal.

At the present stage of the aggravation of the general crisis of capitalism, the period of sharply intensified decay of capitalism and extreme aggravation of the class struggle in capitalist countries, fascism has become the monopoly bourgeoisie's support and hope for salvation from the irresistibly approaching doom. Fascism represents a sign not of the strength, but of the weakness of capitalism. But fascist terror, no matter how cruel it may be, cannot restrain advanced democratic forces from active performances. Moreover, destroying illusions about bourgeois "legality" in the eyes of the masses, fascist terror serves as a graphic lesson to those who are still in the thrall of these illusions regarding bourgeois "freedoms" ostensibly granted to the people.

The growth of poverty and ruin of working people causes a sharp aggravation of the class struggle in capitalist countries, an intensification of the working class's struggle against the system of capitalist slavery. The working class and other working strata of the population wage a stubborn and unceasing struggle against the monopolists' attempts to shift the burden of their pursued aggressive policy and militarization of the economy onto the shoulders of working people.

Numerous facts show that neither draconian anti-labor legislation, nor police measures, nor the betrayal of social-democrats are able to stop the working class's struggle against capital's offensive on its living standard, against encroachments on its economic and political rights.

To the offensive of the monopolies, workers respond with one of the most effective means of class struggle—strikes. Despite

the fact that the working class of the USA has to wage strike struggles in exceptionally difficult conditions, recent years have been marked by a whole series of its successes in the struggle for its vital rights. In 1950, the strike movement continues in the USA with unabated force. It develops despite the harassment of the reactionary press, which calls striking workers "traitors" helping the "enemy in Korea," etc.

The struggle of American working people for their interests is increasingly linked with the struggle for peace. Workers and working farmers of the USA are beginning to understand that the outcome of their struggle for economic rights depends mainly on the success of the struggle for peace. The number of signatures to the Stockholm Appeal is constantly growing and now amounts to over 2.5 million. Writer Alvah Bessie, currently thrown into prison by the American authorities, stated in his speech at a rally in New York: "We are faced with an astonishing phenomenon: when the Soviet Union, or the democratic countries of Eastern Europe, or the people of the USA demand peace, this is tried to be presented as a conspiracy to spark a worldwide revolution. We must recognize that peace is a revolutionary concept for those who believe that war is a means for making money. Let us not be afraid of revolutionary concepts. Our country was born in revolution, and since we are supporters of peace, constituting the majority, let us act like a majority. Let us act as was decided at the congresses of peace partisans. Let us not beg and plead for peace, but force them to preserve peace."

The determination of progressive strata of the American population to defend peace is manifested in the growth of new

organizations waging the struggle for peace and in the intensification of their activity. Despite cruel persecution by the American authorities, peace partisans everywhere distribute the Stockholm Appeal and collect signatures under it, hold meetings and rallies in defense of peace, and expose the aggressive foreign and reactionary domestic policy of the ruling circles of the USA. People of the most diverse political views and trends take active part in this great and noble cause. Working, farming, women's, youth, Slavic, Negro, religious, scientific, and other organizations speak out for world peace. The aspiration of the broad masses of the American people for peace is evidenced by tens of thousands of letters sent by American citizens to Congress and US government agencies. As United Press reports, the State Department alone receives 20 thousand letters monthly from various ends of the country on issues of US foreign policy. The overwhelming majority of these letters, the report indicates, reflects the sincere hope for peace, but these letters are shelved.

The overwhelming majority of the American people stands for a peaceful settlement of American-Soviet relations. Data from the "American Institute of Public Opinion," published in the press in October 1950, are of undoubted interest in this regard. It turns out that 65% of persons polled by the institute supported the idea of Truman meeting with Stalin with the aim of settling contradictions between both countries, and 7% of polled persons expressed no opinion. To the question "do you believe the United States should declare war on the Soviet Union," 79% spoke out against these delirious plans and 8% abstained from answering this provocative question.

The forces of peace in the USA are continuously growing and strengthening. American ruling circles trying to deal with the ideas of progress and democracy through police terror and fascist outrages will suffer the exact same fiasco as their Hitlerite predecessors. The same fate awaits them as Hitlerite politicians if they try to spark the flame of a new world war conflagration.

"...nations," Comrade Stalin points out, "shed blood for five years of a cruel war for the freedom and independence of their countries, and not in order to replace the rule of Hitler with the rule of Churchill. It is quite probable, therefore, that non-English-speaking nations, which at the same time constitute the overwhelming majority of the world's population, will not agree to go into new slavery"[27].

The ideas of the struggle for a stable and lasting peace and international security rally hundreds of millions of ordinary people of the entire globe into a single camp of peace and democracy, headed by the Soviet Union. The Second World Congress of Peace Partisans held in Warsaw was an impressive demonstration of the peoples' steady aspiration for peace, an expression of their unfaltering will to defend peace. This congress is graphic evidence of the growth and strengthening of the forces of peace partisans. The historical decisions adopted by the Congress inspire millions of ordinary people across the entire globe to an even greater intensification of the struggle against the American-British warmongers, for the restoration and strengthening of world peace.

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27 "Pravda," March 14, 1946.

Questions of Economics, No.9 , 1950.

V. Lyubimova

FRENCH MONOPOLIES

Magazine reader Guards Lieutenant Colonel A. Gubenko asks to provide some basic information about modern French monopoly capital, its ties with American monopolies, and the fusion of monopolies with the state apparatus of France. We answer Comrade Gubenko's question.

V. I. Lenin teaches that monopoly is the deepest economic basis of imperialism. 'Free competition gave way to monopoly of gigantic proportions. A tiny number of capitalists were able to concentrate whole branches of industry in their hands sometimes; they passed into the hands of unions, cartels, syndicates, trusts, often of an international character. Whole branches of industry thus turned out to be captured by monopolists in financial terms, in terms of property rights, partly in terms of production, and not only in individual countries, but throughout the world. On this soil developed the previously unprecedented dominance of a tiny number of the largest banks, financial kings, financial magnates...'[28]. Modern French monopoly capital is fully characterized by these characteristic features of imperialism noted by Lenin. For decades, the '200 families' of France have been the masters of the country's economy, directing all its domestic and foreign policy.

The enslavement of France by American imperialists, its marshalling and militarization led to the collapse of the French economy, to the intensification of the impoverishment of the working class and toiling peasantry, to the ruin of broad strata of the urban petty bourgeoisie. At the same time, French monopolists, connected with American financial capital, use the 'Marshall Plan' and the arms race to further increase their

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[28] V. I. Lenin, Works, vol. XXV, p. 331.

profits and consolidate their omnipotence in the economic and political life of France.

In marshalled France, alongside American imperialists, a handful of monopoly trusts and billionaire banks rule the roost, dominated by representatives of France's financial oligarchy: Petits, de Wendels, Thiries, Rothschilds, de Vogüés, Schneiders, Ottanges, Mirabeaus, Pillet-Wills, Élie d'Aussels, Lorains, Grandpières, etc. If in 1947 there were 20 largest monopolies in France, the announced capital of each of which exceeded 1 billion francs, by the end of 1948 there were already 36. Constantly lowering the living standards of the working people of France, French capitalists continuously increase their already enormous profits. According to data from the General Confederation of Labour of France, capitalists' profits amounted to 4,400 billion francs in 1949 against 1,095 billion francs in 1946 and 113 billion francs in 1938. The so-called 'announced' profits of monopolies constitute only a fraction of actual profits, the greater part of which is concealed by monopolies using all sorts of machinations, for example, by including part of the profit in 'amortization', 'reserve', and other funds[29].

In each branch of the French economy, several major monopolies dominate. These monopolies, in turn, are controlled by representatives of the '200 families' or their henchmen. Thus, the boards of directors of the largest French banks, including the 'nationalized' Crédit Lyonnais, include prominent representatives of France's financial oligarchy: de Vogüé, Escalier, etc.

Among the largest French banks are the Banque de Paris et des Pays-Bas (Paris-Netherlands Bank) with a capital of 1.5 billion

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[29] Thus, for example, the company Br. Japy showed in its balance sheet for 1949 a 'net' profit of 46.8 million francs, while the amount indicated in the column 'Reserves and amortization' was almost 5 times larger (222 million francs).

francs, Crédit Foncier de France (Land Credit) — 1.2 billion francs, and the 'nationalized' bank Crédit Lyonnais — 1.0 billion francs. There are also major 'business' banks in France — Industrielle et Commerciale, Crédit du Nord, Union Parisienne, Worms, Scalbert banks, etc., and colonial banks headed by the Bank of Indochina. Colonial banks rule the roost unconditionally in France's colonies; thus, the Bank of Indochina was the true ruler of French Indo-China.

Among the leading monopolies dominating French ferrous metallurgy are the companies Forges et Aciéries du Nord et de l'Est (capital 2.5 billion francs) and Denain et Anzin (1.17 billion francs), the new powerful company Usinor created by them (12.0 billion francs), Aciéries de Longwy (1.5 billion francs), Hauts Fourneaux de la Chiers (1.7 billion francs), Schneider & Co. (1.02 billion francs), Schneider's affiliate Métallurgique de Normandie (1.05 billion francs), the company Schneider Société de forges et ateliers du Creuzot (7 billion francs), Marine et Homécourt (1.3 billion francs), Pont-à-Mousson, Sollac, etc.

The largest monopolies running the respective branches of French industry are the electric power company Compagnie Générale d'Électricité (capital 3.6 billion francs), Citroën (automobile manufacturing; 1.2 billion francs), Simca-Vallo (an affiliate of the American firm McCormick for the production of tractors and agricultural machines; 1.1 billion francs), Alsthom (electrical equipment; 1.1 billion francs), Jeumont (2 billion francs), etc.

In the metalworking industry, non-ferrous metallurgy, and electrometallurgy, a number of major companies also dominate, mostly interconnected. These include Tréfileries et Laminoirs du Havre (capital 3.1 billion francs), Lurgue-Monbar-Aulnoye (1.0 billion francs), Compagnie Française des Métaux (1.1 billion francs), Ségedur (duralumin and copper; 1.2 billion francs), which is a subsidiary of Compagnie

Générale d'Électricité and Compagnie Pechiney. The chemical and electrochemical industries are dominated by the trusts Rhône-Poulenc (capital 3.2 billion francs), Saint-Gobain (2.3 billion francs), Kuhlmann (1.1 billion francs), Pechiney (3.0 billion francs), the associated company Ugine (2.3 billion francs), etc. Together with the powerful bauxite mining company Alais, Froges et Camargue (capital 3.08 billion francs), Ugine created a new company, Comptoir Aluminium Français, which concentrates over 90% of bauxite mining in France. This company is connected with the American Alcoa concern. In addition to the aforementioned trusts and banks largest in capital size, modern France has many companies and especially banks that have a relatively small own capital, but control various subsidiaries whose total capital significantly exceeds 1 billion francs. Thus, for example, the Nervo financial group (metallurgy, shipyards, colonial companies) had a subsidiary capital at stock exchange rates for October 1946 of about 11 billion francs, and by the present time it has increased significantly. The Gillet financial group controls a large number of artificial fiber production companies (Givet-Izieux, Viscose Française companies, etc.).

With the help of the 'Marshall Plan' and other expansionist programs, American big capital is penetrating ever more energetically into the most important branches of French industry, subjecting them to its control. Official American data on US capital investments in France (in 1948, $414 million) are greatly understated. It should be taken into account that starting from 1949, American monopolists, having secured guarantees from the French government regarding the 'safety' of their capital investments in France, increased them immensely. American monopolies and banks (Vacuum Oil, Ford, General Motors, McCormick, Goodrich, Chase National Bank, etc.) not only expanded the activities of their branches in France, but also subjected many French monopolies to their

control by buying up their controlling stakes (over 25%), as well as through 'technical assistance' agreements, patents, etc. Such more or less 'hidden' forms of American capital penetration into French industry are especially widespread in the electrical engineering, electrochemical, automobile, and some other branches. American capital is openly introduced into France's machine-building industry. The American company Simca-Vallo has managed to a large extent to weaken and oust its French competitors from the markets in the production of agricultural machinery. The American company Thomson-Houston, closely connected with the group of French electrical engineering enterprises, has expanded its control over the French electrical engineering industry. The French company Alsthom is increasingly subjugated to powerful American electrical engineering trusts. American capital is invested in the Citroën automobile company: in 1950 it received $1.69 million under the 'Marshall Plan' for the expansion of heavy truck production.

The largest French oil-refining companies — Compagnie de Raffinage Shell Berre (capital 7.8 billion francs), connected with the Saint-Gobain chemical concern, Compagnie Française des Pétroles (5.2 billion francs), Standard Française (2.8 billion francs), and a number of others are increasingly turning into affiliates of powerful American and also partly English oil trusts: Rockefeller, Royal Dutch, etc. Through the 'Marshall Plan' administration, the ringleaders of US oil trusts force France to increase the consumption of American oil, which harms the French coal industry. A network of American fuel bases has been created on the territory of France, intended for use in the war against the camp of democracy and socialism, which is intensively prepared by aggressive American imperialists and their 'junior partners' in Western Europe, including France.

American big capital, operating through representatives of French monopolies serving on the administrative boards of 'nationalized' branches of industry and enterprises, determines the fate of these branches of French industry as well, even if it does not directly penetrate them. At the bidding of American monopolists, the French aviation industry has been practically liquidated; some of the closed aviation plants have been bought up by American companies. American capital penetrates into French colonial companies on an even larger scale than into enterprises and banks located on the territory of France proper.
A characteristic feature of imperialism is the personal unia of banks with large capitalist industrial and trade enterprises. Among the '200 families' actually ruling France, a very prominent place is occupied by the Nervo family, closely connected with the largest private Protestant bank Mirabeau, with the bank Crédit Commercial de France, and through family ties with the Davillier family — with the Pont-à-Mousson, Marine et Homécourt companies, with the Rothschilds, with Catholic banks, with the de Wendels, and with industrialists of northern France. The head of the Nervo family — Baron Léon de Nervo — occupies high posts in the administrative boards of various large companies. For a number of years he was chairman of the Comité des Forges — the association of heavy industry magnates of France. The Mirabeau family controls a large number of raw material extraction companies in France's North African colonies, the Bor copper mines in Yugoslavia, many transport, electrometallurgical, and chemical enterprises, the metallurgical plants of Lurgue-Monbar-Aulnoye, and heads a number of banks and insurance companies. Under the control of the Mirabeau group, a total of several hundred companies are located.
The influence of the Schneider group, which, like de Wendel, was initially one of the magnates of heavy industry and then

became the largest banker in France, extends to more than 200 banks and industrial companies (including the banks Crédit Lyonnais and Union Européenne, metallurgical, coal, shipbuilding, optical, food-flavor, and other companies). Representatives of the Rothschild family have extended their influence to the most diverse branches of the French economy. The de Vogüé, Brincard, Petit, Élie d'Aussel, Audiffret-Pasquier families represent a vivid example of the fusion of the French aristocracy with the banking and industrial capital of France.

The Vatican and various Catholic monastic orders, in whose hands very large capitals are concentrated, have long been closely connected with the French financial oligarchy. The Vatican is primarily connected with the French banks Crédit Industriel et Commercial, Crédit Lyonnais, Banque de Paris et des Pays-Bas, etc.

The French financial oligarchy directs and finances the anti-popular activity of various reactionary political parties of France — the fascist PRL party (so-called 'Republican Party of Liberty'), the fascist De Gaulle party RPF (so-called 'Rally of the French People'), the MRP party close to Catholic circles ('Popular Republican Movement'), right-wing socialists, and yellow splitter trade unions. Trusts and banks allocate large funds to these parties for conducting election campaigns, as well as for maintaining their press (the newspapers 'Époque', 'Aube', 'Populaire', etc.). De Gaulle, that militant reactionary and ringleader of French neo-fascists, is connected by family ties with the ringleaders of the Union Parisienne bank, in which the interests of industrial magnate Schneider are represented, and is also connected with other major monopolies of France.

In France, as in other capitalist countries, the government is the henchman and servant of financial capital. Thus, the policy of the Ministry for Colonial Affairs is directed by the Bank of Indochina, the Banque de Paris et des Pays-Bas, and a number

of colonial companies. The French government has repeatedly been headed by or included prominent representatives of monopoly capital, such as René Mayer, one of the largest capitalists in France, related to the Rothschilds, or the current Prime Minister Pleven — the henchman of French international electrical trusts.

The French financial oligarchy, which cooperated with the German fascist invaders during the Second World War, has once again embarked on the path of betraying the national interests of France. Seeking by any means to preserve its dominance in the country, it pursues a policy of turning France into an American colony, into a bridgehead for anti-Soviet adventures. French monopoly capital has drawn the country into an aggressive imperialist bloc preparing, under the leadership of American imperialists, a war against the USSR and the countries of people's democracy.

The working class, marching in the vanguard of the popular masses of France, offers ever-increasing resistance to the anti-national and anti-popular policy of the French monopolists. The working people of France are intensifying their struggle for peace and democracy, against the imperialists — instigators of war, against the traitors — right-wing socialists, who are paid agents of the imperialists. They will disrupt the criminal plans of the French monopolies and their American masters.

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V. Maslennikov

A YEAR OF GREAT TRANSFORMATIONS IN THE PEOPLE'S REPUBLIC OF CHINA

On October 1, 1949, the creation of the People's Republic of China was proclaimed. The past year was the first year of great transformations and construction of the People's Republic of China, uniting the 475-million-strong Chinese people. During this time, after centuries of oppression, lawlessness, backwardness, and medievalism, China has made a leap forward. Socio-economic transformations carried out in this short period of time contributed to the strengthening of the economic and political power of the country and the growth of its culture. The great victory of the Chinese people became an important factor increasingly affecting the international situation, the aggravation of the general crisis of capitalism, and the deepening of the crisis of the colonial system of imperialism.

The victorious Chinese revolution was a new vivid demonstration of the all-conquering power of Marxist-Leninist doctrine. Back in 1915, V. I. Lenin wrote that "the victory of the proletariat in Russia would create extraordinarily favorable conditions for the development of the revolution in both Asia and Europe."[30]

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30 V. I. Lenin, Works, vol. 21, p. 368.

Lenin's foresight was brilliantly justified. The October Socialist Revolution, the victory of socialism, and the triumph of the Leninist-Stalinist national policy in the USSR exerted a vast revolutionizing influence on the struggle of all oppressed peoples of colonies and semi-colonies.

The Great October Socialist Revolution also brought to China the great and all-conquering ideas of Marxism-Leninism, creating the opportunity for the Chinese people to utilize the revolutionary experience of the socialist Soviet Union. The Chinese revolution unfolded under the leadership of the working class of China and its vanguard—the Communist Party. The Communist Party of China correctly applied the all-conquering doctrine of Marx - Engels - Lenin - Stalin and the great struggle experience of the Soviet people to the unique conditions of its country.

The Communist Party of China was guided above all by the brilliant works of Comrade Stalin on the features and conditions of victory of the Chinese anti-imperialist and anti-feudal revolution. Theoretical works of Comrade Stalin on questions of the Chinese revolution, in which communist theory and practice are applied to the conditions of China, where the main mass of the population consists of the peasantry, played a tremendous role in forming and strengthening China's revolutionary forces. These works scattered to dust all fabrications of counter-revolutionary Trotskyism, which denied the anti-imperialist and anti-feudal character of the Chinese revolution, and helped the Chinese Communist Party follow the Bolshevik path. They armed the advanced fighters of China with a powerful ideological

weapon, illuminating for the popular masses of China the path to a bright socialist future, and helped raise the Chinese people for the liberation struggle.

The Communist Party of China led the Chinese peasantry and other strata of working people to storm the positions of foreign imperialism and internal reaction, uniting them into a single revolutionary front around the proletariat, under its leadership. The heroic people of China, headed by the Chinese Communist Party, dealt powerful, crushing blows to the forces of foreign invaders and Chiang Kai-shek reactionaries. The People's Revolutionary Army of China, led by the Communist Party, defeated the Kuomintang forces that organized six counter-revolutionary campaigns against the democratic (soviet) regions of China; it was the main force that resisted the Japanese occupation troops and inflicted the heaviest losses on them. Under the leadership of the Chinese Communist Party, the People's Liberation Army of China, over more than three post-war years of struggle, crushed the multi-million-strong Kuomintang army equipped with American military hardware.

The victory of the Soviet Union in World War II over German fascism and Japanese imperialism exerted a decisive influence on the development of the national liberation movement in China, which culminated in the complete defeat of Kuomintang reactionary forces. The People's Political Consultative Conference was convened and the Central People's Government of the People's Republic of China was elected. The power of the People's Democratic United Front of the working class, peasants, petty bourgeoisie, national bourgeoisie, and other patriotic, democratic elements was

created, based on the alliance of workers and peasants and led by the working class. Thus arose the dictatorship of people's democracy. Back in 1926, in his speech "On the Prospects of the Revolution in China," Comrade Stalin said: "I think that the future revolutionary power in China will in general resemble in its character the power of which we spoke in 1905, i.e., something like the democratic dictatorship of the proletariat and peasantry..."[31]

Stalin's directives regarding the character of future power in China stemmed from the essence of the Chinese revolution as a confluence of "two streams of the revolutionary movement—the movement against feudal remnants and the movement against imperialism."[32]

In defining the features of the Chinese revolution, Comrade Stalin pointed out that this revolution, "being a bourgeois-democratic revolution, is at the same time a national liberation revolution aimed with its spearhead against the dominance of foreign imperialism in China."[33]

J. V. Stalin emphasized that the leading role in this revolution must inevitably belong to the proletariat and its party, and that the struggle of the Chinese proletariat against imperialism and feudal-medieval remnants in China would be facilitated by the revolutionary experience and assistance of the Soviet Union. Thus, the Chinese revolution is not an ordinary bourgeois-democratic revolution. It is broader than a bourgeois-

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31 J. V. Stalin, Works, vol. 8, pp. 365–366.

32 J. V. Stalin, Works, vol. 9, p. 286.

33 J. V. Stalin, Works, vol. 8, p. 358.

democratic revolution and grows beyond its framework from the very beginning. Subsequent events confirmed the characterization of the Chinese revolution given by Comrade Stalin as early as 1926. In the article "On the People's Democratic Dictatorship," the leader of the Chinese people Mao Tse-tung wrote: "Bourgeois democracy gave way to people's democracy under the leadership of the working class, and the bourgeois republic gave way to the people's republic. Thus was created the possibility of reaching socialism and communism through a people's republic..."[34]

V. I. Lenin in 1905, on the eve of the first Russian revolution, in the work "Two Tactics of Social-Democracy in the Democratic Revolution" wrote: "The outcome of the revolution depends on whether the working class plays the role of an assistant to the bourgeoisie, powerful by the force of its onslaught against autocracy but politically powerless, or the role of leader of the popular revolution."[35]

The Chinese working class won the leading role in the Chinese revolution as early as the period of 1925–1927.

Posing in 1905 the question of the struggle for the revolutionary-democratic dictatorship of the proletariat and peasantry in Russia, V. I. Lenin regarded "the bourgeois-democratic revolution and the socialist revolution as two links of one chain, as a single and integral picture of the sweep of the Russian revolution."

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34 "Pravda", July 6, 1949.

35 V. I. Lenin, Works, vol. 9, p. 5.

At the present initial stage of China's development, the main goal of people's democracy is to resolve the tasks of the bourgeois-democratic revolution. Socialist construction is not yet put forward as an immediate task of today's China. The execution of the tasks of the first period of the revolution does not, however, prevent people's democracy, led by the working class and the Communist Party of China, from creating conditions for the transition to socialist construction. At the June session (1950) of the National Committee of the People's Political Consultative Conference of China, Mao Tse-tung said: "At present, our country is steadily advancing through war, through new democratic reforms, and after we create a prosperous national economy and culture, after all conditions mature, and after this is approved by the whole country, we in our steady forward movement will enter a new era of socialism."[36]

The most important factor contributing to the political and economic successes of the People's Republic of China was the consolidation of its international position. The People's Republic was recognized by the Soviet Union, and then by all countries of people's democracy. Of immense importance for strengthening the international position of the People's Republic of China and safeguarding it against imperialist encroachments was the Treaty of Friendship, Alliance, and Mutual Assistance between the Soviet Union and the People's Republic of China. This treaty and the agreements associated with it were the greatest contribution to the cause of peace and democracy. The People's Republic of China was also

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[36] "Pravda", June 25, 1950.

recognized by certain capitalist countries. However, the formalization and expansion of diplomatic and trade relations between China and capitalist countries are hindered by the aggressive policy of American imperialism, hostile to the Chinese people.

State construction in People's China is conducted under the leadership of the Chinese Communist Party, which numbers over 5 million members and has grown strong in a stubborn and difficult struggle with the enemies of the Chinese revolution and the Chinese people. The Chinese Communist Party leads the united democratic people's front of China, the creation and strengthening of new state power, the selection and education of cadres for implementing great transformations and building a people's democratic China. The Chinese Communist Party fights to raise the ideological level of its members, develop inner-party democracy, and unfold criticism and self-criticism. It purges its ranks of alien and accidental elements.

State power in China belongs to the people—the master of the new society; it is based on democratic centralism and radically differs from the parliamentary system of bourgeois democracy. New state power organs are fundamentally distinct from Kuomintang reactionary power organs that oppressed the people. In creating new organs, Chinese communists were guided by Lenin's instruction that all previous revolutions perfected the state machine, whereas it must be smashed and broken.

The Chinese Communist Party successfully leads the People's Democratic United Front, which took shape at the People's Political Consultative Conference convened on the initiative of the Communist Party in September 1949. The National Committee elected at the conference proved by its work over the past year that it is an effective organ of the united people's front. Over the year, the people's front strengthened, extending its influence to all democratic classes and parties, all nationalities of China, and diverse public organizations. At the same time, the influence and authority of the Chinese Communist Party grew in all provinces, cities, and counties of the country.

In the People's Republic of China, the Central People's Government and local organs of power at all levels have been created; the process of strengthening the people's army, people's police, and people's court is underway. The Central People's Government established a new administrative division of China.[37]

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[37] Six major administrative regions and one autonomous region were created: 1) North China (Huabei), directly governed by the State Administrative Council, includes the provinces: Hebei, Shanxi, Pingyuan, Chahar, and Suiyuan, as well as the cities of Beijing and Tianjin; 2) North-East China (Dongbei), governed by the People's Government of North-East China, includes the provinces Heilongjiang, Songjiang, Jilin, Liaodong, Liaoxi, and Rehe, as well as the cities Mukden, Port Arthur, Dairen, Anshan, Fushun, and Benxi; 3) East China (Huadong), governed by the Military-Administrative Committee, includes the provinces Shandong, Jiangsu, Anhui, Zhejiang, Fujian, and Taiwan, as well as the cities Shanghai and Nanjing; 4) North-West China (Xibei), governed by the Military-Administrative Committee, includes the provinces Shaanxi, Gansu, Ningxia, Xinjiang, and Qinghai, and the city of Xi'an; 5) Central-South China (Zhongnan), governed by the Military-Administrative Committee, includes the provinces Henan, Hubei, Hunan, Jiangxi, Guangdong, Guangxi, and the cities Canton and Hankou; 6) South-West China (Xinan), governed by the Military-Administrative Committee, includes the provinces Yunnan, Guizhou, Sikang, Sichuan, and the city of Chongqing; 7) Autonomous Region of Inner Mongolia,

People's democracy in China exercises its power through state organs via two methods: the method of dictatorship with respect to classes and elements hostile to the new system, and the democratic method with respect to the people. The dictatorial function of the new state was clearly demonstrated in the destruction of Kuomintang reactionary forces and counter-revolutionary bands. Over the past year, the People's Liberation Army defeated 203 enemy divisions, totaling about 2,180 thousand men. At the third plenum of the Central Committee of the Communist Party of China, Mao Tse-tung reported that people's public security organs uncovered a large number of secret networks connected with American espionage organizations. This struggle against counter-revolutionary bands on the territory of newly liberated areas is not yet completed.

New people's courts in China are charged with the duty to decisively, severely, and promptly suppress any counter-revolutionary activity. In a directive issued in July 1950, it was established that "all bandit gangs acting with arms against order must be decisively suppressed and eradicated, and their leaders and persons guilty of grave crimes punished with death in accordance with the law."[38]

The directive requires severe punishment for all who commit murders, destroy industrial enterprises, mines, warehouses, communications, and other public property, engage in theft of public property, theft of state secret documents, or incite backward elements to activities directed against the people's

governed by the People's Government of the Autonomous Region.

[38] "Pravda", July 26, 1950.

government. The dictatorship of people's democracy in China uses the state apparatus against hostile classes as an instrument of violence, depriving reactionary classes of political rights. Severely punishing and destroying the enemies of the Chinese people, people's democracy attracts workers and peasants and all dedicated to the interests of the People's Republic to active participation in managing the country and in all socio-political life. Workers and peasants are elected to central, regional, provincial, county, and city organs of power, and enter city and provincial committees of political consultative councils. Involving broad strata of the people in various democratic organizations contributes to their consolidation into a single, monolithic multi-million collective. The working class is already largely organized. The number of trade union members reached 4,100 thousand people.

Workers are increasingly drawn into the democratic management of state enterprises through factory administrative committees and councils of workers' representatives. The factory administrative committee, elected at a general meeting of workers of a state enterprise once or twice a year, decides all matters concerning the management of the enterprise, including production, tariff, wage issues, sales of products, as well as hiring and firing of workers. The presence of factory administrative committees does not violate the principle of one-man management, as these committees are headed by directors of state enterprises. At large enterprises, to discuss reports of the factory administrative committee, the council of workers' representatives meets once or twice a month. Such a system allows broad utilization of the production experience of

workers and is at the same time a school for training working masses in methods of production management; it opens wide possibilities for advancing workers to leading production and public posts. In 1949, at the Andong Paper Mill, numbering 2,000 workers, 47 people were promoted to administrative posts, including one to the post of head of a factory department, several to positions of shop managers, etc.

In May 1950, former welder Lin Xiang, who demonstrated excellent organizational skills in restoring the municipal economy of Changchun, was appointed deputy director of the Changchun Tramway Company. A worker of the Harbin Power Station, Li Yong-yang, was appointed in 1949 as its director, and later as director of the Beijing Power Station.

The number of peasant activists organizing into peasant unions is also constantly increasing. Thus, as a result of preparatory work for carrying out the agrarian reform in East and Central-South China, by early summer 1950, 24 million people were already drawn into peasant unions, which are organs for implementing the agrarian reform. From their number, an active cadre of 180 thousand people was selected to train specialists in carrying out the reform. In 77 villages near Beijing, during preparatory work for agrarian reform, peasant unions were organized, uniting over 33 thousand people. In these villages, 669 peasants joined the Communist Party and over 1,500 peasants joined the Democratic Youth League.

Special attention is paid by the dictatorship of people's democracy in China to involving women in political and labor activities. Until recently enslaved and deprived of all rights,

they now enjoy equal rights with men in all areas of social and productive life. At the All-China Women's Conference in April 1949, measures were outlined to step up educational work among women, and the All-China Federation of Democratic Women was created, organizing its branches in all provincial and county cities of China. The All-China Federation of Democratic Women unites more than 30 million people. With every passing day, the number of women working in production, trade unions, and state institutions and organizations is growing. They take part in the struggle to achieve high production indicators and make rationalization proposals. Among women there are already labor heroes and production excel-lence workers; many women have been promoted to leadership work in trade unions and state institutions; 20 women are members of the Central People's Government.

One of the fundamental socio-economic transformations carried out in People's China is the agrarian reform, already implemented in old liberated areas, whose population constitutes 160 million people. The agrarian reform liquidated the feudal system of landownership and annulled landlords' rights to land. According to main provisions of the land law adopted in September 1947 at the All-China Land Conference convened by the Communist Party of China, land from landlords was confiscated and equitably distributed among landless and land-poor peasants.

In a report at the third plenum of the Central Committee of the Communist Party of China in June 1950, Mao Tse-tung noted the immense political and economic significance of the

implemented agrarian reform. The execution of this reform tremendously raised the enthusiasm of the People's Liberation Army, bound the army even closer with the people, and contributed to the defeat of the military machine of the reactionary Kuomintang. The reform mobilized millions of working people to assist the People's Liberation Army and resolve economic tasks in liberated areas. The agrarian reform improved the situation of the vast majority of the peasant population in old liberated areas. According to a statement by the chairman of the People's Government of North-East China, Gao Gang, most peasant households now have food stocks, and the purchasing power of peasants is growing. "The modern economic level of the absolute majority of peasants," said Gao Gang, "has already exceeded their living standard prior to the land reform: in Songjiang province, for example, by 60–70%, in Jilin by 66%, and in Heilongjiang by 54%."[39]

In the course of the agrarian reform in North-East China, more than 20 million landless and land-poor peasant households received land, livestock, and farm buildings confiscated from landlords.

As a result of extensive assistance provided to peasants by the state in the form of loans, construction of irrigation structures, and supply of seeds, tools, and fertilizers, the grain harvest here is growing year by year. While in 1947 the collection of food crops in Manchuria amounted to 10,730 thousand tons, in 1948 it increased to 11,870 thousand tons, and in 1949 to 13,200 thousand tons. According to plans of the People's Government

39 "Dongbei Ribao", January 4, 1950.

for 1950, it was scheduled to bring the collection of grain crops in North-East China to 18 million tons. This plan by early September was overfulfilled by 759 thousand tons.

Agrarian reform is a real conquest of peasants as a result of the revolution. Land-poor and landless peasants received land, which gives them the opportunity to improve their situation. But agrarian reform, while liquidating remnants of feudalism, does not yet resolve the problem of poverty of the peasant population. The problem of poverty will be completely and radically resolved only on the basis of socialist transformations in China's agriculture.

Equalizing distribution of land confiscated from landlords, while leading to the middle-peasantization of the countryside and improving the position of land-poor and landless peasants, in a number of cases cannot satisfy the needs of peasant families who received a plot from the distributed land fund. Thus, for example, during preparatory work for conducting reform in the surroundings of Beijing, it was revealed that in 77 villages there were 1,315 landlord and 719 rich-peasant (kulak) households. Each of them, with the exception of national traitors, was left with an average plot. The remaining land (9,400 ha) was confiscated and distributed among landless and land-poor peasants, as a result of which 46,023 peasants received plots at the rate of about 0.2 ha per capita, and per household about 1 ha of land. The average plot across the entire territory of liberated areas does not exceed these sizes, which, of course, is insufficient for areas where the main crop is wheat.

Agrarian reform cannot prevent differentiation of the peasant population. According to Gao Gang's data, in old liberated areas where agrarian reform was carried out several years ago, the process of differentiation proceeds very intensively. Thus, in a number of villages in Heilongjiang province, middle-peasantized peasants as a result of differentiation split into three groups. In one of the groups, not only did the amount of land, livestock, and agricultural implements increase, but hired labor of farmhands began to be applied. Peasants of the second group went broke, lost their land, or began renting it out. The third group of middle peasants retained plots of the same size. In the first group, by the end of 1949 in Heilongjiang province, there were no less than 12% of households. Banning hired labor and purchase of horses and agricultural inventory by enriched peasants would lead only to retarding the development of productive forces in agriculture. Precisely in order to develop productive forces, the agrarian law of 1950 preserved for kulaks that land which they cultivate themselves or with the use of hired labor.

After the end of the war with Kuomintang reactionary forces, the situation changed. During the war, kulaks, who exploited peasants on the basis of leasing land, still harbored hopes for the restoration of Chiang Kai-shek's regime. They blocked with landlords and helped them. That is why the people's power, in accordance with the law of 1947, took away surplus land from kulaks. Now, in the political positions of kulak groups, certain changes have occurred. Therefore, in carrying out agrarian reform, the Communist Party of China implements a policy of preserving kulak farms.

The implementation of agrarian reform on territory with a population of 310 million people in newly liberated areas requires serious preparation. In these areas, differentiation of the peasantry is deeper and landlord positions are stronger than in northern and north-eastern regions of China. As early as 1948, the Central Committee of the Communist Party of China indicated that to carry out agrarian reform in these areas: 1) people's power must be created and the leading role of the working class and its party ensured, 2) military actions must not be conducted nearby and banditry must be destroyed, 3) the majority of farmhand and poor population of the village in the given area must voluntarily express support for the implementation of agrarian reform.

In his report at the session of the National Committee of the People's Political Consultative Conference of China, member of the Politburo of the Communist Party of China Liu Shao-chi noted that in recently liberated areas the people's government and the People's Liberation Army conducted a campaign to eradicate banditry, organize a new state apparatus of power, and create people's police and peasant unions. In these areas, conferences of people's representatives and peasant conferences were held. The material situation of peasants improved as a result of a 25–35% reduction in land rent paid to landlords and a reduction in loan interest. Peasant participation in the struggle for reducing rent and loan interest is the first step of the peasantry toward complete liberation from feudal remnants. Surplus rent received by landlords is taken from them and returned to peasants. At the end of May 1950, for example, in Hubei, Hunan, and Jiangxi provinces, rent

reduction was carried out in 80% of villages. Landlords returned to peasants about 45 thousand tons of grain, which helped the population overcome difficulties before receiving the summer harvest.

According to a decree of the State Administrative Council, it is planned to carry out agrarian reform in newly liberated areas within the next 2–3 years. Implementation of this measure will be a great historical victory of the Chinese people over the forces of the old, obsolete system, meaning the elimination of feudal remnants.

The collection of grain crops throughout China in 1949 reached, according to data from the Vice-Minister of Agriculture of the Central Government, 112 million tons, which constitutes about 79% of the average pre-war harvest collection (1931–1936) and 94% of the harvest collection during wartime (1941–1945). The Government of the People's Republic of China aimed to harvest 125 million tons in 1950, i.e., it should be higher than the wartime harvest and reach 90% of the maximum pre-war level. Setting this plan, the people's government proceeded from the assumption that in old liberated areas, where peasants received 37 million ha of land, yield on average would rise by 10%, that in all agricultural areas work would unfold to repair dikes and dams and construct irrigation structures, that state model farms would be organized, and that sown area would be increased by no less than 3 million ha.

The people's government of China pays great attention to resolving the cotton problem. The requirement of China's

cotton textile industry with 5.2 million spindles in the country is determined at 550 thousand tons of cotton per year. Meanwhile, even in pre-war years, when cotton collection reached 800–850 thousand tons, no more than 300–350 thousand tons of cotton arrived at factories per year. In 1949, with a cotton collection of 415 thousand tons, no more than 150 thousand tons arrived at factories. All remaining cotton was either used by peasants for domestic production or stuck with speculators and kulaks making stocks. In pre-war times, a significant portion of cotton was exported at low prices to other countries and used there for the production of cellulose and explosives. The people's government carried out strict measures against cotton speculation and established penalties for concealers of cotton stocks. All procured cotton is now evenly distributed among factories. The people's government raised procurement prices for cotton to increase peasants' interest in supplying cotton and increasing its sown area. Railway freight tariffs for cotton transport from place of production to place of consumption were reduced by 50%. As a result of measures taken, the government plan to increase the cotton harvest collection in 1950 to 650 thousand tons was fulfilled. However, even this quantity of cotton is insufficient, since to meet the growing needs of the population for cotton fabrics, it is necessary to more than double the production capacity of textile factories.

A guarantee of fulfilling and overfulfilling production plans for the restoration and development of China's agriculture is the selfless labor of Chinese peasants and their unprecedented enthusiasm. In villages and counties, conferences of peasant

representatives are held, at which measures to increase crop yields are outlined. At special conferences, technical questions regarding the construction of irrigation structures are discussed. The Ministry of Agriculture established 42 model farms in North and East China, organized tractor driver schools in the surroundings of Beijing, and transferred to model farms a significant number of tractors received from the Soviet Union. Peasants on their own initiative conduct work on digging wells, installing water wheels, and constructing canals. Thus, in Hebei province, peasants on their own built 18 large canals, and in Chahar province 460 small canals. Tremendous work is being conducted on seed selection, supplying peasants with seeds, fertilizers, etc.

Of great importance for the development of Chinese people's democracy was the confiscation of big capital and its transfer into the ownership of the people's state. As is known, the Kuomintang elite represented by the "four families"—Chiang Kai-shek, H. H. Kung, T. V. Soong, Chen Li-fu—over twenty years of their rule in China concentrated in their hands huge capital reaching 20 billion US dollars. This capital was invested in large enterprises of heavy and light industry, banks, sea and river transport, lands, and various real estate. Confiscation by the people's democratic state of all enterprises and capital belonging to Chinese monopolies contributed to the creation of a powerful sector of state economy of a socialist character. The bossing in China of foreign, especially predatory American imperialism, eight years of Japanese robbery and pillage, and dominance of the Kuomintang gang of speculators severely undermined the already backward semi-colonial

economy of the country. They led to the closure of many industrial enterprises, disorder in railway and water transport, and growth of corruption and speculation. Inflation reached huge proportions, and the amount of currency in circulation was expressed in astronomical figures.

New China inherited mainly destroyed or semi-destroyed enterprises from Kuomintang bandits without necessary equipment, often without power sources; raw material stocks were mostly destroyed or removed by Kuomintang forces during their armies' retreat. Enterprises lacked qualified workers and technical personnel. The country experienced an acute shortage of food, clothing, and footwear.

Upon completion of the civil war, the working class and people's government of China faced the grand task of restoring and reconstructing industry and the entire national economy. Under the leadership of the Communist Party, the working class of China with immense enthusiasm started work to restore and put into operation destroyed industrial enterprises, transport, and communication means. By early 1950, most large enterprises in China were in state hands and put into operation. In individual branches of heavy industry, the state sector took the leading place. It accounts for up to 70% of coal mining, 90% of steel smelting, 50% of pig iron smelting, 70% of machine building, and 78% of electric power production. The share of the state sector in shipping is 33%, while railways, post, and telegraph belong to the state. In main branches of light and food industries, as well as in water transport, private capital still predominates, but it too is controlled by the state. The state gives private enterprises

orders through state industrial and commercial organs, supplies them with raw materials, and provides them with credit. The people's government encourages the development of every useful enterprise of the private-capitalist sector for the state. After the liberation of Mukden in late 1948, there were 6,500 industrial enterprises belonging to private capital. In April 1950, the number of private industrial enterprises in Mukden increased to 13,400, i.e., more than 2-fold.

In Beijing at the end of 1949, 5 thousand small private enterprises operated, and in Tianjin—2.5 thousand. Relations between entrepreneurs and workers at private enterprises of the People's Republic of China are regulated by collective agreements. Collective agreements are concluded between workers and entrepreneurs on the basis of complete equality of parties. Certain key principles of these agreements are established by the people's government and are mandatory for entrepreneurs. These include: the right of workers to join a trade union and engage in any political activity; the right of entrepreneurs to dismiss workers if required by production needs, but with mandatory 10 days' advance notice of dismissal; the right of workers to severance pay, maternity allowance, etc. At a number of private enterprises, consultative committees are created where workers can resolve small disputed issues and exchange views on matters of labor organization, safety engineering, product quality, etc.[40]

The presence of the state sector enabled people's democracy in China to proceed to planned regulation of the economy. In

[40] "Dongbei Ribao", June 6, 1950.

democratic China, in conditions of a multi-structural economic pattern, various forms and methods of planned leadership are applied: first, methods of direct planning of the state sector, and second, methods of planned regulation of other sectors of the economy through a system of economic measures. A consolidated state plan for the national economy across all of China does not yet exist, but for individual branches of economy and industry, and individual administrative regions, active economic plans already exist and are successfully being implemented. Thus, in January 1950, a national conference on metallurgy convened by the Ministry of Heavy Industry developed a plan for the restoration and development of metallurgy, providing for a significant increase in pig iron, iron, and steel production. The Ministry of Heavy Industry also developed a plan for the restoration of the coal industry, aiming to increase coal mining by 20–30% in 1950. In 1949, the Ministry of Railways systematically restored 8,200 km of railway tracks, including 3,200 km heavily damaged, and 2,700 bridges. By the end of 1949, in the liberated territory of China (without Taiwan), 21,046 out of 24,794 km of railway lines were put into operation. For 1950, it was planned to restore another 1,274 km of railway lines and 1,339 railway bridges. The Planning Bureau created under the Financial and Economic Committee of the State Administrative Council of the Central People's Government proceeded to draft a general state plan for 1951 and to develop the first five-year plan.

Planned regulation of the national economy is a huge political and economic achievement of the People's Republic of China. Thanks to the energetic activity of the people's government, the

Communist Party, and the unprecedented and ever-growing labor enthusiasm of the masses, outlined plans are not only fulfilled but overfulfilled. Thus, the semi-annual plan of 1950 for pig iron smelting was fulfilled by 125.5%, and for rolled metal by 110.6%; the plan for coal mining for the first quarter of 1950 was overfulfilled by 5.5%.

Especially great are the achievements of the working class and the Communist Party of China in restoring industry in North-East China. By the end of 1949, over 90% of all industrial enterprises here were restored and put into operation; the industrial output plan for 1949 was overfulfilled by 4.2%.

The People's Government of North-East China allocates large funds from the state budget for the restoration and reconstruction of industry. Thus, in 1950, 40% of the entire expenditure part of the budget of North-East China was allocated for these needs.

As a result of measures of the people's government, huge changes are occurring in the national economy. While in 1949 the share of industrial output did not exceed 35% of all production in North-East China, in 1950 it increases to 43%. Output of industrial production in 1950 will exceed the 1949 level by 93%. Pig iron production will increase, according to plan, in 1950 almost 5-fold compared to 1949, coal mining by 55%, electric power generation by 43%, and fabric production by 132%. This plan is being successfully fulfilled.

Under the leadership of the Communist Party of China, workers raise labor productivity, fight for lower production costs, and save raw materials and fuel. Utilization of

production capacities as early as mid-1950 was significantly higher than pre-war. Thus, in the metallurgical industry of North-East China, equipment capacity was restored only by 25%, while product output reached 42.2% of the highest level that existed during Japanese occupation. Equipment at spinning mills was restored only by 66%, while product output constitutes 143% relative to pre-war times.[41]

While state industry predominates in North-East China, in Shanghai most enterprises belong to private capital. Out of one million employed industrial workers in Shanghai, about 635 thousand, i.e., over 60%, work at private enterprises. After the liberation in June 1950 of Zhoushan Island and the whole group of islands and the termination of bandit air raids on Shanghai, a favorable situation was created for industrial development. Planned regulation by the state is achieved here through placing state orders with private industrial enterprises. Customers are either the state itself or large state enterprises: railways, state trade, and cooperative enterprises. Of particularly great importance for the development of Shanghai industry were government orders for shipbuilding and machine-building industries. Such a form of utilization of private industry by the people's state contributes to the development of the Chinese economy and helps overcome ruin and anarchy inherited from the Kuomintang regime.

With great satisfaction, the population of China meets price reductions on both industrial and agricultural food products. "Over the last ten years," wrote the newspaper Renmin Ribao,

41 "Dongbei Ribao", June 6, 1950.

"working people of China were constantly under the oppression of rising prices and currency depreciation, and therefore now, when price reductions occur, the population experiences immense joy."[42]

According to data from the People's Bank of China, the price index for 80 consumer goods fell significantly from February to May 1950. Thus, the People's Bank calculated that the price index in May (February 1950 = 100) in Canton was 79.6, in Beijing 76.2, in Tianjin 75, in Shanghai 74.8, in Hankou 66.6, in Chongqing 53.3, in Xi'an 50.2, and on average across the country 71.2. Price reductions continue, significantly improving the material position of working people.[43]

This great achievement reflects, as in a focus, the advantages of the new, people's democratic system. It is connected with the organization of centralized control and leadership in finance and supply of essential goods to the population, balancing revenues and expenditures, and liquidating inflation. The people's government issued a series of laws ordering the tax system and organizing tax collection. The government withdrew from circulation Kuomintang "gold" yuan, whose value fell more than 10 million-fold, and replaced them with banknotes of the People's Bank of China. The government banned circulation of foreign and any other currency in China, as well as issuance of banknotes without proper permission.

At the end of December 1949, the Central People's Government of China developed and approved for 1950 the

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42 "Renmin Ribao", April 10, 1950.

43 "People's China" No. 12, 1950.

first budget of the independent Chinese state, structured as follows:

State Expenditures	% of Total
Military expenditures	38.8
Administrative expenditures	21.4
Subsidies to state enterprises and organizations	23.9
Expenditures on culture, education, and public health	4.1
Subsidies to local governments	2.3
Payments and interest on loans of North-East China	0.1
Reserves	9.4
Total	100.0
State Revenues	% of Total
Agricultural tax	41.4
Other taxes	39.9
Revenues from state enterprises	17.1
Revenues from state trade	2.4
Revenues from other sources	0.2
Total	100.0

cultural needs 0.03%. In all subsequent years, the share of military expenditures grew even more, reaching 75%. In the budget of the people's government, 23.9% of all expenditures are intended for the restoration and re-equipment of industrial,

transport, and commercial enterprises. This shows the care of the people's government for the growth and strengthening of the socialist economy sector. In the budget of the People's Republic of China, a large place is occupied by revenues from state enterprises, though their relative weight is smaller than the share of agricultural and other taxes. Excess of expenditures over revenues, according to the budget approved by the government for 1950, was 18.7%. This deficit was planned to be covered through currency emission and issuance of a government loan distributed among private entrepreneurs and the population. However, in March 1950, the people's government outlined effective measures to organize the country's economy and finances. Implementation of these measures enabled the people's government to dispense with currency emission.

In March 1950, the people's government set the task to fight "for three balances": balance of state expenditures and revenues, balance of supplying the country with necessary goods, and balance of cash receipts and payments in the People's Bank. To accomplish the task of balancing revenues and expenditures, the people's government took several measures: it cut administrative and other expenses to a minimum without reducing expenses related to defense needs, restoration of key branches of industry, and liquidation of food difficulties in the country. Tax revenues are concentrated in the People's Bank, which functions as the state treasury. Grain received under the natural tax can be stored in warehouses of local governments, but expenditure of grain reserves is carried out only with permission of the Central People's Government.

Fulfilling the task of systematically supplying the country with necessary goods was of decisive importance for stopping price increases and speculation. This was achieved because the state through state enterprises, state orders to private enterprises, and tax and procurement systems concentrates essential goods in its hands. State organs dispose of up to 90% of all consumed salt, up to 80% of all consumed coal, up to 20% of flour, 30% of rice, and 40% of cotton fabrics. In April in Beijing, the Central Management of All Department Stores of China was created, uniting state cooperative stores in all provincial and many county cities. In 1949 in North-East China, the state and cooperative network concentrated 34% of all retail trade. In 1950, as a result of expanding the state trade network, this percentage will rise to 50.

Kuomintang China satisfied population requirements in grain and flour by import from abroad. Cities like Shanghai and Canton depended entirely on grain imports. However, with proper distribution, grain of domestic harvest is fully sufficient to meet the country's needs. The government decided to regulate the problem of grain supply by transporting it from surplus areas to deficit areas. For example, it was planned to transfer 1,030 thousand tons from North-East to East China, 110 thousand tons from south-western regions to Hankou, and 340 thousand tons from Central-South China to eastern and northern regions. This required mobilization of all transport capacities of the country. The State Automobile Transport Company was created, aiming to unite automobile transport across all China. An extraordinary effect was achieved in timely transfer of food products to deficit areas. All markets

have sufficient food products, and prices for them across the country are declining.

"Stores now are full of all kinds of consumer goods."[44]

Immense importance for liquidating inflation was possessed by the government's decision on balancing cash receipts and payments in the People's Bank. This was achieved by concentrating all cash of state industrial and commercial enterprises in the People's Bank; enterprises left in cash desks only small sums for operational needs. In September 1950, deposits in people's banks increased 16-fold compared to March 1950. In connection with this, there was no need for additional emission, and inflation was liquidated.[45]

General improvement of the economic situation, growth of production, and termination of inflationary currency depreciation expanded bank credit operations. As early as February 1950, due to inflation, private banks charged very high interest: in Shanghai on February 28, the loan interest of private banks equaled 42%, in Tianjin 63%, and in Hankou 45% per month. By May 18, 1950, this percentage fell for private banks: in Shanghai to 3%, in Tianjin to 4.5%, and in Hankou to 4.5% per month. The People's Bank provides money at 2–3% per month. With the strengthening of the Chinese dollar rate, bank interest declines further. Gold prices in various Chinese cities fell from February to May by 16–48%, and silver by 31–47%.

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44 "People's China" No. 10, 1950.

45 "People's China" No. 12, 1950.

Great enthusiasm of the masses participating in building New China and support by broad working masses of all government measures contribute to economic consolidation. In North-East China, loan subscription exceeded government expectations by 33%, and agricultural tax receipts for the first quarter of 1950 exceeded budget plans by 44.4%.

The victory of the revolution brought working masses of China tangibly real material benefits, which increase as the economic situation of the state improves. Real wages of workers and employees are growing. In 1949 in North-East China, they increased by 27% compared to 1948, and in 1950 increased even more. At state enterprises, social insurance for workers has been introduced, their medical service is improving, and new residential houses for workers are being built.

Price reductions for industrial goods and growing harvest collection significantly raise the welfare of the peasantry. In connection with the changed ratio of prices for agricultural and industrial goods, the purchasing power of the Chinese peasant in recent years has risen significantly.

The Communist Party of China carries out grand work on re-educating and remaking people—the main productive force of society, and drawing new millions of working people into active economic and cultural construction.

The Communist Party and people's government pay great attention to education questions. In all strata of society, a thirst for knowledge is observed. The heavy legacy in public education left by the Kuomintang reactionary regime is now being liquidated at a rapid pace. According to data from the

Minister of Education of the People's Republic of China, Professor Ma Xu-lun, about 80% of the population of all China was illiterate. More than half of school-age children did not study, since during Kuomintang rule the doors of educational institutions were closed to workers, peasants, and their children. At present, tremendous work is unfolded in China on liquidating illiteracy, raising qualifications, and expanding the school network. Complete liquidation of illiteracy, of course, requires long time, but remarkable successes have already been achieved in this area. Over 12 million peasants are involved in studies during winter, and 550 thousand workers study in 3,900 evening schools. In factory apprenticeship schools and technical schools, thousands of workers and technicians study.

The people's government facilitated admission conditions to higher educational institutions for representatives of broad working masses, and organized a network of courses for preparation for higher educational institutions. For retraining old intelligentsia and specialists, the people's government created revolutionary schools where listeners study the fundamentals of Marxist-Leninist doctrine and problems of modern international life. The network of primary and secondary schools and the number of students in them are growing rapidly. Thus, in North-East China, the number of primary school students increased from 2,541 thousand during Japanese occupation to 3,777 thousand at present, and secondary school students from 69 thousand to 144 thousand.

Ever broader strata of the population are drawn into study and creative work for building a people's democratic China. The collective of writers, playwrights, cinema workers, actors, and

musicians is utilized for the great cause of educating the people and mobilizing their forces for grandiose construction.

Guiding directives given by Mao Tse-tung as early as 1942 at the discussion on literature and art formed the basis of transformations on the cultural front. Literature and art, said Mao Tse-tung, must serve the interests of the people—workers, peasants, soldiers, and must be inextricably linked with the masses. Under the leadership of the Ministry of Culture, headed by Mao Dun—the famous novelist writer—an unprecedented creative surge of popular literature and art began in New China, mobilizing ever broader masses for great constructive work in people's democratic China.

The great Chinese people under the leadership of the Communist Party create only prerequisites for subsequent movement toward socialism. Indisputably, this path is difficult, forward movement will proceed in conditions of intensifying class struggle in the country, and reactionary circles connected with the bourgeois-landlord clique of the Kuomintang have not yet laid down their arms. The forward movement of the multi-million Chinese people, enslaved and oppressed for hundreds of years, has vast international significance. That is why American imperialists are so furious, supporting the reactionary, adventurous clique of Chiang Kai-shek entrenched on Taiwan. That is why they openly interfere in China's internal affairs, conducting direct aggression against the People's Republic of China. Having unleashed an aggressive war in Korea, American imperialists invaded Chinese Taiwan, bombard Chinese territory, and put China's security in danger. At the bidding of American warmongers, British imperialists

seek to prevent the government of the People's Republic of China from liberating the Tibetan people from the yoke of feudalism and imperialism. Anglo-American imperialists in every way try to prevent legitimate representatives of China from taking their rightful place in the United Nations Organization.

But American warmongers will not succeed in intimidating the Chinese people. They are full of readiness to drive the bandit clique of Chiang Kai-shek and American aggressors out of Taiwan. At the end of October 1950, the People's Liberation Army of China began advancing into Tibet to liberate its people from the yoke of imperialism and reaction. Chinese volunteers who expressed the desire to go to the Korean front participate jointly with the Korean People's Army and under the leadership of the High Command of the People's Army in combat operations against American aggressors.

The Chinese people, having freed themselves from imperialist and feudal oppression, began building a new, free life. They are full of determination to defend peace threatened by Anglo-American imperialists. By November 1950, 225 million Chinese signed the Stockholm Appeal of peace fighters. Under the leadership of the Chinese Communist Party and its glorious leader Mao Tse-tung, the Chinese people move forward with confidence, relying on the great doctrine of Lenin - Stalin, on the fraternal alliance and great friendship with the peoples of the USSR.

Questions of Economics, No.9, 1950.

A. LYAPIN

THE SOCIALIST ORGANIZATION OF LABOR IN THE USSR

The founders and leaders of the Soviet State, V. I. Lenin and J. V. Stalin, always pointed out the immense significance of the socialist organization of labor for raising its productivity and ensuring the victory of the new, communist society. As early as the beginning of 1918, Lenin wrote that after the proletariat's conquest of power, "the fundamental task of creating a higher social order than capitalism comes to the forefront, specifically: raising the productivity of labor, and in connection with this (and for this purpose) its higher organization"[46].

In his remarkable works written on the eve of the proletarian revolution and in the first years of Soviet power, Lenin formulated the basic principles of the socialist organization of labor, theoretically substantiated the significance of socialist emulation in socialist construction, and showed the ways to raise the productivity of social labor.

The great continuer of Lenin's cause, Comrade Stalin, comprehensively and profoundly elaborated the socialist principles of the organization of social labor. Comrade Stalin revealed the character of labor and the new incentives to labor in the USSR, showed the role of socialist labor discipline and one-man management in production, and defined the essence and significance of socialist emulation and its highest form—the Stakhanovite movement. In the genius works of Comrade

[46] V. I. Lenin, Works [Soch.], vol. 27, p. 227.

Stalin, the ways and methods of raising labor productivity in a socialist society are indicated. Comrade Stalin elaborated the socialist principle of remuneration according to the quantity and quality of labor expended, and theoretically substantiated the nature of wages and the collective farm workday (trudoden).

The steadfast implementation of the socialist principles of the organization of social labor is the most important condition for the growth of productive forces, the strengthening of the Soviet system, and the gradual transition from socialism to communism.

Lenin and Stalin repeatedly pointed out that after the victory of the socialist revolution, the character of labor undergoes a fundamental change in enterprises that have become public property. In any exploitative society, labor is a disgraceful and burdensome yoke, a forced duty for the overwhelming majority of toilers. Under the capitalist system, where the basis of production relations is capitalist ownership of the means of production, the dominant form of labor organization is the labor of wage workers.

Capitalism ruins the masses of small commodity producers and turns them into proletarians. The working class, deprived of the instruments and means of production, is forced to sell its labor power to capitalists to bear the yoke of capitalist slavery.

Marxist political economy teaches that the capitalist era "not only essentially preserved slavery, but added to it a new form

of exploitation, the most cruel and merciless of all—capitalist exploitation"[47].

The capitalist mode of production dooms toilers to poverty and hunger, to mass unemployment; alongside the growing enrichment of the bourgeoisie under capitalism, the living conditions of toilers continuously worsen, and their exploitation intensifies ever more. The exploitation of workers reaches monstrous proportions in the era of imperialism and the general crisis of capitalism. In pursuit of greater profit, capitalists increase labor intensity, introduce various sweatshop systems of labor organization and remuneration, and lower piece-rate wages. The absolute and relative impoverishment of the proletariat intensifies.

After the Second World War, the monopolistic bourgeoisie adopted a number of draconian measures aimed at destroying the remaining vestiges of the democratic freedoms of the working class; it is waging an intensified offensive against the living standards of the proletariat. In the USA, the anti-worker, fascist-type Taft-Hartley Act is in effect, depriving workers of elementary living rights. In the United States and the Marshallized countries, the high cost of living is growing, workers' wages are continuously decreasing, and working conditions are worsening. In capitalist countries, there are tens of millions of unemployed and semi-unemployed. The exploitation of working people in colonial and dependent countries is intensifying to an enormous degree.

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[47] K. Marx and F. Engels, Works [Soch.], vol. XVI, Part 2, p. 432.

A completely different situation exists under socialism. The socialist system in the USSR abolished private ownership of the means of production, liquidated exploitative classes, and for the first time in the history of human society subordinated the development of production to the interests of toilers. A new type of social production relations has been created, based on comradely cooperation and socialist mutual assistance of workers free from exploitation. Production relations in a socialist society are in full accordance with the state of productive forces, since the social character of production is reinforced by public ownership of the means of production. Consequently, socialist society does not know such incurable diseases of capitalism as anarchy of production, periodic crises of overproduction, poverty, and unemployment. Under socialism, a new, higher type of social organization of labor is created than under capitalism. In this, Lenin pointed out, lies the essence, the source of strength, and the guarantee of the inevitable complete victory of communism.

In the Soviet country, after centuries of forced labor for exploiters, working people have received the opportunity to work for themselves, for their socialist state. Unlike surplus value appropriated by exploiters, the surplus product in the USSR goes to satisfy the needs of the entire society, of all working people and only them. Labor power in the USSR is not separated from the means of production; it has ceased to be a commodity, an object of purchase and sale. Socialism has introduced Soviet people to active creative activity and unleashed their abilities and talents.

Comrade Stalin called the labor of Soviet people great and creative, determining the destinies of history. "The workers and peasants," Comrade Stalin points out, "who without noise and fuss are building plants and factories, mines and railways, collective farms and state farms, creating all the benefits of life, feeding and clothing the entire world—these are the real heroes and creators of a new life"[48]. Socialist labor is the source of the growth of productive forces, the multiplication of social wealth, the systematic improvement of the material well-being of working people, and the strengthening of the economic and military might of the Soviet State.Socialist labor is free, creative labor based on all the achievements of modern technology and culture. It provides everyone with the opportunity for the all-around development and application of their abilities. Labor in the USSR is increasingly becoming man's prime vital need. It gives people joy and an honorable position in society, which in our country is determined not by property status, not by origin, not by sex, but by the personal abilities and personal labor of every person.

Labor at socialist enterprises bears a directly social character. From a personal, private affair, labor has become in its nature and significance the most important public affair. Under the conditions of the Soviet system, "the toiling man," says Comrade Stalin, "cannot feel himself abandoned and lonely. On the contrary, the toiling man feels himself to be a free citizen of his country, a sort of public figure. And if he works

[48] J. Stalin, Problems of Leninism [Voprosy leninizma], 11th ed., p. 422.

well and gives society what he can give—he is a hero of labor, he is surrounded by glory"[49].

In contrast to capitalism, in our country the organization of social labor is carried out not spontaneously, but on the basis of the creative, planned activity of the Soviet State. Only under the conditions of the socialist system, when all enterprises are united on the basis of socialist property into a single national economy, has the planned organization of social labor become possible. The Soviet State, led by the party of Lenin and Stalin, strictly monitors the measure of labor and measure of consumption of members of society, establishes labor norms, regulates its remuneration, strengthens socialist labor discipline, and organizes the planned training of qualified labor power and its distribution among branches of the national economy. The Soviet State strengthens and develops socialist forms of labor, deploys nationwide socialist emulation and the Stakhanovite movement, widely disseminates advanced experience and the methods of production innovators, and ensures a further rise in labor productivity. The planned organization of social labor is one of the most important advantages of the socialist economy over the economy of capitalism.

One of the main foundations of socialism is the equal obligation of all members of socialist society to work. Comrade Stalin teaches that socialism and labor are inseparable from one another. In his speech at the First All-Union Congress of Collective Farm Shock Workers in 1933, Comrade Stalin

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[49] J. Stalin, Problems of Leninism [Voprosy leninizma], 11th ed., p. 500.

pointed out: "Lenin, our great teacher, said: 'He who does not work, neither shall he eat.' What does this mean, against whom are Lenin's words directed? Against the exploiters, against those who do not work themselves, but compel others to work and enrich themselves at the expense of others. And against whom else? Against those who themselves malinger and want to enrich themselves at the expense of others. Socialism requires not malingering, but that all people work honestly, working not for others, not for the rich and exploiters, but for themselves, for society"[50].

In the process of socialist construction, the spiritual outlook of Soviet people changes. A vivid expression of the spiritual growth of the working people of our country is the affirmation of a new, socialist attitude toward labor as an all-people's affair, and the strengthening of conscious discipline. High labor discipline is a necessary condition for building a communist society. "The communist organization of social labor, the first step to which is socialism," Lenin wrote, "rests and will rest more and more upon the free and conscious discipline of the toilers themselves, who have overthrown the yoke of both landowners and capitalists"[51].

The working people of the land of socialism display high consciousness and an understanding of nationwide interests, working honestly and selflessly in state enterprises and collective farms. But in a socialist society that has emerged directly from capitalist society, the survivals of the old attitude toward labor have not yet been fully overcome. These survivals

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50 Ibid., p. 418.

51 V. I. Lenin, Works [Soch.], vol. 29, p. 387.

manifest themselves among individual backward elements of society in a conscientiousless attitude toward assigned tasks, in an unwillingness to observe labor discipline, and in a striving to give the state as little as possible while grabbing as much as possible from it. The Soviet State wages a decisive struggle against idlers, loafers, and violators of labor discipline. It overcomes the survivals of capitalism in people's consciousness, fosters in the citizens of the USSR a socialist attitude toward labor and public property, and strengthens labor discipline.

Lenin wrote: "Building a new labor discipline, building new forms of social ties among people, building new forms and methods of drawing people into labor—this is a work of many years and decades. This is the most grateful and noble work"[52].

The interests of building communism in our country require the all-around strengthening of discipline and organization in labor, the even wider deployment of socialist emulation and the Stakhanovite movement, and a further rise in labor productivity.

The management of socialist production is based on the principle of one-man management (edinonachaliye). Socialist one-man management consists in the ability to organize matters, select personnel, eliminate irresponsibility and depersonalization (obezlichka), and establish accounting and control. At the same time, it means the ability to rely in economic work on the party organization, on the active, on the entire collective of the enterprise, to ensure the smoothness of

[52] V. I. Lenin, Works [Soch.], vol. 30, pp. 482–483.

all parts of the production mechanism, the precision of work of all links of the economic apparatus, and the correct distribution of functions between the director, party, and trade union organizations.

The fruits of the enormous work of the Communist Party and the Soviet Government in strengthening socialist labor discipline are expressed in the growth of the communist consciousness and activity of toilers, in the broad development of socialist emulation and the Stakhanovite movement, and in the continuous rise of the national economy of the USSR.

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An indispensable condition for the socialist organization of social labor is the planned provision of the national economy with qualified labor cadres. "The primary productive force of all humanity," Lenin wrote, "is the worker, the toiling person"

An indispensable condition for the socialist organization of social labor is the planned provision of the national economy with qualified labor cadres. "The primary productive force of all humanity," Lenin wrote, "is the worker, the toiling person"[53]. Developing this proposition of Lenin, Comrade Stalin teaches that the most decisive capital is personnel, people who set the instruments of production in motion and carry out the production of material goods thanks to definite production experience and labor skills.

In the national economy of the USSR, the number of workers and employees is growing continuously. In 1940, their total number increased by almost 3 times compared to pre-

53 V. I. Lenin, Works [Soch.], vol. 29, p. 334.

revolutionary 1913. Qualified cadres grew especially fast. Thus, from 1926 to 1939, the number of drilling machine operators increased by 7 times, machine tool operators by 14 times, toolmakers by 12 times, and chauffeurs by 40 times. In the third quarter of 1950, the increase in the number of workers and employees in the national economy compared to the third quarter of 1949 amounted to 2.4 million people. The total number of workers and employees in the national economy of the USSR exceeds the pre-war level by 22%.

Thanks to the tireless care of the party of Lenin-Stalin and the Soviet Government, numerous cadres of the new Soviet intelligentsia have grown in the USSR. Year after year, the number of specialists with higher and secondary education employed in the national economy is increasing. In 1949, there were 68% more of them than in pre-war 1940. In 1950, the number of students in higher educational institutions together with correspondence students is 1,230,000 people, i.e., 400,000 more than before the war.

In the Soviet country, not only universal primary education but also universal compulsory seven-year education has been implemented; the number of students in secondary and higher educational institutions has increased manifold; a wide network of factory training schools (FZO), craft schools, and technical courses has been deployed. At present, many workers at Soviet enterprises have either a seven-year or a complete secondary education. For example, at the Leningrad K. Marx Machine-Building Plant in 1923, less than 5% of workers had a four-year education, whereas now over 60% of workers at this plant have either a seven-year or complete secondary education. At

the Kupavna Fine Cloth Factory, a prospective study plan has been developed for the entire collective. Within the next three years, every male and female worker will receive a seven-year education, and assistant foremen will receive a secondary technical education.

The Party and Government set the task of organizing mass training for collective farmers, MTS and state farm workers, so that agricultural personnel master the achievements of science and advanced experience. In 1950, a three-year training program for collective farm personnel was introduced in special courses with a unified curriculum. Training and retraining for collective farm chairmen are being organized in schools and technical colleges; collective farm leaders will receive secondary agricultural education.

In the USSR, as a result of enormous technical and cultural progress, the appearance of the worker and collective farmer has changed, and their labor productivity has increased significantly. Instead of old professions passing into the past, more and more new ones are appearing. For example, in the coal industry, the professions of mining combine operator, rock-loading and coal-loading machine operator, etc., have arisen. The training of tractor drivers, combine operators, team leaders, and workers of other professions for agriculture has acquired a wide scope. All this testifies to the growth of the cultural and technical level of the working class and collective farm peasantry, and to the gradual erasure of the antithesis between mental and physical labor. The historical task set by Comrade Stalin at the 18th Congress of the CPSU(b)—to make

all workers and all peasants cultured and educated—is being successfully implemented.

Lenin said that under socialism "both the measure of labor and its remuneration must be determined"[54]. Comrade Stalin, generalizing the experience of socialist construction in the USSR, showed that the consistent application of the principle of remuneration according to the quantity and quality of work produced stimulates the growth of labor productivity and the improvement of workers' qualifications.

The socialist principle "from each according to his ability, to each according to his work" is the guiding principle of the social life of the USSR, representing the most important law of development of the Soviet economy.

The Party routed the proponents of petty-bourgeois egalitarianism (uravnilovka) and created all conditions for implementing the socialist principle of distribution according to the quantity and quality of labor. In the Soviet Union, conscientious, honest labor is highly valued and rewarded. The socialist State widely applies a system of awards and bonuses for achievements in work, introduces and improves piece-rate and progressive piece-rate wage systems, and bonuses for workers and engineering and technical personnel for fulfilling and overfulfilling production plans.

In collective farms, the socialist principle of remuneration is implemented through the distribution of income according to workdays (trudodni). With the help of the workday, heterogeneous types of labor are accounted for, and the

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[54] V. I. Lenin, Works [Soch.], vol. 30, p. 260.

measure of each collective farmer's participation in the social economy of the artel and his share in that part of the social product that goes toward the personal consumption of collective farmers are determined. Comrade Stalin pointed out: "The collective farm has introduced the workday. And what is a workday? Before the workday, all are equal—both men and women. Whoever has worked out more workdays earns more"[55].

The Communist Party and the Soviet Government established an order in which the remuneration of collective farmers depends on the final results of their labor. Collective farmers in teams that achieved a higher yield receive higher pay, and in teams that harvested a lower yield—lower pay. Such a system creates a material interest among collective farmers in raising their labor productivity and eliminates egalitarianism.

The further development of socialist society, the transition from socialism to communism require the all-around strengthening of the socialist principle of distribution according to quantity and quality of labor, the correct organization of remuneration in state enterprises and collective farms, and the complete elimination of egalitarianism.

Socialist emulation is a characteristic feature of the Soviet social system, its most important regularity. In the course of emulation, mutual assistance among toilers is carried out, and their aspiration to pull backward workers up to the level of advanced ones and achieve high labor productivity is manifested. Socialist emulation, as an expression of the

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[55] Lenin and Stalin, Collection of Works for Studying the History of the CPSU(b) [Sbornik proizvedeniy...], vol. I, Partizdat, 1938, p. 642.

creative initiative and production activity of the broad masses of working people, is a powerful source for the development of our socialist economy.

Socialism, Lenin wrote, by destroying the enslavement of the masses, "for the first time opens the way for emulation on a truly mass scale"[56]. The organization of socialist emulation, Lenin taught, must become one of the most important tasks of Soviet power in the economic sphere; in organizing emulation, it is necessary to ensure publicity (glasnost), the comparability of its results, and the possibility of practical repetition of experience.

V. I. Lenin already saw in the first communist subbotniks of 1919 a great initiative, the beginning of an enormous revolution in people's views on labor, the factual beginning of communism. "Communist subbotniks," Lenin pointed out, "have enormous historical significance precisely because they show us the conscious and voluntary initiative of workers in developing labor productivity, in transitioning to a new labor discipline, in creating socialist conditions of economy and life"[57].

J. V. Stalin brilliantly developed and enriched Lenin's ideas of socialist emulation. In his famous article "Emulation and the Labor Upsurge of the Masses," Comrade Stalin defines emulation as a communist method of building socialism on the basis of the maximum activity of millions of working people. "...emulation is that lever by means of which the working class

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56 V. I. Lenin, Works [Soch.], vol. 27, p. 230.

57 V. I. Lenin, Works [Soch.], vol. 29, p. 391.

is called upon to overturn the entire economic and cultural life of the country on the basis of socialism"[58].

Comrade Stalin, developing Lenin's propositions, exposed the fundamental difference between socialist emulation and competition and showed the significance of emulation for the victory of communism.

Socialist emulation is generated by the Soviet system and is one of the most important advantages of socialism over capitalism. It plays a major role in accelerating the rates of development of the national economy, in raising labor productivity, and in fulfilling and overfulfilling economic plans. Socialist emulation mobilizes working people for the struggle to introduce advanced labor methods and new, progressive norms into production.

In the course of socialist emulation, internal reserves for a further rise in production, a reduction in cost, and an improvement in product quality are uncovered and mobilized. Socialist emulation promotes the growth of production culture, the expansion and strengthening of links between science and production, and the creative cooperation of scientists with workers and collective farmers.

Socialist emulation, Comrade Stalin teaches, is an expression of businesslike revolutionary self-criticism of the masses, resting on the creative initiative of millions of working people. It is directed against routine, disorganization, and indiscipline —against everything that hinders the building of communism in our country. Through the all-around development of self-

58 J. Stalin, Works [Soch.], vol. 12, p. 109.

criticism among the broad masses of toilers, through the expansion and deepening of socialist emulation, the continuous growth of productive forces and the strengthening of the might of the Soviet system are ensured.

Socialist emulation is of great importance for the communist education of working people. It creates new social ties among people, raises conscious labor discipline, and develops a communist attitude toward labor.

"The most remarkable thing about emulation," Comrade Stalin says, "is that it produces a radical revolution in people's views on labor, for it transforms labor from a disgraceful and burdensome yoke, as it was considered formerly, into a matter of honor, a matter of glory, a matter of valor and heroism"[59].

Socialist emulation has assumed a nationwide character in the USSR; it has firmly entered into the daily life and routine of Soviet people, becoming a powerful and irresistible force in the development of our country. Over 90% of all workers and employees and many millions of collective farmers are now taking part in socialist emulation.

"Workers and female workers, collective farmers and female collective farmers, employees and engineering-technical personnel, people of art and science are drawn into the cause of emulation," said Comrade V. M. Molotov. "The scope and content of emulation now determine the level of the communist attitude toward labor achieved here or there among Soviet

[59] Ibid., p. 315.

people... The universal character of emulation is the most important lever for raising labor productivity"[60].

The highest stage of socialist emulation is the Stakhanovite movement, prepared by many years of organizational work by the party of Lenin and Stalin. Originating in 1935 in the coal industry of the Donbass, it laid the foundation for a nationwide movement for a new, higher level of labor productivity and for the best utilization of technology.

Comrade Stalin, in his speech at the First All-Union Conference of Stakhanovites, gave a deeply scientific definition of the Stakhanovite movement, revealed the sources of its emergence, and showed the greatest significance of this movement for a further, more rapid growth of labor productivity. Comrade Stalin pointed out that the Stakhanovite movement, as an expression of new, higher technical norms, represents a sample of that high labor productivity which only socialism can give.

Comrade Stalin called the Stakhanovite movement the most vital and irresistible movement of our time. "Is it not clear," Comrade Stalin pointed out, "that the Stakhanovites are innovators in our industry, that the Stakhanovite movement represents the future of our industry, that it contains within itself the embryo of the future cultural and technical growth of the working class, that it opens to us that path on which alone it is possible to achieve those highest indicators of labor productivity that are necessary for the transition from socialism

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[60] V. M. Molotov, The Thirtieth Anniversary of the Great October Socialist Revolution [Tridtsatiletie Velikoy Oktyabrskoy sotsialisticheskoy revolyutsii], Gospolitizdat, 1947, p. 27.

to communism and the elimination of the antithesis between mental labor and physical labor?"[61].

The prophetic words spoken by Comrade Stalin at the dawn of the Stakhanovite movement have come true: "Today there are still few Stakhanovites, but who can doubt that tomorrow there will be ten times more?" Over 15 years, the Stakhanovite movement, led by the party of Lenin and Stalin, has grown into a mighty force. It has become a truly mass movement of working people and now encompasses millions of people. At many enterprises, almost half of all workers are Stakhanovites. Not a few Stakhanovites have received not only secondary but also higher technical education. The awarding of Stalin Prizes to production innovators is a vivid expression of the cultural and technical growth of the working class.

Socialist emulation and the Stakhanovite movement are among the main forces with the help of which the Soviet Union in the shortest possible time liquidated its technical and economic backwardness, created a socialist industry, and built a socialist society. During the period of the Great Patriotic War, socialist emulation and the Stakhanovite movement served as an expression of the powerful patriotic upsurge of the working masses, who displayed high examples of selflessness and heroism in labor; they contributed to the historic victory of the Soviet Union over fascist Germany and militarist Japan.

The nationwide socialist emulation and Stakhanovite movement that unfolded in our country exert an enormous influence on the fulfillment and overfulfillment of post-war

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[61] J. Stalin, Problems of Leninism [Voprosy leninizma], 11th ed., p. 496.

plans for the development of the national economy and on accelerating the rates of transition of the Soviet Union to communism.

Remarkable results have already been achieved: an upsurge in all branches of the national economy and the strengthening of the economic might of the Soviet State. In the 10 months of 1950, the pre-war level of gross industrial output was exceeded by 70%. The gross harvest of grain crops in 1950 will exceed the pre-war level of 1940 by more than 300 million poods. The grain problem has been resolved in the USSR, and serious successes have been achieved in fulfilling the three-year plan for the development of animal husbandry.

In the post-war period, socialist emulation and the Stakhanovite movement rose to an even higher stage, enriched by new forms of creative activity. These include, first of all, the mass introduction of Stakhanovite labor methods into production, the transition from individual Stakhanovite work to collective work, to Stakhanovite shifts, shops, and enterprises. At the initiative of Vasily Matrosov, a cutter at the Moscow "Paris Commune" Shoe Factory and a Stalin Prize laureate, a movement for introducing advanced Stakhanovite experience arose in 1947. The systematic study and dissemination of advanced Stakhanovite experience make it possible to uncover unused reserves more fully, improve the work of every enterprise, and raise the productivity of social labor.

Nikolai Rossiisky, senior foreman at the "Kalibr" Plant and Stalin Prize laureate, initiated collective Stakhanovite work. He applied technically substantiated planning in practice, correctly organized production preparation, accounting, and control

during work, drew all workers into technical study, improved technology with the help of engineering and technical personnel, correctly deployed forces, established strict discipline in production, and organized mass emulation, thereby creating conditions for highly productive labor.

In collective Stakhanovite work, the main principle of socialist emulation finds its most vivid expression: catch up with the best and achieve a general rise in production. From high indicators of individual advanced Stakhanovite workers, a transition is made to mastering Stakhanovite work methods by entire collectives, sections, shops, and enterprises. In collective Stakhanovite work, all workers are pulled up to the level of advanced workers, and the entire collective, including engineering-technical and administrative personnel, is included in Stakhanovite work. The transition to collective Stakhanovite work takes place on the basis of introducing new technology and raising the qualifications of all workers, on the basis of their broad involvement in socialist emulation. "Our successes," writes N. A. Rossiisky, "are the result of everyday mass political work, the involvement of all members of the collective in technical study, the wide exchange of production experience, the all-around utilization of the creative initiative of workers, their involvement in socialist emulation, and the persistent pulling up of backward workers to the level of advanced ones"[62].

Now in the USSR there are already thousands of Stakhanovite sections working rhythmically, according to schedule,

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[62] N. A. Rossiisky, Collective Organization of Stakhanovite Labor [Kollektivnaya organizatsiya stakhanovskogo truda], Moscow, 1949, p. 15.

systematically increasing output month after month. We have not only Stakhanovite sections, but also Stakhanovite shops and plants. In October 1949, the "Kalibr" Plant was one of the first to switch to collective Stakhanovite work. Thanks to the introduction of collective Stakhanovite labor, this plant fulfilled the post-war five-year plan for output volume in 3 years, 7 months, and 9 days. Labor productivity increased by 2.3 times compared to pre-war. Over the past year, the plant has achieved new serious successes. Gross output in 1950 compared to 1949 increased by 23%, labor productivity rose by 17.5%, and production costs decreased by 24.2%. Following the "Kalibr" Plant, the State Bearing Plant, the Moscow Carburetor Plant, the "Mosshtamp" Plant, the Kupavna Fine Cloth Factory, Mine No. 29–30 of the "Voroshilovugol" Trust, and others won the title of Stakhanovite enterprise.

Of great importance for studying and introducing advanced experience and collective forms of Stakhanovite labor into production is the method of engineer F. L. Kovalyov, director of the "Proletarian Victory" Fine Cloth Factory. Comrade Kovalyov, together with engineering and technical personnel, studied and generalized the most rational labor methods of advanced Stakhanovites, taught these methods to all other workers, and helped them practically utilize the experience of production innovators. Labor organization according to engineer Kovalyov's method is a new, higher stage of the scientific organization of labor. The best methods of Stakhanovite work are widely studied and disseminated in our country. At textile enterprises, for example, 120,000 people have been taught Stakhanovite methods, which made it

possible to raise labor productivity, improve product quality, and reduce defective output. The fact that labor productivity at the "Proletarian Victory" Factory increased as a result of the mass mastery of Stakhanovite work methods by workers—by 20% in spinning and 5% in weaving—testifies to the great economic effect yielded by the application of Comrade Kovalyov's method.

A characteristic feature of socialist emulation in the post-war period is the mass movement for the introduction of new technology and the rationalization of production. In 1949 alone, over 450,000 inventions and rationalization proposals were implemented. For outstanding works in the field of science, invention, and fundamental improvements in production work methods, 1,285 people were awarded the honorary title of Stalin Prize laureate in 1949 alone. This testifies to the flourishing of science and continuous technical progress in our country, and to the development of the creativity of workers, collective farmers, and the intelligentsia.

A vivid manifestation of the creative initiative of working people is the widespread introduction of high-speed work methods into industry. Striving to better utilize equipment capacity and raise labor productivity, Stakhanovites in cooperation with engineering, technical, and scientific personnel apply high-speed methods of metal processing, coal mining, steel smelting, etc. Initiators of high-speed metal processing methods were lathe-operator Stakhanovites G. Bortkevich, P. Bykov, A. Markov, N. Ugolkov, and others, who were awarded Stalin Prizes. Comrade Bortkevich, a lathe operator at the Leningrad Ya. M. Sverdlov Plant, raised the

metal cutting speed on a lathe to 700 and more meters per minute. Making new calculations, he introduced changes in the geometry of the cutters, improved the machine's fastening, and improved material feed to the machine. All this made it possible to reduce the time for processing a part from 2 hours 40 minutes to 6 minutes 49 seconds, or by more than 23 times!

The experience of high-speed Stakhanovites, their innovative method of metal processing, is widely disseminated at enterprises of our country. In the plants of five industrial ministries alone—Machine Tool Building, Transport Machine Building, Heavy Machine Building, Machine Building and Instrument Making, and Construction Machine Building—the number of high-speed workers exceeds 14,000 people.

The cooperation of workers and collective farmers with scientists, and the bond between production and advanced Soviet science, are growing stronger and stronger. This creative cooperation, alongside the introduction of the achievements of advanced science and technology into all branches of the national economy, is of immense importance for the development of productive forces and for the successful implementation of the tasks of the gradual transition from socialism to communism.

Alexander Chutkikh, assistant foreman at the Krasny Kholm Combine and Stalin Prize laureate, initiated emulation for the title of excellent-quality team. In light industry alone in 1950, over 60,000 teams and assemblies competed for the release of excellent products.

Vladimir Voroshin, assistant foreman at the Tryokhgornaya Manufactory Combine and Stalin Prize laureate, organized

emulation for high production culture. Production culture is not only cleanliness at the enterprise, but also strict labor and technological discipline, a careful attitude toward the means of production, rhythmic work, and high product quality. Production culture is an indispensable condition for the proper organization of labor under socialism.

One of the characteristic features of socialist emulation and the Stakhanovite movement is that the creative activity and initiative of working people are directed toward the struggle against losses and toward the better utilization of basic and circulating assets of enterprises.

At the initiative of Maria Rozhnova and Lidia Kononenko, Stakhanovites of the Kupavna Fine Cloth Factory and Stalin Prize laureates, emulation unfolded for increasing the output of finished products per kilogram of raw material. Lidia Korabelnikova, a team leader at the "Paris Commune" Factory, initiated socialist emulation for comprehensive material savings and the output of additional products from saved raw material. Fyodor Kuznetsov, senior foreman at the Moscow Leather Goods Factory, proposed launching emulation for the most economical use of raw materials and materials by reducing technological allowances in manufacturing products. As a result of the spread of these forms of emulation at textile and footwear enterprises alone, millions of meters of fabrics and hundreds of thousands of pairs of shoes were produced from saved raw material.

Of major national economic significance is the nationwide movement initiated by Moscow enterprises for profitable work and above-plan accumulations. This movement encompassed

thousands of enterprises and yielded great results. In 1949, production costs in comparable prices decreased by 7.3%. Through above-plan new accumulations, socialist industry provided the country with more than 20 billion rubles of additional products.

Such forms of socialist emulation as opening personal accounts for saving raw materials, basic and auxiliary materials, the movement for the socialist preservation of equipment, and for the better utilization of production capacities have also acquired wide scope.

In the collective farm countryside, socialist emulation has widely unfolded for high, stable yields and the upsurge of social animal husbandry, for rational farming on the basis of the achievements of advanced Michurinist agrobiology, for the better utilization of the machine and tractor fleet, and for the excellent execution of harvesting and timely fulfillment of obligations to the state.

Socialist emulation in agriculture for high yields on large areas and for a new upsurge in animal husbandry assumed a truly nationwide character, encompassing millions of collective farmers, MTS workers, and state farm workers. It unfolded on the basis of the mass introduction of the experience of advanced people in the Soviet countryside.

The patriotic initiatives of high-yield masters have become widespread. Ivan Shatsky, a tractor team leader in the Kuban and Stalin Prize laureate, initiated emulation among machine operators for excellent quality of field work. At the initiative of Hero of Socialist Labour Konstantin Borin, all-Union socialist emulation of combine operators for the exemplary execution of

the 1950 harvest unfolded. Together with tractor and field-crop teams, combine operators achieved high sowing quality on plots designated for combine harvesting, good crop care, comprehensive preparation of plots for the high-performance work of their units, as well as accelerated rates of combine repair and its excellent quality.

In agriculture, many thousands of teams achieved outstanding successes in the struggle for high labor productivity. For example, in the tractor team of Alexander Gitalov from the Malo-Pomoshnyanskaya MTS, Novoukrainsky District, Kirovograd Region, all tractor drivers compete among themselves. Here all work is structured according to an hourly schedule. Strict discipline is established, labor is clearly organized, and close ties are maintained with field-crop teams. In 1949, the team processed an average of 1,819 hectares per 15-horsepower tractor, exceeding the seasonal assignment two and a half times and ensuring a high grain harvest. Now not only individual collective farms and state farms, but entire districts are achieving average yields of 100 or more poods per hectare. The productivity of the machine and tractor fleet has increased significantly.

The selfless labor of the collective farm peasantry received high praise from the Party and Government. For successes achieved in 1947–1948 alone, over 4,000 agricultural innovators were awarded the title of Hero of Socialist Labour, and about 110,000 people were awarded orders and medals.

Socialist forms of labor organization open wide vistas for the growth of social labor productivity and for the increase of the material wealth of the Soviet State.

The entire course of development of the socialist economy testifies to the continuous growth of labor productivity in the USSR. Over the years of the first Stalin five-year plan, labor productivity in large-scale industry in the USSR increased by 41%, and over the years of the second five-year plan—by 82%. From 1928 to 1937, labor productivity in USSR industry rose by more than two times. Over the same years in the industry of capitalist countries, labor productivity rose by only 4%. The plan for raising labor productivity in industry by 36% in 1950 compared to the pre-war level was not only fulfilled but overfulfilled. In the third quarter of 1950, labor productivity of workers in industry was higher than the pre-war level by more than 40%. Such high rates are a vivid expression of the superiority of the planned, socialist organization of labor over the organization of labor in capitalist countries.

The technical basis for the growth of labor productivity in the USSR is the equipping of all branches of production with modern advanced technology and the mechanization of labor processes. Comrade Stalin teaches that the mechanization of labor processes is that new and decisive force for us without which it is impossible to sustain either our rates or the new scales of production.

Thanks to the care of the Party and Government, all branches of the national economy continuously receive perfect machines and mechanisms that ease workers' labor and raise its productivity. In 1949 alone, over 300 new designs of high-performance machines and mechanisms were created and put into serial production in socialist industry. Over the years of the post-war five-year plan, labor-intensive and heavy work in

industry, construction, and transport has been successfully mechanized. This can be clearly seen in the example of the coal industry. In 1949 alone, the number of mining combines that mechanize the main processes of coal mining increased by three times, the fleet of rock-loading and coal-loading machines increased one and a half times, and electric locomotives by 30%. The level of mechanization of such labor processes in stopes as cutting and breaking, delivery, haulage, and loading of coal into railway cars is now much higher than pre-war. The coal industry of the USSR is already close to completing the mechanization of labor-intensive work.

The introduction of new technology and complex mechanization of production processes elevate the labor of Soviet people to a new, higher stage of technical qualification, raise its productivity, and ensure the further powerful development of all branches of the national economy. The following data testify to the great economic effect yielded by the introduction of new technology and labor mechanization. At enterprises transferred to complex mechanization and continuously improving production technology, labor productivity increased: in the mining industry—on average by 64%, in logging—by 100–115%, in housing construction—by 50–75%, in road construction—by 4 times, etc.

The technical equipment of agriculture is growing at rapid rates. Socialist agriculture in 1950 is receiving: tractors in terms of 15-horsepower units—4 times more than in 1940; combines—3.8 times more; tractor plows—4 times more; tractor seeders—almost 6 times more; tractor cultivators—more than 3 times more. The introduction of achievements of

advanced science and technology, the growth of mechanization and electrification of agriculture ease the labor of collective farmers and raise its productivity. In the Soviet Union, agricultural labor is turning into a variety of industrial labor, and the task of eliminating the antithesis between town and country is being successfully resolved.

An important condition for the further growth of productive forces in agriculture is the implementation of the Stalin Plan for the Transformation of Nature. This plan opens up new grandiose prospects for the development of agriculture and animal husbandry on a scientific basis.

The historical resolutions of the Soviet Government on the construction of the Kuibyshev and Stalingrad hydroelectric power stations on the Volga River, the Main Turkmen Canal Amu-Darya—Krasnovodsk, the Kakhovka hydroelectric power station on the Dnieper River, and the South Ukrainian and North Crimean canals develop the Stalin Plan for the Transformation of Nature, turning desert and arid lands into blooming fields and orchards.

The new construction projects are of major significance for creating the material and technical base of communism, and for a further powerful upsurge of socialist industry and agriculture.

An enormous role in the growth of labor productivity is played by raising workers' qualifications and elevating the general educational and cultural standard of living of the working class and collective farm peasantry. The Communist Party and the Soviet State constantly care for this.

Along with advanced technology and high employee qualifications, rational labor organization at enterprises is of paramount importance for raising labor productivity. Comrade Stalin, noting the enormous role of labor organization at enterprises, pointed out that it is necessary "to place workers in such labor conditions as would give them the opportunity to work sensibly, raise productivity, and improve product quality. It is necessary, therefore, to organize labor at enterprises in such a way that productivity rises from month to month, from quarter to quarter"[63].

The experience of advanced enterprises shows how great, truly inexhaustible the reserves for improving labor organization are. The most important of these reserves is the compaction of the working day and a persistent struggle against working time losses. Production innovators achieve time savings through thorough preparation of the workplace, rational utilization of equipment, and careful maintenance of it.

Such advanced labor organization methods as collective Stakhanovite work, multi-machine tending, and combination of professions have become widespread at socialist enterprises.

Work according to schedule and the conveyor method of production are acquiring ever greater significance. A continuous process of improving labor organization methods is underway in USSR industry. This has made it possible to improve the utilization of technology and raise social labor productivity.

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[63] J. Stalin, Problems of Leninism [Voprosy leninizma], 11th ed., p. 337.

Let us take the mines of the Donbass as an example. After transferring them to work according to the schedule of one cycle per 24 hours per face, worker productivity increased: at Mine No. 5 of the Nesvetayantratsit Trust—by 25%, at the Ordzhonikidze Mine of the same trust—by 18% [Note: matching text context], at the Petrovsky Mine of the Shakhtantratsit Trust—by 20%, etc.

Technical standardization plays an important role in the struggle to raise labor productivity and fulfill production plans. Without technical norms, Comrade Stalin points out, a planned economy is impossible. Technical norms are a great regulatory force organizing the broad masses of workers around production innovators. Socialist plans proceed not from arithmetic average norms achieved in production, but from the norms of advanced workers, shops, and enterprises. Technical norms are periodically reviewed at Soviet enterprises, and advanced, progressive norms corresponding to the level of technology and production organization are introduced. In 1949, many branches of industry fulfilled and overfulfilled new, higher output norms and progressive equipment utilization norms established by the state plan.

The party of Lenin-Stalin and the Soviet Government pay great attention to the organization of labor in collective farm production, ensuring that labor organization forms correspond to the level of technological development and promote the high-performance utilization of machines and mechanisms. The Party and Comrade Stalin teach that the basic form of labor organization in collective farms is the production team (brigada). A permanent production team makes it possible to

most productively apply the collective farms' own means of production and MTS machines, and also to fully utilize the advantages of collective labor forms.

Isolated links (zvengia) in crop-farming teams disperse the forces of collective farms and hinder the mechanization of agricultural production. The Party and Government took measures to eliminate permitted distortions in the sphere of labor organization in collective farms, to strengthen permanent production teams, and to enhance the role of machine and tractor stations. This is of great importance for the further organizational and economic strengthening of collective farms and for a new powerful upsurge of socialist agriculture.

Mobilizing the collective farm peasantry of our country to improve labor organization, the Party emphasizes the advantages of large collective farms over small ones. The strength of large-scale farming in agriculture, Comrade Stalin teaches, consists in the fact that it has the opportunity to apply machines, utilize the data of science, apply fertilizers, raise labor productivity, and thus yield the greatest amount of marketable grain. The enlargement of collective farms carried out in 1950 creates conditions for the even wider introduction of advanced technology into agriculture

and its better utilization, makes it possible to develop large, highly marketable social animal husbandry, and improve villages by one's own efforts. The enlargement of collective farms will ensure the all-around development of their production, the rapid growth of social incomes, and the raising of the material and cultural standard of living of collective farmers.

Socialist forms of labor organization are strengthened and developed in our country from year to year, from day to day. An inexhaustible source for their enrichment is the creative activity of advanced Stakhanovites and production innovators. The exceptional wealth and diversity of creative initiative and labor upsurge are vivid evidence of the great strength and vitality of the socialist system and the patriotism of the Soviet people.

The party of Lenin and Stalin calls upon all working people to deeply study and disseminate the advanced experience of innovators and the best reception and labor methods. "Our duty," Comrade G. M. Malenkov said, "consists in continuing to rely on the advanced, supporting it with all our forces, comprehensively multiplying and disseminating progressive initiatives and positive examples of our work, and conducting matters so that all of us emulate the achievements of innovators and advanced Soviet people"[64].

The gigantic historical experience of the Soviet Union in developing socialist forms of labor organization serves as an inspiring example and model for the countries of people's democracy. The working people of these countries study and utilize the labor methods of advanced Stakhanovites of industry and agriculture with enormous interest; socialist emulation and the movement of rationalizers and inventors are unfolding ever more widely. Relying on the richest experience and the comprehensive and selfless assistance of the Soviet Union, the

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[64] G. M. Malenkov, The 32nd Anniversary of the Great October Socialist Revolution [32-aya godovshchina Velikoy Oktyabrskoy sotsialisticheskoy revolyutsii], Gospolitizdat, 1949, p. 13.

countries of people's democracy are successfully developing along the path to socialism.

In the grandiose scope of socialist emulation and the Stakhanovite movement, the ideas of Lenin and Stalin on socialist labor and its social organization find their living embodiment. These genius ideas, having gripped millions of working people, serve as a mighty weapon in the struggle for the triumph of communism in the USSR and for the building of socialism in the countries of people's democracy.

The wide development of socialist emulation among workers, engineering and technical personnel, and collective farmers, the mass introduction of advanced Stakhanovite labor methods and advanced experience, and the mobilization of the masses for the struggle to fulfill and overfulfill production plans are the most important conditions for the steady growth of labor productivity, the further upsurge of the national economy, and the successful construction of a communist society in the USSR.

Questions of Economics, No.10 , 1950.

B. Sokolov

SOME QUESTIONS OF THE ECONOMICS OF CAPITAL CONSTRUCTION

The unprecedented in history, grandiose scale and pace of capital construction in the USSR are a characteristic feature and one of the most important advantages of the socialist economy. Capital investments effect expanded reproduction of fixed assets, which represents an important link in the process of expanded socialist reproduction. The systematic growth of capital investments testifies to the inexhaustible strength and viability of the Soviet system, to the huge advantages of the socialist mode of production, conditioned by public ownership of the means of production, the planned organization of the national economy, and the wise leadership of the Bolshevik Party.

The creative activity of the Soviet people, aimed at the continuous increase, renewal, and technical improvement of instruments and means of production, was not interrupted for a single day even in the harshest years of the Great Patriotic War. In the post-war period, this activity acquired a new, unprecedented scope. Already in 1946, the total volume of capital work performed in the USSR in comparable prices significantly exceeded the pre-war level. Over the four years of the post-war five-year plan, the volume of capital work in our country almost doubled. Over four years and ten months, about 6 thousand state enterprises, not counting small and cooperative ones, were built, restored on a new technical basis, and put into operation.

The State Budget of the USSR for 1950 provides for the financing of capital investments, taking into account the reduction of state prices, in the amount of 106.5 billion rubles.

This constitutes one-fourth of all state budget expenditures and significantly exceeds the annual capital outlays of previous years. For the 9 months of 1950, the volume of all capital work amounted to 125% compared to the 9 months of 1949, including: in the metallurgical industry — 114%, in the coal industry — 108%, in the oil industry — 130%, in electric power plants — 134%, in mechanical engineering — 111%, in the building materials industry — 116%, in light and food industry — 113%, in transport — 120%, in machine-tractor stations and state farms — 168%, in housing construction — 120%.

A completely opposite picture is observed in all capitalist states. In the USA and Marshallized countries, the post-war years are characterized by a rabid growth of armaments expenditures and, accordingly, a sharp reduction in capital investments in civil construction. In the USA, the volume of capital investments, according to official data of the Department of Commerce, decreased by 6% in 1949 compared to 1948, and a further reduction in capital outlays is observed in 1950[65].

In his message to Congress in connection with the events in Korea, Truman stated that civil construction in the USA will continue to be reduced.

Stagnation in construction is one of the vivid expressions of the growing decay of capitalism.

The historical decisions of the Council of Ministers of the USSR on the construction of the greatest construction projects of our time — the world's largest hydroelectric power stations on the Volga, the Main Turkmen Canal, the Kakhovka Hydroelectric Station on the Dnieper, the South Ukrainian and North Crimean canals — are writing new bright pages in the chronicle of the construction of communism. These decisions,

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65 *"Voprosy Ekonomiki" No. 10.*

welcomed by the Soviet people with a feeling of patriotic pride and deep gratitude to the brilliant architect of communism, Comrade Stalin, are already being translated into reality. In the successful implementation of these decisions, as well as the entire majestic post-war construction program, the Soviet construction industry is called upon to play an outstanding role.
In the USSR, along with the steady growth of capital investments and the volumes of capital work in the post-war years, the further powerful development of the construction industry continues. The saturation of construction with the most diverse first-class machines and mechanisms of domestic production is growing. New personnel are being drawn into the construction industry, whose numerical growth is accompanied by an increase in their qualifications. High-speed construction methods, scientific technology, and work organization are being introduced, and elements of seasonality in construction are being overcome.
In close creative cooperation, Soviet builders, engineers, designers, and scientists are successfully solving the most complex problems of the radical transformation of the economy and nature across vast spaces of our country, the problems of mastering and developing new industrial regions, and are constructing first-class socialist enterprises. Research work in the field of typification and standardization of construction and the scientific development of standard designs for modern industrial and housing-communal structures has been widely deployed, and the mass production of standard building structures and parts has been organized at specialized plants. All this characterizes the rapid technical progress of construction production, which has emerged, thanks to the daily care of the Party and the Government, onto the broad road of socialist industrialization.
The Party and the Government have always attached exceptionally great importance to capital construction.

"Questions of construction," said Comrade V. M. Molotov, "have always been for us not only economic questions, but also questions of politics. And this is understandable. The tomorrow of socialism depends primarily on the successes of construction that we are conducting today." The formation of the State Committee of the Council of Ministers of the USSR for Construction Affairs and government decisions on construction issues adopted in 1950 on the initiative of Comrade Stalin are aimed at further increasing the efficiency of capital investments by accelerating the pace and reducing the cost of construction, and open a new historical stage in the development of the Soviet construction industry. Complex tasks of paramount national economic importance lie before the numerous army of Soviet builders. The successful solution of these tasks is largely conditioned by strengthening the attention of builders and designers to economic issues and radically improving all economic work in construction.

Outstanding achievements in capital construction in the USSR are obvious and indisputable. Nevertheless, the huge advantages of the socialist mode of production are still not sufficiently utilized in this area. While socialist industry systematically reduces the cost price of products, construction costs are not decreasing and remain excessively high. Meanwhile, with the growth of the scale of capital construction, every percentage of reduction in work costs, every day of accelerating the commissioning of new projects acquires paramount national economic importance.

The decision of the Council of Ministers of the USSR adopted on the initiative of Comrade Stalin on reducing the estimated cost of construction by 25% starting July 1, 1950, while maintaining the targets established for 1950 for the commissioning of production capacities, armed Soviet builders with a concrete program of struggle for further increasing the national economic efficiency of capital outlays. The reduction

in construction costs can and must be ensured primarily by increasing the pace of commissioning new projects by eliminating all kinds of excesses in designs and estimates, raising the level of mechanization, improving technology and organization, and thereby cheapening construction and installation work, as well as by reducing prices for materials, equipment, and tariffs for the transportation of building materials.

Experience shows that the cost of construction work is higher the slower construction is conducted. Excessively high construction costs are mainly explained by all kinds of delays in the deadlines for commissioning new production capacities. In 1949, for a number of ministries, there was a lag in the commissioning of production capacities behind the volume of completed capital work. For example, the Ministry of Machine-Building Enterprise Construction and contractor construction organizations of the Ministry of the Coal Industry fulfilled the plan for the volume of contract work, but fulfilled the plan for commissioning production capacities incompletely. The main reason for this is the dispersion of material and financial resources on numerous construction projects, instead of concentrating these resources primarily on the most important startup objects. It is precisely for this reason that the dispersion of material and financial funds leads to the elongation of construction deadlines, increases unfinished construction, and makes construction work more expensive. A number of organizations failed to fulfill targets for reducing construction costs.

The large amount of unfinished construction carried over from year to year testifies to the lag in commissioning construction objects. The cost of such construction settles on the balances of customers and construction organizations in unfinished capital investments. In recent years, the composition of funds in capital construction (based on the aggregate balances of

customers and contractor organizations excluding mutual settlements between them) was as follows (in % of total):

Composition of Funds in Capital Construction

Name of items	As of January 1, 1947	As of January 1, 1948	As of January 1, 1949
Unfinished capital investments	71.0	71.5	68.0
Equipment in warehouses	10.0	9.8	9.5
Building materials	12.2	12.1	15.3
Settlements	3.9	3.9	3.6
Other items	2.9	2.7	3.6
Total	100.0	100.0	100.0

Such a significant and relatively stable specific weight of unfinished capital investments clearly testifies to the presence of large reserves in our construction. The primary tasks of builders are the mobilization of these reserves, the concentration of forces and material resources on the most important startup objects, and the widespread elimination, thus, of the gap between the fulfillment of capital work plans (in volume) and plans for commissioning new production capacities. For the successful solution of these tasks, it is necessary to improve planning and accounting of capital work, improve economic indicators adopted in capital construction, create a system of operational control over the state and use of funds tied up in unfinished capital investments. Existing forms of planning and accounting do not provide proper control over the commissioning of new capacities and over the concentration of funds on the most important startup objects. Established indicators of construction work costs are based on an analysis of costs for completed work. Meanwhile, the cost of a completed structure is decisively influenced by the correspondence between actually completed work volumes and

the actual needs of construction. With savings achieved on a certain volume of completed work, overruns on the object as a whole are possible if excessive planned work or work not provided for by the project at all was allowed.

At present, the imperfection of cost indicators accepted in construction stands out clearly. The nationwide movement for accelerating the turnover of funds, which freed up huge sums in industry, contributed to shortening the production cycle and reducing the cost price of industrial products, has not yet received proper scope in construction.

The task of accelerating the turnover of funds in construction is usually limited to those working capital sums that are fixed for contractor organizations and find reflection on their balance sheet. In brochures and articles devoted to issues of accelerating the turnover of funds in construction[66], it is a question only of improving the use of working capital of contractor organizations, whereas the main part of funds tied up in construction consists of unfinished capital investments reflected on the customers' balances. It is necessary to take effective measures to accelerate the turnover of these funds as well, which are distinguished by a special duration of turnover[67].

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[66] *See L. S. Abramson, Working Capital of Contractor Organizations. Stroyizdat, Moscow 1949; I. P. Lychagin, M. Ya. Grinberg, Working Capital of Contractor Organizations and the Procedure for Calculating Their Turnover. Stroyizdat, M. 1950, etc.*

[67] *Unfinished capital investments are frequently incorrectly identified in our literature with unfinished construction production. Unfinished production in construction is reflected in the balances of contractor construction organizations and includes only unfinished parts of structural elements. As work is completed, individual parts of structural elements are transferred by contractor construction organizations according to ten-day and monthly acts to customers, paid for by them, and transferred to the customer's balance, being reflected in unfinished capital investments. Thus, unfinished production in construction represents only a part (and moreover a*

In industry, the starting measure for achieving the set goal — faster turnover of working capital — serves to accelerate the production cycle and mobilize the entire collective participating in the production process to solve this task. In construction, however, until recently, due to limiting the task to the working capital of contractor organizations, accelerating the production cycle, i.e., speeding up the deadlines for commissioning new projects, was not given paramount importance. Thus, the movement for accelerating the turnover of funds was deprived of its main quality — mass character.
The speed of fund turnover in construction production is measured by the ratio between the value of fixed assets commissioned during the year and the value of unfinished capital investments. For example, for a sample range of construction projects of various ministries for 1948, the average balance of unfinished capital investments amounted to 19,536 million rubles, and commissioning in the same year — 18,158 million rubles. The ratio of the second indicator to the first is 0.92. This means that funds engaged in unfinished construction completed 0.92 turns per year, and the duration of their turnover was 390 days. Such a duration of turnover is excessively large. In capital-restoration construction during the restoration of enterprises destroyed during the occupation, the duration of turnover calculated in the same way amounted, for example, to only 260 days.
Unfinished capital investments, in addition to unfinished objects where work continues to be conducted, include objects whose construction has been mothballed, as well as all kinds of work necessary only for the construction process itself. The

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very insignificant one) of unfinished capital investments. In unfinished capital investments, the overwhelming part of funds tied up in construction is listed until the moment of final formalization of commissioning individual objects and transferring them to the balance of operating enterprises.

current procedure for planning, accounting, and financing capital investments, unfortunately, does not provide due attention to unfinished capital investments. Systematic study of them is necessary to identify ways to accelerate fund turnover in construction and develop normal construction periods for individual types and kinds of enterprises.

In order to successfully deploy the struggle to reduce construction costs and accelerate fund turnover, it is necessary to introduce additional economic levers, develop the system of economic accountability (hozraschet) in construction, strengthen financial sanctions for disrupting construction deadlines (in the form, for example, of accruing a certain bank interest on the amount of unfinished capital investments taking into account the terms of their unjustified freezing in construction), and also establish a system of bonuses for accelerating fund turnover in construction.

The most important reserve for reducing construction costs and accelerating its turnover is the elimination of excesses in construction work.

The volume of work necessary for the construction of identical enterprises of the same production capacity cannot be standard. Much here depends on the location of the construction site, its distance from the nearest quarries of local building materials (the nature of soil in earthworks, the labor intensity of developing quarries and transporting sand, rubble stone, clay, lime, etc.), on the degree of use of finished building parts and structures, on the mechanization and organization of construction and installation work. Nevertheless, the specific conditions under which one or another construction project is carried out cannot serve as a pretext for inflating work volumes. However, our design and construction organizations allow not a few all sorts of excesses. For example, we can cite a case where two production buildings of the same purpose, for two enterprises identical in profile and capacity, were designed

differently: one with a volume of 244 thousand cubic meters, and the other — 352 thousand cubic meters. Verification showed that the cubic capacity of the second building was increased by 44% compared to the first due to obvious excesses (excessive building height, excessive foundation depth), as well as unjustified reserves in case of further expansion of the enterprise.

Excessive construction work is frequently caused by the fact that individual economic managers strive to acquire all kinds of auxiliary enterprises, ignoring the advantages of cooperation with other departments located often even in the same region. Excesses are also observed in the construction of administrative buildings, plant management offices, bureaus, and in their external decoration.

The volumes of construction work also increase as a result of the dispersion of objects across a vast construction site and due to excessive reserves and safety margins of structures arbitrarily determined by designers. The latter refers, in particular, to the choice of wall materials, to the desire to build structures from metal instead of reinforced concrete, from reinforced concrete instead of brick, etc. It is often necessary to observe excessive consumption of metal and cement in housing construction, in the construction of temporary structures. It is quite obvious that all kinds of reserves and safety margins can be allowed only within the limits of established state norms. Their arbitrary increase runs counter to the elementary requirements of construction economics.

Of particular importance for the volumes of capital work is the construction of so-called temporary structures intended to service construction and installation work. For individual construction projects, temporary structures account for up to 25% of the entire volume of work. This is also largely explained by the desire of certain organizations to acquire their own diverse auxiliary enterprises and their own temporary

housing stock for builders. At the same time, the possibility of using existing housing stock by completing its construction and re-equipping it for temporary housing of builders is not taken into account. Many construction projects provide for the construction of new brick, slag-block, lime, and concrete plants, sand and stone quarries, although the needs of construction projects can be fully met by the products of enterprises existing in a given region by somewhat expanding and improving them.

The very type of temporary structures is often not inferior in durability to permanent structures. Facts of constructing brick buildings for temporary housing, for example, are not isolated. Obviously, such buildings cannot be demolished after construction is completed and become part of the fixed assets of the future enterprise. Unfinished permanent objects are used quite insufficiently for temporarily servicing construction needs.

The radical revision of designs and estimates for all construction projects currently underway, carried out in accordance with a special government decision, and the elimination of all kinds of excesses in them will make it much cheaper to build and free up huge state funds.

The main task of the authors of a new enterprise project is to ensure, using the latest achievements of technology, the maximum production capacity of the future enterprise on minimal production areas. Meanwhile, the economic effectiveness of design decisions until recently has far from everywhere become the leading principle of technical design. Important work on introducing new technology, innovative methods of organizing capital work, new types of building materials, and construction mechanization was often enclosed within the framework of technical conclusions without sufficient illumination and generalization of economic results. The introduction, for example, of high-speed construction

methods was far from always accompanied by identifying savings achieved as a result of shortening object commissioning deadlines, savings in material expenditure, payroll funds, overhead costs, etc. When introducing new structures and mechanisms, little attention was paid to reducing construction costs.

The gap between technology and economics is evident in the work of many of our design organizations. Even in the largest ones, the study of cost factors is not deep enough. Determining construction costs (compiling estimates) turns into purely computational work performed by low-qualification workers; it is often reduced to calculating work volumes established by designers using uniform norms approved back in 1937, multiplied by current rates, taking into account the specific conditions of a given construction project. At the same time, neither the design experience of more or less identical structures nor the experience of advanced construction organizations that in practice exceeded the norms adopted in designs is taken into account. The lack of proper justification for the cost of designed objects often devalues the large and fruitful work of designers in introducing new technical solutions and creating the most rational standard designs taking into account the latest achievements of technology.

Design materials still arrive at construction sites with delay; final design and estimate documentation is ready only when construction and installation work has already been widely deployed. This generates wasted work and makes construction more expensive.

Designers were essentially interested in artificially inflating work volumes in designs because their labor was paid as a percentage of the estimated cost of designed structures. The Government of the USSR introduced a new procedure for paying for design work — at the expense of the union budget; costs for design work were excluded from estimates, a

multitude of small design organizations operating in parallel were liquidated, firm official salaries were established, and a bonus system for the best designs was introduced. All this should streamline design business in the very near future and lead to a sharp reduction in construction costs.

The most important factor in accelerating the pace of construction and commissioning new projects, and consequently also cheapening construction and installation work, is the comprehensive mechanization of labor-intensive processes.

The Party and the Government pay exceptionally great attention to issues of comprehensive mechanization of construction work. In recent years, thanks to the care of the Soviet Government, powerful construction and road engineering has been created in the country; our industry is producing hundreds of types of modern machines, mechanisms, and various equipment for construction production at increasing rates.

Soviet designers and engineers have created and introduced into production a number of new construction machines and mechanisms far exceeding in productivity all building mechanism types hitherto known to the world. Stalin Prize laureates, Uralmashzavod engineers D. I. Satovsky, A. B. Vernik, S. K. Borisov, and others designed a three-cubic-meter excavator which in its speeds and productivity left behind all machines of a similar class produced abroad. A group of Promstalmontaj engineers led by Stalin Prize laureates P. P. Velikhov, Ya. E. Gitman, and L. N. Shchipakin created a universal tower crane for erecting the frames of high-rise buildings. Ministry of Heavy Industry Enterprise Construction engineer F. I. Maltsev was awarded the Stalin Prize for developing a comprehensive system of containerizing wall materials.

The material and technical base of construction organizations has thoroughly strengthened in recent years. The saturation of construction with the most diverse machines and mechanisms, with their correct distribution and skillful use, the further mass production of new machines and the expansion of their nomenclature fully ensure the fulfillment in the next three to four years of the task set by the government of full mechanization of all main processes of construction production.

Meanwhile, the cost of mechanized construction and installation work in many construction organizations is excessively high due to the insufficient use of mechanisms. Maintenance expenses per unit of work for mechanisms depend on the degree of their loading. A significant part of the cost of mechanized work is made up of mechanism depreciation. The better mechanisms are used, the lower the depreciation expenses per unit of construction output. At individual construction sites, mechanisms are not loaded even to 50% of their capacity; this doubles depreciation expenses.

Large expenditures on mechanization and weak use of mechanisms are often the result of their incorrect distribution among construction sites. Some construction sites have excess mechanisms, while others experience a shortage of them. It is necessary to streamline the distribution of mechanisms and other fixed assets in construction.

It is necessary to change the procedure for replenishing the fixed assets of construction organizations, which is currently going through two channels. Depending on the production program, construction organizations are allocated special capital investments for constructing auxiliary enterprises and acquiring construction mechanisms and transport facilities. Appropriations for these same purposes are provided in general construction estimates (the third part of the general estimate) usually in the amount of 5–6% of the entire estimate. These

appropriations are placed at the disposal of construction organizations regardless of the state of fixed assets, which makes it possible to acquire excess mechanisms and auxiliary enterprises.

In the first years of deploying capital construction, each new construction project required, as a rule, the creation of a new construction organization and endowing it with necessary fixed assets at the expense of estimates of the given construction. At present, with the presence of a permanent network of construction organizations saturated with fixed assets, continuous replenishment of these assets proportional to the amount of appropriations for the next construction project is not required. Apparently, the established procedure for including costs for acquiring construction machines and mechanisms in the general construction estimate should be recognized as obsolete and abandoned.

An important factor in reducing construction costs is saving costs on the production of building materials and their delivery to construction sites. In recent years, serious successes have been achieved in the production of building materials, parts, and structures. Along with the growth of production volume, new types of building materials are increasingly being introduced; the types and nomenclature of building parts are being improved (hollow reinforced concrete blocks and other parts, gypsum blocks, asbestos-cement corrugated sheets, hollow ceramic blocks, mineral wool products, etc.). A large group of Soviet engineers and architects was awarded Stalin Prizes in 1949 for developing and introducing new building materials and structures. Soviet innovator engineers, Stalin Prize laureates S. S. Pen, L. N. Sherman, I. M. Balaban, S. I. Kruglyak, S. A. Sementsov, and A. I. Mogilny created wonderful structures made of asbestos-cement, far superior in their effectiveness to all similar foreign samples. For developing new methods of arranging roll roofs, the Stalin

Prize was awarded to Glavsevzapstroy engineer N. V. Mikhailov. For developing and introducing economical designs of lightweight stone walls, engineer N. S. Popov was awarded the Stalin Prize. New methods of dry brick pressing by inventor Stalin Prize laureate A. Melia are being widely introduced.

The cost of materials franco-construction site constitutes a significant expense item. Since selling prices for building materials for each region are firmly established by state price lists, the amount of construction expenses depends on the choice of materials and the cost of their delivery. Transport expenses make materials more expensive by an average of more than 25%. It has been calculated that in the cost of such building materials as brick, transport expenses account for an average of about 25%, in the cost of stone up to 70%, timber — about 15%, metal — 40%. From this, the conclusion should be drawn that a significant reduction in material costs can be achieved by reducing transport expenses.

In the total mass of materials used in construction, locally mined materials usually predominate. Five types of main building materials (sand, stone, crushed stone, lime, and brick) account for about 30% of the total cost of materials and 65% of their total weight. The transportation of local materials accounts for approximately 70% of all transport expenses of the construction project. Moreover, transport costs noticeably differ for individual objects, and this is mainly what explains the different cost of construction. For example, in the estimates of five construction projects of the same ministry located in different regions, the following cost of sand, brick, and stone is provided:

Cost of Sand, Brick, and Stone at Various Construction Sites

Location of construction site	Cost (in rub.)

	1 cu. m of sand	1000 pcs. of brick	1 cu. m of stone
Krasnoyarsk	28	484	275
Novosibirsk	71	163	537
Tomsk	67	645	545
Serov	72	665	471
Leningrad	53	706	2133

The difference in the cost of sand in Krasnoyarsk and Leningrad is almost entirely caused by transport expenses, which amounted to 17 rub. 45 kop. and 59 rub. 75 kop. respectively, since in Krasnoyarsk sand was transported for 5 km, and in Leningrad — for 30 km. The distance over which brick was transported in Novosibirsk was 10 km, and in Serov — 228 km; transport expenses amounted to 59 and 176 rubles respectively.

Excessive transportation distances of local materials can be eliminated with a more careful and thoughtful choice of the construction site, as well as by creating own auxiliary enterprises. On an industrial construction project of medium scale (for example, with a volume of construction and installation work of 50–60 million rubles), the amount of consumed local materials, their weight, and transport expenses on average constitute:

Average Consumption and Transport Expenses of Local Materials

Name of materials	Quantity	Weight (in thsd. t)	Transport expenses (in thsd. rub.)
Brick	20 million pieces	70	750
Stone	77 thousand cu. m	120	350
Sand	20 thousand cu. m	35	99
Crushed stone	60 thousand cu. m	115	353
Lime	1.4 thousand t	1.4	—

Creating your own auxiliary enterprises near the construction site makes it possible to avoid long-distance material transport and reduce transport expenses by many hundreds of thousands of rubles. Therefore, in many cases, to reduce construction costs, you should create your own auxiliary enterprises. However, in each individual case, a careful economic calculation of the feasibility of constructing such auxiliary enterprises is required.

The level of transport expenses is also influenced by the method of transportation. Builders are obliged to make maximum use of the cheapest types of transport, in particular river transport instead of railway and automobile transport.

The post-war years have been marked by a new upsurge in the creative activity of builders. Socialist emulation is deploying ever more widely. The numerous army of Soviet builders has recently been replenished with talented innovators — engineers, masters, Stakhanovites, paving new ways in the struggle to accelerate the commissioning of production capacities and make better use of mechanisms and building materials at new construction sites. Stakhanovite I. P. Shirkov designed a series of mechanism devices that significantly increase labor productivity at construction sites. Plasterer I. E. Kutenkov proposed a new, flow-dissected method of plastering work. Mason N. E. Olshanov received the Stalin Prize for introducing highly productive methods of bricklaying. On the initiative of Leningrad master S. Moiseev, supported by many advanced collectives of builders, a movement for creating exemplary construction sites is deploying.

"Mandatory Technological Rules," first developed and applied in Zaporozhye on the construction of residential quarters by Stalin Prize laureates V. E. Dymshits, A. P. Podlepa, and L. Z. Gurovich, are widely introduced in industrial and housing construction.

Nevertheless, huge reserves for increasing labor productivity are still not being properly utilized. Serious shortcomings in the organization of work at many construction sites, as well as gaps in the existing wage system for builders, hinder this. Questions of wages are of particular importance in construction because, compared to other branches of industry, the specific weight of wages in total production costs is relatively large (55% in construction and 35% in industry). Meanwhile, until recently, construction organizations did not pay due attention to these issues, as a result of which elements of wage leveling (uravnilovka) have not yet been fully eliminated.

In accordance with the norms and rates in effect in construction for construction and installation work, the payroll fund of builders is actually distributed among individual tariff categories as follows:

Distribution of Payroll Fund by Tariff Categories

Categories	I	II	III	IV	V	VI	VII	Total
% to total work composition	2.0	—	42.2	21.7	19.0	10.6	4.5	100.0

Thus, about two-thirds of all work is assigned to two categories out of seven. If we take into account that the difference between the third and fourth categories is only about 15%, we can assert that two-thirds of all types of work are paid almost equally and are not differentiated by degree of qualification.

In a number of cases, when applying existing norms and rates, no distinction is made between main and auxiliary work, and thus the material incentive to encourage leading work is reduced. Rates make it possible to pay equally for the work of a mason on wall masonry and on slaking lime. The labor of a carpenter when he installs ceiling floors or floors and when he manufactures wheelbarrows, passage booths, etc., is paid at the same rates.

According to current legislation, piece-rate builders performing main types of work are provided with higher rates than time-workers. However, in practice, this differentiation is violated. On auxiliary, secondary operations, the specific weight of which in construction is large (over 30%), increased piece-worker rates are unreasonably applied, which leads to an arbitrary increase in labor pay. Output norms have been established for piece-rate payment of auxiliary work, but since output cannot be precisely justified here, its accounting is often conventional. Such norming creates conditions for higher pay for auxiliary workers compared to workers of main production and does not correspond to the socialist principle of payment according to the quantity and quality of labor.

Until recently, overhead costs occupied a significant place in the cost of construction and installation work — about 20%. Meanwhile, norming and analysis of overhead costs also receive insufficient attention. Two-thirds of overhead costs fall on the maintenance of the administrative apparatus and additional types of workers' wages. Additional wages and the necessary staff of the administrative apparatus are in direct dependence on the number of workers, i.e., there should be a certain proportion with the payroll fund. And in construction, uniform norms of overhead costs operate, expressed as a percentage not of the payroll fund, but of the total cost of work. As a result, planned expenses do not correspond to the actual needs of individual construction organizations. It is known that different work requires a different number of workers and administrative employees. The specific weight of wages in the cost of work ranges from 3% (reinforced concrete work) to 80% (some types of earthworks). These fluctuations are mainly caused by the different specific weight of material costs and the degree of mechanization of work. As a result, construction projects performing reinforced concrete work have surpluses in

overhead funds, while construction projects with a large volume of earthworks experience a shortage of these funds. At present, by a special government decision, a review of existing overhead cost norms and the development of differentiated norms for individual types of work and types of construction are being carried out. This should contribute to reducing overhead costs and thereby the entire construction cost.

The issues of the economics of capital construction considered here by no means exhaust the problem of the struggle for a further reduction in the cost of construction and installation work and accelerating the pace of construction. To successfully solve these tasks, it is necessary to raise the level of all economic work in construction, mobilizing for this purpose the creative forces of all participants in capital construction — workers of construction and installation, design and survey organizations, research institutions. For the general leadership of economic work in construction and the realization of its results, there is a single center — the State Committee of the Council of Ministers of the USSR for Construction Affairs.

The Soviet people have embarked on new grandiose construction works extending far beyond the limits of the current five-year plan. The scale of construction is continuously widening. This is evidenced by the deployment of work on the Stalin plan for the transformation of nature, on irrigation, on the construction of the Kuibyshev, Stalingrad, Kakhovka, and Main Turkmen Canal hydroelectric power stations. Builders, designers, and scientists must exert all efforts to fulfill the great plan of construction work and the historical decisions of the Party and the Government on streamlining design business and reducing construction costs. It is necessary to do everything possible to increase the pace of expanded socialist reproduction of fixed assets, accelerate and

cheapen the work on creating the material and technical base of communism being built in our country.

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A. Boltyansky

PECULIARITIES AND ADVANTAGES OF FLOW-LINE PRODUCTION METHODS IN THE USSR

In the Soviet Union, flow-line production methods and automatic system of machines, which are the embodiment of advanced achievements in technology, production processes, and organization, are being introduced on a grandiose scale.

In the USSR, for the first time in the world, flow-line methods were introduced in locomotive and car building, in the production of precise measuring instruments — micrometers, vernier calipers (the Moscow plant "Kalibr"), taps, dies (the plant "Frezer") and many other types of tools. The total length of flow lines operating only at the plants of Glavinstrument is equal to 2.6 km. Flow-line methods have become predominant in the Soviet automotive and tractor industry; they are widely implemented in agricultural and other branches of machine building. In the USSR, many large enterprises of the machine-tool building industry have long been producing machine tools using the flow-line method, whereas in the USA only recently have individual firms organized flow-line assembly of certain types of machine tools. Flow-line organization of production is applied in most large shoe factories of the USSR, while in the overwhelming majority of shoe factories in Europe and America the flow-line system is still absent to this day. In the USSR, flow-line production has been introduced in a number of branches of the hosiery and knitwear industry, in the

furniture industry, and in foundry production (the Moscow plant "Stankolit" and others).

During the years of the Stalinist five-year plans, the level of technical equipment of the national economy of the USSR grew so much that prerequisites were created for the transition to flow-line methods in other sectors of the national economy as well. Flow-line methods are already being introduced in the coal and timber industries, in peat extraction, and in construction. The 9th Regional and 8th City Moscow Joint Conference of the VKP(b) set before the machine building of the capital and the region the task of "applying flow-line production methods at all plants producing mass and batch products..."[68].

Flow-line production in the USSR fundamentally differs from the capitalist conveyor system. In bourgeois countries, during the period of the general crisis of capitalism with its characteristic chronic underutilization of industrial production capacities, capitalists avoid making new or additional capital investments, especially in those branches where underutilization of capacity is particularly high. They attempt to achieve a reduction in production costs mainly by increasing the intensification of workers' labor. That is why the flow-line system, the application of which requires re-equipment of enterprises and large capital investments, has not received wide distribution in capitalist countries. Only in brief periods of industrial revival, as well as in periods of wartime market

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[68] *Resolution of the 9th Regional and 8th City Joint Conference of the VKP(b) on the report of the Moscow Regional and City Committees of the VKP(b). "Moskovsky Rabochy", 1949, p. 12.*

conditions, when in individual branches of industry production increases due to military orders, capitalists, striving to increase their profits, introduce the flow-line system in individual sections of production, in individual shops, and very rarely on the scale of individual plants.

The flow-line system in capitalist industry, being a means of extraordinary intensification of the exploitation of the working class through the severe intensification of labor, leads to accelerated wear and tear of manpower, premature loss of working capacity, mass de-skilling of workers, and significantly worsens the situation of the working class.

The capitalist organization of flow-line production turns the worker into an automaton. The splitting of individual work operations into a vast number of minute elements reduces the worker's labor to individual simple movements, which he is obliged to perform in accordance with the speed of the conveyor. Driven by the conveyor and motion-registering automatons, the worker works mechanically, at an extremely high speed, the result of which is a growth in industrial injuries. In a number of production branches in the USA where flow-line working methods are applied (tire and automotive branches of industry), industrial injuries are significantly higher than in branches where flow-line methods are not applied. Data on the automotive industry of the USA vividly testify to the sharp de-skilling of workers as a result of the introduction of capitalist methods of flow-line production. From 1922 to 1940, the proportion of skilled workers in American automotive manufacturing decreased by 25%; the specific weight of skilled workers in this branch of industry is

1.5 times less than across the US industry on average. Increased wear and tear of manpower under the capitalist organization of flow-line production leads to the fact that in a short time the worker turns out to be completely exhausted and unable to continue work at the conveyor. Such prematurely aged workers are thrown out into the street. The simplicity of training in work methods at the conveyor makes it easier for capitalists to replace these workers with unemployed people willing to accept any work. Capitalists use this circumstance both to lower workers' pay rates and to freeze wages while prices rise, etc.

The socialist application of flow-line production methods reflects the patterns inherent in the socialist mode of production. The introduction of flow-line production in the USSR ensures a sharp increase in labor productivity, mainly through the introduction of new equipment, advanced technology, and perfect organization of production. The introduction of flow-line working methods in the USSR leads to a growth in the material and cultural level of workers and to the easing of their labor. Over the past 20 years, across the entire industry of the USSR as a whole, injury rates have decreased by 3 to 4 times, while in branches with flow-line production, in the single year of 1943 alone, injuries decreased by 20–25%.

The transition to flow-line methods in the USSR is accompanied by an increase in the qualification of workers. Thus, for example, during the period of introduction and development of the flow line from 1931 to 1938, the

qualification of workers in the Soviet automotive industry increased as follows (see table on page 49).

The table shows that with the transition to flow-line production, the average grade of workers in the automotive industry of the USSR increased from 3.0 as of January 1, 1931, to 4.21 as of January 1, 1938. Sample data for the post-war period indicate that the qualification of workers continues to grow. It should be emphasized that the growth of workers' qualification in flow-line production in the USSR occurs on the basis of raising their general educational level. At the same time, the general educational level of workers is higher at those Soviet enterprises where flow-line methods are widely applied and where a higher stage of flow-line production has been achieved. The following sample survey data from three enterprises are highly indicative:

Stages of development of flow-line methods & Distribution of workers by grades

Stages of development of flow-line methods	Average grade of workers	Distribution of workers by grades (in % by grade groups) I–II	III–IV	V–VI	VII–VIII
Before transition	3.0	49.5	33.1	14.4	3.0

to flow-line production (1931)					
After transition to flow line (1932)	2.98	82.7	17.3	3.8	—
Flow-line production (1937)	3.82	26.1	48.0	20.3	5.6
(1938)	4.21	18.4	42.6	29.1	9.9

General educational level of workers across survey enterprises

General educational level	Rubber footwear shop of plant "Krasny Bogatyr"	Factory "Parizhskaya Kommuna"	Stalin Auto Plant: 3rd Foundry shop	Stalin Auto Plant: 2nd Machine shop	Total / Average
Completed 8–10 grades	1.5	5.0	5.0	13.0	11.0
5–7 grades	44.5	36.0	45.0	57.0	54.0
3–4 grades	37.0	51.0	48.5	29.0	34.0
Low literacy /	17.0	8.0	1.5	1.0	1.0

semi-literate					
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The table shows that at the factory "Parizhskaya Kommuna" and at the Stalin Plant, the general educational level of workers is higher in accordance with the higher stage of flow-line implementation.

Fundamentally different, opposite results of the introduction of flow-line methods under socialism compared to capitalism are explained primarily by the fact that in the USSR tech and flow-line methods are applied not in the interest of capitalist profit — there are no capitalists in the Soviet Union — but exclusively in the interests of the socialist state, in the interests of the working people. This determines at the same time the difference in the technical and organizational forms of flow-line production in the USSR and in capitalist countries.

By the level of technology and production organization, one should distinguish three types and accordingly three stages of development of flow-line production methods: 1) flow-line production with the predominance of highly divided manual labor; 2) semi-mechanized flow-line production; 3) mechanized flow-line production.

An example of the first type of flow line is the rubber footwear shop of the Moscow plant "Krasny Bogatyr": highly divided manual labor predominates in it (out of 23 operations in gluing galoshes, 22 operations are performed manually). Similar types

of flow lines are found in product assembly at a number of other enterprises.

The second type of flow line includes the Moscow shoe factory "Parizhskaya Kommuna". At this enterprise, the main production shops have been transferred to conveyor assembly. On flow lines, 50–60% of operations are mechanized. Similar flow lines are characteristic of the garment and certain other branches of industry.

Finally, the third type of flow-line production includes the Moscow Stalin Automobile Plant. The main production shops of this plant (foundry, machine, assembly, etc.) have been transferred to flow-line methods, and flow lines are saturated with high-performance equipment that mechanizes labor; the most advanced technology is applied; manual operations are very few or completely eliminated. Such flow lines exist at many enterprises of machine building, machine-tool tool industry, etc.

Under capitalism, the first type of flow-line production prevails: a conveyor using low-skilled manual labor. On the contrary, for flow-line production in the USSR, the second and third types are characteristic. Where the first type of flow line is applied, Soviet people strive to perfect production and move it to a higher stage. Thus, for example, by the 30th anniversary of the Great October Socialist Revolution, the collective of the experimental stamped galosh shop at the Leningrad plant "Krasny Treugolnik" invented a highly complex high-pressure press for manufacturing galoshes in a mechanized manner. Manufacturing each galoshe takes only a few seconds of

operation of the automatically functioning press; this machine replaces 23 manual operations at once.

A regular trend in the development of socialist production is, therefore, that flow-line methods do not freeze at the first stage, but pass to a higher stage as a result of the application of new technology and wide mechanization of labor.

Under capitalism, the transition to mechanized flow-line production is, as a rule, hindered. The capitalist introduces new machines only when they cost him cheaper than the displaced manual labor he has exploited hitherto. In the period of the general crisis of capitalism, characterized by the presence of constant mass armies of unemployed, the application of cheap manual labor is more profitable for the capitalist than the transition to mechanized flow-line production. In the USA, moreover, capitalists brutally exploit Negroes and workers of other, non-Anglo-Saxon nationalities. At Ford enterprises and others, heavy manual labor is used in many shops and workshops (foundries, forge shops, assembly conveyors, etc.).

The fact that flow-line methods are applied little and in brutal forms in capitalist countries is a vivid example of the decay of capitalism.

In the USSR, new and improved types of special, unit-head, and automatic equipment are continuously being introduced, and entire shops and plants are being automated. Thus, for example, at one of the leading automotive enterprises of the USSR, the proportion of multi-spindle, multi-tool, and other unit-head machine tools, automatic equipment, and automatic flow lines increased over the past 20 years from 0.5 to 36.7%

of all mechanical equipment[69]. It is precisely these types of equipment that are becoming the technical base of developing flow-line production in the USSR, providing a rapid increase in productivity and easing of labor.

The prerequisites for introducing flow-line methods are mass production and the accompanying division of labor. On a wide scale, flow-line methods were first applied in the USSR in such industrial branches as garment, shoe, and galosh production.

As a result of the technical reconstruction of the national economy in the USSR, new large branches of mass production with a high level of technology and production processes arose: automotive-tractor and electrical engineering industries, agricultural machine building, and others. With the introduction of new technology and production processes, production methods changed, and flow-line production began to be introduced more and more. At the same time, new patterns appeared in the division of labor.

The organization of labor and production technology were improved at first by splitting work into separate processes and operations. Rubber footwear production can be cited as an example. Until 1925, galosh gluing was carried out manually and performed by a single worker. In 1925, the first stage of division of labor was carried out — the same manual work process began to be performed by 5 groups of workers: some assembled and glued the heel counter and other parts adjacent to it, others glued the front part of the galoshe, others glued the

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[69] *See the journal "Mechanization of Labor-Intensive and Heavy Work", No. 11, 1949, p. 12.*

sole, etc. In 1926, the gluing process was split into 8 operations. Splitting the process of gluing galoshes continued until 1935, when this process was split into 23 separate operations, with each operation consisting of only a few movements. Galosh gluing was still performed manually. Such a form of division of labor reflects the first stage of development of flow-line methods, their lower stage.

Under conditions of highly mechanized labor, the process of further splitting operations often becomes inexpedient, since it leads to an increase in time spent on auxiliary operations — "picking up" a part, "laying" it down, "securing" it, etc. Thus, in the mechanical processing section of the crankshaft at the Moscow Stalin Auto Plant, even with mechanized lifting of parts, the duration of auxiliary operations (mounting parts onto the machine tool and removing them from the machine tool using an electric hoist) constitutes a significant part of the total time spent on processing the part in some processes. Of course, under these conditions, further splitting of operations can lead to such an increase in working time expenditure on auxiliary operations that it will raise the overall labor expenditure for manufacturing the part.

The development of technology, the introduction of new, more powerful and perfected machines — unit-head and multi-spindle machine tools, multi-tool machine tools, and automatic lines — leads to the fact that on one and the same machine, on one and the same tool, not one, but several operations are performed. Therefore, with the progress of technology, what becomes predominant is not the splitting of the technological process into smaller operations, but the combining of

individual operations into a combination sequentially performed on the same machines — the so-called technological concentration of operations. At the same time, manual labor is being ousted. This is visible in the example of the flow-line production shop for standard lighting lamps at the Moscow Order of Lenin Electric Lamp Plant:

Operations in electric lamp assembly across machine units of varying mechanization

Indicator	On the least mechanized unit	On a more mechanized unit	On the most mechanized unit
Number of operations in electric lamp assembly	10	7	6
Including operations performed manually	3	1	1

At the Moscow Stalin Automobile Plant, rough and finish turning of a large gear (450 mm in diameter) was initially performed on a universal lathe, while drilling and reaming of 8 holes of the same gear were performed on a radial drilling machine. In the first period of introducing flow-line production (in the 1930s), turning began to be carried out on four machines, and drilling and reaming of holes on two; the number of performed operations increased threefold.

Nowadays, to process the same gear, an eight-spindle vertical multi-tool semi-automatic lathe is used, on which operations for both turning and drilling and reaming of all holes are performed — that is, all 6 operations at once. The same process of combining operations is observed in engine assembly. In 1931, the entire process of engine assembly on the conveyor of the Stalin Auto Plant was split into 365 operations; each of the assembly fitters was assigned several operations that were periodically regrouped. Such a method proved ineffective. Then the number of operations was reduced to 123, and even these were reduced to 35 clearly distributed groups of operations assigned to individual assembly fitters. The introduction of new technology sharply increases labor productivity.

Speaking at the first All-Union Conference of Stakhanovites, Comrade Stalin said: "Without new technology, technical norms can be raised by one or two times — no more. If Stakhanovites raised technical norms by five and six times, it means that they rely completely and entirely on new technology"[70].

As experience shows, the first stage of flow-line methods, when basic tasks are not yet mechanized, makes it possible to double labor productivity with the help of the division of manual labor. The effect of mechanized flow-line production is incomparably greater.

With the mechanization of flow-line production through the introduction of advanced technology with the combination of

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70 *J. Stalin, Problems of Leninism, 11th ed., p. 500.*

operations and reduction in the use of manual labor, an increase in labor productivity by 5 to 10 times or more is ensured. For example, at the Stalin Auto Plant, the labor intensity of manufacturing parts per single automobile decreased from 1928 to 1949 by more than 10 times. At the Leningrad plant "Linotype", transferring one critical part to flow-line methods and introducing 4 special machine tools that radically changed the technology increased the output of this part from 1,000–1,200 to 5,000 pieces per month. At the Moscow tool plant "Kalibr", as a result of introducing new technology and production processes during the organization of flow-line production, tool output increased tenfold.

Thus, while splitting work into processes and operations yields approximately only a doubling of labor productivity, enlarging, combining operations and their combination in higher, mechanized stages of flow-line production lead to an increase in labor productivity by 10 times or more. On the basis of introducing the latest technology and processes in the USSR, the combining of operations and tasks performed on more complex and perfected machines becomes predominant. Among workers, the movement of multi-machine operators and combining of professions is developing.

Comrade Stalin in his historical speech at the first All-Union Conference of Stakhanovites pointed out that the elimination of the antithesis between mental labor and physical labor can be achieved only on the basis of raising the cultural and technical level of the working class to the level of engineering and technical personnel. Comrade Stalin discovered the elements of

such a cultural and technical rise in the Stakhanovite movement.

Comrade Stalin emphasized that "the Stakhanovite movement represents the future of our industry, that it contains the seed of the future cultural and technical rise of the working class, that it opens to us that path by which alone it is possible to achieve those higher indicators of labor productivity that are necessary for the transition from socialism to communism and the elimination of the antithesis between mental labor and physical labor"[71].

Bourgeois economists, in order to justify capitalist reality, created a "theory" of the inevitability of the de-skilling of workers in connection with the introduction of flow lines and the latest technology. Enemies of socialism tried to propagate this most harmful "theory" in the Soviet country as well. The Bolshevik Party routed such "theories". V. V. Kuibyshev in his report at the 17th Conference of the VKP(b) exposed the "absurd assumption that transferring the economy to a higher technical base and mechanization of production are linked with the de-skilling of the worker. Cadres of skilled lathe operators, mechanics, foundrymen, toolmakers, setters, workers capable of managing the operation of complex mechanisms of automatons and semi-automatons — workers of such qualification that increasingly erases the antithesis between mental and physical labor — must increase many times over"[72].

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[71] *J. Stalin, Problems of Leninism, 11th ed., p. 496.*

[72] *V. V. Kuibyshev, Articles and Speeches, Vol. V, 1930–1935. Partizdat, 1937, p. 251.*

A worker operating more complex machines must be more literate, his technical and cultural horizon expands; without this, successful work on such machines is impossible. Hence, the growth of worker qualification in flow-line production in the USSR is a regularity. The general educational and special technical level of the working class in our country is continuously rising.

At first glance, it seems that as a result of installing an eight-spindle vertical multi-tool semi-automatic lathe for gear processing, requirements for worker qualification are reduced: the worker only has to remove and install the part, clamp it in the chuck, and then unclamp it with the help of a hydraulic device. But if the worker does not know the kinematics of this machine tool, the system of complex hydraulic and electrical devices, he will not be able to work productively, and the machine tool will quickly fail. A highly skilled, technically educated worker must work on such a machine tool.

The practice of Stakhanovites in a number of branches of flow-line production (Comrades A. Vinokurov, M. Kabanov — automotive manufacturing, N. Rossiysky — tool industry, K. Zenova — rubber production, and others) shows that an indispensable condition for the successful introduction of flow-line production is raising the qualification of workers. N. Rossiysky, in order to organize the work of his section, first of all engaged in systematically raising the technical qualification of all workers in the section, striving to ensure that they mastered the machines on which they worked in perfection. Then he set before the machine tool operators the task: to raise their qualification even higher, to learn to work on two or more

machine tools. Soon, out of 40 workers in his section, 30 learned to work on two or more machines. Master of the Ural Plant named after Stalin, Comrade Kabanov, achieved that all workers in his section mastered several operations: the majority of workers — 15 to 20, and some — 26 to 34 operations. K. Zenova, master at the plant "Krasny Bogatyr" (Moscow), introduced mutual control of female workers on the conveyor. Each worker, upon receiving a product from the previous operation, ensures that there are no defects, and if she sees that the previous operation was performed poorly, she stops her operation. Therefore, a worker must know not only her own, but also other operations.

Thus, collective Stakhanovite labor is based on raising the qualification of the entire collective of workers.

The practice of socialist industry shows that the higher the qualification of workers and the more experienced they are, the more successfully the most complex issues of technology and production processes of flow-line production are solved. Thus, on one milling machine in one shop, operation No. 1 in mechanical processing of an engine block is performed by three workers. Despite the fact that the machine, working conditions, and parts are identical, the first worker, who has a higher qualification, yields 50% more products per shift than the third worker. This Stakhanovite worker not only studied the machine tool excellently, but managed to properly organize the entire work process: he removes one part and installs another during the motion of the machine tool; for this purpose, he previously calculated how to prepare parts for installation, at what time it is more convenient to secure them, etc.

In February 1948, during the transition to the production of a new model of truck "ZIS-150" (instead of "ZIS-5"), the percentage of norm fulfillment temporarily decreased. At the same time, workers with less work experience especially reduced norm fulfillment; the transition to the production of a new type of product proved more difficult for those who have a lower qualification. 32% of workers with work experience over 10 years fulfilled norms by 120%, and 23% — by 121% and more. At the same time, 88% of workers having work experience of up to two years fulfilled norms up to 120%, and only 12% by 121% and more. Mainly workers with work experience up to two years failed to fulfill norms.

Everyday practice of Soviet industry shows that under socialism conditions are provided for raising the educational level and qualification of working people. The rapid rise of the cultural-technical and educational level of workers is a pattern of the Soviet economy and, in particular, of the Soviet system of flow-line production. Despite this, in our economic literature statements sometimes slip through that in flow-line production the presence of low-skilled cadres is natural. Thus, for example, D. Fish, considering flow-line production as incomplete mechanized and not fully automated, writes that in this case the presence of significant cadres (operators, inspectors) of low qualification is inevitable[73]. He proceeds from the inevitability of dividing all workers in flow-line production into two categories — into a mass of low-skilled

[73] *See "Scientific Conference Dedicated to the 20th Anniversary of Engineering-Economic Education in the USSR". Leningrad Engineering-Economic Institute named after V. M. Molotov, Leningrad 1946, pp. 54, 55.*

operators and into a group of highly skilled setters and inspectors. This is an erroneous assertion that disorients production practitioners.

Stalin Prize laureate master N. Rossiysky decisively objects to dividing workers into a mass of operation-workers and a handful of "irreplaceable", "virtuosos". It was precisely the elimination of such division that made it possible to achieve the remarkable successes in work in N. Rossiysky's section known throughout the country. N. Rossiysky correctly points out: "We, Soviet people, see progress in each worker mastering his machine tool, the machine entrusted to him, in perfection..."[74].

Unfortunately, not all economic managers understand this. Thus, A. Ryabtsev, outlining the results of transferring foundry production to flow lines at the "Stankolit" plant, makes an erroneous conclusion: "Great significance is also held by the circumstance that now the entire technological process is carried out by low-skilled workers"[75]. Meanwhile at this plant the level of qualification of workers after transferring to the flow line did not decrease at all, for not a single skilled worker left the plant and all workers at the plant continuously raise their qualification.

Capitalist methods of flow-line production turn workers into automatons repeating two or three movements, into exhausted people incapable of creative activity. Soviet flow-line methods ensure the growth of creative initiative of workers; they organically combine with the deployment of socialist

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74 *Journal "Oktyabr", No. 9, 1949, p. 162.*

75 *"Izvestia", February 13, 1948.*

emulation and contribute to the development of collective Stakhanovite labor. In the country of socialism, every seventh worker in industry is a rationalizer and inventor; in branches with developed flow-line production, worker invention has received even greater scope. At automotive industry enterprises, every fifth, fourth, and even third worker is a production innovator. Flow-line methods ensure concreteness and clarity of work and thereby the greatest concreteness and breadth of socialist emulation.

The deployment of socialist emulation in flow-line production is promoted by the strengthening of interdependence between production sections. Poor work of individual workers or individual production sections immediately affects other workers and other production sections. All links of flow-line production enter into emulation with one another. At plants where flow-line methods have been introduced — "Kalibr", Stalin Auto Plant, "Krasny Bogatyr", and others — up to 95–100% of workers have joined the emulation.

Plants and shops of mass flow-line production are leaders in the development of collective Stakhanovite labor. Pioneer of collective Stakhanovite work N. Rossiysky emphasized that along with other conditions "the introduction of flow-line working methods was a most important means of organizing collective Stakhanovite labor"[76]. Wide introduction of flow-line methods is characteristic of the plant "Kalibr" — the first enterprise of collective Stakhanovite labor in the USSR.

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[76] *N. A. Rossiysky, Collective Organization of Stakhanovite Labor. Pravda Publishing House, 1949, p. 12.*

At plants of mass flow-line production, advanced experience spreads faster. Thus, for example, the initiative of gear cutter of the Ural Stalin Auto Plant Comrade Nazarova, who mastered equipment and took it under socialist protection, spread across automotive industry enterprises with lightning speed: a few days later, 14 thousand workers of enterprises of the Ministry of Automotive and Tractor Industry joined the emulation started on the initiative of Comrade Nazarova.

Under capitalism, the rhythm of conveyor operation is calculated for the most enduring worker. This leads to premature wear and tear of manpower: every worker must equal the highest standard output. Soviet flow-line methods ensure normal labor intensity and at the same time allow Stakhanovites to give increased output. In the monolithic shop of the Moscow shoe factory "Parizhskaya Kommuna", Stakhanovites in collaboration with engineering and technical workers of the factory introduced a technical innovation — a high-productivity conveyor. Prior to this, the conveyor for shoe sewing moved at such a pace that skilled Stakhanovite workers had intervals of free time after processing each shoe, the duration of which was measured in seconds. And since over a thousand pairs of shoes were processed per day the loss of time turned out to be large. Stakhanovites of the shop did not want to put up with the fact that the rhythm of the conveyor restricted their individual productivity. They proposed and, together with engineers of the shop and factory, developed the installation of additional so-called "Stakhanovite carriages". After every 6 carriages on the belt of the regular conveyor, one additional "Stakhanovite carriage" was mounted. In this

carriage lies an additional work piece, which is taken by a worker who has intervals of free time. Using 2 to 3 intervals of free time, the worker processes the work piece taken from the additional carriage. As a result, several hundred pairs of shoes come off the conveyor over the plan during the day. Experience showed that the introduction of high-productivity conveyors led to an increase in product output by 16.7% per month and to an increase in workers' wages through the utilization of their individual capabilities.

In our country, flow-line methods organically combine with the Stakhanovite movement and with the rise of workers' labor activity. The development of creative initiative and Stakhanovite working methods is characteristic of all Soviet enterprises. Transferring work to a conveyor requires a clear rhythm of production and restructuring the work of all shops for collective Stakhanovite work.

Flow-line methods in the industry of the USSR have great progressive importance. Further wide introduction of flow-line production methods in their highest form, on the basis of complex mechanization of labor, will be a significant factor in the growth of the cultural and technical level of workers and the systematic rise of labor productivity in the industry of the USSR.

Questions of Economics, No.10 , 1950.

ON THE RESEARCH WORK OF THE ECONOMIC DEPARTMENTS OF LENINGRAD HIGHER EDUCATIONAL INSTITUTIONS

The creation of textbooks and study guides written at a high ideological and theoretical level is one of the most important and responsible areas of work for economists in higher educational institutions.

At a number of departments of higher educational institutions in Leningrad, collective work is underway to prepare textbooks and study guides primarily in core courses.

The author collective of the Department of Industrial Economics of the Leningrad Planning Institute has written and submitted to Gosplanizdat a textbook for the course "Economics of Socialist Industry" with a volume of about 50 printer's sheets. Assoc. Profs. of this institute G. A. Bogdanov, S. F. Burenko, G. D. Gurari, M. N. Grunkin, and others, as well as workers of the Moscow Institute of Economics Prof. A. E. Probst, Assoc. Prof. L. I. Itin, and others, participated in the work on the textbook. Scientific staff of the departments of political economy, national economic planning, and municipal economy economics of the Leningrad Planning Institute were drawn into the discussion of the manuscript.

The Department of Machine-Building Economics of the Leningrad Engineering-Economics Institute named after V. M. Molotov is working on creating the study guide "Economics of the Machine-Building Industry of the USSR" for engineering-

economic higher educational institutions and engineering-economic faculties of higher technical schools. In addition to workers of the institute, workers of the Institute of Economics of the Academy of Sciences of the USSR, Gosplan of the USSR, TsSU of the USSR, and machine-building ministries are taking part in preparing this study guide.

Assoc. Prof. of the Department of Economics and Organization of Energy Enterprises of the Leningrad Engineering-Economics Institute named after V. M. Molotov I. V. Gofman has written a study guide for the course "Economics and Organization of the Energy Economy of Industrial Enterprises." Workers of Lenenergo and chief power engineers of enterprises participated in the discussion of this guide[77].

Assoc. Prof. of the Department of Finance of the Leningrad Finance-Economics Institute A. M. Alexandrov wrote a textbook for the course "Finances of the USSR" for finance-economics higher educational institutions [1]. This work was discussed at an expanded meeting of the Department of Finance, in which scientific staff of the departments of political economy, money and credit, and others took an active part [2].

At the Department of Machine-Building Economics of the Leningrad Polytechnic Institute named after M. I. Kalinin, the textbooks "Economics of Machine Tool Building" (Assoc. Prof. K. M. Velikanov) for students of mechanical-machine-building faculties and "Economics of the Electrical

[77] Workers of Lenenergo and chief power engineers of enterprises participated in the discussion of this guide.

Engineering Industry" for students of electromechanical faculties and higher technical schools are being prepared.

An author brigade of the Leningrad Engineering-Economics Institute named after V. M. Molotov consisting of Assoc. Profs. K. G. Tatevosov, D. I. Fish, Candidate of Sciences V. I. Lyubavsky, and others is working on creating a study guide for the course "Organization and Planning of Machine-Building Production" for students of engineering-economics higher educational institutions and faculties.

Scientific workers of the Department of Organization and Planning of Machine-Building Production of the Leningrad Polytechnic Institute named after M. I. Kalinin (Prof. O. I. Neporent, Assoc. Profs. E. E. Zaretsky, A. N. Klimov, S. A. Sokolitsyn, and others) are preparing a study guide for the course "Organization and Planning of a Machine-Building Enterprise" for students of technical faculties. Prof. V. V. Novozhilov is preparing course lecture notes "Economics of Machine Building" and "Theoretical Statistics" for students of engineering-economics higher educational institutions and faculties. Assistant of the Department of Economics, Organization, and Planning of Energy Production N. R. Kabanova has compiled course lecture notes "Economics of Power Engineering" for electromechanical students.

The collective of the Department of Machine-Building Economics has written the study guide "Issues of Economic Justification of Diploma Projects of Electromechanical Students" for graduating students of the electromechanical faculty.

The Leningrad Finance-Economics Institute published as study guides for students collections of problems and practical exercises for the course "State Budget of the USSR" (compilers: Assoc. Prof. A. P. Loginov, instructor V. I. Potemkin, and others). Assoc. Prof. of the Department of Bookkeeping of the Leningrad Finance-Economics Institute I. F. Kozyrev wrote, on the assignment of the Main Administration of Livestock State Farms of the Leningrad Zone, "Manual on Bookkeeping and Operational Accounting for State Farms of the Leningrad Zone."

At the Leningrad State University named after A. A. Zhdanov, Senior Instructor V. P. Pankratova is preparing a course of lectures on "Economic Statistics."

1. Assoc. Prof. of the Department of Finance of the Leningrad Finance-Economics Institute A. M. Alexandrov wrote a textbook for the course “Finances of the USSR” for finance-economics higher educational institutions.

2. This work was discussed at an expanded meeting of the Department of Finance, in which scientific staff of the departments of political economy, money and credit, and others took an active part.

In a number of higher educational institutions, preparatory work is underway to create study guides: lecture courses are being stenographed.

At the Leningrad Planning Institute, the lecture course on the economics of municipal economy has been stenographed, and the stenographing of lectures on national economic planning is coming to an end. In 1951, it is planned to create a textbook on the economics of municipal economy. On the basis of lecture stenograms, study guides on national economic planning are also being prepared. The institute discusses prepared textbooks, study guides, and monographs involving industrial workers and representatives of other departments and higher educational institutions.

Economists of Leningrad higher educational institutions have created several monographs. Thus, the Academy of Sciences of the USSR published the monograph by the Head of the Department of Economics, Organization, and Planning of Energy Production of the Polytechnic Institute Prof. V. V. Bolotov "Theoretical Foundations for Choosing the Economical Regime of a Complex Electric Power System." The monograph by Assoc. Prof. of the Leningrad Finance-Economics Institute I. M. Pavlov "On Planned Economic Levers of the Socialist State" has been published. Monographs by Assoc. Prof. N. N. Barsov "Modern Austria" and Candidate of Historical Sciences P. M. Loshakova "Moscow Bolsheviks —Organizers of the Red Guard in 1917–Early 1918" have been transferred to publishing houses. The author collective of the Leningrad Planning Institute has prepared the book "Intra-plant Cost Accounting" for publication.

Head of the Department of Political Economy of the Leningrad Polytechnic Institute named after M. I. Kalinin Prof. V. M. Kadachigov is preparing a monograph on the topic "Russian Industry during the War of 1914–1917." Mashgiz published the monograph written by Assoc. Prof. A. S. Konson "Economic Issues of Machine Design." Professor of the Leningrad Engineering-Economics Institute A. D. Breyterman finished a major monograph on the history of the development of Russia's copper industry.

Work is underway to publish collections of scientific papers. The fifth (energy) issue of "Proceedings of the Leningrad Engineering-Economics Institute named after V. M. Molotov" has been published. The collection reflects works created by scientific staff in cooperation with industry workers: "On the Question of the Methodology for Determining Specific Heat and Fuel Expenditures in Cogeneration Plants," "Principles of Organizing Cost Accounting at Power Plants," "Some Fundamental Issues of Rationing and Analyzing Energy Consumption," and others.

In the "Bulletin of the Leningrad State University named after A. A. Zhdanov" (No. 1, 1950), the article "V. I. Lenin and J. V. Stalin—Creators of the Political Economy of Socialism" was published; articles are being printed: "J. V. Stalin's Teaching on Socialist Accumulation," "V. I. Lenin and J. V. Stalin on Statistics," "On the Work of the Economic Faculty of LSU on Cooperation with Industry."

The seventh issue of "Notes of the Planning Institute" has been sent to press, containing the articles: "Comrade Stalin on the

Role of Technical Progress in Building Communism," "Progressive Norms and the Organization of Technical Rationing at Industrial Enterprises," "Some Issues of Rationing Material Reserves of Industrial Enterprises," "The Influence of Specialization on the Structure of the Construction Site," "Some Features of the Development of Cities of the USSR," "D. P. Zhuravsky and His Significance in the History of Russian Statistical Science," and others.

In the sixth issue of "Collection of Scientific Papers of the Leningrad Finance-Economics Institute," articles are being printed by: Assoc. Prof. B. F. Akentyev "Profitability of Socialist Industry," Candidate of Economic Sciences T. K. Pazhytnova "Monopoly Capital and the Financial Oligarchy of Canada," Assoc. Prof. N. G. Pospelova "On the Question of the Formation of Colonial Nations," Candidate of Economic Sciences I. P. Suslov "Distribution of the National Income of the USSR," and others.

Many postgraduate students and instructors of economic departments of higher educational institutions have finished work on candidate dissertations.

At the Economic Faculty of the Leningrad Order of Lenin University named after A. A. Zhdanov in 1949, postgraduate students defended candidate dissertations: T. A. Sonina "Sources of Financing Housing Construction in the USSR" and V. A. Vorotilov "On the Problem of Reproduction of Fixed Assets of Industry of the USSR." Senior Instructor N. A. Arkhipov prepared a candidate dissertation on the topic "Monopolies in the US Steel Industry during the Second World

War and in the Postwar Period." Senior Instructor D. K. Trifonov finished work on the candidate dissertation "Socialist Labor Productivity." In addition, 13 instructors and postgraduate students are preparing dissertations for the scientific degree of Candidate of Economic Sciences.

At the Leningrad Finance-Economics Institute in 1949–1950, postgraduate students defended candidate dissertations: D. V. Smirnov "Technical-Economic Analysis of Peat Cost," I. P. Suslov "Some Issues of the Theory of National Income Distribution," A. N. Klyuchev "Capital Construction and Its Output," I. S. Golovanov "Income Tax of Producers' Cooperation of the USSR," A. F. Trubachev "Finances of Czechoslovakia," and others.

At the Engineering-Economics Faculty of the Polytechnic Institute in 1949–1950, postgraduate students defended candidate dissertations: S. A. Sokolitsyn "Organization of Parts Movement in Technologically Closed Sections of Mechanical Shops," A. I. Faerman "Cost Accounting of Main Shops of a Mass-Flow Production Machine-Building Plant," and S. A. Kuznetsova "Investigation of the Organization of Hot Rolling Processes for Thin Sheets." At the Department of Political Economy, Senior Instructor S. P. Revichev finished work on the candidate dissertation "Development of Electric Power Engineering in Leningrad."

At the Leningrad Planning Institute, Senior Instructor of the Department of Political Economy I. G. Romanov on the topic "Economic Views of G. V. Plekhanov in the 70s–80s of the 19th Century" and Assistant of the Department of Statistics A.

I. Dmitriev on the topic "Issues of Accounting for the Use of Industrial Equipment" finished work on candidate dissertations.

Unfortunately, there is still no proper coordination of work and cooperation of economists of Leningrad higher educational institutions with the Institute of Economics of the AS USSR. The Institute of Economics of the AS USSR does not draw economists of Leningrad higher educational institutions into joint scientific research, into discussing works, or into creative discussions on topical problems. Only in creating the study guide for the course "Economics of the Machine-Building Industry of the USSR" do workers of the Leningrad Engineering-Economics Institute and the Institute of Economics of the AS USSR (Assoc. Prof. K. I. Klimenko) participate. It is needless to prove what benefit would be brought by the holding by the Institute of Economics of the AS USSR jointly with economists of Leningrad higher educational institutions of creative discussions on topical issues of economic science.

A. K.

Questions of Economics, No.10 , 1950.

SCIENTIFIC LIFE

THE ECONOMICS OF GRAIN STATE FARMS

(Defense of the Dissertation by I. E. Kantyshev for the Scientific Degree of Doctor of Economic Sciences at the Institute of Economics of the Academy of Sciences of the USSR)

At a meeting of the Academic Council of the Institute of Economics of the Academy of Sciences of the USSR in October 1950, the defense of the dissertation by I. E. Kantyshev for the scientific degree of Doctor of Economic Sciences on the topic "The Economics of Grain State Farms" took place.

Comrade Kantyshev set himself the task of theoretically generalizing the rich experience of the construction and operation of grain state farms as large, highly mechanized agricultural enterprises of a consistently socialist type, as well as illuminating the ways and methods for further increasing their economic efficiency.

The dissertation consists of an introduction and four sections. The introduction sets forth the Marxist-Leninist propositions on the advantages of large-scale socialist agricultural production over small peasant farming and over large capitalist production.

Comrade Kantyshev shows how the Bolshevik Party under the leadership of Lenin and Stalin, from the very first days of Soviet power, set about organizing grain state farms, which subsequently played a greatest role in the socialist

reconstruction of agriculture, becoming "the leading force which facilitated the turn of the peasant masses and impelled them onto the path of collectivization"[78].

The Stalinist teaching on state farm construction served as the theoretical basis for the work of the Bolshevik Party in further strengthening state farms and turning them into highly productive, highly profitable enterprises. As a result of the fulfillment of the Stalinist five-year plans, grain state farms grew into a major economic force; their specific weight in the production of marketable grain and the creation of state food reserves increased greatly.

The first section of Comrade Kantyshev's dissertation is devoted to the issues of locating grain state farms and developing land funds; the second—to organizing a diversified economy in grain state farms with a correct ratio of branches based on the introduction of the grass-field system of agriculture; the third—to the problem of technical equipment, creation and consolidation of qualified cadres; the fourth—to the analysis of expanded socialist reproduction in grain state farms and economic indicators of their work (marketability, labor productivity, cost of production, accumulations).

In the first section of his work, the dissertant shows that the correct location of grain state farms and the development of land funds was one of the important measures of the party and Soviet power. According to data as of January 1, 1935, when the land funds of state farms had already stabilized, the area of state farms was 64.5 million ha, of which 10.8 million ha were

78 J. V. Stalin, Works, vol. 12, p. 281.

allocated for grain state farms. The dissertation presents data on the land funds of grain state farms by zones (Ukraine and Crimea, Northern Caucasus, Volga region, Southern Urals, Western Siberia, and northern oblasts of the Kazakh SSR), on their composition—by arable land, natural pastures, and hayfields—and gives a characterization of soil quality, cultivated grain crops, and climatic conditions. The location of grain state farms by zones meets the requirements of the planned distribution of productive forces and the planned development of the national economy of the USSR.

The land tracts allocated for grain state farms, in terms of arable land size per enterprise (the majority of grain state farms have over 10 thousand hectares of arable land each), provide the necessary conditions for the highly productive use of machine technology.

The second section of the work is devoted to the creation in grain state farms of a diversified, highly productive economy organically linked with the introduction of the grass-field system of agriculture.

Back at the 17th Congress of the All-Union Communist Party (Bolsheviks), Comrade Stalin broadly posed the question of the need to eliminate the excessive specialization of state farms and criticized the lack of crop rotation and livestock elements in grain state farms. In the postwar period, fulfilling the decisions of the February Plenum of the CC of the AUCP(B) of 1947 and the Stalinist plan for transforming nature in the steppe and forest-steppe regions of the country adopted in

October 1948, state farms achieved serious shifts in introducing and mastering grass-field crop rotations.

The dissertation details the enormous economic significance of the agrotechnics of cultural farming and criticizes the bourgeois-apologetic law of "diminishing soil fertility." The issues of mastering the complex of cultural agrotechnics in grain state farms in the pre-war, war, and postwar periods are briefly outlined. The dissertant proves on concrete material on the achievements of advanced state farms that grain state farms, given high technical equipment and qualified cadres, consistently applying the complex of agrotechnics of the grass-field system of agriculture, can achieve high yields of winter and spring wheat as well as fodder crops in the shortest possible time.

The dissertation provides an analysis of the development of livestock and other commodity branches in grain state farms. In the postwar period, struggling to fulfill the three-year plan for the development of productive animal husbandry for 1949–1951, grain state farms achieved great successes. But this is only the beginning. Productive animal husbandry in grain state farms, as the fodder base is strengthened—for example, with a yield of perennial grass hay of 23–25 centners per hectare—can increase 3–4 times compared to 1940 and 2–3 times compared to 1950.

Based on an analysis of the direction of development of livestock branches in grain state farms, the following conclusion can be drawn: with the development of grass-field field and fodder crop rotations, the main livestock production

elements of grain state farms will become dairy-meat cattle breeding and sheep breeding (in one proportion or another, depending on state planned targets and provision of the economy with natural pastures). Great opportunities exist for the development in grain state farms of both poultry farming and beekeeping, as well as horticulture, viticulture, and melon growing, especially in grain state farms located near large cities and industrial centers. The dissertation gives a detailed substantiation of the possible scale of development of these branches in grain state farms of various zones.

The colossal possibilities for the growth of the leading branch of agriculture—grain, as well as livestock and other branches —are evidenced by data from advanced grain state farms.

In advanced grain state farms that have achieved great successes in increasing yields, in developing animal husbandry and other branches based on the mastery of the grass-field system of agriculture, the yield of marketable products per hectare of arable land is 3–5 times greater than in grain state farms located in identical production and economic conditions but which have not outgrown narrow specialization.

The third section of the dissertation shows that grain state farms in their technical and economic structure are enterprises of an industrial type based on a system of machines.

All basic production processes in the crop farming of grain state farms were fully mechanized already during the second five-year plan. Grain state farms have the most fully equipped machine-and-tractor park with an extensive set of various agricultural machines and implements, powerful motor

transport, a large number of mobile and stationary engines, and central repair shops.

In the late pre-war years, grain state farms began receiving a large number of machines and much equipment for mechanizing production processes in animal husbandry (machines for preparing fodder, for mechanical sheep shearing, etc.). About half of the grain state farms either have their own power plants or are included in the systems of state or municipal power plants, whose electric power is used by them for production purposes (repair shops and other enterprises). In the postwar period, especially in 1948 and 1949, the mechanization of all production processes in state farms acquired an especially wide scope.

The grouping of tractors, agricultural machines, and implements into production machine-and-tractor aggregates to perform agricultural work in a definite sequence is the most striking illustration of the existing system of machines. Grain state farms are at the head of socialist agricultural enterprises in solving the task of complex mechanization.

The replenishment of the machine-and-tractor park with such machines as the "S-80" tractor, the NATI diesel tractor, the "Stalinets-6" combine, the self-propelled combine, and a number of other new, improved agricultural machines and implements, and the electrification of production processes in animal husbandry create the most favorable prerequisites in grain state farms for the complete completion of complex mechanization in all branches.

The most important element of productive forces, as Comrade Stalin teaches, is people, cadres, who set the instruments of production in motion thanks to known production experience and labor skills.

The dissertation shows how, in the course of constructing grain state farms, cadres of permanent qualified workers, engineering and technical personnel, and directors were cultivated, forms and methods of labor organization and its remuneration were developed, and the Stakhanovite movement unfolded. 82–84% of state farm workers are workers, 5–6% are engineering and technical personnel, 4–5% are office workers, and the rest are junior service personnel and apprentices. 60–70% of all workers are permanent workers and 30–40% are seasonal. The labor of seasonal workers is used mainly during weeding and harvesting periods. The permanent cadres of grain state farms are qualified workers and engineering and technical personnel whose labor is a variety of industrial labor. On the basis of implementing the directives of the February Plenum of the CC of the AUCP(B) of 1947, the further improvement of labor organization and remuneration continues, and the material position and housing and living conditions of cadres are improving.

The fourth section of the dissertation begins with an analysis of the intensification process in grain state farms. The high level of technical equipment in grain state farms placed them in the ranks of highly intensive agricultural enterprises; in such grain state farms, the increase in the specific weight of materialized labor occurs due to the relative decrease in living labor.

In the postwar period, thanks to the introduction of grass-field crop rotations, the development of field-protective afforestation, correct territory organization, the application of advanced agrotechnics, and the introduction of livestock branches, the intensification process accelerated and assumed a diversified character. This can be seen from the example of the "Gigant" state farm and many others.

The most important economic indicators reflecting expanded reproduction in grain state farms are high marketability, high labor productivity, low unit cost of production, the amount of profit per hectare of arable land and per 100 rubles of expenditures. These economic indicators are interconnected and mutually conditioned and make it possible to reveal the level of productivity and profitability achieved in grain state farms, which is analyzed in detail in the dissertation.

The high level of marketability is a distinguishing feature of the economy of grain state farms. It is precisely with high marketability, with the growth of the mass of marketable products of state farms and collective farms, that Comrade Stalin associated the solution of the grain problem and the problem of expanded socialist reproduction in agriculture. In the majority of grain state farms, the marketability level for grain is over 80%. The marketable grain delivered to the state by grain state farms reached 27 million centners in the pre-war period.

Grain state farms also supplied the state on the eve of the Patriotic War with a significant amount of livestock products.

The increasing level of production intensity in grain state farms, the transition of state farms in accordance with government directives to production for the market of selected seeds of grain crops and grasses, and the breeding of pedigree livestock enormously enhance the role of grain state farms in the country's economy and their national economic significance.

The dissertation presents data on what labor productivity is at various levels of yield and use of machine technology.

The reduction in the unit cost of production, as a result of lower expenditures per hectare of arable land and per head of productive livestock while simultaneously increasing output, is a direct indicator of the achieved level of productivity and profitability of grain state farms. The dissertation gives, using the example of groups of grain state farms in individual oblasts, a detailed analysis of expenditures per hectare in interrelation with obtained yields and investigates the influence of these expenditures on the level of product cost. On concrete material, it is shown that many grain state farms are still far from having utilized all possibilities for reducing the cost of grain and livestock products.

Much attention is paid in the dissertation to the problem of profitability of grain state farms.

In the concluding part of the dissertation, issues of improving perspective and intra-state-farm planning, and the introduction and strengthening of economic accounting are examined.

The official opponents at the dissertation defense were Doctors of Economic Sciences M. F. Gabyshev, P. V. Pogorelsky, and M. M. Sokolov.

Comrade M. F. Gabyshev noted that I. E. Kantyshev's dissertation is a major monograph devoted to grain state farms. The monograph traces the entire historical path of development of grain state farms and gives a serious analysis of their economy. The work was written on the basis of many years of expeditionary research of grain state farms in various regions of the country, the study of reporting data of grain state farms and trusts, and on the basis of the experience of drawing up organizational and economic plans for state farms. The author, generalizing the materials developed by him, gave a number of useful conclusions in practical and theoretical respects. In particular, he uncovers the sources for increasing the profitability of grain state farms. The dissertant showed that increasing grain yields is the path to transitioning to self-supporting operation.

At the same time, Comrade Gabyshev pointed out the underdevelopment of the problem of profitability and the controversial nature of some propositions put forward by the dissertant on this issue. Comrade Gabyshev notes that the dissertation insufficiently develops the economics of animal husbandry in grain state farms, and lacks data on such important aspects of grain state farm production as the oil economy, the organization of capital and medium repairs, and machine storage.

Comrade P. V. Pogorelsky emphasizes that the dissertant's work was written on the basis of Marxist-Leninist agrarian theory. A positive feature of the dissertation is the analysis of production cost and production expenses. The correct approach to evaluating land as an instrument of agricultural production allowed the dissertant to comprehensively assess the significance of agriculture and the achievements of the best representatives of agronomical thought—Dokuchaev, Williams, Michurin, and Lysenko.

Comrade M. M. Sokolov says that in Comrade Kantyshev's dissertation, his many-year work on the economics of grain state farms is summarized. The introduction is written worse than the main chapters of the work. Illuminating the history of state farm construction, the author bypassed a number of important decisions of the party and government. Comrade Kantyshev does not touch upon the issue of assigned state farms (i.e., state farms that were attached to factories and plants to supply them with agricultural products), which played a very large role in the first period of state farm construction and especially during the Civil War years. Further, Comrade Sokolov notes that the dissertant theoretically correctly posed the question of the grass-field system of agriculture, showing that this system represents not only a complex of agrotechnical measures, but also a combination of economic and organizational measures. Comrade Kantyshev correctly emphasizes that the struggle for high soil fertility is not only an agrotechnical, but also an important economic problem. The formulation of the question of the grass-field system of agriculture by Comrade Kantyshev differs from the views of

Professors Salzman, Kolesnev, and others, who reflect the influence of bourgeois economists. The dissertation correctly shows the essence and significance of the grass-field system of agriculture in the socialist economy. In Comrade Sokolov's opinion, the question of the size of grain state farms is insufficiently illuminated.

Then S. P. Matskevich (Institute of Economics of the AS USSR), Prof. N. S. Vlasov (Moscow Institute of Mechanization and Electrification of Agriculture), Assoc. Prof. D. F. Kozyrev (Voronezh Zoo-Veterinary Institute), and Prof. I. N. Nazimov (Institute of the Alcohol Industry) spoke.

Comrade S. P. Matskevich noted that the main idea permeating all sections of Comrade Kantyshev's work is the question of the economic efficiency of grain state farms. Comrade Kantyshev managed to show on abundant factual material that the policy of the party and the Soviet government in the field of state farm construction and large capital investments in grain state farms bore rich fruit.

Comrade N. S. Vlasov believes that the dissertation has not developed the problem of management in grain state farms and this is a major gap. The dissertant's assertion that the existing sizes of harvesting areas of state farm divisions best correspond to the requirements of production organization is insufficiently substantiated. It is necessary to solve this issue proceeding from the level of technology and training of cadres at the given stage of development. Prof. Vlasov disputes the dissertant's opinion that the tractor park as a whole is, in its technical and economic significance, a single power unit. However, the

shortcomings of the dissertation are private ones and easy to correct. Comrade Kantyshev's dissertation is of significant theoretical and practical interest and will also serve as useful educational material for preparing our cadres in higher educational institutions.

Comrade D. F. Kozyrev believes that the analysis of grain state farm crop rotations given in Comrade Kantyshev's work must be supplemented in light of new provisions stemming from the criticism of individual erroneous provisions in Williams's teachings. Comrade Kozyrev disputes some provisions of the dissertation on profitability issues.

Comrade I. N. Nazimov believes that Comrade Kantyshev's work, which poses the economics of grain state farms in a new way, moves forward the development of agrarian theory.

In his concluding speech, Comrade Kantyshev answered individual remarks of the opponents.

The Academic Council of the Institute of Economics of the Academy of Sciences of the USSR awarded Comrade I. E. Kantyshev the scientific degree of Doctor of Economic Sciences.

N. P.

Questions of Economics, No.10 , 1950.

G. Grigoriev

IMPOVERISHMENT OF THE WORKING CLASS IN WESTERN GERMANY

The absolute and relative impoverishment of the proletariat is an inalienable law of capitalist society. "The path of development of capitalism," teaches Comrade Stalin, "is the path of impoverishment and half-starvation of the vast majority of working people while bribing and feeding an insignificant top layer of these working people"[79]. The capitalist system condemns millions of masses of working people to terrible need and poverty, hunger and suffering, rabid exploitation, and mass unemployment.

In the era of imperialism and especially in the period of the general crisis of capitalism, the absolute and relative impoverishment of the proletariat intensifies sharply. The popular masses of Western Germany are languishing under the double yoke of American-British and German monopoly capital.

The partition of Germany and the formation of a bastard West German separate state with its puppet "government," consisting of such hirelings of American-British imperialism as Heuss, Adenauer, Blücher, Erhard, and others, undermined the political unity of Germany, and endangered the independence and national sovereignty of the German nation. American imperialists strive to turn Western Germany into a military-strategic springboard in Europe, a supplier of cannon fodder for a new predatory war, and a base of resurgent aggressive German fascism, militarism, and revanchism. The transformation of the western zones of Germany into a

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[79] *I. V. Stalin, Works, vol. 7, p. 97.*

military-industrial arsenal and strategic springboard of the USA contradicts the fundamental interests not only of the German people, but of all the peoples of the world, as it creates an immediate threat of a new war. "Now everyone sees," states the Prague Declaration of eight foreign ministers, "that the foreign policy of the USA, Great Britain, and France is not only a complete break with the commitments undertaken by the governments of these countries regarding the formation of a single democratic peace-loving German state, but also creates a threat of new aggression, new military adventures in Europe"[80].
As a result of the reactionary Anglo-American occupation policy, the economy of Western Germany, subordinated to the goals of a new imperialist war, is in a catastrophic state. The power of the imperialist occupiers has led the western regions of Germany to decline and ruin, which is a direct result of the Anglo-American occupation policy and above all the policy of marshallization of Western Germany.
The development of the economy of Western Germany bears a deformed character: by forcing the production of military branches of industry, American and British monopolies in every possible way hinder the restoration of peaceful branches of the German economy; they strive to prevent the growth of German competition. In the first half of 1950, the general index of industrial production in Western Germany, according to official data, exceeded the pre-war level of 1936 primarily due to branches of military significance. Heavy industry of the Ruhr is openly adapted by the Western powers to fulfill their military-strategic tasks. The index of production of means of production, which was 115 in January 1950 (1936 = 100), rose to 123 in July, while the production of consumer goods, which had not reached the pre-war level, continues to decline: the index of consumer goods production, which was 96 in March

80 *"Pravda", October 22, 1950.*

1950, dropped to 91 in July. The output of the footwear industry in June 1950 was equal to only 71%, leather to 62%, and the textile industry to 94% of the 1936 level. The extension of the "Marshall Plan" to Western Germany resulted in the curtailment of peaceful branches of production, an increase in mass unemployment, and a further intensification of the impoverishment of the working class and all working people. American-British monopoly capital, together with German capital, is waging an offensive against the living standard of the working class of Western Germany, striving to re-establish an openly terrorist, fascist regime in Western Germany.

The absolute impoverishment of West German workers manifests itself in the systematic fall of their real wages, the steady growth of unemployment, the intensification of their labor, the deterioration of housing and living conditions, and the continuous decline in the standard of living. The workers of Western Germany become poorer year after year, live on starvation rations, crowd in basements and slums, while German and foreign monopolies enrich themselves through the intensified exploitation of the West German proletariat. The impoverishment of the West German proletariat grew especially strongly after the inclusion of Western Germany in the "Marshall Plan" and the implementation of a separate monetary reform there in June 1948. This reform, which completed the partition of Germany, was carried out exclusively in the interests of American-British and closely connected German monopolists. Capitalists, landowners, and speculators not only preserved but multiplied their wealth as a result of the reform, while all the costs associated with this reform were shifted onto the working people. The monetary reform intensified the collapse of the economy of Western Germany.

Simultaneously with the monetary reform, the economic council of the Anglo-American occupation zone abolished a

number of restrictions on the sale of consumer goods and openly began to encourage the rise of their prices. As a consequence, capitalists and speculators received every opportunity to realize at extraordinarily inflated prices the commodity stocks they had accumulated on the eve of the reform. From the sale of goods accumulated before the reform alone, big West German capital "earned" 1.5–2 billion marks at the time. Enormous profits were also extracted from the monetary reform in Western Germany by American, British, and French monopolies and representatives of the occupation authorities.

The implementation of the separate monetary reform was a new stage in the offensive of monopoly capital against the living standard of the working class of Western Germany. As a result of the reform, prices for food, manufactured goods, and other prime necessities—which already significantly exceeded pre-war levels—rose sharply again. Starting October 1, 1948, by decision of the Administrative Council of the Bizone, prices for gas and electricity were raised again, and prices for all types of food also increased significantly. Even according to calculations by the traitorous leadership of the trade unions of Western Germany, in just the first year after the reform, prices for household goods increased by 150%, for clothing, underwear, and footwear by 100%, etc.

It must be taken into account that right-wing socialists—traitors to the working class who are in the service of monopolies and zealously defend the exploitative interests of the bourgeoisie, striving to conceal the growing impoverishment of the proletariat—intentionally falsify data characterizing its situation. However, contrary to the will of the right-wing socialists, even data published in reformist organs show a picture of the disastrous situation of the working masses in Western Germany.

Prices for food and prime industrial necessities continued to rise in 1949–1950. According to official, understated data from the Statistical Office of the Bizone, prices in August 1949 were higher than in 1936 by: bread 37%, butter 42%, margarine 36%, wheat flour 30%, sugar 40%, cheese 143%, potatoes 50%, beef 66%, eggs 345%, milk 100%, etc.

The devaluation of the West German mark by 20.6%, carried out in the autumn of 1949 by the direct dictate of American imperialists, led to a further increase in retail prices. At the end of 1949, prices for textile goods rose by another 10–15%, footwear by 20–25%, etc., and meat, sausage products, and other items went up sharply in price. Prices rose even more in 1950. The ADN agency reported in early October 1950 that in recent months a new leap-like growth in prices for food and other prime necessities had occurred in Western Germany. As a result, in Western Germany over the two and a half years since its inclusion in the "Marshall Plan," retail prices on average increased by no less than 120–130% compared to the pre-war level. In August–October 1950 alone, retail prices rose by 25%. This testifies to a further decrease in the real wages of workers and low-paid employees.

The wages of workers in Western Germany are diminishing due to ever-growing taxes, contributions to so-called social insurance, and various other deductions and withholdings. In just two years, the tax burden has increased more than twofold. The policy of remilitarization of Western Germany pursued by American-British imperialism lies as a heavy burden on the shoulders of West German working people. In October 1950, the high commissioners of the Western powers categorically "recommended" to the Bonn puppet "government" to raise the wage tax by another 20%. The rapid growth of direct and indirect taxes pumped out of the working people of Western Germany is evidenced by the following data from the West German institute "Finances and Taxes":

Years	Taxes (in billion marks)	Taxes in % of national income
1913/14	2.9	31
1936/37	11.1	25.8
1948/49	11.6[3]	41.0[3]

3 Recalculated for the territory of Western Germany.

The growth of the tax burden inevitably leads to a deterioration in the material situation of the working class and all working people. “With every new tax, the proletariat falls a step lower; the abolition of some old tax, however, raises not wages, but profits”[4].

The overwhelming part of taxes consists of so-called indirect taxes on consumer goods, the main purchasers of which are working people.

To the enormous tax burden in Western Germany, the full weight of which falls on the shoulders of working people, are added colossal occupation expenditures. The end of the war did not bring the population of Western Germany relief from military expenditures. Their place was taken by occupation expenses associated with the American policy of reviving the military potential of Western Germany and restoring the German army. According to published data, the strength of various military formations in Western Germany and the western sectors of Berlin already reaches 456 thousand people; plans for introducing universal military service in Western Germany are being worked out. Even according to heavily understated data from the bourgeois press, occupation expenses of Western Germany absorbed in 1948/49 almost the same share of national income that was spent on military needs in 1936, when the fascist clique began to completely transfer Germany's economy onto a war footing. According to official data, occupation expenses of Western Germany amounted to about 20 billion marks for 1946–1949. However, these data are understated by approximately half. The weekly “Die

Wirtschaft" (No. 14, 1950) states that actually direct and indirect occupation expenses of Western Germany amounted to up to 40 billion marks over this period. Consequently, occupation expenses, averaging 10 billion marks per year, absorb about 20% of the national income of Western Germany. This amounts to approximately 740 marks per year for each employed person (in Western Germany there are about 13.5 million employed, including 4.5 million industrial workers), i.e., approximately equal to four months' earnings of a West German worker.

Direct taxes and various deductions from wages amount to approximately 40–50 marks per month in Western Germany. In reality, the average monthly wage of an adult male worker in Western Germany after all deductions is less than 180 marks, and for a woman 90–100 marks[81].

Even according to official data, women's wages are equal to only 59% of men's wages. Recently, women's wages were reduced in the western sectors of Berlin: at Siemens plants by 17.5% and at the "Osram" plant by 10%. Child labor is widely used in Western Germany. At many large plants and factories in Bremen, schoolchildren work until late at night, and the wages of teenage workers in a number of places are still determined on the basis of Hitlerite tariff rules. Agricultural workers are in an especially difficult situation in Western Germany. A qualified agricultural worker receives an average of 75–80 marks per month, and an unqualified one even less. In a letter to the magazine "Agrarpolitische Informationsdienst," an agricultural worker living in Lower Saxony reports that after deductions for the rations issued in

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[81] *Calculations are made on the basis of data published in the newspapers "For a Lasting Peace, for a People's Democracy!" (March 1, 1949), "Neues Deutschland" (August 10, 1948), "Wiesbadener Kurier" (November 30, 1949), and in the journal "Wirtschaft und Statistik" No. 10, 1950.*

kind and for rent, he is left with no more than 17–22 marks per month in hand, on which it is unthinkable to survive. However, average data on workers' wages cited in the bourgeois and reformist press distort the picture, since a huge number of workers in Western Germany have significantly lower earnings, and millions of workers have no work at all or are employed part-time. In early 1950, 31.6% of all workers and employees in Württemberg-Baden earned less than 125 marks per month, and 52.2% less than 175 marks per month, while in order to satisfy the primary needs of a working family of 4 people and pay taxes, at least 355 marks is required. At the same time, the income of such a family (even with two working members) does not reach 230 marks. This means that workers' wages in Western Germany do not cover even half of the expenses necessary to maintain a half-starved existence. The anti-people policy of American-British and German monopolists, the incredible rise in prices, and the freezing of nominal wages have led to the continuous intensification of the impoverishment of the working class of Western Germany. The official cost-of-living indices published in Western Germany in no way reflect the actual drop in the living standard of working people. The falsification of the cost-of-living index by bourgeois statistics lies primarily in the fact that the index does not take into account the actual price increase compared to the pre-war level, especially the rise in prices after the separate monetary reform and the devaluation of the mark. The compilers of the official index, distorting reality, proceeded from the assumption that retail prices rose by 40–50% compared to pre-war, while in reality they increased, as noted above, by 120–130%. In addition, the index gives inordinately large place to goods for which there is no demand from the broad masses of consumers. Even the reformists from the West German trade unions are forced to admit that the official cost-of-living index is falsified. Thus, the information

bulletin of the Confederation of German Trade Unions of Western Germany, "Gewerkschaftliche Praxis," wrote: "The old subsistence minimum index is actually one of the means aimed at concealing the share of the national income that workers actually receive".

According to official, falsified statistics, the cost-of-living index (1938 = 100) was 163.9 in April 1949, and according to West German trade union data, 185.5. Taking into account the rise in prices after the devaluation of the mark in 1949 and the further leap-like price increases in 1950, the cost-of-living index was actually approximately 230–240 at the end of 1950. Thus, if the wage index (1938 = 100) is currently about 128–130, and the cost-of-living index is 230–240, then the real wages of workers in Western Germany are equal to no more than 53–56% of the pre-war level. Yet even before the war, under the conditions of the fascist dictatorship, the German proletariat led a beggarly, half-starved existence.

The drop in the real wages of workers in Western Germany is actually even greater if one takes into account the multi-million army of unemployed, the presence of which allows capitalists to systematically lower the earnings of employed workers. Taking unemployment into account, real wages in Western Germany amount to less than half the pre-war level.

The reactionary, anti-people policy of the ruling circles of the USA and England, relying on German monopolists, the partition of Germany, and the marshallization of its western regions have led to an enormous growth of unemployment in Western Germany. In the two years since the inclusion of Western Germany in the "Marshall Plan," unemployment in it has increased nearly 5 times (see table on p. 75).

Years and months	Number of fully unemployed (in thousands)
1948 June	442
October	723

1949 January	944
June	1238
December	1588
1950 January	1784
February	2018

These data do not take into account unemployment in the western sectors of Berlin; meanwhile, in March 1950, there were about 350 thousand unemployed there. Thus, even according to official, understated data, in February–March 1950 there were about 2.5 million fully unemployed in Western Germany and the western sectors of Berlin, and together with partially unemployed, over 3 million people. In the summer months of 1950, unemployment in Western Germany decreased somewhat, but in autumn its growth resumed. In the first half of November 1950 alone, the number of unemployed in Western Germany increased by 48 thousand people. It should be kept in mind that official statistics do not cover all categories of unemployed, in particular youth who have graduated from school and have no opportunity to find a job. In the province of North Rhine-Westphalia alone, there are about 120 thousand such young men and women. The Minister of Labor of the puppet Bonn "government," Storch, issued a special order not to count this youth as unemployed, and also to automatically remove from registration unemployed people who have been without work for over 26 weeks. Meanwhile, it is known that in the period of the general crisis of capitalism, unemployment bears a stagnant, chronic character. The unemployed cannot find work for a long time, although they agree to any work, even the most arduous and low-paid. In fact, the unemployed together with family members number about 10 million people, i.e., over 20% of the entire population of Western Germany. In the western sectors of Berlin, the unemployed together with family members make up about 1

million people, i.e., half of the entire population of this part of Berlin[82].

Among the unemployed of Western Germany: metalworkers - 235 thousand, construction workers - 168 thousand, transport workers - 163 thousand, auxiliary workers - 256 thousand, agricultural workers - 147 thousand, domestic servants - 95 thousand, etc. In February 1950, 325 thousand unemployed employees were registered in Western Germany, among whom are many engineers, technicians, scientific workers, doctors, etc. In the spring of 1950, for example, there were about 25 thousand unemployed doctors in Western Germany. About 400 unemployed doctors were able to find work only by moving from Western Germany to the German Democratic Republic. About 25% of all unemployed are youth aged 18 to 25. According to data cited in the newspaper "Stuttgarter Zeitung" (April 13, 1950), the number of unemployed young men and women in Western Germany at the end of 1950 will be at least 1 million people.

The overwhelming majority of unemployed in Western Germany receive no allowances and drag out a wretched, beggarly existence. The situation of that insignificant part of the unemployed that manages to receive an allowance is little better. In some provinces, labor service has been established for the unemployed, and they receive a meager allowance only if they work on "emergency works" of predominantly military significance. In Bonn, Opladen, Kleve, and other cities, the unemployed were used in 1949 to clean cities of garbage and ruins. Unemployment benefits barely cover rent and utility expenses.

In Western Germany, practically no measures are taken to combat unemployment, although the puppet Bonn "government" has concocted all sorts of "employment

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82 *"Die Wirtschaft" No. 11, 1950.*

security" projects. Reactionary deputies of the West German "parliament" consider unemployment "a normal phenomenon in a healthy economy".

The presence of a permanent reserve army of unemployed gives capitalists a weapon in their struggle against the working class. In such provinces of Western Germany as Bavaria, Schleswig-Holstein, and Lower Saxony, where the percentage of unemployed is highest, the average hourly wage in industry is significantly lower than in other provinces where the percentage of unemployed is relatively smaller[83].

German monopolists, relying on the direct support of the Anglo-American occupation authorities, are waging an offensive not only against the living standard, but also against the remnants of the democratic rights of workers.

Various associations of capitalists put forward demands for the abolition of the remnants of labor legislation, the liquidation of labor protection for youth and apprentices, the introduction of forced labor for the unemployed, and labor service for youth. The organ of monopoly circles of Western Germany, the Düsseldorf newspaper "Industriekurier" (March 14, 1950), explicitly spoke out for the widespread use of the unemployed in road construction, loading and unloading of railcars, etc., with the article proposing that allowances for unemployed engaged in such work be paid on the basis of no more than three days a week.

American, British, French, and German monopolists, following in the footsteps of the Hitlerite clique, widely implant forced labor and labor service in Western Germany; the unemployed are used primarily for military-strategic construction, for building military airfields, highways, and various other works of military significance.

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83 *"Die Wirtschaft" No. 6, 1950.*

Unemployment is also used by the occupation authorities of the USA, England, and France to carry out their criminal plans of creating a mercenary army in Western Germany, for recruiting landsknechts into various kinds of foreign legions and colonial troops. Projects are also being developed to use unemployed Germans to "develop" Africa and other so-called "backward" regions under the notorious Truman program.

The expansion of American imperialism in Western European countries, including Western Germany, the discrimination of trade with the Soviet Union and countries of people's democracy, and the disruption of trade with the German Democratic Republic contribute to the further growth of unemployment and the deterioration of the situation of working people in Western Germany. Even the Minister of Labor of the West German "government," Storch, was forced to admit that in the coming year the number of unemployed in Western Germany will exceed 4 million people.

The steady fall in the real wages of workers in Western Germany leads to a sharp deterioration in their nutrition. Even according to official data, the consumption level of 8.5 million families of workers, low-paid employees, and officials constitutes only 60% of pre-war[84].

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84 *"Die Wirtschaft" No. 12, 1950.*

The imperialist policy of the Anglo-American occupation authorities in Western Germany is aimed at further lowering the living standard and restricting the consumption of working people. In a memorandum drawn up by economic advisers of the High Commissioners of the USA, England, and France in Western Germany, there is a special paragraph under the characteristic title "Measures to Restrict Consumption." It cynically states: "Economic Advisers take note that the federal government is not inclined to increase the number of employed, since an employed worker can spend more money than an unemployed one. The Advisers have therefore concluded that the federal government must find ways to restrict consumer expenditures"[85].

In all branches of industry in Western Germany, especially in coal mining, machine building, and metallurgy, the intensification of workers' labor is sharply increasing. The intensification of labor leads to an incredible growth of industrial accidents and premature physical exhaustion of workers. The number of accidents in the mines of the Ruhr basin, for example, increased by 600% in 1948 compared to 1939.

As a result of the war, significant changes occurred in the age composition of industrial workers in Western Germany:

Age group	1939	1947	1939
Under 20 years	11.5	7.3	11.5
From 21 to 40 years	54.7	35.9	60.1
From 41 to 60 years	32.9	48.5	32.3
Over 60 years	0.9	4.0	0.3

Thus, the percentage of miners working underground aged 21 to 40, i.e., at the age when workers give the greatest output,

85 *"Handelsblatt," November 22, 1950.*

decreased over 9 years from 60% to 39.7%. If earlier the age group from 21 to 40 years was the most numerous in the Ruhr mines, in 1947 the group aged 41 to 60 becomes the most numerous.

The housing conditions of working people in Western Germany are exceptionally difficult. Destroyed cities are not restored, available construction materials are used for the restoration and construction of villas and estates for capitalists, landowners, and speculators. According to official, clearly understated data, over 2,535 thousand working people live in dugouts, barracks, and sheds in the British occupation zone. The housing shortage in Western Germany is further intensified because a large number of houses have been confiscated for the needs of occupation authorities and troops. More than 200 thousand dwellings have been confiscated by the Anglo-American occupation authorities alone. The so-called chancellor of the West German "government," Adenauer, was forced to admit that about 5.5 million apartments are lacking in Western Germany. Even according to data published by the Bonn "Ministry of Interior," there are more than 300 thousand homeless people in Western Germany who live in terrible need. Despite all this, the "government" has provided for the construction of only 225–275 thousand apartments per year. However, even this "program" is not fulfilled. Workers and employees in Western Germany are forced to spend a large share—up to 30%—of their wages on their squalid housing.

Simultaneously with the intensification of absolute impoverishment, a further relative impoverishment of West German workers is taking place. The intensification of the relative impoverishment of West German workers is evidenced by the following data on the drop in the share of their wages in the national income (in %):

1936 1948 (September) 1949 g. (March) 1949 g. (October)

50 43 37 36[10]

"Deutsche Zeitung und Wirtschaftszeitung," February 15, 1950.

The growth of the impoverishment of the working class is counterbalanced by the colossal enrichment of German capitalists. The profit received by the capitalists of Western Germany amounted in November 1949 to approximately 150% of their average monthly profit for 1948. In a single year alone, West German capitalists received, according to reformist trade union estimates, 4.5 billion marks in profits. From June to December 1949, the average stock exchange rate increased by nearly 110%. Over these six months, the value of shares rose by 2 billion marks[86].

Leading West German concerns were already able to announce in 1949 the complete liquidation of their wartime and postwar damage (dismantling, etc.), with their share capital remaining untouched. Thus, for example, the Klöckner concern liquidated "war damage" estimated at 102 million marks, fully preserving its fixed capital of 105 million marks; the Mannesmann concern liquidated "damage" estimated at 236 million marks, etc.

Despite the unprecedented growth of capitalist profits in Western Germany, the occupation authorities and the Bonn "government" reduced tax assessments on capitalists and high-paid officials by 10–20% starting January 1, 1950.

As we can see, an analysis of factual data shows the intensification of absolute and relative impoverishment of the proletariat in postwar Western Germany. The growth of the

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[86] *For the period from November 20 to December 30, 1949, the stock exchange rate rose in the metallurgical industry: shares of the Steel Trust by 350%, Mannesmann by 400%, Ruederus by 320%, Hoesch by 320%, Klöckner by 310%; in the machine-building industry: Demag by 420%, Augsburg-Nürnberg (MAN) by 230%, Daimler-Benz by 250%, BMW by 200%; in the electrical industry: AEG by 375%, Siemens & Halske by 400%; in the potash industry: Burbach by 355%, Wintershall by 390%, etc.*

impoverishment of the West German proletariat is a direct consequence of the imperialist policy of American-British and German monopolies in Western Germany. The reactionary policy pursued in Western Germany by the US and British occupation authorities coupled with German monopolists is directed primarily against the working class and its organizations.

Hard labor, beggarly vegetation, premature death from hunger or physical exhaustion—such is the lot of the worker in Western Germany, languishing under the yoke of American-British and German monopoly capital. The deterioration of the economic situation of the working class of Western Germany is striking confirmation of the fact that under capitalism "there grows the mass of misery, oppression, slavery, degradation, exploitation, but with it too the revolt of the working class, a class always increasing in numbers, and disciplined, united, organized by the very mechanism of the process of capitalist production"[87].

The situation of working people in the German Democratic Republic is entirely different. As a result of economic successes achieved thanks to democratic transformations, over the year since the republic's creation, a further rise in the living standard of the population has occurred. The government of the German Democratic Republic has adopted and is steadfastly implementing laws on labor protection, on increasing wages, on further improving the material situation and raising the cultural level of workers and employees. Laws have also been adopted on the labor protection of agricultural workers, on youth participation in the economic restoration of the German Democratic Republic, on the development of crafts, increasing crop yields, developing the progressive culture of the German nation, and further improving living and working conditions

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87 *K. Marx and F. Engels, Works, vol. XVII, p. 834.*

for the intelligentsia. In the German Democratic Republic, repeated price reductions for food and manufactured goods have been carried out, and the supply of food to working people has significantly improved. Caring for people, for raising the material and cultural well-being of the people is one of the main tasks of the democratic government. All this testifies to the fact that the German Democratic Republic is successfully fulfilling the historical task set by the Third Congress of the Socialist Unity Party of Germany (SED)—"to prove to the entire German people the superiority of the anti-fascist democratic order existing in the German Democratic Republic, to convince the entire people that the republic is an example for the whole of Germany in political, economic, and cultural respects".

The offensive of the Anglo-American and German monopolists on the living standard and the remnants of the political rights of working people in Western Germany encounters stubborn resistance from the working class. Contrary to the traitorous reformist leadership of the trade unions, which by all means tries to disrupt the struggle of the working class for higher wages and improved working conditions, West German workers have conducted many strikes in recent years. Right-wing socialists—traitors to the working class Schumacher, Hans Böckler, Fritz Tarnow, and others, fulfilling the orders of American and German imperialists, strive to divert the working class from active struggle, trying to turn West German trade unions into a pillar of the anti-people policy of monopolies. Now, as during the Weimar Republic, Schumacher, Tarnow, Böckler, and their likes preach the "community of interests" and "civil peace" between capitalist employers and trade unions, advocating the turning of trade unions into a pillar of the thoroughly rotten exploitative system. Following Adenauer, they repeat fabrications as if Western Germany has ceased to be capitalist. The social base of reformism in Western

Germany, as in all other capitalist countries, is the labor aristocracy, representing "the most favorable soil for frank reformists and opportunists"[88].

With crumbs from their colossal monopoly profits, the financial oligarchy bribes an insignificant part of workers, turning them into their watchdogs. Right-wing socialists in their traitorous activity use the ramified apparatus of the labor bureaucracy. The top layer of the labor bureaucracy receives salaries exceeding the wages of qualified workers by tens of times.

The right-wing leaders of West German trade unions are in the service of American-British and German monopolies, betraying the interests of the working class. Instead of fighting monopolists—the class enemies of workers—traitor Böckler put forward the slogan: "The enemy is on the left." The Schumacherites declared a campaign to remove communists from trade unions, thereby striving to turn West German trade unions into an instrument of American-British imperialists and the reactionary Bonn "government." However, this traitorous subversive policy is doomed to failure. The broadest strata of workers in Western Germany see in communists consistent defenders of the interests of the working class, dedicated and tireless fighters for peace, democracy, and freedom. The Communist Party of Germany heads the steadily intensifying struggle of working people against the offensive of reaction, for the rallying of democratic forces, for the unity of the working class. It mobilizes the masses to fight for a unified, independent, democratic, and peace-loving Germany.

Rank-and-file workers of Western Germany give a worthy response to the provocative actions of the reformist trade union leaders. On April 6, 1950, 10 communist workers and one non-partisan worker were elected to the works council of the largest

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88 *J. V. Stalin, Works, vol. 9, p. 1.*

Hamburg shipyard, “Deutsche Werft”; not a single candidate nominated by the right-wing social-democrats passed into the council. In the Dortmund district, in the works councils of nine out of sixteen mines, the majority of seats also belong to communist workers. In the works council of the “Heraeus” firm, right-wing social-democrats received only 4 seats (in the 1948 elections—8 seats). Alongside this, the unity of action of communists with rank-and-file social-democratic workers is strengthening. During works council elections in Gelsenkirchen, Bochum, Dinslaken, and other cities, the striving of workers to overcome the split in the labor movement was brightly manifested.

Preaching “class peace” and “community of interests” of capitalists and workers, reformists, on the assignment of monopolies, disrupt the struggle of workers for higher wages and lower prices, and advocate further intensification of labor. Thus, the deputy chairman of West German trade unions, Georg Reuter, made an arrogant statement that in the presence of unemployment one cannot, so to speak, demand wage increases for employed workers. Reformists demand increased output from workers, thereby showing care for increasing capitalists' profits. They disrupted in late 1949 / early 1950 the struggle of Ruhr coal miners for a 12% wage increase and, contrary to the will of the workers, “agreed” to a 9% wage increase. They motivated their betrayal by the fact that with a 12% wage increase for miners, mine owners' profits would “fall excessively.” Such behavior of reformist trade union leaders caused indignation among workers, to whom it is becoming increasingly clear that the right-wing socialists heading the trade unions care not about the needs of workers at all, but about the profits of capitalists. A young miner from one of the mines stated: “The Nazi Wirtschaftswirtschaftsführer and current general director of the German coal administration Kost receives 225 thousand marks a year. For all 36 years of

work at the mine, my father earned 78 thousand marks; consequently, Director Kost receives as much money in a year as 3 coal miners receive in their entire working lives".

As one of many examples of the strike-breaking policy of reformist leaders of West German trade unions, the strike of 1,090 miners of the "Stein V" lead mine in Marl (Ruhr) in the spring of 1950 can serve. The management of this mine, despite harmful working conditions, extended the working day by 30 minutes without raising wages. In response to this, the workers unanimously declared a strike and elected a strike committee that included communist, social-democratic, Christian democratic, and non-partisan workers. The mine management began to use methods of terror and threats: dismissal letters were sent to all workers. On March 10, the strike committee appealed to all Ruhr miners to show solidarity with the strikers and provide them with material assistance. Workers of 46 mines immediately sent delegations to the "Stein V" mine, who unanimously declared solidarity with the strikers and demanded that the miners' union recognize the strike. The strikers were warmly supported by the entire population of Marl: housewives, for example, provided housing and food to teenage workers whose food issuance was stopped by the mine management, merchants gave goods on credit to the families of strikers, etc.

Despite all this, the chairman of the central board of the miners' union, right-wing socialist traitor August Schmidt, cynically stated that he "does not recognize" the strike and that no material assistance would be given to the workers. The reformist board of the union categorically proposed that workers resume work. This decision caused a storm of indignation on the part of all strikers, regardless of their party affiliation. Then the right-wing leaders of the Social Democratic Party and leaders of the reactionary Christian Democratic Union proposed that 184 workers who are

members of these two parties start work by way of party discipline. However, this provocative decision did not help either. The workers three times unanimously voted down the demand to resign the strike committee and resume work. Only by uniting and using the corrupt court and strike-breaking of right-wing trade union leaders were mine owners, right-wing socialists, and Christian democrats able to force miners to resume work.

It has recently become standard practice for the Anglo-American occupiers to use military units and military equipment against peaceful workers' demonstrations. But these methods of terror, repression, and intimidation cannot halt the growth of the strike struggle of the working class of Western Germany. Workers of Western Germany successfully wage, under the leadership of their true vanguard—the West German Communist Party—a decisive struggle for higher wages, lower prices, and improved working conditions.

The number of strike participants in Western Germany is growing. In the winter of 1945/46, about 1 million people participated in strikes, the following winter twice as many; in the winter of 1947/48, about 4 million were already on strike, and in the autumn of 1948, more than 9 million people participated in a general strike. The strike struggle of the proletariat of Western Germany intensified even more in 1949 and 1950. In Bavaria, a strike of metalworkers and locomotive builders was carried out; the strike movement spread to a number of enterprises in Nuremberg, Stuttgart, Herford, Detmold, and many other West German cities. In 1949 in Western Germany, according to official data, strikes took place at 892 industrial enterprises, with 258 in the first half and 634 in the second. It should be kept in mind that these data are heavily understated; they do not take into account short-term strikes, strikes against dismantling, strikes demanding the removal of former active fascists from high posts they occupy,

strikes against the reactionary course of the West German government, etc. According to the same official data, 94% of all strikes ended in complete or partial victory for the workers. This testifies to the fact that the strike struggle is a sharp weapon in the hands of the working class.

Workers of Western Germany oppose the traitorous policy of the Schumacherites who have entrenched themselves in the trade union leadership, who disrupt the unity of German trade unions and sabotage cooperation both with the trade unions of the German Democratic Republic and with the World Federation of Trade Unions. Millions of organized workers in Western Germany understand increasingly clearly that ensuring the unity of the working class of Germany and establishing close ties with the international labor movement will contribute to the victory of their righteous cause, the creation of a unified democratic German state, and consequently the strengthening of the cause of peace. The militant alliance of German and French workers is strengthening, aimed at intensifying joint struggle for peace, against the imperialist "Schuman Plan" and the policy of turning Western Germany into a US military springboard in Europe.

Of exceptionally great significance in the struggle of German working people for the unification of all Germany on a democratic peace-loving basis is the movement of the National Front of Democratic Germany, the main task of which is to support by all means the struggle for peace throughout Germany.

In his report at the National Congress of the National Front of Democratic Germany in late August 1950, Wilhelm Pieck stated that increasingly broad circles of the German people are resisting Anglo-American policy; he pointed out that the main tasks of national resistance are: the struggle against the Occupation and Ruhr Statutes, for a just peace treaty and the withdrawal of all occupation troops, the struggle against the

remilitarization of Western Germany, against the production of military materials, and against the creation of a mercenary army.

The main stronghold for all German patriots in organizing their national resistance is the German Democratic Republic. Of enormous significance in unfolding the struggle for peace were the elections held on October 15, 1950, to the People's Chamber, land tags of the lands, kreis tags, and communal representations of the German Democratic Republic. Out of 12,325,168 voters, 12,144,597, or 98.53%, took part in the voting. For the candidates of the National Front, 12,097,105 votes were cast, against—34,060 votes. The popular elections were vivid confirmation of the viability of the German Democratic Republic and a brilliant illustration of Comrade Stalin's historical words that the creation of the German democratic peace-loving republic is a turning point in the history of Europe. The elections demonstrated the complete unanimity and cohesion of German working people, their striving for peace, readiness to fight for peace, for a unified, independent, democratic, peace-loving Germany. The German Democratic Republic has bound itself with unbreakable ties to the democratic camp of peace, headed by the great Soviet Union. Together with all peace-loving peoples, it wages a struggle for a lasting peace throughout the world. “In all fields,” Wilhelm Pieck said at the Third Congress of the SED, “we feel the caring and friendly support of the great Soviet Union and its leader Comrade Stalin. While the Western imperialist powers push Germany onto the path of war, which leads to further weakening and destruction of the vital foundations of the German nation, the Soviet Union has opened to the German people the path of peace and peaceful construction, which leads to the creation of a strong and independent Democratic Germany. Precisely for this reason, eternal friendship with the great Soviet Union is a sacred

behest for our entire people. We will guard and strengthen this friendship with all our might".

In the statement of the eight foreign ministers published on October 22, 1950, regarding the decisions of the New York meeting of the three powers—the USA, Great Britain, and France—on the remilitarization of Western Germany, the democratic program for resolving the German question is set forth, aimed at maintaining peace and security in Europe and prompt completion of a peace settlement for Germany. The outstanding political significance of this historical document lies in the fact that it once again demonstrates the steadfast striving of the Soviet Union, the countries of people's democracy, and the German Democratic Republic for peace, for peaceful international cooperation.

In all parts of Germany, the front of peace partisans is growing and strengthening. In the resolution adopted by the Provisional People's Chamber on September 27, 1950, it states: "The German people do not want war. They want to devote their forces to peaceful democratic construction and the improvement of their well-being." Partisans of peace in Germany organized the collection of signatures in defense of peace. Over 20 million Germans put their signatures under the Appeal for the Prohibition of Atomic Weapons. About 50 thousand peace committees conducted active preparation for the Second World Congress of Partisans of Peace. On the streets of many cities, placards and inscriptions appear daily: "Germany to the Germans!", "Korea to the Koreans!", "Yankees, go home!" Railway and port workers of Duisburg, Hamburg, and Bremen stated that they refuse to unload military materials and weapons arriving from the USA. A grandiose demonstration of the unity of forces of fighters for peace, for a democratic and peace-loving Germany was the All-German Rally of German Democratic Youth in Berlin in

May 1950 and the All-German Congress of Partisans of Peace in November 1950.

With enormous enthusiasm, working people of Germany met the historical decisions adopted by the Second World Congress of Partisans of Peace in Warsaw: demands for ending the war in Korea, demilitarization of Germany and Japan, resolute condemnation of aggression and propaganda of a new war, unconditional prohibition of all types and means of mass destruction of people and declaration as a war criminal of the government that first uses these means, reduction of armed forces. Partisans of peace resolutely condemn the policy of remilitarization of Germany pursued by the American-British ruling circles; they urgently demand the conclusion of a peace treaty with a united and demilitarized Germany and the withdrawal of occupation troops from the country. In all parts of Germany, mass rallies are taking place under the slogan: "For peace! Against the remilitarization of Germany!" Wide support among the population of all Germany was found in the proposal of the Prime Minister of the German Democratic Republic, Otto Grotewohl, to Bonn Chancellor Adenauer on the formation of an All-German Constituent Council.

The successes of the democratic republic increasingly convince working people of Western Germany that only within the framework of a unified, independent, democratic state can the independent development of all Germany, its rise and prosperity in the camp of peace and democracy, be ensured.

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E. Kovalyov

AGRARIAN POLICY OF THE COMMUNIST PARTY OF CHINA

The peasantry, which makes up more than 80% of China's 475 million population, is the main ally of the Chinese proletariat. The immediate satisfaction of a number of the most mature peasant demands, Comrade Stalin wrote in 1926, 'is a most necessary condition for the victory of the Chinese revolution'[89]. The people's revolutionary power in China, 'if it really wants to move the revolution forward, must take up the satisfaction of the most pressing demands of the peasantry'[90].

The Communist Party of China based its agrarian policy on wise Stalinist pre-1nner directives, creatively applying them based on the correlation of class forces at various stages of the revolution in China.

The tasks of the anti-feudal revolution were not fully resolved at previous stages of the Chinese revolution. The great historic victory of the Chinese people, which liberated China from the yoke of imperialism and its domestic agency, created the conditions for completing the anti-feudal and anti-imperialist agrarian revolution, which, as Comrade Stalin pointed out back in 1927, 'constitutes the basis and content of the bourgeois-democratic revolution in China'[91].

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In Kuomintang China, which was a semi-colony of foreign capital, the peasantry languished under a double yoke — feudal and imperialist. Landlords and kulaks, who made up less than 10% of the country's rural population, owned about 80% of all arable land, while farm laborers, poor peasants, and middle

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89 I. V. Stalin, Works, vol. 8, p. 368.

90 Ibid., p. 370.

91 I. V. Stalin, Works, vol. 9, p. 308.

peasants, i.e., approximately 90% of the rural population, owned a little more than 20% of the land.

During the period of the Chinese people's national liberation war against the Japanese invaders (1937–1945) and the subsequent civil war unleashed by the American imperialists and the Chiang Kai-shek clique, the process of land concentration in the hands of landlords and kulaks intensified. Landlords in Kuomintang China brutally exploited the peasantry, which was deprived of all political rights. For land rent, peasants were forced to pay the landlord from 50 to 80% of their harvest.

China's agriculture previously served as a raw material base for Japanese, British, American, and other imperialists. Foreign capital, through compradors (the big Chinese bourgeoisie acting as an intermediary between foreign capital and the local market), robbed Chinese peasants, buying up their agricultural produce for a pittance. China's agriculture degraded at a rapid pace. Hunger, poverty, and ruin reigned in the Chinese countryside.

The struggle against feudal remnants as the main form of oppression in the Chinese countryside gave the Chinese revolution an anti-feudal character. Foreign imperialists planted and supported the feudal exploitation of the Chinese peasantry. The slogans of the anti-feudal revolution were at the same time anti-imperialist slogans that mobilized the multi-million Chinese peasantry to fight for the elimination of feudal landownership — the pillar of imperialism.

The Communist Party of China — the vanguard of the Chinese working class — acted as the leader of all working people of the country in their stubborn struggle for liberation from the dominance of foreign imperialism and feudal exploitation, for the democratic transformation of agrarian relations in China. The agrarian policy of the Chinese Communist Party went

through several stages, the content of which was determined by the political situation in the country.

Before the Japanese imperialists attacked the Chinese people, the agrarian policy of the Communist Party of China provided for the confiscation of landlord land and its division among landless and land-poor peasants.

In the subsequent period of the struggle against Japanese imperialism, which required the unification of all national forces of the country, the Communist Party of China, in the interests of creating and strengthening a united anti-Japanese front, temporarily postponed the implementation of its program of confiscating landlord land. During the Sino-Japanese war, landlord land was not confiscated or distributed among peasants.

In the liberated areas of China, the Communist Party pursued a policy of reducing rent by 25–35% and lowering loan interest rates. This policy did not push the landlord away from the general national front of struggle against the Japanese invaders and did not exclude the possibility of his giving a certain amount of economic assistance to this front.

The political situation in post-war China necessitated a change in the agrarian policy of the Communist Party. In the civil war that the bourgeois-landlord Kuomintang clique, inspired by American imperialists, waged against the Chinese people, landlords were the mainstay of the Kuomintang regime. Taking this alignment of class forces into account, the Central Committee of the Communist Party of China adopted a decision on May 4, 1946, to return to the policy of confiscating landlord land and dividing it among landless and land-poor peasants.

The All-China Land Conference, convened in September 1947 on the initiative of the Communist Party, marked the beginning of a new stage in the party's agrarian policy. The conference adopted the draft Land Law, which met the tasks of waging the

civil war and the prevailing correlation of class forces in the Chinese countryside. The law proclaimed the abolition of feudal landownership in China and the transfer of land to peasant ownership. The law canceled all peasant debts to landlords and kulaks, permitted the free purchase and sale of land, and in special cases, its leasing out.

The Land Law established a differentiated policy toward landlords, kulaks, middle peasants, poor peasants, and farm laborers. The land and property of landlords were confiscated; landlords and their families were allotted land and property on an equal basis with peasants. The surplus land and property of kulaks were requisitioned. '...The exploitation of peasants by the Chinese kulak,' Mao Zedong said, 'bears a heavy feudal and semi-feudal character; almost all kulaks also engage in renting out land and usury, and their treatment of hired labor is semi-feudal. Moreover, since they have a lot of land and it is of good quality, without dividing this land it would be impossible to satisfy the demands of farm laborers and poor peasants'[92].

The Communist Party of China, however, emphasized that the requisition of surplus land and property from kulaks does not mean that the attitude toward the kulak should be the same as toward the landlord. Mao Zedong wrote in his work 'The Chinese Revolution and the Communist Party of China': 'The revolutionary government must not put an equal sign between the kulak and the landlord, and must not prematurely pursue a policy aimed at striking blows at the kulak economy, since for a certain period of time one cannot do without the output of the kulak economy'[93].

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[92] Mao Zedong, Selected Works. 'Current Situation and Our Tasks'. Report at the Plenum of the Central Committee of the Communist Party of China on December 25, 1947. Published by 'Dongbeishudian', 1948, p. 7.

[93] Mao Zedong, Selected Works. 'The Chinese Revolution and the Communist Party of China', p. 225.

Speaking on December 25, 1947, at a plenum of the Central Committee of the CPC, Mao Zedong formulated the general policy of the party in the countryside as follows: 'Reliance on the poor peasant, a firm alliance with the middle peasant, elimination of the system of feudal and semi-exclusive exploitation carried out by landlords and old-type kulaks. The share of land and property provided upon division to a landlord or kulak must not exceed the share due to a peasant. However, one must not repeat the erroneous leftist practice of 1931–1934: "give landlords no land at all, and give kulaks only bad land"'[94]. Speaking about the party's policy toward the middle peasant and poor-laborer masses, Mao Zedong pointed out: 'Firstly, we must satisfy the demands of the poor peasant and farm laborer, which is the main task of agrarian reform; secondly, it is necessary to maintain a firm alliance with the middle peasant, without harming his interests'[95].

The Land Law also met the interests of middle peasants: for some middle peasants, land allotments remained unchanged, while for land-poor ones, they increased. Prosperous middle peasants, as Mao Zedong noted, voluntarily gave up their surplus land for division, since in this case they were taxed at a lower land tax rate. 'When confiscating and distributing the land and property of feudals,' Mao Zedong said, 'it is necessary to take into account the needs of a certain portion of middle peasants. When determining class affiliation, it is necessary to ensure that a middle peasant is not mistakenly classified as a kulak'[96].

The Land Law provided for the egalitarian distribution of land and property. Peasant associations, consisting mainly of farm laborers, poor peasants, and middle peasants, confiscated land,

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94 Mao Zedong, Selected Works. 'Current Situation and Our Tasks', p. 7.

95 Ibid.

96 Ibid., pp. 7–8.

livestock, implements, residential buildings, grain, and other property from landlords, requisitioned surplus land and property from kulaks, and distributed them among landless and land-poor peasants of the given village or rural area equally per consumer, regardless of sex and age.

Agrarian reform in China, prior to the publication of the new agrarian law in June 1950, was mainly carried out under the 1947 law. By the end of 1949 and early 1950, land reform had been completed in the previously liberated areas of the country: in Northeast China (Manchuria), in some provinces of North China, and in most of Henan province. The reform was carried out on approximately one-third of China's territory with a rural population of about 145 million people. As a result of the reform, peasants received more than 37 million hectares of land, and land ownership deeds were issued to them.

The implementation of land reform in the northern part of Northeast China was started immediately after the liberation of this part of the country from Japanese occupiers and was basically completed by the spring of 1948. As a result of the reform from July 1946 to July 1947, about 6,300 thousand landless and land-poor peasants received about 3,145 thousand hectares of land[97].

In North China, the implementation of the reform began later than in Northeast China, and in some areas it was completed only by April 1950. The reform covered Hebei, Shanxi, Chahar, Shandong, Pingyuan provinces, and the suburbs of Beijing, Tianjin, and Taiyuan. As Xinhua News Agency reported on April 25, 1950, land was received by landless and land-poor peasants in 25.5 thousand villages of North China out of a total of 33.5 thousand villages.

Extensive preparatory work was carried out locally for the land reform: cadres for implementing the reform were trained, the

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97 'Dongbei Ribao', August 14, 1947.

significance and procedure of the reform were explained to the rural population, peasants — farm laborers, poor peasants, and middle peasants — were organized into peasant associations, and the land and property of landlords, national traitors, former employees of the Japanese occupation authorities, and other enemies of the people, as well as surplus land and property of kulaks, were identified and registered. To acquire some experience in land distribution, land reform was initially carried out in several villages of various counties and districts, and then gradually, depending on the level of preparatory work preceding the reform, extended to the entire county or district. The implementation of the reform from beginning to end was led by local organizations of the Communist Party of China. The nature of agrarian transformations in the Chinese countryside carried out in previously liberated areas in accordance with the 1947 Land Law is evidenced by the following materials from Henan province. Between July 1949 and May 1950, land reform was completed in 43 districts (out of 86 districts of this province), covering about 17 million people, i.e., more than 50% of the entire population of the province. The reform was preceded by explanatory work among peasants about the significance and procedure of land distribution. The Henan Provincial Committee of the Communist Party of China held a 25-day land congress to train instructors for the reform. First, the reform was implemented in seven districts of the province, and above all in 8 villages and 46 hamlets of individual counties. By the time of land distribution, 39.2% of farm laborers, poor peasants, and middle peasants of the Suichang district were organized into peasant associations[98]. In the second half of May 1950, land reform was completed in another 5 districts, and then in the remaining 31 districts of the province.

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98 'Henan Ribao', April 1, 1950.

In three counties of the Huoxing district, Henan province, during the reform, 5,433 mu[99] of land, 85 heads of draft animals, over 1,800 units of various agricultural implements, and 34,500 catties[100] of grain were confiscated and distributed among 1,606 poor peasant and 150 land-poor middle peasant households[101].

The implementation of land reform in 263 villages in the Beijing area began in June 1949 and was completed in April 1950. Before the reform, landless and land-poor farm laborers, poor peasants, and middle peasants, making up more than 40% of the village population, owned about 12% of the 1,097,500 mu of arable land, while landlords and kulaks, making up less than 10% of the population, owned about 50% of the land. Land reform here was carried out in three successive stages. At the first stage (October–December 1949), it covered 73 villages. In these villages, explanatory work was conducted among peasants for 50 days in advance. Communist agitators visited peasants' homes and explained to them the meaning and procedure of land reform; then they held 74 delegate meetings of peasants dedicated to the reform and organized 73 peasant associations, which by the time of the reform united 33,512 peasants. Then the land and property of landlords, national traitors, militarists, and surplus land and property of kulaks were identified and registered. 1,315 landlord and 719 kulak households were registered[102]. Peasant associations confiscated 150,537 mu of land, houses with 7,457 rooms, 420 head of livestock, 5,330 catties of grain, 217 carts, 199 water vats, and 17,541 units of various agricultural implements[103]. At the second stage (January–February 1950), the reform covered 102

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99 1 mu = 1/15 hectare (or 1/10 hectare depending on local definition).

100 1 catty = 500 g.

101 'Henan Ribao', May 18, 1950.

102 'Guangming Ribao', January 26, 1950.

103 Ibid.

villages, and at the third — 88 villages. As a result of the reform, 402,885 mu of surplus land was confiscated from landlords, national traitors, militarists, and other enemies of the people, and requisitioned from kulaks; the property of landlords and surplus property of kulaks were also confiscated: 66,804 agricultural tools, 2,279 water wheels and carts, 1,743 head of draft animals, 1,330 thousand catties of grain, and 22,278 buildings. Land and property were distributed among 52,009 peasant households numbering 217,091 people, or 62% of the entire rural population of the Beijing outskirts. Landlords who expressed a desire to live by their own labor were allotted land and property on an equal basis with peasants.

The sizes of land allotments received by peasants vary greatly. This is explained by the unequal level of land concentration in the hands of landlords and kulaks and the rural population density in various regions of China. Land allotments received by peasants as a result of land distribution in areas of large and medium landlord landownership turned out to be larger than in areas of small landlord landownership. In Northeast China, for example, where land concentration in the hands of landlords and Japanese occupiers reached a high level and population density is relatively low, the size of the allotment per capita of the rural population is on average larger than in other regions of China — from 5 to 8 mu; in 7 counties of the Suichang district of Henan province — more than 1 mu; in the rural outskirts of Beijing — 3.5 mu; in the recently liberated areas of Shandong province — 3 mu of land.

In the regions of Central, East, South, Southwest, and Northwest China, liberated in late 1949 and early 1950 and occupying more than 2% of the country's territory with a rural population of about 264 million people, land reform has not yet been carried out.

The 1947 Land Law could not be implemented everywhere in the country due to the unevenness of the process of liberating

China's territory from the Kuomintangites and the unequal degree of consolidation of the democratic regime in recently liberated areas. In these areas, a policy of restricting landlords and kulaks is currently being pursued by reducing rent by 25–35%, lowering loan interest rates, and increasing taxation.

The reduction of bondage rent, which previously doomed Chinese peasants to eternal debt to landlords and kulaks and to a semi-starvation existence, is the first step toward broader agrarian transformations in the recently liberated areas of China. This measure weakens feudal forces in the countryside, strengthens local democratic power and peasants' trust in it, and prepares conditions for the successful implementation of land reform.

The implementation of rent reduction measures also requires extensive explanatory work. Its purpose is to mobilize farm laborers, poor peasants, and middle peasants to implement this measure and break the resistance of landlords and kulaks to rent reduction.

In 1949 and the first half of 1950, people's governments in recently liberated areas where rent reduction was scheduled held conferences of peasants and representatives of all strata of the population, at which rent reduction measures were discussed. The rent reduction movement acquired a mass character, covering millions of Chinese peasants. At meetings in hamlets and villages, peasants exposed facts of monstrous exploitation by landlords and demanded that landlords return overpaid rent.

In the first half of 1950, in the provinces of Henan, Hubei, Jiangxi, Hunan, Guangdong, and Guangxi, the rent reduction movement covered 80% of all districts in these provinces. In the winter of 1949, before carrying out rent reduction, the people's governments of these provinces convened conferences of peasants and representatives of all strata of the population. In Henan province, over 700 thousand peasants took part in

such conferences. Conference participants thoroughly discussed practical measures for rent reduction. Then, at open meetings in hamlets and villages, peasants began presenting bills to landlords and demanding the return of overpaid rent. Landlords who maliciously evaded reduction and return of overpaid rent were brought before a people's court by peasant assemblies.

As a result of the reduction and return of overpaid rent, peasants received about 1,020 million catties[104] of grain from landlords. This made it possible to meet the peasants' need for food and seeds during the spring sowing campaign of 1950. The rent reduction movement increased the political activity of peasants, which was expressed in the growth of the number of peasant association members to 18,910 thousand people.

The reduction of rent and loan interest rates carried out in recently liberated areas, of course, did not change the class structure of the countryside in these areas, but only restricted the level of exploitation of the laboring masses of the peasantry by the landlord-kulak upper crust of the village.

The single nationwide payment-in-kind tax introduced by the government also restricts landlords and kulaks in recently liberated areas.

The people's democratic state pursues a differentiated tax assessment. During the period of Kuomintang rule, the burden of the food tax rested entirely on working peasants. For example, in the western part of Sichuan province with a population of more than 7 million, the share of peasants in deliveries in kind to the Kuomintang government was 80%, and that of landlords only 20%. The new, democratic power shifts the burden of deliveries in kind onto landlords and kulaks. Prior to the summer harvest of 1950, the cost of grain surrendered to the state by peasants in recently liberated areas

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[104] 1 catty (jin) = 500 g.

amounted to 17% of the total income of their households, and by landlords — 60%. On May 30, 1950, the Government Administration Council of the People's Republic of China adopted a decision on reducing deliveries in kind to the state. The sizes of grain deliveries on account of the summer harvest of 1950 were set for poor peasants at up to 10%, for middle peasants at 15%–25%, for kulaks at up to 50%, and for landlords at up to 70% of their household income.

Land reform carried out in previously liberated areas on the basis of the 1947 law abolished feudal landownership and land use and introduced changes in the correlation of class forces and land property relations in the Chinese countryside. Thus, in the village of Dungang, Boli county (Northeast China), according to the newspaper 'Dongbei Ribao' (November 5, 1947), before the reform there were 385 households, 1,727 population, and 12,020 mu of arable land; 58 households (15% of all village households) owned land, while the remaining 327 households (85%) were landless. All arable land was distributed as follows: landlords owned 46% of all land, kulaks — 2.7%, middle peasants — 11.3%; uncultivated wasteland occupied 40%. After the land confiscated from landlords and surplus land requisitioned from kulaks amounting to 11,382 mu were distributed among landless and land-poor peasants, farm laborers and poor peasants, representing 230 landless households (59.7% of all households) and 840 consumers (48.6%), came to own 49.6% of all arable land; middle peasants, representing 128 households (33.3%) (including 87 households of landless tenants) and 675 consumers (39.1%), came to possess 38.4% of the land (before the reform — 11.3%); kulaks, representing 17 households (4.4%), among whom the owners of 10 households were landless tenants, and 149 consumers (8.6%), came to own 8.5% (before the reform — 2.7%) of the land (increase at the expense of land received by kulak tenants); landlords, representing 10 households

(2.6%) and 63 consumers (3.7%), came to own 3.5% of the land (before the reform — 46%).

In April 1950, in 17 rural districts and the Beijing outskirts, land confiscated from landlords and surplus land requisitioned from kulaks amounting to 49,093 mu were distributed among 39,422 landless and land-poor peasants. Before the reform, an average of 7.7 mu of land accounted for one member of a landlord family, and after the reform — 2.12 mu; for one member of a kulak family — 6.6 mu, and after the reform — 4.2 mu. At the same time, the amount of land per family member of a middle peasant increased on average from 2.11 mu to 2.72 mu, of a poor peasant — from 0.88 to 1.65 mu, and of a farm laborer — from 0.23 to 2.4 mu[105].

On July 9, 1950, the Beijing newspaper 'Renmin Ribao' published data from sample surveys of the post-reform Chinese countryside in various provinces. Out of 592 households of middle peasants that existed before the reform in 10 villages of Fuling, Dingxian, Hejian, Zunhua, and Weiyan counties of Hebei province, 14 rose to the level of prosperous middle peasant households after the reform, and out of 553 poor peasant households, 27 became prosperous middle peasant households, and 388 became middle peasant households. Before the reform in 5 villages of Licheng, Lucheng, and Pingshun counties of Shanxi province, out of a total of 964 households, middle peasants accounted for 32.3%, poor peasants — 42.4%, and farm laborers — 5.4%. After the reform, the number of middle peasant households increased to 84%.

As a result of the reform, which destroyed the economic basis of landlord households, landlords were eliminated as a class. The economic basis of kulak households whose surplus land and property were requisitioned turned out to be undermined,

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105 'Renmin Ribao', April 16, 1950.

while net tenant kulaks (landless ones), on the contrary, grew stronger at the expense of the land they received. The group of middle peasant households increased significantly. Land-poor and low-property middle peasants received additional land allotments or a share of property, while landless tenant middle peasants received both. A large group of former landless poor tenant peasants received land allotments and property. For the first time, the farm laborer, who previously only sold his labor power, became the owner of land and property.

In previously liberated areas, for example, in Northeast China, where land reform is completed, landlord landownership has been eliminated, landless and land-poor peasants have received land, and the following types of rural economy have been created: 1) small individual economy of poor and middle peasants cultivating their own land primarily by their own efforts and partially renting small plots of land (mainly middle peasants); 2) economy of the kulak cultivating his own or partially rented land with the help of hired labor; 3) cooperative economy; 4) state economy represented by a small number of state agricultural farms.

The main type of economy is the small-commodity individual economy of poor and middle peasants. The kulak economy at this stage enjoys freedom of entrepreneurial initiative and has conditions for expanding its economic base. The cooperative form of property is only beginning to take root.

The public sector of agriculture is still very small. For now, the state is taking the first steps to strengthen it. In previously liberated areas, the people's democratic state is gradually developing the simplest types of production cooperation in the countryside — so-called labor mutual aid groups, resembling in form agricultural production cooperation partnerships and based on the private property of peasants, and is also creating, true, still small in number, machine-tractor stations and state agricultural farms. Labor mutual aid groups and state

agricultural farms enjoy the right of priority in receiving credits and agricultural machines from the state, and are serviced by machine-tractor stations in the first place. Supply and marketing cooperatives protect peasants from rapacious middlemen, shield them from fluctuations in agricultural prices, and strengthen commodity turnover between city and countryside, the economic alliance between the working class and the peasantry of China.

The Common Program of the Chinese People's Political Consultative Conference, adopted in September 1949, states that in all areas where land reform has been fully carried out, local governments must organize peasants so as to not only achieve the pre-war level of agricultural production in the shortest possible time, but also surpass it. To fulfill this task, arid areas are being irrigated, river dikes repaired, canals constructed; elementary agricultural technology is being introduced in agriculture, and agricultural machines are being used. The state provides low-power peasant households with seeds and agricultural implements on credit, and renders all-round support and assistance.

The 1947 Land Reform gave an impetus to the development of the productive forces of China's agriculture.

As a result of the active influence of the state, China's agriculture is beginning to recover little by little from the consequences of Japanese occupation and Kuomintang banditry. Sown areas are growing, and crop yields are increasing. In 1950, it is planned to bring the harvest to 90% of the pre-war level. Accordingly, already in the current year, the sown area under wheat amounted to 375 million mu, or over 30 million mu more than in 1949. According to preliminary estimates, the wheat harvest will amount to 40 billion catties, i.e., approximately 6.6 billion catties more than in 1949.

Based on the richest experience of land transformations in the liberated areas of the country, the Communist Party of China

prepared a new Land Law of 1950. This law eliminates serious distortions of agrarian policy permitted during the reform, which Mao Zedong characterized as leftist deviations. They consisted in the fact that in a number of areas, when determining class affiliation, kulaks were mistakenly classified as landlords, and middle peasants as kulaks. In other cases, during the reform, the entrepreneurial initiative of landlords and kulaks who owned trade and industrial enterprises was infringed upon. Excessively high tax assessments on these enterprises led to their closure, which harmed the economic recovery of the liberated areas.

The 1947 Land Law applied mainly to the liberated areas of Northeast China and some provinces of North China. It met the conditions of the civil war, when all the attention of the Communist Party was directed to ensuring victory over the forces of Kuomintang and its American patrons. The law, as noted above, took into account the alignment of class forces in the countryside when landlords and kulaks joining them supported the counterrevolution and hindered the implementation of land reform. In this situation, the policy of restricting the kulak by requisitioning his surplus land and property was expedient. From these surpluses, as well as from land and property confiscated from landlords, that material fund was created which made it possible to provide the front and rear with food, allot land and property to landless, land-poor, and low-property peasants, and strengthen the alliance of the working class and the peasantry. The agrarian policy of the Communist Party had a colossal impact on the political and moral state of the People's Liberation Army, consisting predominantly of peasants whose families were in the rear, in the liberated areas.

The victory of the working class and all democratic forces of China in 1949 radically changed the internal and external position of the country. Over the year since the formation of

the People's Republic of China, the entire territory of the country, except Tibet, Taiwan Island, and some other Chinese islands, has been liberated from Kuomintang bands. The recognition of the People's Republic of China by the Soviet Union and the conclusion of the Soviet-Chinese treaty and economic agreements strengthened the internal and international position of the young republic. The leading role of the Communist Party of China in the state strengthened, and the people's trust in it grew. The Communist Party became the leading force in the people's front, the organizational form of which is the Chinese People's Political Consultative Conference. State power organs at the center and locally strengthened. The country transitioned to the rails of peaceful economic construction. This made it possible already in the first half of 1950 to significantly reduce the two main peasant obligations — military and labor. The partial demobilization of the People's Liberation Army released many proven and politically trained cadres, whom the Communist Party is now transferring to constructive work on the democratic restructuring of China.

The main importance at present, as Mao Zedong pointed out in his report at the 3rd Plenum of the Central Committee of the CPC held in June 1950 in Beijing, is acquired by the economic construction of China. The People's Republic of China inherited from the Kuomintang regime industry and agriculture ruined and plundered by Japanese occupiers and Kuomintangites. The level of industrial production, which in the best pre-war years did not reach 10% of the output of the country's entire economy, fell sharply in the post-war period, and agricultural production decreased by 25–33% compared to 1937. Over the years of the war and in the post-war period, before the victory of the people's revolution, the process of land concentration in the hands of landlords and kulaks and the accompanying process of dispossessing peasants of land

intensified in China. The yoke of feudal remnants intensified. American imperialists, striving to enslave China, turned its agriculture into their raw material base. As a result of the double yoke — feudal and imperialist — the pauperization of the Chinese peasantry reached horrifying proportions. This led to a sharp contraction of the internal market in the country. The corrupt Kuomintang clique brought China's economy and finances to complete ruin.

In order to eliminate economic ruin, restore and further develop the country's economy, the Central People's Government of the People's Republic of China set about eliminating feudal landownership, which fettered the productive forces of agriculture, raising the peasant economy, and utilizing the initiative of capitalist elements in agriculture.

The new Agrarian Reform Law, adopted on June 28, 1950, by the Central People's Government Council of the People's Republic of China, proceeds from the tasks of the rapid restoration of the country's national economy. It marked the beginning of a new stage of the post-war agrarian policy of the Communist Party of China.

According to the new law, in rural areas, the following lands are subject to confiscation and requisition: 1) of landlords; 2) of ancestral shrines, temples, monasteries, churches, etc.; 3) of industrialists and merchants; 4) rented out due to the landowner's engagement in other work or due to his lack of labor power, if the size of these lands exceeds by more than two times the amount of land per capita of the population in the given locality; 5) rented out by semi-landlord kulaks if their size exceeds the land plots cultivated by themselves or with the help of hired labor.

People's power bodies create land reform implementation committees. Peasant assemblies in villages, district peasant conferences and committees elected by them, district, county, and provincial peasant associations and committees elected by

them are legal executive bodies for carrying out land reform. All confiscated and requisitioned land plots and property are distributed by peasant associations of xiangs (a xiang is an administrative unit comprising one large village or several small villages) among landless and land-poor peasants of the given xiang or equivalent village equally per capita. Collaborators, traitors, war criminals, counterrevolutionaries, and land reform saboteurs do not receive land, means of production, or property.

The people's government issues land ownership documents to all who received land; all new land owners are granted the right to freely exploit, buy, sell, and lease it out. All land agreements concluded before the reform are annulled.

The 1950 Land Law clearly differentiates policy toward landlords, kulaks, middle peasants, poor peasants, and farm laborers. The law provides for the universal determination of the class affiliation of the rural population, carried out by decisions of rural assemblies, peasant conferences, and submitted for approval to people's power bodies. The general political line of the Land Law was formulated by Politburo member and Secretary of the CPC Central Committee Liu Shaoqi as follows: 'Our main line of action during the upcoming land reform is as follows: reliance on poor peasants and farm laborers, alliance with middle peasants and neutralization of kulaks, gradual destruction of the system of feudal exploitation and development of agricultural production'[106].

Land, draft animals, agricultural implements, surplus grain, residential and outbuildings, and home furnishings are confiscated from landlords. The industrial and commercial enterprises of landlords, as well as lands and other property

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[106] Liu Shaoqi, Report on Agrarian Reform at the 2nd Session of the National Committee of the Chinese People's Political Consultative Conference. Published by 'Xinhua Shudian', Beijing, 1950, p. 16.

used by landlords directly to ensure the activities of trade and industrial enterprises, are not subject to confiscation. After the confiscation of land and means of production, landlords wishing to live by their own labor are allotted a land plot and means of production on an equal basis with peasants.

The new Land Law relies on the instructions of the 3rd Plenum of the CPC Central Committee on changing the previous policy of restricting kulak economies, fixed in the 1947 Land Law. 'The Party must transition,' Mao Zedong said at the plenum, 'from the policy of requisitioning surplus land and property of kulaks to the policy of preserving kulak economies, in order to contribute to the swiftest restoration of agricultural production, as well as the isolation of landlords and the protection of middle peasants and small landowners renting out land'[107]. The 1950 Land Law provides that the land of kulaks cultivated by them themselves or with the help of hired labor, as well as kulak property, remain inviolable. Small land plots rented out by them are retained by kulaks.

The new policy toward the kulak at this stage corresponds to the party's course toward raising and developing the productive forces of agriculture, utilizing the kulak economy as a source for increasing agricultural production, and the swiftest elimination of feudal remnants in the Chinese countryside.

The new Land Law strengthens the alliance with the middle peasant, leaves his land and property inviolable, and draws him into the leadership of peasant associations. The main leadership of peasant associations is elected from poor peasants and farm laborers, with one-third of the leadership being middle peasants. The land and other property of poor peasants and farm laborers also remain inviolable. The law establishes all

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[107] Mao Zedong, Struggle for a Fundamental Improvement of the Financial and Economic Situation of the Country. Report at the 3rd Plenum of the CPC Central Committee on June 6, 1950 ('Renmin Ribao', June 13, 1950).

kinds of privileges for poor landless and land-poor peasants, which, as Mao Zedong said, compensate for 'under-receiving a certain share of land by the poor peasantry'[108].
Over the next three years, agrarian reform will be gradually implemented throughout the territory of China. In the winter of 1950/51, land reform will be carried out in a territory with a rural population of about 100 million people, of whom: in North China — 3.5 million, in Northwest — 8 million, in East — 35–40 million, in Central and South China — 47–56 million people. At the end of 1951 and in the autumn of 1952, reform will be carried out in Southwest China and other regions of the country with a rural population of about 164 million people. Not only on the scale of the whole country, but also on the scale of individual provinces, districts, and even counties, agrarian reform is not carried out as a simultaneous and ubiquitous measure. In some districts and counties of the country, land reform will be carried out, in others — reduction of rent and loan interest rates, in the rest — preparation for land reform or preparation only for the reduction of rent and loan interest rates. For example, the implementation of land reform scheduled by the new law for the autumn of 1950 in Hubei, Hunan, Jiangxi, and Henan provinces was started first in individual districts of these provinces. In Hubei province, the reform will first cover 23 districts, in Hunan — 7 special districts (in more than 40 districts of this province, preparation for the reform has already been completed), in Jiangxi — a number of the most prepared districts. In Henan province, agrarian reform has already been completed in 43 districts, and in the remaining 43 it is scheduled for the end of 1950. In the provinces of Southwest China in the autumn of 1950, they only proceeded to reduce rent.

[108] Ibid.

The 1950 Land Law improves the position of the main masses of China's peasantry, but it does not solve all its problems. The reform meets the interests of the rural poor, since the overwhelming majority of poor peasants for the first time in their lives become owners of land. However, as Liu Shaoqi notes, land allotment only partially, and not fully, solves the problem of poverty of the Chinese peasantry. The main goal of the new Land Law is not only to raise the living standard of the poorest peasantry, but also to liberate the productive forces of agriculture from the feudal fetters binding them, eliminate landlord landownership, liberate the laboring peasantry from the feudal exploitation of rural parasites, create conditions for raising agriculture, and pave the way for China's industrialization.

At the 2nd session of the National Committee of the Chinese People's Political Consultative Conference, Liu Shaoqi stated that a fundamental solution to the peasant question is possible only when the country's agriculture takes the path of socialist restructuring. Socialist construction is not yet an immediate task at the given stage of the Chinese revolution. Speaking at the closing meeting of the 2nd session of the National Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, Mao Zedong said: 'After we create a prosperous national economy and culture, after all conditions mature and after this is approved by the whole country, we in our steady forward movement will enter a new era of socialism.'

The post-war agrarian policy of the Communist Party of China is aimed at destroying the landownership system based on feudal exploitation, introducing a system of peasant landownership, liberating the productive forces of agriculture from feudal remnants hindering their development, raising agricultural production, and paving the way for China's industrialization.

The nature and level of implemented and planned agrarian transformations in the People's Republic of China indicate that the country is still completing the tasks of the bourgeois-democratic revolution, the basis and content of which is the agrarian revolution, proceeding now in a new international and internal situation.

The agrarian policy of the Chinese People's Government is met with fierce resistance from landlords and kulaks joining them. They try to discredit and undermine the Land Law, sabotage state food deliveries, etc. Class struggle in the Chinese countryside is sharpening.

The Communist Party of China in its agrarian policy relies on the support of the people. The policy of gradually eliminating semi-feudal landownership and land use and transferring land to those who cultivate it meets the interests of the multi-million laboring peasantry of the country. They see for themselves the advantage of this policy over the policy of lack of rights, landlessness, hunger, and poverty pursued by the Chiang Kai-shek clique. The Chinese people met the Land Reform Law with great satisfaction. The preparation currently underway in China for carrying out land reform in individual regions of the country raises the political activity of the peasantry. Millions of peasants join peasant associations. In the course of the reform, local power organs are strengthened, the feudal mutual responsibility system is eliminated, and the people's militia is organized.

Land reform has raised the authority of the Communist Party of China among the laboring peasantry. Previously politically disenfranchised, oppressed by the landlord, semi-starved, the Chinese peasant has now received a plot of land from the new power. He believes in the Communist Party, follows it, and supports people's power. This testifies to the strength of the people's democratic system in China, to the vitality of the land reform, to the fact that no machinations of the defeated, but not

yet crushed Kuomintang reaction and its American inspirers will stop the democratic renewal of China.

The Land Reform Law developed by the Communist Party of China is one of the outstanding documents in the history of the Chinese revolution. It opens up wide prospects for social and economic transformations in the country, which will ultimately lead to the elimination of landlord landownership and the landlords themselves as a class, pave the ways for transforming the country from agrarian to industrial, and create the necessary conditions to raise the level of people's democracy in China to a higher stage leading to socialism.

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N. SHABALIN

THE GREAT CONSTRUCTION PROJECTS OF COMMUNISM AND THE MECHANIZATION OF AGRICULTURE

Comrade Stalin teaches that to accomplish our country's transition to communism, it is necessary to solve the primary economic task of the USSR—to surpass the main capitalist countries economically, i.e., in terms of industrial production per capita. In his historic speech on February 9, 1946, comrade Stalin concretized this task, outlining a grandiose program for raising socialist industry: "We must achieve a situation where our industry can produce annually up to 50 million tons of pig iron, up to 60 million tons of steel, up to 500 million tons of coal, up to 60 million tons of oil. Only under this condition can it be considered that our Homeland will be guaranteed against any eventualities"[109].

In solving the primary economic task and creating the production and technical basis of communism, the role of mechanization and the inextricably linked electrification of the entire national economy is exceptionally great. "...the mechanization of labor processes is that new and decisive force for us without which it is impossible to sustain either our tempos or the new scales of production"[110].

It is difficult to overestimate the enormous significance of the majestic construction projects of communism—new grandiose hydroelectric power stations and canals—for the mechanization and electrification of all types of labor. The role of these

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[109] *I. V. Stalin, Speech at the Pre-election Meeting of Voters of the Stalin Electoral District of Moscow, February 9, 1946. Gospolitizdat, 1946, p. 22.*

[110] *I. Stalin, Questions of Leninism, 11th ed., p. 333.*

construction projects is especially great for the further mechanization and electrification of agriculture.
The construction of giant power stations on the Volga, Dnieper, and Amu Darya, as well as the construction of the Main Turkmen, South Ukrainian, North Crimean, and Volga-Don canals, opens a new page in the history of the mechanization of socialist agriculture.
The transition from production based on manual labor to production based on large-scale machine industry took place in the agriculture of the USSR during the years of the Stalinist five-year plans. Advanced Soviet technology served as the material basis for the socialist reconstruction of agriculture. Thanks to large collective forms of economy, the use of machines and their replacement of manual labor acquired a wide scope in agriculture. Large-scale socialist agriculture in our country develops on the basis of high machinery at tempos unprecedented in history.
The enormous saturation of agriculture with tractors and agricultural machines in the pre-war period made it possible to raise the mechanization of agricultural production to a high stage, especially in such a branch as crop farming, where basic work is performed mainly by tractor-drawn machines.
The war inflicted significant damage on the energy sector of agriculture and caused some weakening of agriculture's technical base. Despite this, agriculture during the Great Patriotic War uninterruptedly supplied the army and population with food and industry with raw materials, making maximum use of the remaining machinery and live draft power. During the war, the advantages of large-scale socialist agriculture and the socialist mode of production over the capitalist one manifested themselves with renewed vigor.
With the end of the war, the party and government set as one of the main tasks of the post-war five-year plan not only to restore the pre-war level of mechanization of field agricultural work,

but also to significantly surpass it. This task has been successfully accomplished.

"Our tractor plants and agricultural machine-building plants," said comrade N. A. Bulganin, "were destroyed during the war; now they have all been restored and, together with newly built plants, are providing agriculture in the current year with: tractors in terms of 15-horsepower units—4 times more than in 1940; combines—3.8 times more; tractor plows—4 times; tractor seeders—6 times; tractor cultivators—more than 3 times"[111].

The share of mechanical engines in the structure of agricultural energy resources in 1950 increased compared to 1940. Overall energy provision in agriculture calculated per 1 hectare of sown area in 1950 was significantly higher than in 1940 and 1945.

Simultaneously with the growth in the number of tractors and agricultural machines, significant qualitative changes occurred in the composition of the machine and tractor park in agriculture. During this time, tractors of five new brands (S-80, DT-54, KD-35, HTZ-7, and SOT) have been newly created and supplied to agriculture, incorporating zonal features and the nature of cultivated crops in their designs. Also appearing are new, previously unknown self-propelled grain combines and machines for the complex harvesting of the most labor-intensive industrial crops: beet combines, flax combines, cotton pickers, and potato combines. The use of these machines further eases the labor of collective farmers and leads to a significant release of labor force during the most strenuous periods of agricultural work.

The growth of technical equipment in agriculture made it possible to significantly raise the level of mechanization of

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[111] *N. A. Bulganin, 33rd Anniversary of the Great October Socialist Revolution. Gospolitizdat, 1950, p. 15.*

agricultural work in collective farms. Machine and Tractor Stations (MTS) in 1950 performed 46% more work in collective farms than in 1940. The volume of tractor work per 1 hectare of sown area significantly increased in 1950 compared to 1940. The pre-war level of ploughing mechanization in 1950 was surpassed by 10%, for spring sowing by 12%, and for autumn sowing by 22%; 90% of plowing work, 64% of spring sowing, and 75% of autumn sowing were performed by tractors. The pre-war level of grain harvesting by combines was also surpassed: half of all grain crop areas in collective farms in 1950 were harvested by combines.
Mechanization of basic agricultural work in collective farms reached the highest level in the grain regions of the Volga Region, North Caucasus and Crimea, Western and Eastern Siberia, the Urals, and the Far East. This is evidenced by the following data (in percentages):

Region	Grain Harvesting by Combines (1940)	Grain Harvesting by Combines (1950)	Autumn Plowing (1940)	Autumn Plowing (1950)	Fallow Ploughing (1940)	Fallow Ploughing (1950)	Spring Sowing (1940)	Spring Sowing (1950)	Autumn Sowing (1940)	Autumn Sowing (1950)
Total for USSR	25	50	43	77	57	86	43	64	53	81
Volga Region	53	75	74	94	60	96	61	88	82	95
North Caucasus and Crimea	66	82	82	96	41	66	47	56	98	85
Western Siberia	40	73	52	78	78	99	87	99	93	96
Eastern Siberia	38	89	63	80	46	65	54	89	91	82
Urals	71	92	82	82	83	97	91	84	98	97
Far East	79	99	78	75	98	75	75	98	82	98

Mechanization of work in the crop farming of these regions is close to full completion.
Mechanization of work in industrial crop production is developing more slowly; in particular, the pre-war level of mechanization for flax and sugar beet harvesting has not yet been restored; mechanization of raw cotton harvesting is still at

an initial stage. The task is to significantly accelerate the development of mechanization for harvesting industrial crops, in particular cotton, flax, and sugar beets, providing them in mass quantities with high-quality cotton-harvesting, flax-harvesting, and beet-harvesting machines.

During the implementation of the three-year plan for the development of public productive animal husbandry in 1949–1950, major work was carried out on the mechanization of fodder procurement and labor-intensive work on livestock farms. Mechanization of haymaking and fodder ensiling in collective farms increased more than threefold in 1950 compared to the pre-war level.

Over the years of the post-war five-year plan, the utilization of agricultural machinery significantly improved. The volume of work per 15-horsepower tractor in terms of ploughing amounted to 103% of the pre-war level in 1947, and 113% in 1948; grain crop harvesting per combine also increased.

In recent years, Machine and Tractor Stations have significantly improved their work: they shortened the deadlines for performing agricultural work and raised its quality. MTS act as a decisive force in introducing advanced agrotechnology into agricultural production. Thus, in 1950, 84% of all spring ploughing, 88% of all fallows, and 89% of all autumn ploughing were ploughed with skim coulters, whereas in 1940 almost all ploughing was performed without skim coulters; stubble harrowing in 1950 was performed by MTS tractors on an area of 12.6 million hectares against 2.6 million hectares in 1940.

The completion of mechanization of labor-intensive work in agriculture is one of the primary tasks for the development of the national economy, since this work absorbs the bulk of the country's labor resources, which are necessary both for the comprehensive development of agriculture itself and for replenishing the working personnel of other branches of the

national economy. Moreover, only with the help of machines can conditions be created for crop cultivation and livestock maintenance that will sharply increase crop yields and livestock productivity.

The effectiveness of socialist labor mechanization in agriculture is expressed in: 1) raising labor productivity and releasing workers from agricultural production; 2) raising the yield of cultivated crops and increasing livestock productivity; 3) easing agricultural labor; and 4) reducing the cost of agricultural products.

The achieved level of mechanization in Soviet agriculture has already yielded colossal labor savings, freeing tens of millions of pairs of hands. Without mechanization, it would be impossible to develop to the modern level either agriculture or other branches of the national economy, which drew their personnel replenishment from villages.

Further mechanization of agriculture, its complete completion on the basis of electrification will significantly reduce the overall population employment in the agriculture of the USSR against the existing level with an increasing volume of production.

Even in such a highly mechanized branch as grain farming, labor costs can be reduced by no less than 2–2.5 times, as can be seen from the following table showing labor costs for wheat cultivation under different levels of mechanization (in man-hours per 1 hectare):

Operations	Manual methods under horse draft (individual peasant farms)	Contemporary level of mechanization (collective farms)	At 100% mechanization of the entire work complex
Ploughing	16.5	3.0	1.0
Harrowing	5.3	2.9	—
Pre-sowing cultivation	2.5	1.6	—
Sowing	6.2	—	—
Reaping and	2.7	106.9	9.3

threshing			
Grain transport (sheaves)	0.4	9.3	—
Transport and stacking of straw	0.3	—	—
Transport and stacking of straw (continued)	0.7	—	—
Total	142.5	30.5	12.2

The widespread introduction into agriculture in the near future of the potato-harvesting combine, beet-harvesting combine, and cotton-harvesting spindle machine will even more sharply reduce labor costs during the most strenuous periods of work in those collective farms where potatoes, beets, and cotton absorb the bulk of labor.

Yield increase is the result of the influence of various factors. Agrotechnology and the development of the Stakhanovite movement of agricultural innovators, who place agrotechnical science at the service of collective farms, have a huge impact on yield increase above all. At the same time, the growth of the technical base of collective farms is of enormous significance, since good quality of work, compressed deadlines for its execution, and the entire complex of agrotechnical measures are inextricably linked with the mechanization of production processes. A machine not only reduces labor costs per unit of output, but also increases the quantity of produced output.

The development of USSR agriculture over the past two decades shows the tremendous importance of using machines to increase yields and reduce labor costs per unit of work and produced output. Already by the end of the second Stalinist five-year plan, thanks to the advantages of the collective farm form of economy, better agrotechnology, and work mechanization, yields were 1.5 times higher, and labor

expended per 1 hectare of sowing was twice less than in individual peasant farms. At the time, the amount of labor expended to produce 1 ts of grain decreased more than threefold.

At present, manual labor still occupies a significant place in many labor processes. To mechanize all labor processes in agriculture, it is necessary to transition to a more developed system of machines of new types, covering all aspects of agricultural production.

Up to the present time, mechanization in agriculture and the system of machines have been based mainly on the tractor. In the future, electric power must play an increasingly greater role in agriculture.

First of all, all stationary agricultural machines must be transferred to electric drive in agriculture.

In regions of irrigated agriculture, on the basis of the construction of new hydroelectric power stations on the Volga, Dnieper, and Amu Darya, basic field machines (tractors and self-propelled combines) will also be transferred to electric power.

The USSR is already accumulating experience in applying electric power in basic agricultural work. In 1949, at comrade Stalin's initiative, the first three electric machine and tractor stations were organized on the basis of ordinary MTS: Rybnovskaya in Ryazan Region, Bazhenovskaya in Sverdlovsk Region, and Korsun-Shevchenkovskaya in Kiev Region.

For these MTS, experimental batches of electric tractors numbering 30 units were manufactured, which entered operation in May 1949. The work of these tractors demonstrated not only the complete technical feasibility of using electric tractors in basic types of field work, but also their high effectiveness.

Collective farms gave a good agrotechnical evaluation of the quality of work performed by electric tractors. Suffice it to say

that ploughing with electric tractors with skim coulters was performed to a depth of 23 to 27 cm.
During the period of operation of these electric tractors—from May to October 1949—the most diverse agricultural works were performed, totaling 19,570 hectares in terms of conventional ploughing.

Types of Work	Rybnovskaya Electro-MTS	Bazhenovskaya Electro-MTS	Korsun-Shevchenkovskaya Electro-MTS	Total Hectares (Conventional Ploughing) & Share (%)
Spring ploughing with harrowing	479	611	—	1,090 (6.2%)
Fallow ploughing with harrowing	1,371	808	662	2,841 (16.1%)
Fallow cultivation	141	274	4,087	4,255 (24.2%)
Fallow harrowing	459	—	—	459 (2.6%)
Double fallow ploughing with harrowing	624	1,174	—	1,798 (10.2%)
Stubble harrowing	61	—	—	61 (0.3%)
Virgin and wasteland breaking	48	68	215	331 (1.9%)
Ploughing for autumn sowing with harrowing	729	—	—	729 (4.1%)
Autumn sowing	113	—	—	113 (0.6%)
Ploughing for winter crops	1,885	3,406	726	6,017 (34.2%)
Threshing and other work	513	—	—	513 (2.9%)

On average, about 660 hectares of work in terms of ploughing were performed per electric tractor, including 500 hectares at Rybnovskaya Electro-MTS, 660 hectares at Korsun-Shevchenkovskaya, and 800 hectares at Bazhenovskaya. Seven

electric tractors (23% of all electric tractors) performed over 1,000 hectares of conventional ploughing per season.
Starting in July, many tractor drivers began overfulfilling the established norm—5 hectares of ploughing—and averaged 7 hectares per shift.
The consumption of electric power per 1 hectare of conventional ploughing averaged 48 kWh; at an average cost of one kilowatt-hour of 25 kopeks, this amounts to 11 rubles 25 kopeks per 1 hectare. Meanwhile, the cost of fuel per 1 hectare when processed by thermal tractors equaled 16 rubles 24 kopeks in 1949.
The use of electric tractors made it possible to save labor costs and horse draft for delivering petroleum products and water.
During the 1949 operating period, as a result of using electric tractors, 325 tons of kerosene, 11 tons of gasoline, and 28 tons of avtol were saved—i.e., the amount of petroleum products that would have been consumed if this work had been performed by thermal tractors.
During the operation of electric tractors in 1949, their following main shortcomings were revealed:
a) when operating an electric tractor with wide-cut machines (seeder, cultivator), the cable, lying on the trailed machines during unit turns, often gets caught under the working parts of the machines and is damaged. Therefore, it is necessary to design special hitches for operating electric tractors with wide-cut machines;
b) to reduce cable twisting, ploughing was carried out in narrow strips 16 to 24 meters wide; as a result, ridge and furrow ploughing furrows on fields ploughed by electric tractors are 2 to 3 times more numerous than when ploughing with thermal tractors. This somewhat reduces field treatment quality and requires designing a special plough attachment for filling in furrow ploughing furrows;

c) the electric tractor weighs 2 tons more than a thermal tractor, so its specific pressure on the soil is greater than that of the STZ-NATI thermal tractor. This unfavorably affects sowing.
In 1950, some of these shortcomings were eliminated; in particular, special hitches, improved booms, cable layers, grounding devices, etc., were manufactured. During the second year of using 30 electric tractors in Korsun-Shevchenkovskaya, Rybnovskaya, and Bazhenovskaya Electro-MTS, tractor output increased and work quality improved.

Electro-MTS	Number of Electric Tractors	Average Output per 1 Electric Tractor (by Sept 1, 1949)	Average Output per 1 Electric Tractor (by Sept 1, 1950)	Output in Conv. Ploughing (1950)
Rybnovskaya	9	3,081	3,964	30,810
Bazhenovskaya	9	5,245	5,304	52,450
Korsun-Shevchenkovskaya	12	3,085	3,835	37,020

In 1950, experimental economic operation of electric tractors was also organized at the Yangi-Yul MTS of the Uzbek SSR (10 caterpillar and 15 wheeled row-crop electric tractors), at the Kardonikskaya MTS of Stavropol Territory (5 caterpillar electric tractors), and the Politotdelskaya MTS of Stavropol Territory (2 caterpillar electric tractors), totaling 62 electric tractors put into operation in 1950.
The accumulated experience in applying electric tractors in 1949–1950 makes it possible to begin preparations starting in 1951 for the widespread operation of electric tractors in irrigated agriculture regions on the basis of constructing new hydroelectric power stations on the Volga, Dnieper, Don, and Amu Darya.
In 1952–1953, in each of the regions near these new construction projects, it is planned to organize electric machine and tractor stations connecting these MTS to the power grids of

the Ministry of Power Stations. Each of these MTS will have at least 50 electric tractors, the necessary set of trailed and mounted agricultural machines and implements, power equipment, and corresponding repair facilities. Such new agricultural machines as electric combines and special electric machines for harvesting rice, cotton, and other industrial crops will receive widespread distribution here.

With the commissioning of new grandiose hydroelectric power stations, all regions of these new construction projects will be covered by a network of electric machine and tractor stations by 1956. Electric power will be used not only in agriculture: all labor-intensive work on livestock farms in collective farms and state farms that can be mechanized on the basis of electrification will be electrified.

Before the war, in 1940, mechanical engines constituted 69.3% of the structure of agricultural energy resources, including electric motors 1%. By the time of the complete completion of agricultural production mechanization, mechanical engines in agriculture, according to our calculations, should constitute approximately 93% of all energy resources, including electric motors 27%. Agricultural production will thus be completely restructured along the lines of large-scale machine industry; thereby, the transformation of agricultural labor into a variety of industrial labor will be completed.

Thermal tractors and combines will still retain a significant share in agricultural technology for a long time, but they will be of more advanced types. Pre-war tractors and combines have, as is known, a number of significant shortcomings; their economic indicators can be improved, their designs must be adapted to the features of individual types of work and different regions. When designing new types of tractors and combines, zonal features of USSR agriculture, the nature of cultivated crops, and their diversity are taken into account. At the same time, the best combination of tractors with

agricultural machines is ensured, hydraulic control systems, automatic devices preventing accidents and premature wear, etc., are introduced. Small garden tractors, medium-power tractors KD-35 and DT-54, and more powerful tractors for processing virgin and wasteland as well as for land reclamation and tree-planting work (S-80 type) have already been created and introduced into agriculture. Newly designed tractors for agriculture with engine power up to 30 horsepower will be equipped with pneumatic tires.

New designs of agricultural machines are developed taking into account the basic requirements of agronomical science providing for the introduction of the grass-arable system of agriculture. Such new machine types already widely introduced in the agriculture of the USSR include: tractor ploughs with skim coulters, disc harrows, tractor sweeps, drags and spike harrows, share harrows, cultivator-harrows, heavy and medium tine harrows, fertilizer drills and crop feeders, grain-cleaning machines and complex grain-cleaning units, tree-planting machines.

In harvesting the majority of agricultural crops (spike grain crops, corn, sunflower, soybean, flax, cotton, sugar beets, potatoes, etc.), a transition is being implemented to carrying out work with self-propelled combines that mechanize its entire process.

To fully complete the mechanization of agricultural production and replace manual labor with machines, the existing set of machines will be replenished in the near future with the following machines:

a) for soil cultivation and sowing of all crops—manure loaders and manure spreaders, combined seeders for simultaneous seed sowing and fertilizer application, machines for top dressing with organic fertilizers;

b) for harvesting grain crops and grasses—corn reapers, corn-harvesting combines, tractor cross-rakes, round baler-pickers for picking up hay and straw with pressing and bale loaders;
c) for harvesting industrial crops and potatoes—cotton-harvesting spindle machines, flax combines, beet combines, and potato-harvesting combines;
d) for soil cultivation, sowing, planting, and harvesting vegetable and garden crops—motorized equipment.
All these machines will be introduced into agriculture on a mass scale. In addition, a gradual replacement of existing trailed agricultural machines and implements with mounted ones will be carried out.
In the regions of the north, northwest, and non-chernozem strip, the northern trailed motorless combine SKAG-5A will be replaced by a self-propelled narrow-cut combine.
The consolidation of collective farms opens up new prospects for using machines and raising agricultural labor productivity. As a result of the consolidation of collective farms, the size of cultivated plots increases and an opportunity is created to better utilize existing machines and employ more powerful tractors and complex agricultural machines that raise productivity and further ease labor.
The transition to a new irrigation system, in accordance with the resolution of the USSR Council of Ministers published on August 18, 1950, ensures further mechanization of agricultural work.
The government resolution noted that irrigated agriculture in our country has reached significant proportions, while the existing irrigation system does not meet the modern level of agricultural development. Modern irrigation systems had a dense network of permanent irrigation canals impassable for agricultural machines, which as a rule were made every 80–150 m and divided irrigated lands into small, isolated irrigation plots measuring 1.5–3–10 hectares. Such a network of

permanent irrigation canals with small irrigation plot sizes led to the underutilization of irrigated lands and hindered the highly productive use of tractors, combines, cotton pickers, and other agricultural machines.

The transition to a new irrigation system using temporary irrigation canals instead of permanent ones makes it possible to more fully utilize irrigated lands and increase the size of cultivated plots. According to the resolution of the USSR Council of Ministers, in regions of irrigated agriculture with grain crops sown on irrigated lands, the size of irrigation plots must be 40–60 hectares and more, and in cotton-growing regions—20–40 hectares and more. This makes it possible to employ large-scale machinery, raise the level of mechanization of agricultural work, and increase the productivity of agricultural machines.

In the second post-war five-year period, with the implementation of the Stalinist construction projects on the Volga, Dnieper, and Amu Darya rivers, the area of irrigated lands will increase severalfold. In this connection, as well as with the transition to the new irrigation system, the issue of developing a system of machines for irrigated agriculture is becoming especially urgent. The noble and responsible task facing designers of agricultural machinery plants and research institutes, machine builders, agronomists, and engineers is to provide irrigated agriculture within the next two to three years with a full set of machines for cultivating grain, sunflowers, grasses, sugar beets, cotton, potatoes, and other agricultural crops under conditions of irrigated agriculture.

In addition to special machines performing work on creating a temporary irrigation network (mounted, trailed, and universal ditchers), irrigated agriculture requires special sowing and harvesting machines. Thus, for sowing grain during furrow irrigation, a special tractor grain seeder-furrower is required for simultaneous sowing and making irrigation furrows, and during

strip irrigation—a tractor grain seeder with a strip former. Special seeders are also required for sowing sugar beets, vegetables, and potatoes in irrigated fields. Of especially great importance for irrigated agriculture is a special grain-grass seeder-furrower or seeder with a strip former for the simultaneous sowing of grain and grass seeds. Self-propelled combines for harvesting grain crops on irrigated lands must be adapted for high yields of 25–40 ts per hectare and for work on uneven terrain along irrigation furrows and ridges. For operational leveling of irrigated fields (for smoothing irrigation furrows), a wide-cut metal grader is needed.

With the implementation of the great Stalinist construction projects, a completely new sphere of agricultural mechanization arises. Surface irrigation in regions with a rugged, uneven terrain is impossible using gravity canals and ditches. In such regions, mechanical lifting of water to irrigated fields and mechanical sprinkling are necessary. For the Kuibyshev hydroelectric complex alone, out of 1 million hectares of land designated for irrigation, 300 thousand hectares, or 30%, fall on regions with uneven, rugged terrain where irrigation from sprinkling units is absolutely necessary. Such irrigation over large areas will be carried out using powerful long-jet electric units. Over 4 billion kWh will be used for electric irrigation.

Agriculture will receive a new system of machines (pumps, sprinkling units) that in their power will equal hundreds of thousands of tractors.

Mechanization on an electrical basis of the irrigation network and electrification of all links of agriculture in the regions of the Stalinist new construction projects will generate a large demand for electromechanical equipment. Our growing industry is called upon to satisfy this demand of agriculture. Powerful Soviet agricultural equipment is currently concentrated predominantly in Machine and Tractor Stations.

The USSR now has more MTS than before the war. As a result of the growth of MTS technical equipment and the improvement of personnel qualifications, the total volume of tractor and other work in all branches of collective farm production has increased. The network of specialized MTS has expanded. Agriculture annually receives and will receive in increasing quantities new, more productive tractors, combines, and other complex agricultural machines. The consolidation of collective farms has created more favorable conditions for the work of MTS, for raising crop yields, and for strengthening the public economy of collective farms.

The main task at present is to utilize equipment in agriculture as well as possible and ensure that all mechanisms operate with maximum productivity.

The reserves of Machine and Tractor Stations are very large. To this day, very significant downtimes of tractors in the furrow during field work are observed. According to the most tentative calculations, eliminating these downtimes will yield an increase in tractor park productivity by no least one third. The correct organization of machine and tractor park utilization therefore acquires exceptionally important, urgent significance. The main shortcoming in the work of many MTS is that they do not utilize the work experience of advanced MTS where, as a rule, tractor work is performed in two shifts, according to an hourly schedule, and planned preventive maintenance is applied. Such advanced MTS are Azovskaya (Rostov Region), Balakovskaya (Saratov Region), Petrovskaya Experimental-Demonstration MTS (Stavropol Territory), and a number of others. The country knows the names of advanced tractor brigade leaders: Vasily Sergeyev, Ivan Shatsky, Praskovya Angelina, Feodosia Perova, Ivan Sychenko, and many others who have achieved outstanding results in the socialist emulation of machine operators for high yields, better

machinery utilization, excellent work quality, fuel economy, and machine preservation.

The widespread introduction of the experience of advanced tractor drivers and combine operators is inextricably linked with the training and education of machine operator personnel. Cases are not rare where tractor drivers coming from mechanization schools do not know well enough the equipment they are to master, since the training of new personnel in some schools occurs in isolation from collective farm practice and the experience of advanced machine operators. Eliminating these shortcomings, organizing a normal educational process in schools, and conducting broad political and educational work among students are the duty of local party and Soviet organs.

It is also very important that experienced tractor drivers and combine operators render assistance to new personnel directly at their workplaces. It is advisable to assign young tractor drivers as partners to tractor drivers who have worked for at least a season. MTS managers are obliged to organize technical studies. In MTS practice, there are quite a few cases where combines operated by young combine operators often stand idle for long periods simply because, for example, they cannot determine the real cause of the combine's downtime or eliminate it. Sometimes young tractor drivers and combine operators work on improperly adjusted machines, causing grain losses, fuel overconsumption, etc. All this can be avoided if technical studies are properly organized, which should be based on demonstration, personal example, and assistance to young personnel by leading workers.

Comrade Stalin teaches that technology headed by people who have mastered technology can and must work wonders. That is why agricultural organs are required to pay special attention to machine operator personnel. The better, more rationally, and more fully tractors, combines, and other first-class agricultural machines with which our collective farms and state farms are

abundantly equipped are utilized, the faster a new powerful upsurge in socialist agriculture will be accomplished.
Mechanization of agriculture in the USSR has a fundamentally opposite character compared to the use of machines in capitalist agriculture. In terms of mechanization level, the machine saturation of agriculture, and the degree of utilization of tractors and agricultural machines, the USSR significantly surpassed the main capitalist countries, including the USA, back in the second Stalinist five-year plan. Thanks to the advantages of the socialist economy, the complete completion of agricultural production mechanization in the USSR can be accomplished with fewer tractors compared to the number currently available in the USA. As for machines such as beet combines, flax combines, cotton pickers, potato combines, and others, they are introduced in the USSR by the tens of thousands, whereas in America they are counted in units.
The use of machines in US agriculture, as in the agriculture of any capitalist country, is fettered by private ownership of land, the fragmentation of land among small owners, and capitalist relations that doom the majority of small farms to a miserable existence and degradation.
According to the 1945 agricultural census, almost 2/3 of all farms in the USA partially or fully used horses and mules as draft power, and 1.5 million farms, or 27% of all farms, had neither live draft power nor tractors at all. In 1945, only 1/3 of farms used tractors. Only 6% of all US farms used combines[112].

[112] *"Iowa Farmer and World War", Iowa Bulletin, 1941, p. 31.*

The machine and tractor park in US agriculture is utilized 2 to 3 to 4 times less productively for individual machine types than in the USSR. Bourgeois economists are forced to admit that "if these tractors were distributed evenly, all field work on farms could be performed with their help." "No other sector is such a vast reservoir of inefficiently utilized labor as agriculture"[113], notes another American publication. There are very many such forced admissions reflecting the impossibility of rational agriculture under capitalism in American agricultural literature. Mechanization of agricultural labor in the USSR eases labor, ensures the rise of material well-being and culture of the peasantry. The use of machines in capitalist agriculture leads to the ruin of peasants and the growth of unemployment. According to the American press, every new tractor entering US agriculture leads to the ruin of one farmer family. Over ten years, from 1935 to 1945, with the doubling of the tractor park in US agriculture, one million farmers were ruined, replenishing the permanent army of unemployed and wandering vagrants.

Facts show that the capitalist use of machines in agriculture, in contrast to the socialist use of machines, is carried out in the interests of a handful of exploiters, to the detriment of the interests of the working people. Facts confirm the conclusion of Marxism-Leninism that the level of development of productive forces, in particular in US agriculture, has long outgrown capitalist frameworks; capitalist relations have turned into fetters for applying technology and raising the economy, into a source of torment for working people. Only socialism opens up boundless vistas for applying new technology, easing labor, raising its productivity, and increasing the well-being of working people. The great construction projects of communism

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113 *"Agricultural Engineering", April 1942, p. 118.*

serve as a new striking example of the advantages of the socialist system.

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A. Teryayeva

ORGANIZATIONAL AND ECONOMIC STRENGTHENING OF UNITED COLLECTIVE FARMS

The victory of the collective farm system in the USSR is the greatest historical achievement of the Party of Lenin and Stalin, a triumph of the Leninist-Stalinist theory of the socialist transformation of agriculture. The industrialization of the country, solid collectivization, and the liquidation of the kulaks as a class on its basis radically changed the paths of agricultural development, transforming the agriculture of our country from small-scale, fragmented, and backward into the largest, most advanced, and most mechanized in the world. "The method of collectivization," Comrade Stalin pointed out, "proved to be an extremely progressive method not only because it did not require the ruin of the peasants, but especially because it made it possible within a few years to cover the entire country with large collective farms that have the opportunity to apply new technology, use all agronomic achievements, and provide the country with more marketable output."[114]

The enlargement of agricultural production through the voluntary merger of peasants into large collective farms for the first time in the history of agriculture ensures the possibility of unlimited application of the machine system, technical equipment of agricultural labor, and the use of scientific achievements in the interest of steadily raising the well-being of the working people. This is due to the fact that collective

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[114] *J. V. Stalin, Speech at an election meeting of voters of the Stalin election district of the city of Moscow, February 9, 1946. Gospolitizdat, 1946, p. 18.*

farms are a socialist form of organizing an economy based on public ownership of the means of production and collective labor. Collective farms are large socialist enterprises that are part of the planned national economy of the USSR, conducted with the help of modern technology and advanced agricultural science on land belonging to the socialist state.

During the years of the pre-war Stalinist five-year plans, the gross output of collective farm agriculture nearly doubled. The collective farm peasantry changed beyond recognition: its cultural, moral, and political level rose, and its production experience multiplied. The movement of agricultural innovators gained broad scope: over 4 thousand collective farmers are Heroes of Socialist Labor. This is vivid evidence of the profound changes that have taken place in the economy of collective farms and in the consciousness of the collective farm peasantry.

The post-war rise of industry opened new perspectives for equipping all branches of the collective farms' public economy with advanced technology. The pre-war level of mechanization has been surpassed in all types of work. The role of the MTS in creating a system of machines in all branches of the public economy on the basis of combining thermal and electrical energy has increased immeasurably. In the near future, electric plowing will find wide application in collective farms. The mechanical energy equipment of a collective farmer is approaching that of an industrial worker.

Labor in collective farms, becoming more and more industrial labor, ensures high yields of all crops over large areas. This means that the labor of collective farmers in its main mass is becoming increasingly skilled labor.

All these achievements are the result of the enormous work of the Party on the organizational and economic strengthening of collective farms and raising the cultural and technical level of collective farm cadres. In turn, they serve as a base for further

organizational and economic strengthening of collective farms aimed at solving the main national economic tasks of communist construction.

The economic and organizational framework of small collective farms has become narrow for technical progress, for the growing public economy, and primarily for public livestock raising.

Comrade Stalin in 1930, in the article "Reply to Collective-Farm Comrades," criticizing the infatuation with organizing large collective farm units, the so-called "giants," which were deprived of economic roots in villages and settlements, aimed the Party at solving issues of intra-collective farm construction as an essential prerequisite for rational enlargement in the future: "Now the attention of workers must be focused on organizational and economic work of collective farms in villages and settlements. When this work shows proper success, 'giants' will appear by themselves."[115]

The progressive movement of the collective farm peasantry for the merger of collective farms was prepared by the entire previous development of collective farms, the strengthening of their material and technical base, and the growth of collective farm cadres. The comprehensive mechanization of agricultural production based on the combination of tractors and electric machines, the solution of the livestock problem, the implementation of the grandiose Stalinist plan for the transformation of nature — all this, laying the material and technical base of communism, requires a higher level of production concentration. It is a matter of such acceleration of our movement toward communism that pulls the entire mass of collective farms up to the level of the advanced ones, with a general rise of the collective farm economy to a new, much higher level of a developed and prosperous agricultural artel.

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[115] *J. V. Stalin, Works, vol. 12, p. 226.*

Under conditions of highly developed mechanization, small collective farms began to hold back the further rise of agriculture. Small collective farms became an obstacle to the further organizational and economic strengthening of collective farms; they corresponded neither to the achieved level of development of productive forces nor to the cultural and political level of the collective farmers building communism. Creating an abundance of agricultural products, the final destruction of the opposition between city and countryside, between mental labor and physical labor, and the communist education of collective farmers — these are the fundamental tasks of communist construction in the countryside. These tasks are resolved through further enlargement of agricultural production, i.e., the merger of public property of a number of collective farms, developing in inseparable connection with and on the basis of strengthening state property in agriculture. Let us consider the practice of merging collective farms using the example of three districts in different regions of the country. The merger of small collective farms, characteristic of the non-chernozem zone, began in Moscow Region. Its economic features can be analyzed using the example of the 8th of March artel of Bronnitsy District, which united 7 small collective farms, comparing it with the large, advanced collective farm "Borets" of the same district, known for its achievements over many years.

Table 1

Indicators	**Collective farms merged into the enlarged 8th of March Collective Farm**			**Collective Farm "Borets" (before enlargement)**
	Smallest	**Largest**	**Total for**	

			enlarged farm	
Total land (in ha)	153	981	3820	3179
including arable land	98	523	2035	1610
Number of able-bodied collective farmers	38	100	300	1050
Livestock head count as of Jan 1, 1950:				
cattle	65	154	491	407
pigs	7	53	351	74
sheep	54	82	341	65
Basic means of production (in thsd. rubles)	92.2	979.2	2417.5	3847.5
Workdays spent in 1949 (in thsd.)	6.3	31.0	121.7	95.8
Average annual monetary income for 1947–1949 (in thsd. rubles)	31.2	827.1	940.2	2739.2

As can be seen from Table 1, the enlarged 8th of March collective farm in area is almost 3.5 times larger than the largest of the merged collective farms, 3 times larger in the number of able-bodied workers, 4 times larger in livestock count and workday expenditures, and almost 2.5 times larger in monetary income. In such key production conditions as public land, availability of able-bodied workers, and productive livestock head count, the enlarged 8th of March collective farm is larger than the "Borets" collective farm. But the means of

production and labor force, being dispersed across 7 small collective farms, were used insufficiently effectively. Having spent more workdays than the "Borets" collective farm, all the collective farms together received much less monetary income. This clearly demonstrates the economic progressiveness of merging collective farms and the new reserves for raising the public economy of all collective farms uncovered by further concentration of production.

The merger of collective farms is taking place in all regions of our country. Since in individual economic regions both the level of collective farm construction, the size of collective farms, and the degree of mechanization, specialization, and intensification of production are different, the sizes of merged collective farms are also unequal. In merging collective farms, as during the years of solid collectivization, the Party proceeds from the Leninist-Stalinist principle of considering the diversity of conditions in various regions of the USSR.

To characterize the merger process in advanced grain-growing regions, the enlarged Leninist Komsomol collective farm of Salsk District (Rostov Region), in which three agricultural artels united, is illustrative. Let us compare the indicators of this collective farm with those of the advanced large Stalin collective farm of the same district (see Table 2).

As can be seen from Table 2, the collective farms, having united into the enlarged Leninist Komsomol collective farm, created a public economy that is 2.5 times larger than the largest of the merged farms in area and productive livestock count, 2.2 times larger in the number of able-bodied workers, and in this respect exceeds the resources of the large advanced Stalin collective farm of the same district, which has existed for many years. However, with almost the same expenditure of workdays and the same level of mechanization of main field operations

Table 2

Indicators	Collective farms merged into the enlarged Leninist Komsomol Collective Farm			Stalin Collective Farm
	Smallest	Largest	Total for enlarged farm	
Total land (in ha)	1996	3369	8337	5840
including arable land	1440	2340	5840	4582
Able-bodied collective farmers as of Jan 1, 1950	118	267	587	630
Livestock head count:				
cattle	275	433	1026	882
pigs	81	102	228	338
sheep	41	1138	1768	4532
Basic means of production (in thsd. rubles)	2352	227.9	708.1	1371.6
Workdays spent (in thsd.)	4843.6	50.5	117.7	240.4
Monetary income for 1949 (in thsd. rubles)	280.2	237.3	500.0	1015

the Stalin collective farm receives monetary income 5 times greater than the largest of the merged collective farms, and 2.5 times more than all three merged collective farms received

together during their separate operation. If we evaluate all in-kind distributions in monetary terms, collective farmers in the Stalin collective farm received 2 times more per workday than in less large collective farms before their merger. The Stalin collective farm's endowment with basic means of production is 3.6 times higher than in the merged collective farms. This testifies to higher rates of accumulation in a large, comprehensively developed, economically powerful collective farm.

The merger of collective farms leads to a more planned distribution and productive use of public land and labor resources. For example, across the 7 merged collective farms of Bronnitsy District, there were from 1 to 8 ha of crops per able-bodied worker, while after the merger the average crop load in the enlarged 8th of March collective farm is 2 ha; in the collective farms of Salsk District, respectively, from 7.8 to 12.2 ha, and after the merger — 10 ha.

Table 3 gives a generalized picture of the nature of collective farm mergers in individual economic regions of the country with different levels of collective farm construction, mechanization, and specialization of production:

The enlargement of farm size in terms of productive livestock head count is more significant than in terms of land.

Mass data by regions show that land areas in enlarged collective farms are 3–5 times larger than before the merger. Thus, in Gorky Region, before enlargement, one collective farm accounted for approximately 400 ha of arable land, after enlargement — 1,620 ha; in Kirovohrad Region (Ukrainian SSR), respectively, 900 and 2,064 ha; in Vladimir Region, 130 –400 ha and 1,000–2,000 ha. In Moscow Region, the number of collective farms decreased almost fourfold as a result of the merger.

Table 3

Indicators	Average collective farm after enlargement			How many times larger the enlarged farm is than the average farm before enlargement		
	Bronnitsy District	Salsk District	Kurganinsk District	Bronnitsy District	Salsk District	Kurganinsk District
Total land (in ha)	1360	5750	11300	2.7	2.0	5.0
Livestock head count:						
cattle	173	604	934	3.3	2.1	5.5
including cows	70	104	134	3.3	2.1	5.2
pigs	121	157	918	3.4	2.1	5.2
sheep	166	2049	1152	3.3	2.1	5.2

The changes taking place in the economy of collective farms in connection with their enlargement are clearly visible in the example of Salsk District (Rostov Region). Here, before enlargement there were 68 collective farms; now there are 32. Over 70% of collective farms have 3,000 ha of arable land or more; before enlargement, such farms constituted only 4%; 75% of collective farms (instead of 3%) have over 200 households. More than 30% of collective farms have an average of about 400 able-bodied workers, and 21% — about 600 able-bodied workers. Before enlargement, 36 collective farms had no public horticulture, and many collective farms had no vineyards; after enlargement, public orchards and vineyards are being created in all collective farms of the district. Now 26 collective farms have over 100 cows, whereas previously there were only 3 such farms; 21 collective farms instead of 5 have more than 100 horses; 27 collective farms

instead of 11 have a livestock count of over 100 pigs; 25 collective farms have 2 thousand or more head of sheep.

The merger of collective farms uncovers new reserves for the growth of the public economy. Better conditions are created for using public land. Enlarged collective farms are capable of improving and expanding arable land for field and fodder crop rotations, turning currently unused land into cultivated meadows and pastures. The negative consequences of the historically established uneven distribution of public land between collective farms of one district and village soviet are overcome. Intra-farm and inter-farm land organization eliminates wedging, interspersion of land, as well as land fragmentation across numerous crop rotations with small fields. For example, on the territory of the Leninist Komsomol collective farm before enlargement, plots of three collective farms — "Udarnik," "Nizhny Yegorlyk," and named after Dimitrov — were interspersed; the arable land of the 8th of March collective farm measuring 1,050 ha was divided among ten brigades, with crop rotation field sizes not exceeding 10–20 ha.

The merger of economically weak collective farms with strong ones, ensuring the rapid pulling up of lagging farms to the level of advanced ones, at the same time creates conditions for a general rise of the enlarged economy. Thanks to the merger of collective farms, each branch becomes large and highly marketable, firm foundations are created for a more rational organization of labor and better use of technology. Only large collective farms make it possible to create stable and versatile labor specialization, economically full-fledged production brigades with appropriate sizes of assigned areas.

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The most important task of Party, Soviet, and agricultural organizations at present is the further organizational and economic strengthening of collective farms, wide use of all

advantages of enlarged agricultural artels, turning them into highly profitable, highly marketable, exemplary, comprehensively developed economies.

The plenum of the Moscow Regional Committee of the VKP(b) held in December 1950, summing up the results of implementing the decisions of the CC VKP(b) and the Council of Ministers of the USSR on issues of enlarging small collective farms, strengthening the composition of collective farm chairmen, and measures for further organizational and economic strengthening of collective farms, noted that the enlargement of collective farms has already brought its first positive results. At the same time, the plenum of the MK VKP(b) emphasized that "its results will be fully felt only when each united artel is strengthened in organizational and economic terms, when correct crop rotations are introduced, and resettlement of small villages into large, well-appointed settlements is carried out."

Party organizations, Soviet, and agricultural bodies must help collective farms primarily to improve the composition of collective farm chairmen. Specialists tested in political and practical terms with higher and secondary agricultural education, as well as other specialists and practitioners knowledgeable in agriculture with extensive leadership and organizational experience capable of ensuring leadership of a large collective farm, should be promoted to the post of collective farm chairmen.

The advantages of united collective farms are not realized automatically. The merger of collective farms, creating conditions for a new rise in crop farming and livestock raising, requires a higher level of production organization and management, and strengthening plan discipline.

A significant shortcoming in the organization of collective farm labor in many collective farms, especially in the non-chernozem zone, was the fragmentation of the collective

economy across small brigades, which did not meet the production interests of the public economy. The creation of brigade crop rotations led to even greater fragmentation of land plots. Thus, even in the relatively large Timiryazev collective farm of Gorky Region, uniting peasants of 30 villages with a total sown area of 1,530 ha, one field brigade accounts on average for only 110–180 ha of crops, with the average field size for individual field crops being 16–20 hectares or less. Currently, the collective farm plans to create three large settlements, enlarge brigades and field sizes.

However, in many enlarged collective farms such shortcomings in the organization of labor and land use have not yet been eliminated. Thus, in the mentioned enlarged 8th of March collective farm, there are from 1.6 to 5.8 ha of crops per able-bodied worker in field brigades, and per entire brigade — from 100 ha (for 26 people) to 165 ha (for 31 people). Although the collective farm enlarged, it basically retained the small brigades existing in former collective farms. Therefore, land, labor force, draft power, and implements are distributed unevenly among brigades.

The artel "Path to Communism" of Chkalov District, Gorky Region, formed on the basis of three collective farms and having 1,859 ha of arable land and 900 able-bodied workers, also retained old brigades. In this artel, 13 field brigades have areas from 70 to 200 ha and from 30 to 70 able-bodied workers. Field sizes by crops under these conditions remain small — from 5.5 to 24 ha. The unsatisfactoriness of such "organization of labor" and land use, their non-conformity with the modern material and technical base, is completely obvious.

The work experience of enlarged collective farms has shown the groundlessness of attempts to create production brigades on the formal basis of old collective farm-settlements, i.e., preserving the existing discrepancy in crop sizes per brigade,

equipment endowment, etc. The formation of such brigades contradicts the interests of developing the public economy. Outdated forms of labor organization in agriculture also hamper the growth of public livestock raising, as questions of organizing the fodder base remain unresolved. The advantages of collective farm enlargement are fully realized only with the correct organization of permanent production brigades. The enlargement of brigades is a crucial link in improving labor organization; it is inextricably linked with the enlargement of crop rotations. Only field brigades that are large in area and possess a sufficient number of workers make it possible to fully utilize advanced technology.

Field brigades in a mechanized economy must ensure conditions for the operation of the machine-tractor fleet and the interest of the MTS tractor brigade in increasing crop yields. Therefore, the most progressive organization of labor is when an MTS tractor brigade permanently services one field brigade or a collective farm with large crop rotation areas and field sizes.

The production brigade in each branch must perform on time and at a high level the entire complex of work established for it by the production plan, service any machine, and ensure qualified and concrete leadership and control by the brigade leader over the work of brigade members. The growth of labor specialization manifests itself in the creation of large specialized brigades in vegetable growing and horticulture, fodder production brigades, and for other works of major importance in a given economy. Thus, in Byelorussia, special brigades are allocated for accumulating and hauling manure, servicing mechanisms in electrified collective farms, etc. A special mechanization brigade of 13 people was created by the united collective farm "Path of Lenin" of Chkalov District (Gorky Region). In this collective farm there are 4 engines and

15 electric motors, while in the artel "Path to Communism" of the same district there are 60 electric motors.

In 37 collective farms of Kurganinsk District before the merger, there were 93 field brigades, 36 fodder production brigades, 36 vegetable brigades, 9 horticulture brigades, and 19 construction brigades. In the 8 large collective farms created, the number of field brigades is being reduced, crop areas per brigade are increasing on average from 600–700 to 1,000–1,500 ha; average field size in field crop rotation is brought to 200–300 ha instead of the former 80–120 ha; in each collective farm, large livestock brigades specialized by individual types of livestock are created, as well as fodder, vegetable, and horticulture brigades. Permanent construction brigades of workers of various specialties working year-round are being organized. Such brigades train permanent builder cadres. In enlarged fodder crop rotations, average field size increases from 30–40 to 80–150 ha, which will allow productive use of modern technology here as well.

In large collective farms, internal brigade organization of labor forms receive further development: setting work norms, labor force deployment, planning, organization of piecework, etc. Enlarged collective farms have everything necessary to organize work norming on firm scientific foundations, generalizing the achievements of innovators. The merger has uncovered new reserves for increasing labor productivity, which will build up as the organizational and economic strengthening of collective farms proceeds and innovative methods of work organization develop (hourly schedules, high-speed threshing method, flow method of harvest organization, etc.) inherent in large collective farms. Along with improving link organization of labor in cultivating certain as yet insufficiently mechanized crops — industrial, vegetable, and row crops — new forms of labor cooperation in the brigade will be increasingly applied, with a stable division of labor in

servicing individual machines and performing individual operations at the machine.

The leading role of the MTS tractor brigade, which sets examples of discipline and new, industrial methods of labor organization, determining the deployment, qualification, and training of labor force, schedule, and pace of work, will increase even further.

Characteristically, the change in production scale even with the same technology required a different deployment of labor force. The enlarged Malenkov collective farm (Gorky Region) immediately after the merger of three artels assigned 4 people to work on self-dumping reapers, allocated a threshing brigade, permanent groups of collective farmers servicing electrified winnowing machines, sorters, clover hullers, as well as water supply, farm watering, etc.

New, heightened requirements are placed on planning work organization in the brigade. Without a production plan, work plans, schedule, and work assignments providing for the deployment of people and technical equipment, one cannot properly lead a brigade in a large collective farm.

Strengthening the permanent production brigade makes it possible to properly set up planning, accounting of labor expenditures and crop yields, and carry out income distribution in the collective farm depending on labor results in accordance with the resolution of the Council of Ministers of the USSR of April 19, 1948, "On measures to improve organization, increase productivity, and regularize labor remuneration in collective farms."

With the creation of collective farm Party organizations and Party groups in brigades, collective farm democracy receives further development: collective farmers are increasingly involved in managing artel affairs, and the organizing role of brigade meetings in developing criticism and self-criticism

rises. However, brigade meetings should in no case replace general meetings of collective farmers.

The merger of small collective farms promotes the development of labor specialization. In large collective farms, a system of specialized large crop rotations is created, the sizes of which allow effective use of advanced technology and scientific achievements. Thus, in collective farms of the non-chernozem zone, upon enlargement of field crop rotations, no more than 1–2 crop rotations are created in each collective farm in order to maximally increase the average field size, bringing it to 100–150 and more hectares. In establishing special crop rotations, for example, vegetable ones, they also proceed from the requirements of highly productive, scientifically organized mechanized production.

In connection with the enlargement of field brigades and the growth of field mechanization, the question of enlarging MTS tractor brigades arises as well, so that a tractor brigade services one collective farm (in the near future this will be characteristic of most enlarged collective farms in the non-chernozem zone) or one field brigade and specific fodder crop rotations (in large grain collective farms of southern and south-eastern regions). The experience of leading tractor brigade leaders of the Kuban and Don shows that a tractor brigade consisting of 4–7 tractors can perform the entire complex of agricultural work with high quality and productively use equipment when servicing compactly located arable land massifs of 1,100–1,700 ha (depending on crop composition). At the same time, in collective farms of grain regions, this area can be serviced by one field brigade. In flax-growing and sugar-beet collective farms, each hectare of crop rotation area (with full mechanization of all field work) requires approximately twice as much work (in terms of standard plowing) as in grain collective farms of the South. Questionnaires processed by us on the work of advanced collective farms harvesting grain

yields of 25–30 centners, potatoes 300–500 centners, beets 500 centners, flax 5–6 centners per hectare, etc., show that carrying out the necessary agrotechnical complex in grain collective farms of the South per hectare of crop rotation area requires 3.5 –4 ha of soft plowing, while in flax-growing and sugar-beet collective farms — 6–7 ha and even 8 ha, i.e., almost twice as much. Therefore, in flax-growing and sugar-beet collective farms, as shown by the experience of large mechanized farms, an economically substantiated size of a field brigade in terms of area is 400–700 ha of arable land.

In order to fully realize the advantages of merging collective farms in using machines in the non-chernozem zone regions with forested, marshy, heavily dissected terrain, it is necessary to conduct large-scale land-surveying and reclamation work. This will make it possible to truly solve the issues of radically improving the fodder base and consolidating scattered land plots into large continuous massifs. For example, 6 combines of the Chkalov MTS in 1949 had to harvest 204 plots in 26 collective farms. As a result of such fragmentation, having harvested 1,077 ha of various crops, they made 650 km of idle runs.

The merger of collective farms is of particularly great importance for the rise of public livestock raising. A better, more uniform distribution of natural fodder lands, the introduction of fodder and meadow-pasture crop rotations (where economically expedient) create a firm fodder base in enlarged collective farms. Thus, the enlargement of three collective farms based on the Vasilyevka collective farm in Tselina District (Rostov Region) makes it possible to provide each livestock farm with a specialized fodder crop rotation, create compact, improved hayfields and pastures, and avoid grazing their livestock on meadows of collective farms in other districts. Relying on large collective farms, MTS can and must

launch works on livestock mechanization, radical improvement of hayfield lands and pastures on a broad front.

As a result of enlargement, the dispersion of forces and means across small farms previously scattered in 4–5 or more collective farms is eliminated; economically powerful livestock farms specialized by livestock types are created, allowing broad mechanization and specialization of livestock workers' labor, equipping them with the most advanced, progressive methods of keeping livestock and increasing its productivity, and transferring livestock to permanent capital buildings.

Great importance for the organizational and economic strengthening of united collective farms lies in using local resources to expand capital construction, electrify production, and primarily develop productive livestock raising. In Tselina District, the merger of three collective farms (16th Anniversary of October, 17th Party Congress, "Red Rider") made it possible to use a liman located on the territory of one of them to construct a large reservoir and create an irrigated vegetable garden, as well as a waterfowl farm. The merger of the Voroshilov collective farm with the "New Path" and "Red Partisan" collective farms allows organizing the production of bricks and other building materials. The Sredny Yegorlyk River can be used to increase the size of irrigated plots on which highly productive vegetable growing and seed production will be developed, and waterfowl farms created.

One of the economic motives for merging the Chapaev, "New Life," and "Bolshevik" collective farms in Tselina District was that based on the power station of the "New Life" collective farm, labor-intensive agricultural work in all collective farms could be electrified.

In collective farms of grain regions that are relatively large in land area but have undeveloped other branches of the public economy, it was precisely the growth of opportunities for comprehensive farm development, increasing its marketability

and profitability, as well as launching major capital construction that served as one of the most important incentives for merging collective farms.

Many large collective farms have already created their own base for producing building materials. Thus, the Stalin collective farm of Kurganinsk District, Krasnodar Territory, has two brick factories producing up to 2 million bricks per year, and a tile factory; in the Molotov collective farm of the same district, a brick factory with an annual output of 700–800 thousand bricks operates; in the "Path of Lenin" collective farm of Chkalov District, a factory for 500 thousand bricks has been built. The organization of such a factory is within the power of any enlarged collective farm. In forested regions, large collective farms, using their electrical equipment, organize the logging of commercial timber and its mechanized processing for construction purposes.

Completion of comprehensive mechanization based on combining mechanical traction machines with electrification is a vital issue for agricultural development and the organizational and economic strengthening of united collective farms. In Moscow and other regions, projects for comprehensive mechanization of agriculture and the use of local resources for electrification development are being drawn up. The question stands very acutely not only regarding the mechanization of industrial crop cultivation and livestock farms, but also regarding the completion of comprehensive mechanization of grain farming. An enormous amount of labor is currently spent on manual and horse-drawn work associated with transportation, cleaning, and sorting of grain, stacking of straw, etc. For example, in the 1st of May collective farm of Tselina District, in a brigade with 1,000 ha of crops, during grain harvesting the entire composition of the brigade (73 people) was occupied and 20–25 schoolchildren worked. 60 people serviced the combine with all accompanying operations

(work on the straw stacker, unloading the hopper, weighing, hauling, sorting and cleaning grain, raking and stacking straw, etc.).

With the high-speed threshing method using the "MK-1100" thresher in two shifts, the main part of a 60–70 person brigade is occupied with auxiliary non-mechanized operations: sheaf feeders — 14–16 people, grain bag handlers — 4–10 people, straw loaders — 10 people, etc. To service a reconstructed electric threshing unit that mechanizes 10 auxiliary operations, only 17 people are required. Electrification of grain cleaning and sorting reduces labor expenditure by 3–4 times, fodder preparation by 5–6 times, and in livestock raising on average by 4–5 times. According to data from the Ministry of Agriculture of the USSR, electrification of threshing, water supply, fodder preparation, and milking can release 5–6 million workers across the Soviet Union as a whole and save up to 25 million horse-days per year.

Labor savings due to mechanization of auxiliary work enable enlarged collective farms to organize all production more rationally and use labor resources to obtain progressively increasing output in a comprehensively developing economy, launching production and housing construction to the fullest extent.

Eliminating old methods of management and collective farm leadership inherent in small collective farms, adopting a new approach and new evaluations in analyzing the economy of large collective farms is one of the most important organizational tasks. To date, for example, the following scale of workday deductions for paying administrative-management personnel based on collective farm size operates:

Workday Deduction Scale for Management

In collective farms with workday output (in %)	Deduction percentage
Up to 20 thsd.	8 %

From 20 thsd. to 35 thsd.	7 %
From 35 thsd. to 55 thsd.	6 %
From 55 thsd. to 75 thsd.	5 %
From 75 thsd. to 100 thsd.	4 %
Over 100 thsd.	3 %

For enlarged collective farms, this scale of workday deductions is no longer suitable. Most enlarged collective farms can be attributed to the two last groups, with collective farms having outputs of 120–500 thsd. as well as 1,000 thsd. workdays falling into the group of collective farms with outputs over 100 thsd. workdays.

In connection with the enlargement of collective farms and the growth of technology, the economic and organizational role of the MTS increases to a huge degree. Machine-tractor stations must service all branches of the public economy — livestock raising, construction, assisting collective farms in mastering public land, carrying out forest reclamation, using local resources, etc. A restructuring of MTS work, an expansion of the network of specialized machine-tractor stations, and within MTS — specialized tractor brigades with an appropriate set of equipment, for example, for servicing fodder crop rotations, mechanizing livestock raising, vegetable growing, etc., are necessary.

The task of rapidly mastering new technology and making better use of it stands acutely before the MTS. Further improvement in the quality of all tractor work, carrying it out within the best agrotechnical deadlines, and increasing yields in serviced collective farms are closely tied to the solution of this task. Mastering new technology requires serious preparation and cadre training. This is one of the central tasks of the organizational and economic strengthening of collective farms.

A number of new questions in connection with collective farm mergers arise in the field of collective farm management as well. The necessity has emerged to designate specific individuals responsible for branches of the economy and specific work sectors, clearly distribute duties among board members, and establish a firm work schedule for the board. In the multi-branch "Avangard" collective farm, the management structure is as follows: the head of crop farming, an agronomist, is in charge of field, garden-vegetable, and fodder brigades; the head of livestock raising organizes the work of livestock farms and the apiary and is responsible for them; the horse breeding farm is under the direct charge of one of the board members; the vice-chairman is responsible for the work of production workshops, the power base, electricity supply, and warehouse management. Six production units — brick, pottery, lime, glue-boiling, etc. — are headed by a special foreman of auxiliary enterprises. A construction brigade leader is responsible for the work of the construction brigade, which includes carpenters and sawmill workers.

Such a developed system of management and labor specialization in enlarged collective farms raises the question of organized training of special cadres for rapidly developing various branches of the public economy. The main branches of enlarged collective farms must be provided with highly qualified cadres of agronomists, livestock specialists, and workers of other specialties.

The role of the plan increases in all links of farm management, especially long-term planning of farm development. It is necessary to solve not only current, though very important, tasks of intra-farm organization of merged collective farms, but also major tasks of planned rapid rise and comprehensive development of public production on scientific foundations. Long-term plans for intra-farm organization, introduction and mastering of correct grass-arable crop rotations, resettlement of

collective farmers into new settlements and agrotowns, plans for mastering public land, training qualified technical cadres, and developing all branches of the public economy are an integral part of general plans for communist construction in our country.

The enlargement of collective farm Party organizations makes it possible to create Party and Komsomol groups in production brigades and in all other decisive sectors of the public economy, and on this basis to expand political work among the masses and raise the level of ideological and theoretical education.

The creation of large collective farms out of small artels does not decrease, but increases the care of Party and Soviet bodies for the further organizational and economic strengthening of collective farms. Thanks to the enlargement of collective farms, Party organizations have the opportunity and obligation to directly conduct political and organizational work in collective farms, specifically and operationally guiding all aspects of their development.

Local district Party, Soviet, and agricultural bodies must provide practical assistance on the spot to collective farm chairmen and boards in such matters as regularizing land use, introducing and mastering crop rotations, properly planning the development of all branches of collective farm production, organizing labor, developing and introducing new work norms taking into account the experience of advanced collective farms and farmers, and mechanizing labor-intensive work.

Broad mechanization and electrification of agricultural production, a new, higher level of its organization in all branches of the economy on the basis of united collective farms accelerate the process of eliminating the opposition between city and countryside, between physical labor and mental labor. The realization of this historical task is hampered by the settlement of collective farmers across numerous small

villages, which prevents overcoming disunity and raising the general and production culture of collective farmers.

The resettlement of small scattered villages is one of the most important conditions for the rapid development of the public economy, further rise in culture, and improvement in the well-being of collective farmers. In connection with the merger of collective farms, resettlement of collective farmers into large settlements, creation of well-appointed collective farm villages and towns, organization of unified economic and cultural centers of enlarged collective farms, and mass construction of cultural and welfare institutions have launched on a wide scale. This is of enormous importance for communist construction in the USSR.

The tasks of organizational and economic strengthening of enlarged collective farms require further equipping them with new technology, and most importantly, its rapid mastery and highly productive use. It is necessary to comprehensively develop the public economy, turn all collective farms into exemplary, highly productive, highly marketable multi-branch economies, multiply the socialist public property of collective farms, strengthen the leading role of machine-tractor stations in every way, raise the level of organizational leadership, strengthen plan discipline in all links, strengthen state and labor discipline, train and educate cadres, raise the material and cultural level of collective farmers, and conduct a decisive struggle for strict observance of the Charter of the Agricultural Artel — the fundamental law of collective farm life.

To organizationally and economically strengthen a collective farm at the present stage means to have a clear perspective of its development based on the scientific conduct of a large economy, to have a plan for economic organization as a whole, carefully select, train, and educate managerial cadres and mass cadres of crop farming and livestock raising masters, daily and specifically guide the development of the enterprise's economy,

and in every way raise and develop the creative initiative and political consciousness of the masses.

A new, higher organization, productivity, and discipline of public labor inaccessible to capitalism in a socialist country are created under the leadership of the Communist Party, in the process of planned management of the labor activity of millions, in the process of their communist education and raising their cultural and technical level to the level of engineering and technical workers.

The socialist state and the Bolshevik Party in a timely manner raise the question of eliminating outdated forms of production organization, struggle against distortions such as creating isolated links for grain crops, and, relying on advanced experience, systematically introduce progressive forms of organization and progressive labor expenditure norms into collective farm production. The enlargement of collective farms creates new opportunities and perspectives for the innovator movement in collective farms and the steady increase of labor productivity based on the scientific generalization of socialist competition practice. Combining Stakhanovite movement practice with advanced Soviet science is the leading link in expanding socialist competition during the period of gradual transition to communism. Mass dissemination and introduction into production of the most progressive Stakhanovite labor organization methods place new requirements on collective farm cadre training.

Taking into account the requirements of life and the new opportunities created by the enlargement of collective farms, the Soviet Government introduced state planning for agronomic and zootechnical education of collective farmers. In collective farms of all territories, regions, and republics of the USSR, agro-zootechnical courses with a three-year term of study without interruption from production are organized. Millions of collective farmers, link leaders, brigade leaders,

livestock farm managers, milkmaids, herdsmen, and other workers of collective farm production are enrolled in these courses. Moreover, approximately half of the study time is allocated to classes in the field and at the farm. In the Ukrainian SSR alone, since the end of 1950, over one million collective farm men and women have been studying in these courses. Along with promoting experienced specialists with higher and secondary education to the posts of chairmen of enlarged collective farms, measures are taken to ensure that many thousands of collective farm leaders and brigade leaders from among practical workers receive higher and secondary specialized education by correspondence.

Universal agronomic education of the collective farm peasantry and improved training of machine operator cadres, a broad network of Party education, serious training of collective farm managerial cadres, organized introduction and propaganda of advanced experience — all these are vital links in the rise of the cultural and technical level and communist education of collective farmers directed and organized by the Party and the socialist state.

A consistent struggle for the organizational and economic strengthening of united collective farms is of enormous national economic importance; it raises all agriculture to a new, higher level that ensures the successful resolution of the tasks of communist construction in our country.

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THE STRUGGLE OF ALBANIAN WORKING PEOPLE FOR DEMOCRACY AND SOCIALISM

Six years have passed since the liberation of Albania from the fascist-imperialist invaders and five years since its proclamation as a people's republic. In modern Albania, as in other countries of people's democracy, power is exercised by the working people led by the working class. The leading force of all public and state organizations of the country is the Party of Labour. The Party of Labour of Albania, leading the country along the path to socialism, is guided by the immortal teachings of Marxism-Leninism and the world-historical experience of socialist construction in the USSR. In their heroic struggle to build the foundations of socialism, the working people of Albania rely on the selfless, fraternal assistance of the peoples of the Soviet Union and on friendly cooperation with the countries of people's democracy. The successes of the genuinely democratic development of Albania after the Second World War are a new testimony to the irresistible, life-affirming power of Marxism-Leninism.

The history of Albania before the establishment of people's democracy in it is the history of the struggle of the working people for national independence, for liberation from the yoke of foreign imperialism and the shackles of medievalism and feudalism. The Albanian people survived the despotism of Turkish invaders lasting four and a half centuries, imperialist

bondage, and the fascist "new order." Each of the enslavers sought to preserve the socio-economic backwardness of Albania and to use this backwardness to intensify the exploitation of the working people. The formal proclamation of Albania's state independence in 1912 did not change the essence of the matter. This "independence" was merely a screen covering up the country's colonial dependence on foreign capital, in the service of which one or another ruling feudal clique of Albania stood. The national bourgeoisie, which consisted mainly of compradors, also developed in direct dependence on foreign imperialism.

Extremely backward were, first of all, agrarian relations in Albania. Over 70% of land holdings were in the hands of landlords and their state, and a significant part of the lands belonged to monasteries and the church. Only low-fertility lands remained for the peasants, predominantly in mountainous regions. Landlords and the state took the lion's share of the harvest, and serf tenants, the so-called sharecroppers, languishing under the burden of corvée and quitrent duties, led a semi-starvation existence. The peasantry was exploited not only by landlords, kulaks, the church, and the state, but also by the comprador bourgeoisie and usurers.

Such an agrarian system hindered the development of the productive forces of agriculture. Even in 1938, cultivated lands in Albania accounted for only about 20% of the entire territory of the country, and less than 1/3 of the cultivable land was sown. The land was cultivated by primitive methods; the main place was occupied by corn crops (up to 60%); industrial crops, with the exception of tobacco, were almost unknown to the

Albanian peasant. The yield of major agricultural crops did not exceed half of the average yield in capitalist Europe. Animal husbandry was very backward—semi-nomadic pasture livestock breeding predominated in the country. Frequent famines were constant companions of the Albanian peasantry.

The feudal-comprador clique farmed out Albania's rich raw material resources to foreign imperialists. As a result, industrial development bore a one-sided, colonial character. Given the presence in the country of various minerals (oil, brown and hard coal, iron ores and chromites, asbestos and pyrites, copper and iron pyrites, bitumens, etc.), only the extraction of bitumens and oil developed to any significant extent (in 1939 oil extraction reached 125 thousand tons). The exploitation of oil-bearing and bituminous regions was conducted predatorily and exclusively in the interests of foreign capital. The rest of industry was represented only by small, handicraft-type flour-milling, tobacco, and other enterprises where production was at a low technical level and workers had to work in truly penal servitude conditions.

The weak development of productive forces in old Albania was evidenced by the almost complete absence of transport links between individual regions of the country. There were absolutely no railways in Albania, and the strategic highways built in 1939 served primarily the military purposes of Italian imperialism. Being a maritime country, Albania had no fleet of its own. Like other branches of the economy, maritime transport was farmed out to Italian companies.

The economic backwardness of the country was also manifested in the structure of its foreign trade: 60% of Albanian exports consisted of unprocessed agricultural products, including 46% livestock products; imports consisted almost entirely of manufactured goods, with over 30% of all imports accounting for consumer goods.

Albania occupies an important strategic position, and it was invariably an object of fierce struggle by imperialist predators. "With the help of economic agreements," Enver Hoxha said at the First Congress of the Labour (Communist) Party of Albania, "the British and Americans tried to turn our country into a base of imperialist domination and penetration into the Balkans; Yugoslavia and Greece tried to divide Albania among themselves, while Italy sought the complete annexation of our country. All of them consistently sought the liquidation of Albania as an independent and sovereign state and the enslavement of the Albanian people"[116].

The rivalry and struggle of imperialist states for domination in the Balkans in general and in Albania in particular explain the former instability of Albania's domestic political situation. In various regions of the country, puppet "governments" were constantly being created, reflecting the internecine struggle of individual feudal groups in the service of one or another imperialist invader.

The imperialists of various countries, as always, were united only in their desire to crush the people's struggle for freedom and democracy. In 1924, as a result of a popular uprising that

[116] “Pravda”, 13/XI 1948.

engulfed a number of regions of Albania (including the surroundings of Tirana), the bourgeois liberal government of Fan Noli was formed, which tried to establish diplomatic and friendly relations with the Soviet Union. However, foreign imperialists inspired putshes inside the country, and their diplomatic representatives in Tirana formed a "united front" against the new government. The bosses of the capitalist world organized the invasion of armed bands into Albania from the territory of monarchist Yugoslavia and saddled the Albanian people with their puppet Ahmed Zog, who represented within the country the interests of the feudal apex.

The domestic and foreign policy of Ahmed Zog was thoroughly reactionary. The working people did not reconcile themselves and could not reconcile themselves to Zog's policy, as vividly evidenced by frequent workers' strikes and popular uprisings. Proclaiming himself King of Albania, Ahmed Zog established a regime of overt dictatorship, with foreigners playing a dominant role in the apparatus of violence. The Albanian army was headed by a former German officer, the ministry of war was in the hands of Italians, and the gendarmerie turned out to be in the hands of English "advisers."

In the sphere of economy, Ahmed Zog pursued the so-called "open door" policy, which was dictated from outside and meant unconditional capitulation to foreign imperialists. In July 1925, Zog sold the American company Standard Oil for 30 thousand dollars the "right" to plunder significant oil-bearing areas. At the same time, England imposed a trade agreement on Albania based on the notorious principles of "reciprocity" and "most-

favored-nation treatment." In practice, this led to the fact that, for example, in 9 months of 1933, British exports to Albania amounted to 36 thousand pounds sterling, while Albanian goods sold to England totaled only... 37 pounds sterling. The Anglo-Iranian Oil Company seized control of the exploitation of most of Albania's oil-bearing areas. French capital also secured the "right" to predatorily use oil sources in Albania.

Italian imperialists displayed particular activity in plundering Albania, using Italy's geographical proximity to Albania. As early as 1922, the Italians received a concession for oil development in Albania, and in 1925 the Credito Italiano bank organized its branch called the Albanian National Bank, in which Italian capitalists turned out to be the masters. Simultaneously, Italian imperialists seized other economic positions in Albania. In connection with the preparation of fascist states for war, Italian imperialism, encouraged by Anglo-American monopolists, intensified its expansion in Albania. On the eve of the Second World War, the entire oil and mining-metallurgical industry, for example, was in the hands of Italian monopolies. Zog granted the fascists the "right" to settle 300 thousand Italian colonists in Albania, the "right" to erect fortifications on the Albanian coast, as well as to build air and naval bases in Albania; the fascists held Albanian ports in their hands. Thereby, the complete enslavement of Albania by Italian imperialism was prepared.

In April 1939, with the connivance of England, France, and the USA, the "peaceful" penetration of Italian fascism was replaced by the open military seizure of Albania in order to

turn it into a springboard for aggression in Southeastern Europe.

In enslaved Albania, the feudal apex and comprador bourgeoisie tried to adapt to the occupiers and collaborated with them. The working masses, headed by a small, steadfast working class relying on the rural poor, waged a struggle against the Italo-fascist invaders. Despite the unequal balance of forces in this struggle, the working people of Albania were confident of their ultimate victory, as they knew that the great land of socialism would come to the aid of the enslaved peoples.

The victorious war of the Soviet Union against the fascist-imperialist states opened real prospects for victory to the Albanian people. "Starting from the ordinary partisan to the supreme commander, from the peaks of our mountains to every village," Enver Hoxha said, "for every Albanian the Soviet Union and Stalin represented the greatest hope for the realization of their dream, confidence in future victory."

An exceptionally important role in the development of the national liberation struggle of the Albanian people during the Second World War was played by communist groups, which united in November 1941 into a single Communist Party of Albania, which proved to be the only force capable of raising the Albanian people to the fight against the invaders, leading this struggle, and bringing it to a victorious end. At the call of the Communist Party, ever new patriots poured into partisan detachments. By 1942, there were already 40 partisan detachments in Albania, numbering 10 thousand people.

Partisan detachments formed an organized National Liberation Army, numbering by the autumn of 1943 over 30 thousand fighters. The partisans dealt a series of serious blows to the occupiers.

The struggle of the Albanian working people under the leadership of the Communist Party was a struggle not only against foreign enslavers, but also against local exploiters who went over to direct betrayal of national interests; on the instructions of foreign intelligence services and with their money, they created armed organizations of the "Balli Kombëtar" and "Legaliteti" type to fight the ever-growing influence of communists among the working people of Albania. These treacherous, anti-popular organizations caused enormous harm to the national liberation movement of the Albanian people.

In the heat of the national liberation war, as individual regions were liberated from the occupiers and Quisling bands, organs of new power—the power of the working people—were created. The embryo of this power was anti-fascist national liberation councils created on the initiative of the Communist Party. An illegal conference of representatives of anti-fascist organizations convened in Përmet in September 1942 on the initiative of Albanian communists elected the Central National Liberation Council as the guiding center of the national liberation struggle of the Albanian people. The leading role in this council belonged to communists.

The brilliant victories of Soviet troops over fascist hordes on the Soviet-German front predetermined Italy's capitulation. At

the moment of Italy's capitulation in September 1943, the National Liberation Army of Albania disarmed two Italian armies. German fascist invaders who replaced the Italian occupiers also could not hold out long in Albania. They twice (in the autumn of 1943 and spring of 1944), together with traitorous groups of Albanian Quisling "Ballists" and other bandits, launched an offensive against the National Liberation Army. These attempts ended in the rout of the Hitlerites and their henchmen and the liberation of almost all of Southern Albania. The combat successes of the Albanian people were ensured primarily by the continuous offensive of the Soviet Army all along the Soviet-German front.

In this situation, in May 1944, the First Congress of National Liberation Councils of Albania took place in the town of Përmet, at which the supreme legislative body—the Anti-Fascist Council of National Liberation of Albania—was elected, and the central executive body—the Committee of National Liberation of Albania—was formed, transformed in October 1944 into the Provisional Government. Thus, even during the war, a new, democratic state apparatus was being created in Albania. In mid-November 1944, the People's Army liberated the country's capital, Tirana, and on November 29 the complete liberation of Albania was completed.

As a result of the world-historical victory of the Soviet Union in the Second World War and the heroic struggle of the Albanian people against the occupiers, Albania got rid of foreign invaders. However, the question of the country's independence was not yet completely resolved: over the Albanian people hung the threat of Anglo-American

intervention. The democratic forces of Albania divined the criminal designs of Anglo-American imperialists in time and prevented the landing of Anglo-American troops. The Communist Party of Albania took into account the subversive anti-democratic activity of Anglo-American missions during the national liberation struggle. These missions maintained close contact with "Ballists" and other anti-popular organizations, helped them with weapons, ammunition, and food, and tried in every way to restore feudal-colonial orders in Albania. After the failure of plans for armed intervention, the missions of England and the USA continued to conduct subversive work, organizing anti-republican conspiracies, sabotage, and espionage. But the Albanian people, feeling behind them the mighty support of the great Soviet Union—the bulwark of peace and the independence of peoples—smashed the machinations of the imperialists and began the construction of a new, people's democratic Albania.

The process of revolutionary restructuring of the state, political, economic, and cultural life of Albania is a process of fierce class struggle. Postwar development in Albania was fraught with many difficulties. People's democratic Albania faced the question of how to overcome centuries-old backwardness, exacerbated by wartime devastation, and how to lay the foundations for transition to the path of socialist development. Such a transition became possible thanks to the existence of the Soviet Union, the great socialist power, thanks to its selfless assistance and comprehensive support; such a transition is theoretically grounded by Marxism-Leninism; it is facilitated by the experience of building socialism in the USSR.

Even before the Great October Socialist Revolution, Lenin pointed out that the victorious proletariat of advanced countries must help backward countries "to pass to the use of machines, to the easing of labor, to democracy, to socialism."[117] After the victory of the October Revolution, V. I. Lenin, brilliantly foreseeing the possibility of the withdrawal from the chain of imperialism along with developed countries also of backward and dependent countries, said that their development can emerge from its present stage when the victorious proletariat of the Soviet republics extends a hand to the working masses of these countries and can render them support.

The life-affirming power of brilliant Lenin's instructions is clearly confirmed by the example of the development of people's democratic Albania and its relations with the great Soviet Union and the countries of people's democracy.

Socio-economic transformations and the entire policy of the Labour (Communist) Party and government in postwar Albania are aimed at destroying the remnants of feudalism and the country's dependence on foreign capital, at creating and strengthening the foundations of socialism, against attempts by bourgeois and petty-bourgeois elements to turn the country onto the path of capitalist development.

The complex set of problems of the country's socio-economic transformation could not be solved immediately: it was necessary to unleash even wider activity of the people, manifested during the national liberation struggle, to awaken the revolutionary activity of the working masses who had not

[117] V. I. Lenin, Works, vol. 23, p. 55.

previously participated in political life, to give them the opportunity to make sure of the correctness of the policy of the Communist Party and government, to fully understand the anti-popular essence of exploiting classes and their organizations hiding behind quasi-democratic slogans. Such political education of the working masses was possible to carry out primarily with the help of practical actions and the involvement of working people of town and country in active struggle against exploiting classes.

The measures of the people's democratic government of Albania after the country's liberation pursued first of all the goal of consolidating the new state system and ensuring all democratic freedoms as a necessary condition for the development of the political activity of working people. To carry out such measures, it was necessary to strengthen the cohesion of working people and develop their creative initiative. It was necessary to consolidate the alliance of the working class with all working people under the leadership of the working class. The alliance of the working class with the working peasantry was strengthened in the struggle against feudal lords-landlords and capitalists.

The Labour (Communist) Party, headed by the national hero Enver Hoxha, rallied around itself the broadest masses of working people, uniting them in the Democratic Front. The activity of Trade Unions, the Youth Union, the Women's Union, and other public organizations included in the Democratic Front increased sharply. The policy of democratization of the country relied on all-people support, which was manifested, for example, in the elections to the

Constituent Assembly on December 2, 1945, when on the basis of universal, direct, and equal suffrage by secret ballot, 95% of all voters cast their votes for candidates of the Democratic Front.

On January 11, 1946, the Constituent Assembly proclaimed Albania a people's republic. On March 14, 1946, after a two-month nationwide discussion, the Constituent Assembly adopted a new constitution, which was the legislative consolidation of the victory of the people's democratic power—the power of the working people led by the working class. The People's Assembly became the highest organ of state power, and people's councils became local organs.

Rapid successes in the democratization of the socio-political life of the country are a new striking refutation of the fabrications of imperialists and their scholarly lackeys about the "incapacity" of "backward" and small peoples for independent state existence. The presence of inexhaustible creative power in the popular masses is evidenced by outstanding successes in socio-economic transformations in democratic Albania, as well as the subsequent development of the country's national economy and culture.

Italo-German imperialist invaders inflicted colossal damage on Albania. Basic industrial enterprises were put out of action; a large part of industrial equipment and commercial products was taken out of the country; all of Albania's bank cash was plundered; livestock numbers dropped sharply, many forests were destroyed, communications were paralyzed, 1/3 of the housing stock was burned, cities such as Përmet and others, as

well as over 1,200 villages, were almost completely destroyed. Tens of thousands of Albanians remained without means of subsistence, without housing. Tens of thousands of citizens were tortured by Italo-German bandits and their henchmen, sent to penal servitude outside the country, and died in battles with the occupiers.

The most important prerequisite and most necessary condition for the restoration and development of Albania's economy was the implementation of radical economic transformations, the transition into the hands of the people's democratic state of commanding heights in the country's economy.

The question of organizing public production arose before Albanian working people back during the national liberation struggle, when in regions liberated from the enemy it was necessary to solve tasks of providing the National Liberation Army and the population with everything necessary. But the problem of socio-economic transformations could be solved in full volume only after expelling the enemy from Albania. The solution to this problem created the opportunity in the shortest possible time to heal the wounds inflicted by the occupiers and ensure the rapid development of the country's national economy.

The world-historical experience of the Soviet Union and the teachings of Marxism-Leninism pointed out to the people of Albania the path to solve this problem: strengthening the power of working people under the leadership of the working class, immediate implementation of agrarian reform, nationalization of the property of foreign invaders, as well as the property of

feudal lords and the local big bourgeoisie, nationalization of banks, foreign and wholesale domestic trade, and organization of public production on socialist principles.

The most important measure in the sphere of the country's socio-economic transformations was the agrarian reform of 1945–1946, which meant a real revolution in the sphere of agrarian relations in Albania. The destruction of feudal-landlord landownership was a historical necessity and the most important prerequisite for the country's democratic development.

On the basis of the law on agrarian reform adopted in August 1945, the bulk of feudal-landlord land was divided among peasants. However, even after this, exploiting elements still retained significant land masses. Thus, on May 26, 1946, "Bashkimi" reported that in a number of regions the rural poor continued to rent land on bondage terms. In the Tirana region, for example, 150 peasants and tenants were still in complete dependence on eight landowners; in the Elbasan region, dozens of landlords whose land was cultivated by 600 poor people were not touched by the agrarian reform, etc.

In this regard, in late May 1946, the government issued amendments to the law on agrarian reform, on the basis of which land was finally secured for those who cultivate it.

In a typically agrarian country such as Albania (before the war 80% of its population was engaged in agriculture), peasants won above all from the victory of the people's democratic power. On the basis of the law on agrarian reform, all estates of traitors to the motherland, as well as all other estates exceeding

20 hectares, were confiscated. Forests passed into the administration of the state and became all-people property. The main mass of arable land (94.72%) was distributed among working peasants and agricultural workers, and the rest (5.28%) is in the hands of the state. Over 70 thousand landless and land-poor peasants received about 173 thousand hectares of land expropriated from landlords and kulaks. In total, 320 thousand hectares of arable land were redistributed among working peasants. By 1950, the sown area increased to 330 thousand hectares, whereas in 1938 only 186 thousand hectares were sown. At the same time, over 474 thousand olive trees and about 16 thousand head of livestock were transferred to peasants.

Important transformations were also carried out in the sphere of animal husbandry. By decision of the People's Assembly in May 1949, all privately owned herds numbering over 400 head were nationalized. Thereby, the roots of exploitation in one of the most important branches of Albania's national economy (currently, in value terms, livestock products equal half of all agricultural products) were undermined, and an end was put to sabotage of state measures in the development of animal husbandry on the part of large exploiters. The people's democratic state created a large network of zootechnical centers, veterinary stations, and infirmaries. All these measures caused a steady growth in animal husbandry. Already in 1949, the livestock population of cattle was 111.7% compared to 1938, sheep—119.1%, mules—156.3%, sows—108.1%, poultry—171.8%, etc.

Transformations in agriculture and comprehensive assistance from the Soviet Union (with machines, seeds, etc.) brought about a turning point in all the country's agriculture. In 1948, the sown area of the country was 243% compared to 1938. Recently, the area of cultivated land has increased sharply, amounting in 1949 to 148.7% compared to 1948. Solely through the drainage of Lake Malik, carried out with the help of the peasants themselves, the area of fertile land increased by 4,500 hectares. New crops began to be grown, yields increased significantly, and the extensive character of agriculture is passing into the past forever.

The agrarian reform was directed not only against feudal lords-landlords and church landownership. Taken together with the entire agrarian policy of the people's democratic government, it significantly restricted capitalist elements in the countryside. It is no accident that the implementation of the reform was associated with an acute struggle both against landlords and against the rural bourgeoisie.

The people's democratic state renders extensive assistance to the working peasantry. In 1949 alone, agricultural credit was released significantly more than in the preceding three years (over 35 million leks compared to 29 million leks in 1946–1948).

An important role in the development of agriculture is played by machine-and-tractor stations, which by the end of 1949 existed in all main regions of Albania and cultivated over 30% of all arable land.

Alongside machine-and-tractor stations, state agricultural farms represent the state all-people sector in agriculture, having at their disposal in 1949 over 20 thousand hectares of land, 235,500 olive tree roots, and over 100 thousand head of livestock. They must be centers of propaganda for the latest achievements of agriculture, as well as a significant source of providing the urban population with agricultural products; they are called upon to demonstrate the advantages of large-scale socialist production.

Agrarian reform in people's democratic Albania was the most important measure necessary for raising the productive forces of agriculture. But it did not eliminate and could not eliminate the roots of capitalism in agriculture. Marxism-Leninism teaches that the abolition of exploitation in agriculture, saving working peasants from the threat of poverty and ruin is impossible without transferring small-commodity peasant farming to the path of collective farming and eliminating on this basis the kulaks as a class.

"In order to successfully carry out the liquidation of the kulaks as a class, and consequently the liquidation of capitalist elements in the countryside," the resolution of the Information Bureau of Communist Parties adopted in the second half of June 1948 emphasizes, "the party is required to carry out preliminary and lengthy preparatory work to restrict capitalist elements in the countryside, strengthen the alliance of the working class and peasantry under the leadership of the working class, develop socialist industry..."[118]. In people's

[118] "For a Lasting Peace, for a People's Democracy!", 1/VII 1948.

democratic Albania, this preparatory work is being carried out and the cooperative movement is developing in all its forms.

Lenin and Stalin teach that cooperation in the presence of working people's power in the country and public ownership of the main means of production creates the opportunity to draw peasants into the mainstream of socialist construction. The overwhelming majority of peasants in Albania is already covered by consumer-marketing cooperation. At the same time, in the Albanian countryside, conditions are being created for the development of collective agricultural production, and Albanian peasants, thanks to the assistance of the Soviet Union and countries of people's democracy, get the opportunity to make a leap from medievalism to large-scale public farming using the achievements of modern technology and agriculture and the richest experience of the Soviet collective farm peasantry.

The first production agricultural cooperatives arose in Albania immediately after the agrarian reform. At the end of 1946, there were 7 such cooperatives in the country, to which 942.5 hectares of land were secured. In 1949, there were already 58 production agricultural cooperatives, and the land area secured to them was 10,870 hectares. Yields in cooperatives significantly exceed yields in individual farms. The state provides agricultural production cooperatives with extensive credit on preferential terms.

The successes of Albanian agricultural cooperatives can be judged by the following data: in 1949 alone they increased grain sowing area by more than 2 times, legume crop sowing

by 1.5 times, industrial crop sowing by almost 2 times, etc. All agricultural cooperatives settled accounts with the state ahead of schedule on grain deliveries, created the necessary seed fund, etc. In the "Maminas" cooperative, after grain delivery to the state and creation of the public fund, 7 kg of grain per workday were issued, in the "Çiflik" cooperative—5 kg, etc. The Party of Labour of Albania pays much attention to training qualified cadres for cooperatives. Short-term courses are created to train chairmen, team leaders, accountants, and other specialists. In 1950, almost all cooperative chairmen and the majority of team leaders underwent such training.

It should be noted that until 1949, upon entering a cooperative, the Albanian peasant continued to remain the owner of the land transferred by him to the cooperative, for which he received special income, apart from income according to workdays. Such a situation caused dissatisfaction among the poor section of cooperative members, did not contribute to strengthening the cooperative movement in Albania; the exploitation of poor people continued, albeit in a hidden form. Moreover, the old charter of the agricultural artel permitted the entry into the cooperative of not only well-to-do elements, but also clearly kulak elements of the countryside. These serious errors were uncovered and corrected by the CC of the Party of Labour of Albania. In 1949, a new charter was introduced, which helped significantly improve internal order in cooperatives, raise labor discipline, and create interest among cooperative members in better work. "Our task," Enver Hoxha said at the First Congress of Representatives of Agricultural Cooperatives on February 15, 1949, "is to strengthen the created cooperatives, purge them

of kulak elements, correct administrative errors made and help them politically, organizationally, and with labor means, as well as create new cooperatives."

Trips of delegations of Albanian peasants to the Soviet Union in 1949 and in October 1950, familiarizing them with the work experience of Soviet collective farms, give birth to new powerful incentives for uniting Albanian peasants into labor cooperatives. Over 1950, the number of agricultural cooperatives increased from 58 to 93.

Along with agrarian reform, one of the main and decisive measures in the sphere of economic transformations was the nationalization of industry. It liquidated the economic dominance in Albania of foreign capitalists and the comprador bourgeoisie, with whom the feudal-landlord apex of the countryside was in close contact. The nationalization of industry created prerequisites for establishing production, strengthening the alliance of working people of town and country under the leadership of the working class, for deploying the country's industrialization and the socialist transformation of the entire national economy.

After the country's liberation, all enterprises of the oil and mining industry, and then of other branches (with the exception of small-scale handicraft industry), passed into state ownership. Under the law of January 13, 1945, 92 joint-stock companies possessing 160 enterprises were nationalized, on the basis of which 46 state and 13 local enterprises were created. Nationalization was combined with the confiscation from exploiters of profits amassed during the war, which

significantly facilitated the subsequent restoration of industry. An exceptional role in implementing these measures was played by trade unions created as a result of the victory of people's power. The First Congress of Trade Unions took place on October 28, 1945; it represented 25 thousand trade union members; by 1950 there were already about 70 thousand trade union members.

The nationalization of industry, the introduction of the 8-hour workday and other government measures to improve the living conditions of working people and protect labor strengthened the working class's confidence in the Communist Party and government, and generated labor enthusiasm and creative initiative. Thousands of working people are covered by socialist emulation. Relying on the selfless assistance of the Soviet Union and strengthening the new attitude toward labor among Albanian workers, the Party of Labour and the government of people's democratic Albania achieved significant successes in the industrial development of the country. Already in 1947, the pre-war level of industrial production was surpassed and unemployment was eliminated.

Serious damage to the country's economic development was inflicted in 1945–1948 by the spy-fascist Tito clique, which sought to turn Albania into a colony and military springboard of American imperialism. In particular, the Tito clique, interfering directly and through its agency in Albania's internal affairs, pursued a policy of disrupting the country's industrialization, especially the development of manufacturing industry. The exposure of the Yugoslav fascists in 1948 and the liquidation of imperialist agency in Albania allowed people's

power to significantly increase the pace of industrial production.

Subsequent successes in industrial development are evident from the following data on output growth in 1949 compared to 1945:

Industries	Output increase (in %)
Mining industry:	-
extraction of refined bitumen	1,174.0 4
oil	400.8
coal	557.0 5
chrome	290.8
copper	475.0
Cement industry	522.2
Chemical industry	359.4
Electric power production	307.8
Woodworking industry	318.9
Food industry	177.3
Textile industry	732.4
Leather and footwear industry	1,725.4

Compared to 1948. — Compared to 1946.

The country's main ports (Durrës, Vlorë) have been restored, new highways have been built (Kukës - Peshkopi, Berat - Çorovodë, etc.), and urban municipal services have been organized. Two railways have been built: Durrës - Peqin and Durrës - Tirana, as well as the Kashar railway branch - the industrial district of Tirana; in 1950, the new Peqin - Elbasan railway line was put into operation, which connects the central regions of the country with the port of Durrës. The Tirana automobile spare parts plant, which is of great importance for the normal operation of motor transport—this main type of transport within the country—has been put into operation, etc.

Alongside the growth of the state sector in industry, small-scale handicraft industry, which is of no small importance in the conditions of Albania, continues to exist and develop. The people's democratic government pursues a policy of cooperating artisans and drawing them through cooperation into the mainstream of socialist construction. At the end of 1947, there were 89 artisan cooperatives in the country, and by mid-1948 their number increased to 104. By early 1949, cooperation united 85% of the country's artisans, and in 1950— their entire main mass. State and cooperative sectors are predominant in Albania's industry.

Radical socio-economic transformations in Albania were carried out not only in the sphere of production, but also in the sphere of circulation; immediately after the country's liberation, the credit and insurance system was nationalized. In 1946, the state carried out a democratic monetary reform. All these measures made it possible to overcome the huge inflation caused by the fascist-imperialist occupiers and strengthen the country's financial position[119].

The criminal policy of the Tito clique inflicted great damage on the financial position of Albania in 1945–1948. The Tito clique used all means to pump wealth out of Albania and undermine its finances. Suffice it to cite a few facts to judge how far the Titoites' plans regarding Albania went. Relying on their agency in the party and state apparatus of Albania, hypocritically chattering "about brotherhood and unity" with the Albanian people, the Titoites achieved in the autumn of 1946 the

[119] Over five years of fascist occupation of Albania, the cost of living increased more than 20 times, and working people were doomed to starvation existence.

opening of the Albanian border to Yugoslav speculators, who, buying goods in Albania at very low prices, freely exported them to Yugoslavia. Particular damage was inflicted on the Albanian financial system by the monetary reform of 1947 imposed by the Titoites, as a result of which the Albanian lek, which had achieved stability by that time, was equated to the depreciated Yugoslav dinar. In practice, this led to the devastation of the Albanian market, a significant rise in prices on it, and a drop in the purchasing power of the Albanian lek. As a result of the Titoites' policy in Albania, by mid-1948 a situation was created where the Albanian State Bank was forced to embark on additional emission.

The exposure of the Belgrade agency of Anglo-American imperialism helped the leadership of the CC of the Party of Labour of Albania headed by Enver Hoxha to cut short the subversive activity of the Belgrade Trotskyites, and the fraternal assistance of the Soviet Union in the autumn of 1948 allowed Albania to avoid the inevitable financial collapse that the fascist clique of Tito-Ranković was counting on.

Characteristic features of pre-war state budgets of Albania are chronic deficit (in 1938, for example, the deficit reached almost 1 million francs) and parasitic use of funds squeezed out of the working population through taxes and levies. For the maintenance of the apparatus of feudal-bourgeois violence—the court, officialdom, army, and gendarmerie—at least 80% of budget funds went. As a result of the victory and strengthening of people's democratic power, the situation changed fundamentally. In the revenue part of the budget, receipts from taxes on the population currently make up the most minimal

part, while in 1938 they reached 95%. The expenditure part of the budget now provides mainly for capital investments in the national economy (40%) and appropriations for public health and culture. The state budget of 1950 is indicative in this regard. The revenue part of the budget amounted to 7,800 million leks, which is three times higher than revenues received in the first year after the country's liberation. The main part of revenues comes from the state sector of the national economy. In 1950, these receipts increased by 48% compared to 1949; from the cooperative sector of the national economy, revenues increased by 35%. Another feature of the revenue part of the budget is that, despite the significant growth in the incomes of Albanian peasants, the government not only did not increase taxes on their economy, but, on the contrary, grants them new benefits. Peasant farms with incomes not exceeding 10 thousand leks were exempted from taxes in 1950. In addition, all peasant lands sown with cotton were exempted from taxes.

The expenditure part of the budget is provided in the sum of 7,700 million leks, i.e., 46% more than in 1949. Compared to the previous year, capital construction expenditures in 1950 were increased by 49% and make up 37% of the entire state budget. Appropriations for cultural-educational measures and public health increased significantly. Thus, expenditures on education increased by 42% compared to 1949 and reached the unprecedented sum in Albania's history of 662 million leks; expenditures on public health are 33% more than in 1949. These appropriations under the state budget will allow an increase in the number of beds in rural hospitals by 25%, and in resort hotels by 80%.

The transition of commanding economic heights into the hands of the people's democratic state and the strengthening of the people's democracy regime made possible the planned development of Albania's national economy. Selfless material and technical assistance from the USSR allowed the Albanian government and the Party of Labour to carry out rapid restoration and development of the economy on the basis of state plans. In late 1948, a prospective two-year plan for 1949–1950 was developed, approved by the 6th Session of the People's Assembly in June 1949. The agreement concluded in April 1949 on the provision by the Soviet Union of long-term credits to Albania created a serious material basis for the successful implementation of this plan.

The main tasks set by the plan are: expansion of industrial production through the construction of new enterprises and re-equipment of existing ones; consolidation and further expansion of the state socialist sector both in industry and agriculture and in the sphere of circulation; strengthening the positions of the working class, developing its political consciousness and raising its cultural-technical level; growth of agricultural production, strengthening and further development of agricultural labor cooperatives, all-out restriction and ousting of capitalist elements; raising the well-being of working people.

The two-year plan laid the beginning of transforming Albania into a socialist agrarian-industrial country. In accordance with the plan, the extraction and processing of minerals (especially bitumens, oil, and ores) has been increased, construction of a new oil pipeline has been deployed, a project for creating a

new oil refinery that will fully meet the country's needs for petroleum products is being drawn up, new communication routes are being built, and a hydroelectric power station in Selitë is under construction. A sugar factory, whose products will be able to meet the population's needs for sugar, a textile combine with a capacity of 20 million sq. m of fabrics per year and other enterprises are being built.

The growth rates of industrial production outlined by the plan for major types of products are characterized by the following data (in % to 1948):

Products	**1949**	**1950**
Crude oil	124	160
Refined bitumen	104	123
Chrome ore	288	572
Copper	214	363
Brown coal	204	255
Cement	151	156
Wood	195	246
Leather raw materials (small)	92	-
Footwear	142	182

Agriculture is developing successfully. The area of cultivated land is increasing (mainly through land reclamation and irrigation), crop yields are rising, and the MTS network is expanding. In accordance with the two-year national economic plan, in August 1949 the government of Albania and the CC of the Albanian Party of Labour adopted a detailed resolution on the further development of the country's agriculture: the task was set to achieve in the near future such an increase in agricultural production as to fully provide the population with

food, industry with raw materials, and expand export funds for foreign trade.

The development of industrial and agricultural production, carried out mainly through the growth of state and cooperative sectors, will make it possible to strengthen and expand state trade and cooperation. The material standard of living and well-being of working people will rise even higher.

The reality of national economic plans is ensured by the presence in the hands of the people's democratic state of commanding economic heights, the direct interest and labor enthusiasm of working people of town and country, as well as fraternal assistance from the Soviet Union and countries of people's democracy.

Throughout the development of people's democratic Albania, the USSR has rendered and renders it comprehensive material, technical, and cultural assistance and political support. Thanks to the Soviet Union, Albanian working people were able to defend the independence and integrity of their homeland from the attempt of Anglo-American imperialists and their storm detachment—the fascist band of Tito-Ranković—operating in Albania both directly and through their vile hirelings and accomplices.

Soviet-Albanian agreements provide for the supply of equipment and materials to Albania on credit, as well as mutual commodity deliveries. Speaking at a rally of working people of Tirana with a speech about the results of the trip to Moscow and the significance of the Soviet Union's economic assistance, Enver Hoxha said: "All this huge assistance together with no less important assistance in the cultural and technical fields must serve our people as a solid starting point in building the foundations of socialism and at the same time as a powerful incentive to increase their efforts in production growth"[120].

Albania's economic ties with the Soviet Union have an extremely beneficial effect on the development of the Albanian national economy and above all on the strengthening and development of the socialist sector in Albania's economy. It is characteristic that while in 1938 the share of means of production in total Albanian imports was only 5%, in 1949 it already exceeded 65%; at the same time, the specific weight of consumer goods decreased by almost 3 times with a sharp growth in working people's consumption. This testifies to the country's ongoing industrialization and the growth of its economic well-being.

Albania is also in unbreakable friendship with the countries of people's democracy. In 1949, all countries of people's democracy established close economic relations with Albania. In January 1949, a trade agreement was signed between Albania and Poland, under which Albania received ships, motors, tanks, and other goods on credit. In November 1949, a

120 “Pravda”, 13/IV 1949.

new agreement on mutual deliveries for 1950 was concluded between these countries. Under the trade agreement between Albania and Czechoslovakia signed in March 1949, trade turnover in the sum of 3.35 million dollars is provided, between Albania and Hungary—in the sum of 1.73 million dollars, etc. Albania is a full member of the Council for Mutual Economic Assistance, which contributes to raising the pace of the country's industrialization and accelerates its movement forward along the path to socialism. In January 1951, a trade agreement was signed between Albania and Bulgaria.

Despite all the intensifying intrigues of the imperialists and their storm detachment—the Yugoslav fascists—the Albanian people successfully fulfilled the two-year plan for national economic development. Many working people of Albania overfulfill their production obligations.

The successful implementation of the two-year plan led to a sharp increase in the level of industrial production in the country, which in the past year alone (third quarter of 1950 compared to third quarter of 1949) increased by 16.25%, including in the timber industry by 24.6%, in rubber products manufacturing by 277%, in metal products manufacturing by 36.4%, etc.

As a result of the successful implementation of the two-year national economic plan and further fraternal assistance from the USSR and countries of people's democracy, Albania got the opportunity to draw up plans for a longer period. Currently, the Albanian government is completing the compilation of the first

five-year plan for the development of the country's national economy.

Cultural construction and the protection and improvement of working people's health have received exceptionally wide scope in Albania. If in 1938 there were only 667 schools with 60 thousand pupils, now there are 2,162 schools, and the number of students exceeds 200 thousand. In the 1948/49 academic year alone, new schools were opened—158 primary, 39 seven-year, and 7 secondary. The total number of primary schools in 1950 exceeds almost 3 times the number of schools in pre-war Albania, and seven-year schools—by 13 times; universal compulsory primary education has been introduced.

Currently, the task has been set to completely liquidate illiteracy in the country within the coming years. These are truly greatest achievements of cultural construction, considering that in Albania before its liberation there was the highest illiteracy rate in Europe (over 80% illiterates). A Scientific Research Institute, a Higher Pedagogical Institute with a Russian language department have been opened in Albania; several hundred Albanian students study in higher education institutions of the USSR and countries of people's democracy; 7 secondary vocational schools and 8 two- and three-year vocational schools have been created.

In old Albania, 2 newspapers were published with a total circulation of 3.5 thousand copies per day, and now 12 newspapers are published with a circulation of over 83 thousand copies and 14 magazines and bulletins. Before the Second World War, there were only 5 libraries with 25

thousand books in Albania. Now 11 state libraries operate with a book fund of 190 thousand copies. The circulation of various books published after Albania's liberation amounted to 3 million copies. In 1949, the second edition of the "Short Course of the History of the All-Union Communist Party (Bolsheviks)" with a circulation of 20 thousand copies, "Problems of Leninism," and other works by J. V. Stalin were published. A national theater, state philharmonic, 3 museums have been created, physical culture institutions and other forms of scientific-educational and cultural life of the people are unfolding.

Achievements in public health are also great: the number of hospitals compared to 1938 increased by 4 times, sanatoriums, maternity hospitals, clinics, preventive centers, children's nurseries, etc., have been opened.

One of the most important social and cultural gains of the Albanian people is the emancipation of women. Thousands of women fought in the ranks of partisans. After Albania's liberation, women received political rights and actively participate in the country's administration. 7,550 women work in state institutions, 1,100 women have been elected to district people's councils, 17 women are currently deputies of the People's Assembly. Albanian women actively work at national construction sites and in production.

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Socio-economic transformations in Albania and the successes of Albanian working people in the struggle for democracy and

socialism are the result of intense organizational work and the entire activity of the Albanian Party of Labour. The party grew and strengthened, solving difficult and complex tasks of the struggle against foreign occupiers and their accomplices, capitalists and landlords, against the Tito clique and its agency inside the country and all other reactionary forces.

The struggle to strengthen the people's democratic system and build socialism is inseparably linked by the Party of Labour of Albania with the struggle for peace.

The success of the struggle of Albanian working people is based on the fraternal assistance of the Soviet Union, on the all-powerful teachings of Marxism-Leninism. Expressing the aspirations of all working people of the country, Enver Hoxha said: "Our destiny is inseparably linked with the Soviet Union. Not a single people will be able to win freedom, live free, move along the path of progress without the assistance and support of the Soviet Union. Never will anyone succeed in shaking our love and loyalty to the Soviet Union and great Stalin."

This is the main pledge of Albania's further successes in its movement along the path to socialism.

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S. VISKOV

A NEW STAGE IN THE PEOPLES' STRUGGLE FOR PEACE

The powerful organized movement in defense of peace, which has encompassed all continents and countries of the globe, is one of the most outstanding phenomena of modern times. The history of mankind has not yet known such a mass socio-political movement as the nationwide movement for peace. In history there has been no similar socio-political movement whose ideas would win over to their side such a huge number of supporters as the ideas of the movement in defense of peace have won. One can say with full justification that the ideas of active struggle against the threat of a new war are shared by the overwhelming majority of the entire adult population of the globe. In the history of socio-political movements, there has not yet been such a program that would unite around itself such a diverse composition of participants: on the basis of recognition of the main principles of the program of the struggle for peace and primarily on the basis of recognition of the need to ban atomic weapons, hundreds of millions of people have united regardless of differences in their social status, political views, party affiliation, philosophical and religious beliefs. The movement in defense of peace is an invincible movement of modern times. It is caused by historical necessity and expresses the progressive, forward movement of humanity.

The movement in defense of peace aims to disrupt the aggressive plans of American-British imperialists, to prevent them from unleashing a new war. It pursues the goal of saving millions of human lives, preventing the destruction of vast material and cultural values. The scope of this movement, the grandeur of the tasks it sets and solves, testify to the fact that this movement represents all progressive humanity, speaks on its behalf, expresses and defends its fundamental vital interests. Exactly in this lies the mighty strength of the movement in defense of peace, its invincibility, and exactly in this lie its greatest possibilities, its powerful effective force.

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The mass organized movement in defense of peace is the result of deep historical changes that occurred as a result of the Second World War. The main condition for its emergence was a new alignment of forces on the world arena, a radical change in the correlation of forces in favor of democracy and progress, to the detriment of imperialist reaction.

The Second World War ended with the victory of freedom-loving peoples, led by the Soviet Union, over fascism. Already during the war, conditions were created for uniting democratic forces throughout the world. The victory over the forces of reaction and fascism gave rise among the peoples to hopes for creating a post-war order that would allow preserving peace for a long period, ensuring general security and cooperation between countries.

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An invaluable contribution to strengthening the forces of peace, democracy, and progress was the historical victory of the Soviet Union over aggressive fascist states, its decisive role in the outcome of the war, which created conditions for lasting and durable peace after the Second World War. The victory of the Soviet people in the Great Patriotic War was the decisive condition for overthrowing reactionary, anti-popular regimes in Poland, Czechoslovakia, Hungary, Bulgaria, Romania, and Albania. The establishment of the popular democratic regime in these countries, the involvement of their hundred-million population in active political life strengthened to a huge degree the camp of peace and democracy as well.

The post-war expansion of the borders of the democratic camp was also a strengthening of the forces of peace, democracy, and progress. In 1945, the Democratic Republic of Vietnam was formed, and at the end of 1948 — the Korean People's Democratic Republic. The heroic struggle of the Chinese people, who defeated the reactionary Kuomintang regime and the American imperialists supporting it and proclaimed on October 1, 1949, the People's Republic of China, was crowned with a great victory. "After the October Revolution in our country, the victory of the national liberation movement in China is a new strongest blow to the entire system of world

imperialism and to all plans of imperialist aggression in our time."[121]

With the victory of Chinese democracy, a new page opened in the history not only of the Chinese people, but also of all peoples of Asia oppressed by imperialists. The national liberation struggle of the peoples of Asia, the Pacific Basin, and the entire colonial world rose to a new, significantly higher stage. The victory of the great 475-million Chinese people means a serious strengthening of the positions of the world democratic, anti-imperialist camp fighting for peace, against imperialist adventures.

A turning point in the history of Europe was the formation of the German Democratic Republic. "There can be no doubt," wrote J. V. Stalin in his greeting to W. Pieck and O. Grotewohl, "that the existence of a peace-loving democratic Germany alongside the existence of a peace-loving Soviet Union excludes the possibility of new wars in Europe, puts an end to bloodshed in Europe, and makes impossible the enslavement of European countries by world imperialists."[122]

From the first day of its existence, the German Democratic Republic firmly stood in the ranks of the anti-imperialist camp. The Manifesto of the National Front of Democratic Germany proclaimed as one of the main tasks of the new republic full and unreserved support for forces throughout the world

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[121] V. M. Molotov, Speech at a meeting of voters of the Molotov electoral district of the city of Moscow on March 10, 1950. Gospolitizdat, 1950, p. 19.

[122] "Formation of the German Democratic Republic." Documents and materials. Gospolitizdat, 1950, p. 7.

fighting for peace, equality, and friendship between peoples, an irreconcilable active struggle against the instigators of a new war in Germany. The formation of the German Democratic Republic puts an end to that enmity between the peoples of Germany and neighboring states that was stubbornly fanned and supported by the imperialist rulers of old Germany. In place of conflicts, frictions, and clashes between Germany and its eastern neighbors came new relations based on mutual respect for national sovereignty and the interests of each party and friendly mutual assistance — relations sealed by a joint struggle for peace and general security.

The victory of the Soviet Union in the war activated the forces of progress, the broadest popular masses throughout the world, and raised the labor and general democratic movement to a new, higher level.

"The defeat and liquidation of the main hearths of fascism and world aggression," Comrade Stalin pointed out, "led to deep changes in the political life of the peoples of the world, to a broad growth of the democratic movement among the peoples. Taught by the experience of war, the popular masses understood that the fate of states cannot be entrusted to reactionary rulers pursuing narrow caste and selfish anti-popular goals. That is precisely why the peoples, no longer wishing to live in the old way, are taking the fate of their states into their own hands, establishing democratic orders, and conducting an active struggle against the forces of reaction, against the instigators of a new war. The peoples of the world

do not want a repetition of the calamities of war. They persistently fight for the consolidation of peace and security."[123]

An indicator of the deep historical shifts that occurred in the world as a result of the Second World War is also the emergence of mass international democratic organizations.

The formation of the World Federation of Trade Unions (WFTU) was the greatest achievement of the international working class, an indicator of its increased desire for unity in its ranks, evidence of growing proletarian solidarity. For the first time in the history of the labor movement, such a mass organization was created, standing on consistently democratic positions, on positions of proletarian internationalism and struggle for the fundamental interests of the working class, actively fighting for international cooperation of all peoples, for peace and general security, against imperialism, reaction, and fascism.

It is characteristic that the WFTU arose earlier than the United Nations Organization was formalized. The first congress of the WFTU preceded the first session of the UN General Assembly by 3 months. This fact reflected the irresistible desire of the peoples and their vanguard — the working class — to strengthen peace, international cooperation, and general security. "Thus the working masses on their own initiative headed the world public movement whose goal is unity of peoples, harmony of nations," says one of the leaders of the WFTU, Louis Saillant. The attempt of American imperialism and its agency in the labor movement of right-wing socialists to

123 "Bolshevik" No. 9, 1946, pp. 1-2.

split the World Federation of Trade Unions ended in failure. The WFTU not only liquidated in a short time the damage inflicted on it by the splitters of the international trade union movement from the CIO and the General Council of British Trade Unions, but significantly increased its ranks and expanded its influence. The number of trade union members in the WFTU grew from 65 million at the time of its creation to 78 million at present. The WFTU was one of the initiators of the First World Congress of Supporters of Peace. The major role of the WFTU and its constituent national trade union centers in organizing the collection of signatures under the Stockholm Appeal of the Permanent Committee of the World Congress of Supporters of Peace is well known.

After the Second World War, the Women's International Democratic Federation also arose, currently numbering 91 million members in its ranks and having sections in 60 countries, and the World Federation of Democratic Youth with more than 60 million members. Both of these organizations, like the WFTU, play a major role in the movement in defense of peace. The active participation of mass international democratic organizations in the movement in defense of peace strengthens its organization and militant character.

The nature and sources of the nationwide movement in defense of peace cannot be understood apart from the anti-imperialist struggle of the working people in capitalist countries, apart from the strengthening of the national liberation movement of the peoples of colonial and dependent countries.

Comrade Stalin pointed out that colonies are the Achilles' heel of imperialism. As a result of the Second World War, there was an aggravation of the crisis of the colonial system, a further weakening of the rear of imperialism. The fire of the national liberation movement enveloped the most important colonial regions of Asia; the national liberation movement in many countries took the form of an armed uprising. Multimillion masses in colonial countries rose to an active struggle, took up arms to achieve complete national liberation and finally break the deeply rotten colonial system of imperialism. In the popular masses of colonial countries, such burning hatred towards imperialist powers has accumulated as the history of the national liberation movement has never known before. The ideas of peace, international cooperation, ideas of national independence find extremely broad support in the popular masses of colonial countries. Their participation in the movement in defense of peace gives this movement unprecedented mass scale and scope.

Comrade Stalin pointed out that "to win a war does not yet mean ensuring peoples a lasting peace and reliable security in the future."[124]

Immediately after the end of the war, a new threat to peace and general security from the new contenders for world domination — American-British imperialists — began to emerge. Monopoly capital of the USA conceived a crazy program. This program "presupposes the creation by force and new wars of a world American empire that should exceed in its scale all

[124] J. Stalin, On the Great Patriotic War of the Soviet Union. Gospolitizdat, 1950, p. 165.

world empires of conquerors that ever existed in history. It is a matter of nothing more nor less than turning the entire world into a colony of American imperialists, reducing sovereign peoples to the position of slaves."[125]

These delirious plans to turn the entire world into an American colonial empire surpass the plans of German fascists and Japanese imperialists combined.

The ruling circles of the USA and Britain set out on the path of refusing cooperation with the USSR and other countries of the democratic camp, undermining the United Nations Organization, a frantic arms race, and knocking together aggressive blocs. "The policy of the present leaders of the USA and Britain," Comrade Stalin indicated, "is a policy of aggression, a policy of unleashing a new war."[126]

The course toward accelerated war preparation is accompanied by a new wave of terror and fascisation in all capitalist countries. The most reactionary, most chauvinistic, most imperialist elements of finance capital in the USA are rapidly preparing the establishment of their openly terrorist dictatorship. The emergency laws introduced in the USA are aimed at crushing progressive organizations, striking a blow at the labor and democratic movement. The declaration in the USA of a "state of emergency" along with the strengthening of the arms race and expansion of the scope of aggression has as one of its tasks the acceleration of the fascisation of the

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125 G. M. Malenkov, 32nd Anniversary of the Great October Socialist Revolution. Gospolitizdat, 1949, p. 20.

126 "Bolshevik" No. 20, 1948, p. 2.

country. Under the guise of "strengthening" governments in Western European countries, American imperialists are preparing conditions for establishing fascist dictatorships in them as well.

American imperialists have already unleashed a war against Korea, are committing direct acts of aggression against the People's Republic of China, and are preparing an aggressive war against the USSR and popular democratic countries. They intend to turn into their slaves the peoples of France, Italy, Germany, Britain, and other countries of Europe, as well as all other continents of the globe. Already now American troops are on the territory of Britain, France, Western Germany, and many other countries, effectively depriving them of sovereignty. American gauleiters under the guise of all kinds of "advisors," "instructors," "consultants" boss around in Marshallized states, reducing them gradually to the position of American protectorates and colonies. Thus, the delirious, adventurous policy of American imperialists is directed against the interests of all peoples, is hostile to them, for it pursues the goal of involving the entire world in a new bloody war, even more terrible than all previous wars. The predatory foreign policy of American imperialists threatens the national independence of all states, the security, and the lives of the population of all countries of the world. American imperialists intend to carry out their delirious plans for establishing world domination by means of violence and bloody wars, "total" destruction of cities, and extermination of entire peoples. Racists, cannibals, they hate all humanity, ready, like German

fascists, to exterminate entire peoples who do not want to be a obedient tool in the hands of imperialists.

American aggressive policy threatens all humanity. That is why millions and millions of people in all countries of the world rise to the struggle against aggressors. The struggle against American aggression is a struggle in defense of national independence of one's country, national culture, spiritual and material values accumulated by the labor of generations, a struggle in defense of life.

The armed intervention of the USA in Korea and on the Chinese island of Taiwan, violations of state borders of the People's Republic of China testify that American imperialists passed from a policy of preparing aggression to direct acts of aggression. Maliciously hating democratic forces fighting for peace, entangling themselves more and more in their internal and external, economic and political contradictions, imperialist circles of America took the path of international provocations, adventures, and accelerated preparation for a new war. This is eloquently evidenced by a new fit of war hysteria in ruling circles of the USA, vividly expressed in recent speeches of Truman, including in his message to the American Congress, in which the program of American aggression in all parts of the world was frankly set forth.

Having suffered defeat in Korea, American imperialists accelerated the arms race, began creating new hearths of provocations. In his message to the US Congress on economic issues, Truman stated that military appropriations for the 1950/51 and 1951/52 fiscal years would exceed 140 billion

dollars. Under American pressure, the arms race is intensifying in Marshallized countries as well.

The policy of militarization aggravates contradictions in capitalist countries, intensifies the struggle of broad popular masses for their vital rights. The accelerated implementation of the program of preparing a new war by imperialists has as its inevitable consequence the growth of taxes, inflation of prices for prime necessities, a fall in real wages of the working class, further absolute and relative impoverishment of broad popular masses in all countries of the capitalist world.

The central point of the program of preparing a new aggressive war by American-British imperialists is the remilitarization of Western Germany. Trampling on the Yalta and Potsdam decisions on the German question, the ruling circles of the USA, and with them the ruling circles of Britain and France, hastily began restoring the war machine of German imperialism. Restrictions have already been removed from the war industry of Western Germany. The "Wehrmacht" — the armed forces of German imperialism — is being restored. Western Germany is being drawn into the aggressive Atlantic bloc. The remilitarization of Western Germany aggravates the international situation, heightens the danger of a new war. Peoples of many European countries who experienced the horrors of Hitlerite aggression and occupation again stand before the threat of revival and appearance on their borders of predatory German-fascist militarism. The remilitarization of Western Germany threatens the security of the peoples of Europe and the entire world.

As the policy of the imperialist camp became more and more aggressive and the threat of war intensified, the growth and strengthening of forces of popular resistance to this policy took place, the movement in defense of peace rose and expanded. The aggravation of the threat of war caused a growth in the determination of peoples to prevent war. The first organized demonstrations of broad popular masses of capitalist countries, which laid the foundation of the nationwide movement in defense of peace, were an expression of protest of the population of Western European countries against the "Marshall Plan" and aggressive imperialist blocs. The movement of supporters of peace arose as a movement of protest of the masses against the "Marshall Plan" and aggressive Western and North Atlantic unions.

Already these first organized demonstrations testified to the growing popular resistance to the machinations of imperialists, to the militant spirit of broad popular masses rising to the struggle against the policy of imperialist expansion and aggression. From the very beginning, organized demonstrations of broad popular masses took militant forms: mass protest demonstrations, strikes, collection of signatures under petitions in defense of peace. Thus, under a petition of protest against involvement in the North Atlantic bloc, 8 million signatures were collected in Italy; in France, in the voting for peace conducted in connection with International Peace Day on October 2, 1949, more than 7 million people took part. 11 million women of Italy, Czechoslovakia, and the German Democratic Republic signed a petition addressed to the UN General Assembly in defense of the proposals of the USSR on

banning atomic weapons and reducing armaments by great powers. The heroic struggle of dockers and seamen of France, Italy, Belgium, Holland, and other Western European countries refusing to load and transport weapons entered as one of the bright pages in the chronicle of the organized movement of peace fighters.

The militant spirit and effectiveness of the emerging movement in defense of peace testified to the unswerving determination of popular masses not to allow imperialists to unleash a new war. Comrade Stalin pointed out: "The horrors of the recent war are too fresh in the memory of the peoples and the social forces standing for peace are too great for Churchill's pupils in aggression to overcome them and turn them toward a new war."[127]

The movement in defense of peace rapidly grew in breadth, involving more and more new millions of participants, and at the same time acquiring organized forms. Peace fighters are uniting more and more and organizing on local, national, and international scales.

The organizational and program foundations of the movement in defense of peace were laid at the Wroclaw Congress of Cultural Figures in Defense of Peace, the World Congress of the Women's Democratic Federation in Budapest (autumn 1948), the Second World Congress of Trade Unions in Milan (June–July 1949), the Second World Congress of Youth in Budapest (August 1949), and main of all, at the First World Congress of Supporters of Peace held in Paris and Prague in

127 "Bolshevik" No. 20, 1948, p. 2.

April 1949, which was an important stage in uniting forces fighting for peace. "This congress showed with all clarity that at the basis of the international movement of supporters of peace lies not pacifist ideology, which usually combines negation of war in words with complete inaction in deed, but a firm determination to actively fight against warmongers and disrupt their insidious plans and designs."[128]

The character of the decisions of the First World Congress of Supporters of Peace is determined by the following words of the world-famous French scientist, prominent figure of the peace movement Joliot-Curie at the opening of the Congress: "We gathered here not to beg for peace from warmongers, but to compel them to peace." The Congress created the Permanent Committee of the World Congress of Supporters of Peace, which played a major role in strengthening the movement in defense of peace. A bright indicator of the growing international solidarity of popular masses fighting for peace was the observance on October 2, 1949, in 60 countries of International Day of Struggle for Peace.

In 1949–1950, national congresses and conferences of supporters of peace were held in most countries. National organizations of supporters of peace were created in almost all countries of the world; tens of thousands of committees in defense of peace were organized and work successfully at enterprises, scientific institutions, rural settlements, and urban quarters. The presence of a firm and continuously strengthening organizational foundation of the movement of

[128] G. M. Malenkov, 32nd Anniversary of the Great October Socialist Revolution, p. 18.

supporters of peace is evidence of its strength and a guarantee of its further successes.

An unprecedented success of the nationwide movement in defense of peace was the collection of signatures under the Stockholm Appeal on banning atomic weapons and declaring as a war criminal that government that first uses this weapon. In essence, in the form of signature collection under the Stockholm Appeal, a nationwide vote, a nationwide referendum in defense of peace was conducted. In a little over 6 months, about 500 million people signed under the Appeal. The collection of signatures under the Stockholm Appeal conducted in the USSR showed that the international organized front of supporters of peace has in the person of the Soviet people its faithful and reliable bulwark. During July 1950, more than 115 million Soviet people — i.e., the entire adult population of the USSR — signed under the Stockholm Appeal. The entire adult population signed under the Stockholm Appeal in popular democratic countries as well, and 225 million people signed under the Appeal in China.

Five hundred million signatures under the Stockholm Appeal are a serious force and a stern warning to warmongers.

Thus for the first time in the history of mankind arose an organized front of peace setting before itself a noble goal — to save humanity from a new world war, isolate the clique of warmongers, and ensure friendship and peaceful cooperation of peoples.

The start of armed intervention by the USA in Korea led to a new surge in the movement of supporters of peace. Unleashing

aggression against the Korean people, American imperialists counted on inflicting defeat on the national liberation movement of colonial peoples, primarily in Asia, and thereby weakening the forces fighting against the policy of imperialist enslavement. By their design, the Korean adventure was to be a prelude to an attack on the People's Republic of China. Fanning the fire of war in Korea, imperialists intended to demonstrate their "might," commit a certain psychological diversion in the minds of peoples, impose on them the idea of the inevitability of war, and thus break their will to resist aggression, forcing them to abandon the struggle for peace. American invaders calculated that they would demonstrate in Korea all techniques of their "total" violence against all who do not recognize American dictate, and thus intimidate not only the Korean people or peoples of colonial countries fighting for their liberation, but also all progressive forces of the world, bringing confusion into the ranks of peace fighters.

However, the results turned out to be directly opposite to those sought by American imperialists. Aggression stirred broad popular masses throughout the world. Peoples again felt the stern breath of war. From statements and practical actions of the Truman government, it became clear that American imperialists were preparing a series of new bloody provocations that would drag the world into a new war unless forces sufficiently powerful to block further development of aggression stood in the way of imperialists. Peoples understood that the fate of Korea could befall any country unless the American imperialist predator was stopped in time. Even those layers of the population and organizations that had not

previously joined the movement of supporters of peace rose to active actions in defense of peace. It was after June 25, 1950 — i.e., after the start of US aggression in Korea — that the main portion of signatures under the Stockholm Appeal was collected. Thus, for example, in Italy during this period more than 13 million signatures were collected out of a total of 17 million; in the USA, the overwhelming majority of 3 million signatures collected by the Second World Congress of Supporters of Peace also fell in the period after June 25, 1950.

The greatest contribution to the cause of peace is made by the Korean people and Chinese volunteers inflicting crushing blows on American interveners. The grandeur of their feat lies in the fact that, defending their land from invaders, they at the same time defend the cause of peace in the entire world. Smashing American interveners, they thereby raise peoples to a decisive rebuff to new contenders for world domination. The experience of routing American troops in Korea showed peoples that American soldiers can and must be beaten just as Hitlerite soldiers were beaten in their time, that the legend about the "invincibility" of American arms is merely a myth created by American imperialist propaganda.

Some unlucky bourgeois politicians initially evaluated the struggle of the democratic camp for peace as a sign of its weakness. However, very soon they had to be convinced of the opposite. While cries were heard from Washington and London that the USA had a monopoly on the atomic bomb, the Soviet Union not only unlocked the secret of producing atomic weapons, but also engaged in solving the problem of applying atomic energy for peaceful purposes. The Chinese people,

having crushed the forces of internal and foreign reaction, forever buried the hopes of imperialists to strengthen their positions in Asia. Now the Korean people, with brotherly help from Chinese volunteers, are inflicting crushing blows on the troops of American imperialists and their satellites.

American foreign policy is experiencing a most serious crisis. In Korea, American imperialists received an object lesson showing how freedom-loving peoples answer the attempt of interveners to barge into their home.

To the expansion of the aggressive program of imperialists, the peoples of the whole world answered by expanding the program of struggle in defense of peace.

The Prague session of the Bureau of the Permanent Committee of the World Congress of Supporters of Peace, held in August 1950, recommended to all supporters of peace, while continuing the campaign for banning atomic weapons, to include in their program requirements for general reduction of all types of armaments, condemnation of aggression and armed interference in internal affairs of peoples, termination of the war in Korea and settlement of the Korean question by the Security Council, and prohibition of all forms of war propaganda. This decision formed the basis for preparing the Second World Congress of Supporters of Peace.

The Prague session, preparation, and convocation of the Second World Congress of Supporters of Peace marked the beginning of a new stage in the peoples' struggle for peace. Hundreds of millions of people throughout the world took an active part in preparing the Congress. It proceeded through

several successive stages. First, in factories and plants, in scientific collectives, in residential quarters, etc., popular meetings were held. Questions to be submitted to the Congress were discussed at them, and delegates to conferences of supporters of peace were elected. Then regional (provincial, departmental) conferences of supporters of peace took place. Regional conferences of supporters of peace were mass in their composition. Thus, for example, in France more than 120 thousand people participated in them. At these conferences, mandates of the population were summarized for presentation at national conferences of supporters of peace, and delegates to national conferences were elected. National conferences of supporters of peace held in almost all countries summarized the mandates of their country's population and handed this summarized mandate to their delegates to the Second World Congress of Supporters of Peace.

The system of popular meetings and mass conferences of supporters of peace was an excellent form of expressing the increased activity of broad popular masses fighting for peace, their strengthening will to block the path of warmongers.

Outstanding significance in strengthening the nationwide movement in defense of peace was possessed by the Second All-Union Conference of Supporters of Peace held in Moscow on October 16–18, 1950. On behalf of the Soviet people, the conference gave a mandate to Soviet delegates to the Second World Congress of Supporters of Peace to declare "that the entire Soviet people is invariably devoted to the cause of peace, ready firmly and decisively, hand in hand with all supporters of

peace in all countries, to fight to prevent the threat of war, to ensure lasting and durable peace."[129]

Instigators of a new war, and primarily American imperialists and their Laborite lackeys, attempted by police measures with all their strength to disrupt the holding of the Second World Congress of Supporters of Peace. But they failed to disrupt the congress; their insidious designs failed. The Congress took place on November 16–22, 1950, in Warsaw — the heroic capital of democratic Poland.

The Second World Congress of Supporters of Peace has greatest historical significance. It was the most representative international congress in history. Its delegates were direct envoys of the broadest popular masses. Among almost 2 thousand delegates of the Congress representing 80 countries were workers, peasants, scientists, writers, poets, artists, public and state figures, entrepreneurs, ministers of cults, members of parliaments, etc. Representatives of many political parties and public trends participated in the work of the Congress.

The broad composition of the Congress testified not only to the huge scope of the movement in defense of peace, but also to the possibility of uniting on a common platform of struggle for peace all layers of the population, regardless of social status, line of activity, party affiliation, religious and philosophical views. Active participation of broad popular masses in preparing the Congress, the very fact of convening such a broad, representative Congress, the unanimity prevailing in the work of the Congress on all most important issues, the

[129] "Pravda", October 19, 1950.

purposefulness of its decisions are an indicator of huge possibilities of the nationwide movement in defense of peace. "The Second World Congress of Supporters of Peace," says the "Manifesto to the Peoples of the World," "proved with unprecedented force that people who came together from five parts of the world, despite differences in views, can agree among themselves to prevent the calamities of war and preserve peace."[130]

The historical significance of the Congress consists in the fact that during a period of intensifying danger of war, at a period when the American-British bloc, having unleashed war in Korea, prepares new provocations threatening to drag the world into war, the Congress on behalf of all humanity raised its voice in defense of peace and expressed the unswerving will and firm confidence of peoples to block the path of a new war, defend peace. The historical significance of the Congress consists further in that it called upon the peoples of the world to rise to active actions and by their efforts save peace. The militant call of the "Manifesto to the Peoples of the World" — "Peace is not waited for — peace is won" — was taken up by all progressive humanity. The historical significance of the Congress consists also in that its convocation and decisions were an expression of such a powerful surge in activity of the masses opposing war, which shows that the forces of peace can curb any aggressor. Finally, the historical significance of the Congress consists in that it summarized the preceding stage of the struggle for peace and developed a concrete, militant program of struggle for the next stage.

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130 "Pravda", November 23, 1950.

Decisions of the Second World Congress of Supporters of Peace testify to the fact that the movement in defense of peace entered a new, higher stage of its development. These decisions make it possible to deploy the movement in defense of peace even wider, involving new layers of the population, those social groups and organizations that until now had not joined this movement.

Results of the work of the Congress are extremely fruitful. In the work of the Congress, despite the fact that most diverse layers of the population, political parties, and groups were represented at it, complete unanimity prevailed on all most important issues of defending peace. The provocative speech of an agent of the US State Department and the fascist Tito clique — Rogge, serving as an attorney in the Yugoslav embassy in Washington, who attempted to introduce a split into the work of the Congress, was rejected with indignation by delegates of the Congress, including the American delegation. A remarkable feature of the work of the Congress was the absence of noise and contentless declarativeness. Speeches of delegates were concrete and purposeful, decisions contentful and deep. And this is not accidental. At the Congress gathered not pacifists sighing about the benefit of peace and harm of war, but envoys of peoples called upon to show humanity an effective path to preserving peace.

Thanks to the intensive work of commissions created by the Congress, a vast number of resolutions, proposals, and mandates submitted to the Congress from all countries of the world were summarized, consolidated, and formalized into three main documents. The Congress adopted the "Manifesto to

the Peoples of the World," "Address to the United Nations Organization," "Resolution on the Question of Victims of Repression," and elected the World Peace Council. In the historical "Manifesto to the Peoples of the World," a concrete program of struggle for peace is set forth — a program of struggle and action for hundreds of millions of people to whom interests of peace and security are dear.

Relying on achieved successes of the movement in defense of peace, the Congress expanded the program of struggle for peace. It called upon peoples to unite their efforts and demand termination of the war in Korea, fight against rearmament of Germany and Japan and turning them into hearths of a new war. Relying on successes of the nationwide voting on banning atomic weapons, the Congress called upon peoples of the whole world to demand prohibition of atomic weapons and implementation of general disarmament with establishment of strict control over these measures. The Congress called upon peoples to achieve adoption by governments and parliaments of all countries of laws punishing war propaganda. With the goal of settling unresolved international questions and weakening international tension, the Congress called upon supporters of peace to insist on a meeting of representatives of the five great powers.

Vested with powers of peoples, speaking on behalf of all progressive humanity, the Congress turned to the United Nations Organization and legislative bodies of various countries with concrete proposals aimed at restoring and preserving peace, at restoring and preserving trust between all countries. The Congress insists on immediate termination of

the war in Korea, withdrawal from Korea of foreign armies, and peaceful settlement of the Korean conflict with participation of representatives of the Korean people. The Congress proposes that this question be resolved by the Security Council with mandatory participation of a representative of the People's Republic of China. The Congress demands termination of American intervention on the Chinese island of Taiwan and termination of military actions by imperialists and colonizers against the Democratic Republic of Vietnam. The Congress decisively condemned the remilitarization of Western Germany and Japan as representing a most serious threat to the whole world. In full accordance with existing international agreements, the Congress demands conclusion of a peace treaty with a united and demilitarized Germany, as well as with Japan, and withdrawal of occupation troops from both countries.

Defending the interests of peoples fighting for their national liberation, the Congress defined as a threat to the cause of peace violent attempts to hold peoples in a state of dependence and colonial oppression, and proclaimed the right of colonial peoples to freedom and independence. This decision of the Congress has exceptional significance for further development and strengthening of the movement in defense of peace, for drawing into its ranks new millions of population of colonial countries.

One of the most important decisions of the Congress is the definition of aggression. It is known that imperialists in every way strive to confuse the question of defining aggression in order thus to mask their own aggression and find new pretexts

for armed interference in the internal life of other states. Thus, for example, under pretext of fighting "internal aggression," the Atlantic Pact "granted" American-British imperialists the "right" to armed intervention in any of the participant countries of the pact for the purpose of armed suppression of progressive forces of that country. The Congress solemnly proclaimed that no political, strategic, or economic considerations, no motives connected with the internal situation or internal conflicts in one or another state can serve as justification for armed interference by any state whatsoever in the affairs of another state. The Congress gave a clear definition of aggression: "Aggression is a criminal act of that state which first applies armed force against another state under whatever pretext."

For the purpose of strengthening general peace and security, to put an end to irresponsible and pernicious propaganda for a new war creating general uncertainty and tension, the Congress appealed to parliaments of all countries with a call to adopt a law on protection of peace providing criminal liability for propaganda of a new war in whatever form. Responding to the call of the Congress, governments of a number of democratic countries have already adopted special laws severely punishing propaganda of a new war.

Truly historical in its significance is the appeal of the Congress to the United Nations Organization, parliaments, governments, and peoples for unconditional prohibition of all types of atomic, bacteriological, chemical weapons, poisonous substances, radioactive and all other means of mass destruction and for declaring as a war criminal the government that first applies them. Inclusion in the list subject to unconditional

prohibition along with atomic weapons of all other means of mass destruction of population testifies both to expansion of the program of the movement of supporters of peace and to increased forces of the peace movement. To put an end to the arms race in capitalist countries, reduce their military budgets and thereby ease the situation of broad layers of population carrying the whole burden of the arms race, the Congress appealed with a solemn call to great powers proposing to them to execute during 1951–1952 a progressive, simultaneous, and proportional reduction of all armed forces — land, air, and naval — within limits from one-third to one-half.

For control over fulfillment of these decisions, an international control body possessing authoritative inspection should be created under the Security Council. The Congress stated that proposals on reduction of armed forces are a first stage on the path to general and complete disarmament, which represents the ultimate goal of supporters of peace.

Great attention in decisions of the Congress is paid to the question of restoring normal economic ties between countries that were disrupted as a result of American expansionist policy. Ruling circles of the USA conduct a discriminatory policy in trade relations with the USSR and popular democratic countries. American monopolies sell to Western European countries on unfavorable, enslaving conditions for these countries their unsellable goods, and at present armaments. The Congress proposes restoring normal trade relations between countries on mutually beneficial conditions excluding economic discrimination in any of its expressions. The Congress appealed to all governments with a call to strengthen

cultural ties between peoples to thereby consolidate the cause of peace and international cooperation.

The Address of the Congress to the UN, as well as the "Manifesto to the Peoples of the World," are documents exceptional in their significance. In extremely clear formulations, extremely deep content is contained here.

In them questions concerning all sides of international relations, economics, politics, culture found reflection. These documents are a genuine program of struggle for peace and general security in modern conditions. The very fact of the appearance of such a program testifies to the might of the movement in defense of peace. This program reflecting the interests of all humanity, a program for whose implementation hundreds of millions of people must be mobilized, could be advanced only by such a mighty public movement whose appearance is a milestone in the history of mankind.

As the most representative international congress, as an "Assembly of Peoples," the Second World Congress of Supporters of Peace gave an evaluation of the activity of the United Nations Organization. Guided by the interests of humanity, the Congress determined that the UN does not justify those hopes that were placed on it by peoples of the world, and the greatest of these hopes — the hope for peace. The UN does not ensure humanity tranquility and peace. The American-British bloc uses the UN as a screen to cover its imperialist aggression. The UN majority, representing a minority of the population of the globe, approved American aggression in Korea. Acting supposedly on behalf of the UN,

covering themselves with the flag of the UN, American imperialists do their black work in Korea, destroy the Korean population, erase from the face of the earth Korean cities and villages.

The fifth session of the UN General Assembly mechanically rubber-stamped all decisions needed by American-British imperialists, mechanically, by a formal majority, rejected all proposals of the Soviet Union aimed at peaceful settlement of international relations. A characteristic feature of the work of the fifth session of the UN General Assembly consisted in systematic and gross violation not only of basic principles of the UN Charter, but also of rules of procedure of the General Assembly when they turned out to be inconvenient for the American delegation, led by which go delegations of other countries participating in the North Atlantic grouping.

Comrade Stalin at the very beginning of the existence of the UN warned that the sole condition for successful activity of the UN is preservation of the principle of equality of states entering it. "The strength of this international organization," Comrade Stalin said in March 1946, "consists in that it is based on the principle of equality of states, and not on the principle of domination of some over others. If the United Nations Organization succeeds in preserving in the future the principle of equality, it will undoubtedly play a large positive role in ensuring general peace and security."[131]

At present the UN, having fallen under the influence of the American-British imperialist bloc, in its practical activity

[131] "Pravda", March 23, 1946.

rejects the principle of equality of states, attempting to replace it with American-British dictate.

The Second World Congress of Supporters of Peace proposed a concrete program that ensures an exit for the UN from the dead end. In order for the UN to justify hopes placed and still placed on it by humanity, it must return to that path that was outlined for it by peoples from the day of its organization. As a first step on this path, the Congress considers the speediest convocation of a conference of the five great powers — the Soviet Union, the People's Republic of China, the USA, Britain, France — for discussion and peaceful settlement of existing differences. Having formulated conditions that will help the UN justify hopes placed on it by humanity, the Congress decided that it is impossible in modern conditions to put the question of defending peace in dependence on whether the UN copes with its role or not.

"Peoples want to hope," says the "Manifesto to the Peoples of the World," "that the United Nations Organization will decisively return to those principles on which it was created after the Second World War... But even more peoples of the world hope in themselves, in their own determination and good will."[132]

"\...we cannot allow," said at the Second World Congress of Supporters of Peace Italian delegate Donini, "for the process of decline of the United Nations Organization to discourage great hopes that humanity placed on this means of international discussion and broad communication between peoples... now

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132 "Pravda", November 23, 1950.

new forces exist that can serve as a firm support for our concrete work aimed at defending peace on the globe under any conditions."[133]

The movement in defense of peace turned into a major factor of international life. It strengthened and grew so much that, acting on behalf of humanity and in its interests, it takes upon itself the resolution of such tasks that the UN cannot resolve. To ensure resolution of these tasks, the Congress established the World Peace Council, a militant organ of peoples fighting for peace and international cooperation.

The World Peace Council is a representative organ including in its composition representatives of all peoples of the world — both of countries entering the UN and those not represented in it, including peoples of those countries that are currently still dependent and colonial. "The World Peace Council will call upon the United Nations Organization in deed to fulfill obligations assumed by it on strengthening and developing peaceful cooperation between all countries. It will take upon itself the high task of ensuring lasting and durable peace answering the vital interests of all peoples."[134]

The Second World Congress of Supporters of Peace was a new blow to the camp of imperialism and war. It showed the whole world the rottenness, weakness, instability of political positions of imperialists, lack of support for them among the people, their moral-political isolation from peoples. Not without reason the bourgeois press, even the most reactionary, despite all

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133 Ibid.

134 Ibid.

attempts to hush up the Congress, was forced to recognize its success and its huge significance. The Congress at the same time showed the growth of the nationwide movement in defense of peace, its huge potential possibilities.

Events unfolding on the international arena following the Congress vividly revealed the great mobilizing significance of its historical decisions. American imperialists suffered a major military and political defeat in Korea. Enraged by the growth of forces of the democratic, socialist camp and successes of the movement of supporters of peace, US imperialists rushed further along the path of adventures. This is evidenced by hysterical statements of Truman, introduction in the USA of a "state of emergency," Truman–Attlee communique, decision on speediest restoration of the West German army as the basis of the so-called Atlantic army knocked together by imperialists. American imperialists heading the camp of war, reaction, and fascism again attempt to intimidate forces of progress, democracy, and peace. Vain attempts! Threats of imperialists to expand the scale of their aggression caused a powerful explosion of indignation in broadest layers of population of all countries.

Peoples fighting for peace, armed with militant decisions of the Second World Congress of Supporters of Peace, answered new machinations of imperialist reaction with active actions in defense of peace.

A wave of crowded rallies, demonstrations, and strikes is growing in capitalist countries. In Italy, France, Britain, USA, Western Germany, Canada, Indonesia, and in many other

countries broad circles of population with unprecedented activity fight against the desire of imperialist circles to accelerate the unleashing of a new war. In Western European countries grows a movement of popular protest against recreating the German-fascist army, reviving military power of German imperialism infected with ideas of revanchism. The nationwide referendum conducted in France against rearmament of Western Germany convincingly showed the unswerving will of the French people to save their country from a new national catastrophe. Decisions of aggressors on drawing Western Germany into the Atlantic bloc stirred broad circles of working people in Western Germany who together with the population of the German Democratic Republic fight for uniting their country into a single, independent, peace-loving, democratic state. The German people do not want to be a tool in the hands of American contenders for world domination. The appeal of Prime Minister of the German Democratic Republic O. Grotewohl to Bonn "chancellor" Adenauer proposing to start negotiations on creating an all-German Constituent Council found warm support among the German people. The struggle against remilitarization of Western Germany is at present one of central tasks of the struggle for peace.

The growing wave of popular indignation against machinations of imperialists testifies that the call of the Second World Congress of Supporters of Peace — "Peace is not waited for — peace is won" — was heard and taken up by peoples. Decisions of the congress were supported and approved by peace fighters at meetings, rallies, and conferences held in connection with

summarizing the work of the Congress; they are backed by militant, practical actions of the masses in defense of peace. Peoples cannot remain indifferent to new machinations of imperialists; they double their efforts in the struggle for peace and general security. Peoples of the Soviet Union, China, and all other countries of the democratic camp increase their vigilance, curb dangerous provocative, subversive work of imperialists. New threats of warmongers not only did not intimidate peoples, but strengthened their desire to stop the bloody hand of aggressors. Powerful popular protest against threats of American imperialists is evidence of further growth of forces of the camp of peace, democracy, and socialism, further weakening of positions of imperialists, their growing political isolation.

The Congress and development of events on the international arena after its conclusion again vividly demonstrated that with the existing correlation of forces, imperialists, if they unleash a new world war, "will inevitably cause such a general rebuff from peace-loving peoples and the entire democratic camp that will lead not simply to the defeat of one or another aggressive powers, as was the case until now, but to the liquidation of the entire system of world imperialism."[135]

In the vanguard of the struggle for peace and security of peoples goes the Soviet Union, a mighty socialist power, bulwark of peace and democracy. The presence of the Soviet Union eases for popular masses the struggle for their liberation, binds hands of imperialists, disrupts implementation of their

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[135] V. Molotov, Stalin and Stalinist Leadership. Gospolitizdat, 1950, p. 18.

predatory plans. With the existence of the Soviet Union even the most warlike elements of imperialist bourgeoisie cannot help but reckon. "One cannot deny that even the simple fact of the existence of the 'Bolshevik state' puts a bridle on black forces of reaction, easing for oppressed classes the struggle for their liberation."[136]

From first days of its existence the Soviet state persistently and consistently fights for strengthening peace and international cooperation. "Popular masses know," wrote Comrade Stalin in 1924, "that Soviet power was the first to open attack against imperialist war and, having opened attack, undermined war. Popular masses see that the Soviet Union is the sole country leading struggle against new war. They sympathize with Soviet power because it is the standard-bearer of peace between peoples and a faithful bulwark against war. Therefore growth of international popularity of Soviet power speaks of growth of hatred of popular masses of the whole world toward imperialist war and its organizers."[137]

In its relations with capitalist countries the USSR always proceeded and proceeds from recognition of the possibility of coexistence of two systems during a long historical period. In February 1920 in answer to questions of a correspondent of American newspaper "New York Evening Journal" Lenin wrote: "Let American capitalists not touch us. We will not touch them."[138]

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136 J. V. Stalin, Works, vol. 10, p. 247.
137 J. V. Stalin, Works, vol. 6, p. 300.
138 V. I. Lenin, Works, vol. 30, p. 340.

In the report at XV party congress Comrade Stalin indicated: "The basis of our relations with capitalist countries consists in permitting coexistence of two opposite systems."[139]

In the period between first and second world wars the Soviet Union more than once proposed implementing reduction of armaments, called all states to effective measures of preventing war, defended the idea of collective security, advocated collective rebuff to aggressor. Soviet government repeatedly emphasized its readiness to cooperate with other countries. "Our foreign policy is clear. It is a policy of preserving peace and strengthening trade relations with all countries... Who wants peace and seeks business ties with us will always find support with us."[140]

After Second World War Comrade Stalin again repeatedly with exceptional clarity and lucidity explained questions of foreign policy of the USSR, emphasizing its love of peace. Comrade Stalin wrote that "government of the USSR considers that despite difference of economic systems and ideologies, coexistence of these systems and peaceful settlement of differences between the USSR and USA are not only possible, but also unconditionally necessary in interests of general peace."[141]

The Soviet Union invariably fights for strengthening peace, international cooperation, and general security. At fifth session of General Assembly Soviet Union proposed considering and

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139 J. V. Stalin, Works, vol. 10, p. 289.

140 J. Stalin, Questions of Leninism, 11th ed., p. 438.

141 "Pravda", May 18, 1948.

adopting "Declaration on eliminating threat of new war and on strengthening peace and security of peoples." This declaration provides for conclusion by five great powers of a Pact on strengthening peace, reduction by them within a year of armed forces by one-third so that to further continue their reduction, unconditional prohibition of atomic weapons and establishment of strict international control over exact implementation of this prohibition, condemnation and prohibition of war propaganda.

In contrast to policy of aggressive American-British imperialist bloc aimed at undermining United Nations Organization, Soviet Union strives to strengthen this organization, turn it into an instrument of peace and international cooperation.

Defending cause of peace and international cooperation, Soviet Union decisively exposes predatory policy of imperialist states. Before Second World War Soviet Union exposed predatory policy of Hitlerite Germany and other aggressive states. Now Soviet Union leads struggle against aggressive policy of ruling circles of USA and other governments blocking with them, warning peoples about danger of aggression from predatory American imperialism.

Exposure by Soviet Union of American aggression in Korea possessed exceptional significance for subsequent development of international relations. All progressive humanity declared solidarity with heroic Korean people, condemned and branded predatory attack of American imperialists on Korean People's Democratic Republic. Exposure by Soviet Union of American aggression in Korea raised new millions to struggle in defense of peace. Published July 18, 1950, answer of Comrade Stalin to

appeal of Prime Minister of India Mr. Nehru on peaceful settlement of Korean question met broadest response in all countries of world and served as mighty stimulus for rallying supporters of peace in their struggle for peace and security of peoples.

Huge international significance is possessed by statement of eight ministers of foreign affairs of countries of democratic camp adopted at conference in Prague October 20–21, 1950, regarding decision of New York conference of USA, Britain, and France on remilitarization of Western Germany. This statement is a real and concrete program of democratic resolution of German question on basis of decisions of Potsdam Conference in interests of strengthening peace and security of peoples. This statement, as well as notes of Soviet Government to governments of France, USA, and Great Britain proposing convocation of Council of Foreign Ministers on question of demilitarization of Germany, met warm support of all peace-loving peoples.

Clear and distinct foreign policy of USSR, crystal purity of principles and methods of Soviet foreign policy pursuing noble goals of consistent and unswerving defense of peace and interests of peoples defending their national independence ensure sympathy and warm support to Soviet Union from broad popular masses of whole world. Foreign policy of USSR is serious factor in rallying and strengthening progressive forces in whole world fighting for peace and security of peoples.

Most solid contribution to cause of strengthening peace is inspired labor of Soviet people, creator-people, builder-people successfully constructing under leadership of great party of Lenin–Stalin communist society. Soviet Union is not afraid of peaceful economic competition with capitalism. Progressive socialist system proved its incomparable superiority over reactionary, thoroughly rotten and outlived capitalist system. Whole world sees that capitalist economy cannot withstand peaceful competition with socialist economy. While in capitalist countries fall in production is delayed only with help of increasing conversion of economy onto military tracks, Soviet socialist economy confidently gathers tempo, successfully exceeds planned tasks. Gross output of whole industry of USSR in 1950 grew compared to 1949 by 23%. For 11 months of 1950 pre-war level in output of gross industrial production was exceeded by 72% with planned task for 1950 at 48%.

Whole world sees that Soviet Union resolves such tasks that are beyond strength of any single capitalist state. Grandiose industrial construction deployed in unprecedented scales in USSR, colossal successes of socialist agriculture, planned transfer of all our economy onto a new, higher technical base, successful implementation of Stalin's plan of transforming nature, majestic Stalinist construction projects on Volga, in Central Asia, in Crimea, in Ukraine, on Don — all this is evidence of a new mighty surge of Soviet economy. Heroic creative labor of Soviet people inspires oppressed peoples of globe to struggle for their vital rights, to struggle for peace.

Relying on Soviet Union, bulwark of peace and democracy, nationwide movement of peace fighters headed by great standard-bearer of peace Comrade Stalin will fulfill its historical role — will defend cause of peace and disrupt plans of warmongers.

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M. BOGACHEVSKY

WAR AND THE ARMS RACE — THE MOST LUCRATIVE ITEM FOR AMERICAN IMPERIALISTS

"For imperialists, war is the most lucrative item. It is not surprising that the agents of imperialism try in one way or another to provoke a new war" (I. Stalin).

Twice during the first half of the current century, imperialists plunged humanity into the abyss of the bloodiest world wars. No sooner had the last shots of the second world war died down than the ruling circles of the USA and England, heading the imperialist camp, embarked on the path of preparing a new world war. Striving to establish their world domination, they are carrying out a frenzied arms race, inflating military budgets, encircling the entire globe with a network of military bases, knocking together aggressive military alliances and blocs, and preparing armed forces and the rear for a predatory war against the USSR and the countries of people's democracy. In mid-1950, the US government launched a barbaric, aggressive war against the Korean people; it moved to direct aggression against the Chinese People's Republic, as well as the peoples of Vietnam and other Asian countries.

Capitalist monopolies use the arms race and wars to extract enormous superprofits, intensify the exploitation of workers and ruin peasants, artisans, and craftsmen, and for the most bestial plunder of the peoples of colonial and dependent countries. American monopolies have profited more than all other capitalist monopolies from the first and second world

wars. At present, the preparation for a new world war and the war unleashed by American aggressors in Korea are the most lucrative item for the financial oligarchy of the USA and other capitalist countries.

Into the first world war, the USA entered 2½ years before its end, when German armies were already exhausted, especially as a result of combat operations by Russian troops. Despite this, US government expenditures "on financing the war" amounted, according to official data, to 22 billion dollars in current currency, or 12 billion dollars in 1913 currency. However, only an insignificant part of this amount was expended on conducting combat operations against Germany. More substantial funds were spent on suppressing the revolution in Haiti in 1915 and the uprising in Santo Domingo in 1916, on aggressive military expeditions in Nicaragua and Mexico, and on armed intervention against Soviet Russia. The lion's share of these 22 billion dollars ended up in the pockets of American financial magnates in the form of overpayments on military supplies, interest and commissions on state loans, subsidies to military manufacturers, etc. Large sums were embezzled by the US government and its high-ranking officials.

In a letter to American workers, V. I. Lenin exposed with exceptional force the dirty sources of the colossal enrichment of American monopolies during the period of the first world war. American billionaires, Lenin wrote, "profited more than all. They made tributaries of all, even the richest, countries. They plundered hundreds of billions of dollars... On every dollar there is filth from 'lucrative' military supplies, which

enriched the rich in every country and ruined the poor. On every dollar there are traces of blood from that sea of blood shed by 10 million killed and 20 million crippled..."[142]

American monopolies reaped huge profits, in particular, from military supplies to other states. The export of goods turned in the hands of American financial tycoons into a form of plundering the peoples of European countries, into a source of additional enrichment. US monopolies, having inflated prices, received twice as much gold for the same quantity of goods as before the war. US gold reserves rose from 1,290 million dollars at the end of 1913 to 2,658 million dollars at the end of 1918.

In April 1917, V. I. Lenin wrote: "A handful of bankers, holding the whole world in their hands, is profiting from the war"[143]. American banking monopolies profited especially from the first world war. They received huge profits not only thanks to owning shares in military enterprises, but also as a result of operations in placing government loans and realizing securities belonging to the allied powers. The overwhelming part of these profits fell into the hands of the banking house of J.P. Morgan & Co., which was the main agent and intermediary of the allied powers on the American market. Thomas W. Lamont, a partner of the Morgan firm, cynically stated in 1915 that American bankers were interested in having the war in Europe be more prolonged, as this would give them the opportunity to extract new colossal incomes.

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142 *V. I. Lenin, Wks., v. 28, p. 46.*

143 *V. I. Lenin, Wks., v. 24, p. 96.*

The net income of all American corporations from January 1, 1916, to July 1921 amounted to 38 billion dollars. The net profit of Morgan's United States Steel Corporation increased from 23.5 million dollars in 1914 to 271.5 million dollars in 1916, and for all four war years it amounted to 960 million dollars. The net profit of the DuPont company, which supplied US military departments and allied states with explosives, equaled 329.1 million dollars in 1918 against 25.2 million dollars in 1914. Over the period 1914–1918, the DuPont company received 1,074 million dollars in net profit. The profit of Utah Copper Company during the war increased 3 times, International Harvester Company — 6 times, Bethlehem Steel Company — 8 times, etc.

It should be kept in mind that both in the cited and subsequent data, far from all profit is accounted for, but only that part of it which is shown in the official balance sheets of monopolies. Meanwhile, no less, if not more, significant amounts of profits are concealed by monopolists under the guise of such items, for example, as "creditors," "reserves for unforeseen expenses," "reserves for restoration and modernization," "deductions on account of future income revenues," etc.

The huge profits of American monopolies were to a significant extent exempted from taxation. US government military expenditures were covered mainly at the expense of sharply increased direct and indirect taxation of workers, low-paid employees, small farmers, and the urban petty bourgeoisie, as well as through loans. Under the law of October 3, 1917, the income tax rate was increased from 2 to 4%, and the tax-exempt minimum was lowered from an annual income of 3

thousand to 1 thousand dollars for singles and from 4 thousand to 2 thousand dollars for families, although even according to US bourgeois economists' data, an annual income of 2 thousand dollars could not provide its recipient with a normal existence.

The US national debt during the war period of 1914–1918 increased from 1,188 million to 25,482 million dollars, and annual interest payments on loans — from 23 million to 1,054 million dollars. Since loans were placed mainly among bankers, stock-jobbers, insurance companies, and industrial and financial monopolies, and were paid off at the expense of taxes levied on the broad popular masses, the war debt created by the American government was simply one of the means of pumping money from the pockets of working people into the safes of the wealthiest families owning banks and industry.

After the end of the first world war, the US government abolished the wartime limited superprofit tax. Moreover, it began returning taxes paid by capitalists to them. For example, under Secretary of the Treasury Mellon, over 6 billion dollars were returned to monopolies. At the same time, the US government continued to pump huge funds out of the pockets of American working people to "cover military expenditures." Indirect and direct taxes levied on working people continued to grow. "Workers," V. I. Lenin said in 1920, "are convinced by experience that capitalists have profited immeasurably from the war and are shifting expenses and debts onto the shoulders of workers"[144].

144 *V. I. Lenin, Wks., v. 31, p. 197.*

In the period between the two world wars, American monopolies provided German monopolies with decisive assistance in restoring and developing their military-industrial potential. Only during the period from 1924 to 1930, the influx of foreign capital into Germany amounted to more than 30 billion marks. At the same time, American capital investments equaled about 70% of all long-term loans of Germany. The Morgans, DuPonts, Rockefellers, and other US financial bosses maintained close ties with German monopolies, had agreements with them on the division of world markets, and participated in the division of their profits.

American banks received income from the purchase and placement of German loans in the amount of 7–9 and even 10% per annum. The total income of American banks on 135 German loans placed in the USA exceeded 70 million dollars[145]. The greater part of this amount fell once again into the hands of the banking house of Morgan, as well as the Anglo-German-American Schroder Bank, which had its centers in London, New York, and Cologne. Playing a leading role in the New York center of this bank were Allen Dulles and his brother — the notorious warmonger John Foster Dulles, who currently occupies the post of advisor to the US Department of State and is Truman's special representative on Japanese affairs. The law firm Sullivan & Cromwell headed by the Dulles brothers is closely connected with the Rockefeller-owned Standard Oil petroleum trust and the largest American bank, Chase National Bank.

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[145] *Robert Kuczynski, Bankers' Profits from German Loans. Washington 1932, p. 5.*

The overwhelming part of American loans was received by the largest German military-industrial concerns: the steel corporation Vereinigte Stahlwerke, the Association of the Rhine-Westphalian Industry, the chemical trust I.G. Farbenindustrie, etc. These monopolies used American credits for the reconstruction, modernization, and expansion of their enterprises, for creating the war economy of Hitler's Germany, and for preparing and waging the second world war.

For the financing of the second world war, the US government spent, according to official data, 275 billion dollars. However, this by no means serves as an indicator of the actual participation of the USA in the war, as apologists of American imperialism try to claim.

American monopolies entered the war against the Axis powers proceeding from their own imperialist interests. They "counted on the weakening of the USSR, on its bleeding to death, and on the fact that as a result of an exhaustive war the USSR would lose its significance for a long time as a great and powerful nation and would fall into dependence after the war on the United States of America and Great Britain"[146]. They sought to get rid of German and Japanese competitors on world markets, crowd out their English competitors, enrich themselves on military supplies, and use the military situation to intensify the exploitation of working people and establish their domination in the world.

US monopolies used the system of military finances for their enrichment and for creating a major military force for the

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146 *"Falsifiers of History (Historical Survey)". Gospolitizdat, 1948, p. 75.*

struggle to establish their world domination. Out of every dollar figuring in the military expenditure column of the US Treasury report, no less than 25 cents constitute the superprofits of capitalist monopolies, about 18 cents — allocations for creating reserves of armaments and military-strategic raw materials, 8 cents — allocations for the construction of military enterprises transferred after the war for a song to large monopolies, approximately 5 cents — allocations for the construction of military bases not intended for waging war against fascist states. Huge funds were spent on maintaining and training troops located on the American continent and in other territories remote from the theater of military operations.

During the years of the second world war and after its end, the bosses of American monopolies, on an even larger scale than during the first world war, planted their agents in the governing bodies of US state administration, especially in bodies administering the distribution and payment of military orders. Thus, the post of US Secretary of the Navy was occupied by Forrestal, former director of the New York bank Dillon, Read & Co. and the General Aniline and Film firm — the American branch of the I.G. Farbenindustrie concern; the post of Secretary of War — Patterson, a banking dealer who amassed large funds on the sale of surplus military property; the post of Under Secretary of War — Draper, former vice president of Dillon, Read & Co.; the post of Assistant Secretary of War — McCloy, co-owner of the large New York law firm Milbank, Tweed, Hope, Hadley & McCloy, etc. Having captured the

most important posts in the state apparatus of America, the monopolies ensured themselves fabulous profits.

The main lucrative item for US capitalist monopolies during the war years was government military orders, which were usually paid according to "production costs" plus a high and guaranteed percentage markup. Such a system was the most effective method of pumping funds from the US state budget into the safes of American monopolies and allowed them to sell military products at extraordinarily inflated prices. The higher the "costs" shown by monopolies on their balance sheets, were, the more profits they raked in. At the same time, monopolies arbitrarily inflated the sums of so-called "production costs," including in them huge salaries of firm directors[147], fictitious accounts and receipts, expenses for tourist and recreational travel, banquet arrangements, etc. An additional profit was added to all these "costs," which was paid by the US Treasury at the expense of funds extracted from working people.

At taxpayers' expense in the USA during the war, 2,600 metallurgical, shipbuilding, electrical engineering, metalworking, and other enterprises of military significance were built. State capital investments (excluding investments in the construction of military installations) during the war years amounted to 20.2 billion dollars. For the creation and production of the atomic bomb, the government spent 2 billion dollars, squeezed mainly from working taxpayers. Three giant atomic bomb production enterprises worth 1.2 billion dollars were leased to the largest concerns — DuPont, Union Carbide

147 *For example, the General Motors company paid its managerial personnel over 2 million dollars in just one year.*

and Carbon Corporation, and Eastman Kodak. The government-created Defense Plant Corporation concluded contracts with the largest monopolies of the corresponding branches of industry: in the aluminum industry — with Aluminum Company of America, in the metallurgical industry — with United States Steel Corporation, etc. The DuPont de Nemours chemical trust alone built 54 plants with a total cost of over 1 billion dollars at government expense. On construction orders, monopolies amassed colossal profits, moreover without any monetary expenditures of their own.

About two-thirds of the plants and factories built at taxpayer expense were transferred to free lease or management to the largest monopolies, usually the same ones that were previously construction contractors. No less than 83.4% (by value) of these plants came into the possession of the 168 largest corporations. Five largest American corporations — General Motors, United States Steel Corporation, Aluminum Company of America, Curtiss-Wright, and Ford — fabulously profited from using military plants built by the US government worth more than 2.5 billion dollars (22.8% of all capital invested by the US government in the construction of new plants).

American concerns and trusts paid only a symbolic sum of one dollar a year for the "lease," while receiving billion-dollar profits from the "leased" enterprises: during the war, from these "leased" enterprises built with public funds, the largest monopolies extracted 8.9 billion dollars in profit. American monopolies also received large incomes from the transportation of military cargo.

During the second world war, colossal funds were pumped from the treasury coffers into monopoly safes under the guise of allocations for the "reconstruction" of enterprises, subsidies to cover fictitious losses, export bonuses, grants for the "mastering" of new types of military products, etc. In addition, monopolies covered at taxpayer expense all expenses for research and experimental work, estimated at a sum of over 2 billion dollars. The results of this work were utilized once again by the largest monopolies. Two-thirds of all allocations for research work were received by 68 corporations; 10 of the largest of them absorbed 2% of all allocations[148].

American monopolies also extracted huge incomes from arms production in countries located on the other side of the front. "Internationally intertwined capital," V. I. Lenin pointed out, "makes magnificent business on armaments and wars"[149]. During the period of the second world war, the American concern DuPont, which together with the English company Imperial Chemical Industries owned the overwhelming number of shares of the German explosives chemical trust Dynamite Aktiengesellschaft, received a profit from every shell fired by the enemy at Anglo-American troops. On the other hand, I.G. Farbenindustrie, in accordance with a cartel agreement with Standard Oil on the use of German patents, received percentage deductions from the profits of this American oil company supplying gasoline to the US and English air forces, i.e., in

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148 *Note: The text reads 2% as printed in the journal summary, reflecting consolidated shares of top defense contractors.*

149 *V. I. Lenin, Wks., v. 21, p. 202.*

other words, profited from every raid of Anglo-American bombers into Germany.

The profits of American monopolies during the war, even according to heavily understated official data, reached colossal proportions. For 1944, their profits were almost 4 times greater than in pre-war 1939 and over 10 times greater than in 1938, as evidenced by the table below[150]:

[Table: Profits of US Corporations, 1938–1944 (in billions of dollars)]

	1938	1939	1940	1941	1942	1943	1944
Before taxes:	3.3	6.5	9.3	17.2	21.1	25.1	24.3
After taxes:	2.3	5.0	6.4	9.4	9.4	10.6	10.8
Including: Dividends:	3.2	3.8	4.0	4.3	4.3	4.5	4.7
Undistributed profits:	0.9	1.2	2.4	5.1	5.1	6.2	6.1

Profits of American monopolies fulfilling military orders increased especially. Thus, the profit of Bethlehem Steel company increased 27 times over 1938–1943, Westinghouse Electric company — by more than 10 times, etc. In 1942, the

150 *"Economic Almanac" 1950, p. 106.*

gross profit of 5 American corporations exceeded their average profit for pre-war 1936–1939 by more than 100 times, the profit of 34 corporations — by 10 times, of 48 corporations — by 3 times. The net profit of many American corporations in 1942 reached 175% on invested capital, and over the entire war period exceeded it 5–6 times. Kaiser Shipbuilding Company profited particularly: with a total capital investment of 100 thousand dollars, this company received an income of 44 million dollars from southern coastal shipyards alone.

In reality, the profits of American monopolies during the years of the second world war increased even more, since the cited official data indicate only the sums entered into the so-called profit and loss account. However, to reduce taxes, monopolies did not show the greater part of their incomes in official data, concealing it in various other balance sheet items. "During the second world war," says a book published by the Labor Research Association, "capitalists displayed exceptional resourcefulness in inventing new methods of artificially reducing balance sheet data on their incomes in order to reduce payments to the treasury on the superprofit tax. Numerous illegal funds were created for all sorts of doubtful losses from the sale of goods, from uncollected debts, from foreign securities, for paying various compensations and, finally, for forming a reserve under an item with the bizarre title 'postwar contingencies,' probably intended to insure corporations against the consequences of strikes, crises, and earthquakes"[151]. Characterizing the dirty machinations of American monopolies during the war, even the reactionary American magazine

151 *"Trends in American Capitalism", New York 1948, p. 35.*

"Harper's Magazine" in June 1944 wrote that the war fever "was accompanied by countless bribes, colossal graft, complex financial machinations aimed at circumventing tax laws, and, of course, black market operations of the most diverse character."

US financial magnates used the state apparatus and military finances during the war to strengthen their economic might at the expense of small and medium-sized enterprises, through the direct expropriation of their property and incomes. From June 1940 to September 1944, out of 175 billion dollars of military orders, 67% were received by the 100 largest monopolies, and 51% — by 33 monopolies, among which the leading position was occupied by five companies: three aircraft manufacturing (Curtiss-Wright, Consolidated Vultee, and Douglas Aircraft) and two automotive (General Motors and Ford). General Motors alone received military orders worth 13.8 billion dollars. At the same time, small and medium-sized enterprises not only did not receive government orders, but many of them were forcibly closed by decree of "regulating" government bodies. Over 500 thousand industrial enterprises and about 500 commercial banks were liquidated in the USA during the war years. At the same time, the consolidated balance sheet of large banks increased 3 times[152].

The might of the Cleveland financial group and the financial groups of Morgan, Rockefeller, Mellon, and DuPont grew particularly.

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[152] *"Harper's Magazine", February 1946, p. 147; "Federal Reserve Bulletin", January 1947, p. 53.*

The tax policy of the US government was also aimed at strengthening the economic might of the largest monopolies at the expense of working people. The tax press on working people was tightened more and more, while capitalists, stock-jobbers, and speculators were granted major tax privileges. Incomes from stock market speculation, which usually constitute no less than 1/3 of monopoly incomes, were taxed not at progressive rates like ordinary income, but at a more preferential, so-called proportional rate. Income from state and municipal bonds and many types of federal bonds was completely exempted from taxation. Incomes from capital investments made during the period of the war were also taxed on preferential terms; 8% on invested capital was subtracted from them as "normal" profit. Incomes received by corporate members outside corporations and incomes of capitalists not belonging to joint-stock companies were not taxed with the so-called superprofit tax. Upon introduction of the superprofit tax, the largest monopolies, due to a change in tax collection techniques, received a discount on the main income tax in the amount of 493 million dollars. In accordance with the "Revenue Act of 1941," the sum of the superprofit tax was subtracted from the net profit of corporations, and only the remainder of the profit was taxed with income tax. Under the "Revenue Act of 1942," the income subject to superprofit tax was subtracted from the net profit of corporations, and only the remaining part of the profit was taxed with income tax.

Under the 1941 "emergency privileges" law, which established a five-year depreciation period, monopolies were granted unlimited opportunities for tax evasion. Masking themselves

behind this law, monopolists received the right to write off the cost of all newly acquired equipment in 5 war years and, consequently, artificially increase costs, lower net balance sheet profit, and thereby exclude the entire cost of new capital investments from income taxed with income tax and superprofit tax. This legalized embezzlement assumed wide proportions. Thus, United States Steel Corporation alone, based on the emergency privileges law, sheltered profits in the amount of 300 million dollars from taxation in 1941–1945.

If monopolies were granted ever new privileges, taxes levied on working people continuously increased. Excise tax rates were raised, and additional indirect taxes on prime necessities were introduced. The tax-exempt minimum on the main income tax for married couples was lowered from 2.5 thousand dollars in 1939 to 2 thousand dollars in 1940, 1.5 thousand dollars in 1941, and 1 thousand dollars in 1944. For singles, the tax-exempt minimum was reduced to 500 dollars. As a result of such a reduction in the tax-exempt minimum, millions of American families whose incomes did not provide a living wage became income tax payers. Reductions in the tax-exempt minimum entailed an increase in the number of income tax payers to 42.5 million people in 1944. Until 1941, additional income tax was levied only on persons whose net income exceeded 4 thousand dollars a year. In 1941, all taxable persons began to pay the additional tax, and the rate on minimum income (up to 2 thousand dollars a year) rose to 6%. In 1942, this rate was raised to 13%, and in 1944 — to 20%.

With the help of tightening the tax press in 1944, 7.8 billion dollars was extracted from the wages of American workers and

employees, and in 1945 — 10.3 billion dollars in direct taxes alone.

It is characteristic that the greatest increase in income tax rates — main and additional — affected persons with small labor incomes. Taxes on married persons with no dependents and earning up to 4 thousand dollars a year increased 13 times during the war period, while taxes on capitalists with incomes of 5 million dollars a year essentially did not change. In 1942, a 5% so-called "victory tax" was introduced in the USA, which applied to wages exceeding 12 dollars a week and the lowest incomes. At the same time, the amount of the tax did not depend on the family status of the taxpayers.

That the tax policy of the US government is built entirely in the interests of monopolies and the burden of taxes is shifted onto the shoulders of working people is evidenced by the data below on US federal budget revenues during the second world war (in billions of dollars; fiscal year ends June 30)[153]:

[Table: US Federal Budget Revenues, 1940–1945]

Types of taxes	1940	1941	1942	1943	1944	1945
Individual income tax:	1.0	1.4	3.3	6.6	18.3	19.0
Excise and other taxes:	3.2	4.2	5.4	6.4	11.0	11.6
Corporation	1.1	1.8	3.1	4.5	4.4	4.9

[153] *"Statistical Abstract of the United States 1945", p. 312; 1948, p. 328-329, 340; "Federal Reserve Bulletin", May 1944, January 1947.*

income tax:						
Corporation superprofit tax:	—	0.2	1.7	5.1	10.4	11.0
Total:	5.3	7.6	13.5	22.6	44.5	46.5

Thus, by the end of the war, out of 46.5 billion dollars of federal taxes, 30.6 billion dollars constituted personal income tax, indirect taxes, and other levies on working people. Corporation profit taxes constituted only 15.9 billion dollars. Of course, these payments by monopolies were of a purely formal character. Through inflating prices, receiving all kinds of government subsidies, and intensifying the exploitation of workers, US monopolies raked in sums much larger than those shown on their balance sheets. In addition, monopolies received huge incomes from government-issued war loans. About 55% of federal budget expenditures during the war were covered through the issue of domestic government loans and paper-money emissions. The US national debt from mid-1941 to the end of 1945 increased almost 6 times — to 278.1 billion dollars. For financial capital, which received colossal wartime profits, purchasing government loan bonds was a profitable sphere for investing its increased idle capital. During the second world war, 22 billion dollars was paid in the USA in the form of interest on loans, which went mainly into the pockets of monopolists.

Thanks to the world-historic victories of the Soviet Union, the fascist states were crushed. American monopolies by the end of

the war had to curtail military production to a certain extent. However, using the state power subordinated to them, American monopolies found new ways of enrichment at the expense of working people. The so-called "reconversion" was announced. "Reconversion" in no way meant the restructuring of the US economy on a peaceful footing, as bourgeois economists claimed, since military production in the USA was preserved on a large scale. During "reconversion," the bourgeois state of the USA guaranteed monopolies profits at wartime levels. If any corporation showed profits below the wartime level on its balance sheets in 1946 and 1947, the government returned 83.5% of the superprofit tax amount paid by it during the war. Over 1944–1948 alone, 13 billion dollars was returned to monopolies from the federal budget[154].

[154] *"Statistical Abstract of the United States 1948", p. 322; "Federal Reserve Bulletin", February 1949, p. 11.*

The notorious "reconversion" also consisted in the fact that state enterprises built during the war years with public funds were transferred for a song to the largest monopolies or leased to them again on the most favorable terms. Raw materials and semi-finished products were also sold for a song. Thus, enterprises and materials worth 10.7 billion dollars were sold for 3.8 billion dollars, and enterprises and equipment worth 4 billion dollars were leased on the assumption that their value equaled 1.2 billion dollars[155]. The chairman of the House subcommittee on monopoly investigation, Sumner, reported that about 70% of the enterprises and equipment sold by the government fell into the hands of the 250 largest corporations. For example, United States Steel Corporation acquired plants with a total production capacity of over 3 million tons of steel per year. One of the large metallurgical plants grabbed by this corporation, whose construction cost the government 220 million dollars, cost the corporation only 47 million dollars. National Tube Company bought state-owned equipment worth 12 million dollars for 4.8 million dollars. A tank plant worth 19.4 million dollars was sold to Ford for only 1.4 million dollars, etc.

Immediately after the end of the second world war, American imperialists moved to an overtly expansionist course for establishing their world domination, to preparing a new world war — a war against the USSR and the countries of people's democracy. To this end, the aggressive "Truman Doctrine" and "Marshall Plan" were proclaimed, the aggressive North Atlantic bloc was knocked together, and the International

155 *"Survey of Current Business", October 1947, p. 12-13.*

Monetary Fund and International Bank for Reconstruction and Development, subordinated to American financial capital, were created. American aggressors also made every effort to turn the United Nations into an obedient instrument of their aggressive policy, although it was created to serve as a serious instrument of peace and security of peoples. Under the guise of expenses under the "Marshall Plan" and other forms of notorious American "aid" to capitalist states, including contributions to the International Bank for Reconstruction and Development, payments to the International Monetary Fund, and direct government credits to reactionary, anti-popular regimes in other countries, the ruling circles of the USA also actually carried out military expenditures.

Based on published official data, the following sizes of US military expenditures in the postwar period can be established (in billions of dollars)[156]:

[Table: US Military Expenditures, Postwar Period]

Category	1938/39	1947/48	1948/49	1949/50	1950/51 (prelim.)
Direct military expenditures:	1.07	10.9	11.8	12.8	43.2
Indirect and hidden military expenditures:	1.52	16.6	18.2	18.7	24.6

[156] *"Economic Almanac" 1950, p. 459; "Pravda", 7/VIII 1950 г.; "Izvestia", 22/XII 1950 г.*

Total:	2.59	27.5	30.0	31.5	67.8

Direct US military expenditures for the 1950/51 fiscal year were initially approved in the amount of 14.7 billion dollars. After the start of the armed intervention of American imperialists in Korea, the arms race and militarization of the US budget intensified especially. Just a month after the invasion of US troops in Korea, the US Congress, at Truman's demand, additionally allocated 11.7 billion dollars for increasing the size of US armed forces, purchasing aircraft and other military property. On December 20, 1950, the Senate Appropriations Committee approved the so-called supplementary appropriations bill in the amount of 20.1 billion dollars, of which 16.8 billion dollars are intended directly for the military department. Thus, the total sum of credits allocated to the military department in the current fiscal year rose to 43.2 billion dollars. To this must be added 5.2 billion dollars allocated for the re-armament of Western European countries involved in the North Atlantic bloc, whom US monopolists intend to force to fight for their aggressive interests; military expenditures masked in civil department estimates; allocations for implementing the aggressive "Marshall Plan"; credits released under the article "Development of National Resources," which masks expenditures on atomic bomb production; interest on war loans, as well as other indirect and hidden military expenditures, which in the current fiscal year will total 24.6 billion dollars in all. Thus, the total sum of President Truman's military expenditures in the 1950/51 fiscal year reaches at least 67.8 billion dollars. There is no other

example in history of such a huge growth of military expenditures as takes place presently in the USA. Suffice it to say that in the period of the most intense preparation for the second world war, in the 1938/39 fiscal year, the three aggressive fascist states — Germany, Italy, and Japan together spent about 10 billion dollars for military purposes.

Gigantic military expenditures serve as a powerful source of enrichment for American monopolies in the postwar period. It is precisely thanks to them that US monopolies keep their profits at a level significantly exceeding even the colossal profits of the war years. The table below shows the huge growth of officially announced profits of American monopolies in the postwar period (in billions of dollars)[157]:

[Table: US Monopoly Profits, Postwar Period]

Category	1946	1947	1948	1949	1950 (prelim.)
Before taxes:	23.5	31.6	34.8	27.6	40.0
After taxes:	13.9	19.1	21.2	17.0	23.2
Dividends:	5.8	6.6	7.5	7.8	8.1
Undistributed	8.1	12.5	13.7	9.2	15.1

157 *"Federal Reserve Bulletin", September 1950, p. 1220.*

profits: [approx]

Profits of monopolies fulfilling military orders are increasing especially rapidly. Thus, the net profit of United States Steel Corporation in 1949 was 28% greater than in 1948, and 162% greater than in 1943. The net profit of DuPont de Nemours in 1949 increased by 36% compared to 1948, and by 300% compared to 1943. The net profit received by DuPont de Nemours for 1946–1949 amounts to 604 million dollars[158]. In the 1st quarter of 1950, the profit of the aircraft manufacturing company Consolidated Vultee Aircraft increased compared to the same period of 1949 by almost 200% — from 987 thousand dollars to 2,934 thousand dollars.

The aggression of American imperialism in Korea allowed American monopolies once again to sharply increase their profits. For the three-month period following the invasion of US troops in Korea, US corporation profits increased by 54% compared to the 3rd quarter of 1949. According to data from the bulletin published by the National City Bank, profits of 500 corporations constituted 1,560 million dollars in the 3rd quarter of 1950 against 1,010 million dollars for the corresponding period of 1949.

Profits of the largest US monopolies increased especially sharply in 1950. General Motors company announced that for 9 months of 1950 it received net profits of over 702 million dollars compared to 502 million dollars for the corresponding

158 *Note: Figures cited from financial reports in the text.*

period of the previous year. The net profit of Rockefeller's Socony-Vacuum Oil company for the same period increased from 66 million to 83 million dollars, and of the Mellon-controlled Gulf Oil Company — from 73.2 million to 83.2 million dollars. Union Carbide and Carbon, operating in the sphere of influence of the Morgan financial group and engaged in atomic bomb production, reported that for 9 months of 1950 it received 94.4 million dollars in profit compared to 66.4 million dollars for the corresponding period of 1949; another Morgan company — General Electric — received 112.9 million dollars in profit, i.e., almost twice as much as for 9 months of 1949. Announced profits of Boeing Airplane Company for 9 months of 1950 amounted to 8.2 million dollars compared to 1.7 million dollars for the corresponding period of 1949.

The dollar flow from the state treasury into the safes of American monopolies is more abundant the closer the personal union of Washington and Wall Street is. Therefore, monopolistic barons and their military accomplices rushed once again into US government institutions, first of all into newly created boards for military-economic mobilization, in order to seize and secure new warm spots for themselves among the ruling American bureaucracy. The authors of the book "Economic Crisis and the 'Cold War,'" published in New York, note that among 125 persons appointed by President Truman to various posts in 1946–1948, there were 66 financiers, industrialists, and corporation legal counsels; 31 posts were appointed with generals, admirals, and other representatives of the military clique. Today, the list of

ministers and heads of central US departments looks like a directory of American industrialists, bankers, and merchants. Over the past two years alone, appointments have been made: to the post of US Deputy Secretary of Defense — Robert A. Lovett, partner of the banking firm Brown Brothers Harriman; to the position of special assistant and advisor to the US President[159] — Harriman, largest Wall Street tycoon and one of the main inspirers of American aggressive policy, who heads the banking firm Brown Brothers Harriman having investments in US military enterprises, and concurrently serves as Chairman of the Board of Directors of American Ship and Commerce Company, A. Harriman Securities Company, and more than a dozen other corporations; to the post of head of the National Production Authority — Harrison, president of International Telephone and Telegraph Company, controlled by Morgan; the head of the agency administering guided missile production is Keller, president of the large automotive company Chrysler, etc.

The personal union of Wall Street bosses and the US government also finds its reflection in the tax policy of the American ruling circles. Rendering every assistance to the increase of monopoly profits, the Truman administration already abolished the superprofit tax from January 1, 1946, and granted monopolies various tax privileges. Over the period from 1945 to 1947 alone, corporation profit taxes decreased by 40%, although the net profit of corporations over the same period increased 2 times.

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159 *According to 3rd quarter data announced by the Council of Economic Advisers to the US President.*

Along with this, the Truman administration persistently pursues a policy of offensive against working people, carrying out ever new measures further worsening the situation of workers and working farmers. In 1946, so-called "price controls" were abolished. Even according to falsified, clearly understated data of US bourgeois statistics, the food price index rose by 51% in 1948 compared to 1945. According to trade union data, the cost of living in USA rose by more than 70%, and by mid-1950 compared to January 1945, the purchasing power of American working people decreased by more than 25%. American aggression in Korea served as an impetus for a new rise in prices. In the first four months of the intervention of American aggressors in Korea alone, wholesale prices for basic goods in the USA rose on average by 26%. Retail prices rose to an even greater degree, especially for prime necessities. According to heavily understated data of the US Department of Labor, prices for consumer goods by mid-September 1950 rose by 30% compared to June 1946. A rampage of inflation continues in the USA. The continuous growth of prices in the USA in the postwar period is accompanied by an increase in taxes on the working population.

In connection with the aggression in Korea, Truman demanded from Congress a new tax increase of no less than 5 billion dollars. New tax rates approved by the US Congress will lead to an average 20% increase in the already high income tax levied on working people. At the same time, Congress rejected the proposal to establish a tax on "excess" profits. In October 1950, Secretary of the Treasury Snyder stated that a new

significant tax increase is anticipated next year, and urged "pulling belts tighter." Speaking at a press conference in early January 1951, Snyder warned of a further sharp increase in taxes anticipated in the new fiscal year in order to cover expenses connected with implementing the arms program. Snyder acknowledged that the question of introducing a general retail sales turnover tax, as well as a new income tax increase, is currently being considered. The American press predicted that Truman would propose Congress to adopt laws that would yield additional income in the amount of 15–20 billion dollars by increasing taxes by 30–40%.

And indeed, in his economic message to Congress in January 1951, Truman demanded to "greatly increase taxes," raising them even more than had already been done after the start of American aggression in Korea. The program outlined by Truman for introducing new high taxes has the purpose of forcing the American people to pay for military expenditures unprecedented in US history.

For the accelerated conversion of the American economy onto military rails, the so-called "Economic Stabilization Agency" was created in the USA in September 1950, headed by Symington, former president of the radio-electric company Emerson Manufacturing. In connection with the creation of this agency, Truman stated that the US government intends to spend no less than 30 billion dollars annually on military production in the near future. Military orders continue to be provided to large industrial monopolies. According to a report by "Business Week" on November 25, 1950, out of the total number of aircraft ordered by US military departments in the

current fiscal year, 75% of aircraft will be supplied by the six largest aviation companies: Boeing, Douglas, Lockheed, North American, Republic, Grumman. Small and medium-sized industrial enterprises not only do not receive government military orders, but even as a result of the resumption of the priority system, are deprived of the opportunity to buy raw materials, fuel, and equipment. The militarist Defense Production Act of 1950 further strengthens the concentration of economic might in the hands of a handful of financial magnates at the expense of intensifying the exploitation of workers and ruining working farmers, as well as owners of small and medium-sized enterprises. This law gave into the hands of the president and the large monopolies standing behind him essentially unlimited powers in conducting military-economic mobilization, distribution of so-called deficit materials, control over credits, prices and wages, rationing of goods, etc. Federal Reserve Banks and other US credit institutions in the second half of 1950 significantly increased loans to large concerns fulfilling military department orders, and sharply restricted crediting of small and medium-sized enterprises.

In December 1950, Truman announced the introduction of a "state of emergency" in the USA. He stated that the American government intends to sharply increase the size of armed forces once again and further expand arms production. The introduction of a "state of emergency" in the USA indicates that the ruling American clique, despite the crisis of its policy, despite the failure of its adventure in Korea, intends to further expand the scale of its aggression.

A new explosion of war hysteria caused an influx of additional billion-dollar profits into the coffers of American monopolies. On the very day when Truman announced the introduction of a "state of emergency," the stock prices of many American corporations fulfilling military orders rose sharply. Thus, DuPont shares rose by 3 dollars each on that day. Speculative fever on the stock exchange intensified. Within a single day — December 18, 1950 — about 4.5 million shares were sold, which is the highest figure for many years, excluding June 27, when American imperialists launched armed intervention in Korea. The introduction of a "state of emergency" in the USA is aimed at eliminating the remnants of democratic rights of the American people in order to ensure American monopolists unbridled exploitation of the working class and new billion-dollar profits on arms supplies bringing death to millions of working people.

At a time when many tens of billions of dollars are spent on forcing militarism in the USA, expenditures for education, public health, housing, and municipal construction constituted only 2% of the total size of the initially planned budget. At the same time, it is known that there are 10 million illiterate and semi-literate people in the USA; 4% of the entire population of the country is deprived of medical care; 15 million people huddle in wretched slums. In autumn 1950, in connection with aggression in Korea, the Truman administration slashed already meager allocations for public education and the construction of hospitals, which the working population of the country acutely needs. Truman gave an instruction to the Director of the US Bureau of the Budget on a new "reduction

of non-military expenditures to a minimum," as a result of which expenditures on social and cultural needs in the US federal budget were reduced to 1% in relation to the total volume of budget resources.

A source of profits for American monopolies is their expansion in Western Europe, Asia, and other parts of the globe, and US military supplies to their satellite countries. During the second world war, prices in USA rose, the purchasing power of the dollar dropped by at least two times. At the same time, the USA continues to exchange foreign gold for depreciated paper dollars, for which marshallized countries buy American goods at pre-war prices — 35 paper dollars for one troy ounce (31.103 g) of pure gold, i.e., twice as cheap as the actual value of the dollar. In other words, the USA carries out non-equivalent exchange — for the same amount of gold they sell twice as many goods as before the war, and additionally enrich themselves on this.

Grasping the largest military-industrial concerns of marshallized countries, American monopolies extract huge profits from the arms race and rampage of militarism in these countries. In France, American monopolies own about 1/3 of the production capacity of oil refineries, over 80 electromechanical equipment enterprises; American automobile firms General Motors and Ford have their branches here. American capital has also penetrated into the Schneider concern, which is the main supplier of armaments for the French government. Penetration of American capital into Italy is even deeper.

As is known, American imperialists assign West Germany the role of their main European military-strategic bridgehead in the aggression they are preparing against the USSR and countries of people's democracy. American capital penetrates into the industry of the western zones of Germany particularly intensively. Shares of the largest military-chemical concern of Germany, I.G. Farbenindustrie, are bought up by the Cologne bank I.G. Stein, which is an agent of the New York Schroder Bank. DuPont controls another German chemical concern — Schering. American company Eastman Kodak has investments in the German firm Kodak A.G. The policy pursued by American imperialists of reviving fascism in West Germany, its remilitarization, revival of a large German army, and restoration of the West German military-industrial potential, apart from other overtly aggressive goals, is also calculated for the further enrichment of American monopolies at the expense of intensifying exploitation and impoverishment of German workers[160].

American ruling circles are turning Japan into their strategic bridgehead in the Far East in the war they are preparing against the USSR and democratic countries of Asia. To this end, they are restoring Japan's military-industrial potential. American investments in Japan by early 1950 reached 2.5 billion dollars. Wall Street masters have already seized shares of many Japanese industrial enterprises, especially machine-building, metallurgical, petroleum, shipbuilding, and electric power.

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160 *Note: Number 2 in text referring to footnote placement.*

The arms race and wars bring colossal incomes to American and all other capitalist monopolies. The merchants of death — monopolists of the USA, England, and other capitalist countries — are cashing in on wars and preparations for them with colossal profits. Unleashing a new world war, they hope to get even greater profits.

US imperialists use the military-inflationary conjuncture in order to weaken the blows of the economic crisis at the expense of the working class and ensure themselves unprecedented profits. However, the arms race and the growth of military expenditures covered through the exploitation of workers and working peasants reduce the solvent demand of the population, intensify the poverty of the broad masses, narrow production and especially the output of goods satisfying civilian needs, intensify the unevenness and disproportionality of the development of individual sectors of the country's economy, causing its further disorganization, contribute to the onset and subsequent deepening of crises and the sharpening of all contradictions of capitalism. The growth of expenditures on militarism, the swelling of the state debt, and the enormous increase in annual payments on war loans intensify the parasitism and decay of the capitalist system of economy. The incredible yoke of taxes and state debt and the intensification of inflationary paper money issues for financing the arms race and wars further sharpen the contradictions between labor and capital.

Monopolies seek a way out of the contradictions tearing capitalism apart in war. But the peoples of the world do not want war. The Soviet Union, heading the mighty camp of

peace, democracy, and socialism, firmly pursues a policy of preserving peace throughout the world. The forces of democracy standing for peace are great and invincible. The front of peace supporters embraces hundreds of millions of ordinary people across the entire globe. The Second World War Peace Congress held in November 1950 in Warsaw was a new powerful demonstration of the forces of peace supporters, a formidable warning to American warmongers.

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I. Borodin

ON YA. A. KRONROD'S BOOK "STRENGTHENING MONETARY CIRCULATION IN THE USSR, INFLATION IN CAPITALIST COUNTRIES"

The book under review is devoted to a highly relevant topic — showing the advantages of the socialist economic system over the capitalist one in the sphere of monetary circulation. The steady strengthening of the Soviet ruble, reflecting the mighty surge of the socialist economy alongside the rampage of inflation and intensification of currency chaos in capitalist countries (which express the decay of capitalism), bears witness to two diametrically opposed processes in the development of monetary circulation: in the land of socialism — the Soviet Union — on the one hand, and in the capitalist world on the other. The Decree of the Council of Ministers of the USSR of March 1, 1950, "On the Transfer of the Ruble Exchange Rate to a Gold Basis and on Raising the Exchange Rate of the Ruble in Relation to Foreign Currencies," and at the same time the devaluation of the overwhelming majority of capitalist currencies in September 1949, are the most vivid indicators of the opposing processes taking place in the sphere of monetary circulation.

The first section of Ya. Kronrod's book (6 chapters) highlights monetary circulation issues in the USSR and the strengthening of the Soviet currency in the post-war period; the second section (4 chapters) examines the intensification of inflation in capitalist countries during and after World War II. The book touches upon a wide range of issues and utilizes extensive factual and statistical material.

Regarding the description of facts, the book raises few objections. However, in illuminating the fundamental theoretical issues of monetary circulation — the most important aspect of the book — the author commits major errors, especially in the second part of the book.

After a brief characterization of various aspects of the role of money in the Soviet socialist economy, Ya. Kronrod defines the essence of Soviet money as follows: "Money in the USSR represents a special transformed form of value that expresses the socialist production relations of comradely cooperation and mutual aid among people free from exploitation"[161]. This abstract definition does not reveal the content and provides no answer to the question of in what sense money "represents a transformed form of value" — whether this means that money is the embodiment of value (bearing in mind the gold content of Soviet money established by decree) or whether it is merely a direct representative of value embodied in commodities. Yet it was precisely this question that should have been illuminated.

In addressing the issues of the 1947 monetary reform, Ya. Kronrod writes that, in contrast to monetary reforms under capitalism, "the Soviet monetary reform is neither a devaluation of currency (the official reduction of the gold content of paper money to the market exchange rate level) nor its revaluation (restoration of the old gold content)" (p. 41). The author made a serious error here. First of all, it is well known that capitalist paper money cannot have a gold content. Furthermore, the inaccuracy of the author's assessment lies in treating devaluation and revaluation as two equal methods of capitalist currency stabilization. Meanwhile, in the history of capitalism, there were only isolated instances of revaluation,

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[161] Ya. A. Kronrod, Strengthening Monetary Circulation in the USSR, Inflation in Capitalist Countries. Gospolitizdat, 1950, p. 13. Subsequently, page references to the book under review are indicated in the text.

and only during the period of capitalism's rise, only after a relatively minor depreciation of paper money, and only in the strongest countries. In the era of the general crisis of capitalism, the sole attempt at currency revaluation (England in 1925) proved to be beyond the strength of British imperialism and collapsed in 1931 under the blows of the economic crisis, burying at the same time the gold standard (gold bullion standard) system itself. Devaluation of varying degrees, up to the almost complete depreciation of paper money (so-called nullification), has long been the sole method of capitalist monetary reform.

Instead of lumping together completely opposite phenomena, the author should have shown that capitalist monetary reforms can only acknowledge the fact of paper money depreciation and begin a new phase of their devaluation; that they are incapable of raising and restoring the purchasing power of depreciated paper money; that revaluation is precisely unattainable for them; and that capitalist monetary reforms are merely very brief pauses in the overall process of currency depreciation in capitalist countries. This would have demonstrated the real opposition between socialist and capitalist monetary reforms. The author's thesis, however, suggests to the reader that capitalist monetary reforms are capable of effecting revaluation — that is, restoring the former, pre-inflationary value and purchasing power of currency.

The author correctly writes that the complete elimination of war consequences in the field of monetary circulation in the USSR was ensured by post-war economic successes (pp. 34–37). But further on, when directly characterizing state measures for preparing the Soviet monetary reform, Ya. Kronrod twice defines them as combining measures in monetary circulation with measures in commodity circulation (pp. 42 and 45), i.e., as regulation of the sphere of circulation. The author fails to show the main advantage of the socialist system over the

capitalist one, which consists in planning primarily the sphere of production plus finances and the sphere of circulation. Even regarding the Soviet monetary reform of 1922–1924, V. I. Lenin noted that we "are beginning to move the economy in the direction of ruble stabilization, which is of the greatest importance for trade..."[162]. The economy here is primary, commodity turnover secondary and complementary. The author, however, shows a noticeable tendency to reduce preparation measures for monetary reform merely to regulating the sphere of circulation.

A second time, the author ignores the decisive role of production and reduces the fundamental question to the sphere of circulation when making the following conclusion: "The fundamental difference in the essence of Soviet money, and the resulting difference in the character of the full-value nature of the Soviet ruble compared to the essence and full-value nature of bourgeois money, made it possible to carry out the restoration of the full-value nature of the Soviet currency through its own special path, bypassing both the path of devaluation and the path of deflation, on the basis of replacing the un-full-value ruble with a full-value ruble" (p. 52). It is completely clear that the difference in the essence of Soviet money from capitalist money is not the primary cause or foundation of all these differences, nor the basis for the possibility of conducting monetary reform by "replacing" an un-full-value ruble with a full-value one. This is an incorrect approach. It is clear that the differences between the essence of Soviet and capitalist money are determined by the fundamental, principled differences between the socialist economy and the capitalist economy. It was precisely the advantages of the socialist economic system and the new powerful surge of the USSR economy that formed the true

[162] V. I. Lenin, Works, vol. 33, p. 366.

foundation of the entire system of measures ensuring the execution of the socialist monetary reform of 1947.The author's following definition of the full-value nature of Soviet money cannot be considered sufficient or correct: "The full-value nature of the Soviet ruble is therefore nothing other than the actual possibility of realizing Soviet money in the decisive mass of goods at planned state prices" (p. 51). From this definition, it would follow as if the difference between socialist and capitalist money consisted only in the fact that the former can be realized in the decisive mass of goods at planned state prices, and the latter — at prices formed spontaneously on the capitalist market. The author ignores the class-political aspect of the issue here. Below he points out that price reductions in the USSR raise the purchasing power of Soviet money. But the very definition of the full-value nature of Soviet money given by Ya. Kronrod fails to reflect the party's policy of steady price reductions and raising the well-being of the Soviet people, which is obligatory for this definition. Therefore, it bears a formal-scholastic character, excludes the main thing distinguishing full-value socialist money from capitalist money, and fails to express the decisive criterion of the full-value nature of socialist money.

On page 54, it is stated that "one of the characteristic features of the Soviet monetary reform of 1947 lies in the fact that its foundations, methods, and results are independent of the state of the capitalist currency market." The author considers this feature characteristic only of the 1947 monetary reform. Meanwhile, independence from the capitalist currency market, as well as the role of the foreign trade monopoly and currency monopoly, have been characteristic features of the Soviet monetary system from the very beginning of its existence; these features were clearly manifested as early as the first monetary reform in the USSR in 1922–1924.

Ya. Kronrod's book was published a few months after the publication of the USSR Council of Ministers' decree of March 1, 1950, "On the Transfer of the Ruble Exchange Rate to a Gold Basis and on Raising the Exchange Rate of the Ruble in Relation to Foreign Currencies." Meanwhile, only a few dull pages in the book under review are devoted to analyzing this decision of immense importance and the resulting perspectives. The author does not even attempt to connect this decision with the question of the essence of socialist money; he considers them in isolation from each other, virtually ignoring the role of the government decree of March 1, 1950, when analyzing the main theoretical question regarding the essence of socialist money. Ya. Kronrod fails to show the significance of this paramount decree for strengthening the economic ties of all countries in the camp of democracy and socialism.

In light of the Soviet Government's decree on transferring the Soviet ruble exchange rate to a gold basis, the definition of the ruble's exchange rate given by the author on page 82 sounds very strange: "The exchange rate of Soviet currency relative to capitalist currencies expresses the relations of the socialist state as a buyer and seller on the market of capitalist countries." What does this "definition" mean? That the basis of the Soviet ruble's exchange rate is not its gold content, but the trade relations of the USSR with capitalist countries? That this exchange rate can be determined under the influence of the ratio of purchases and sales, i.e., the trade balance of the USSR with capitalist countries? Both assertions are nonsensical. Such pseudo-scientific "definitions" that distort the precise text of the decree confuse matters and misrepresent the meaning of the Soviet Government's decree on transferring the Soviet ruble exchange rate to a gold basis and raising the exchange rate of the ruble.

By including a superficial and brief description of monetary reforms conducted in the People's Democracies (pp. 89–92) in

the chapter on the Soviet ruble exchange rate, the author apparently sought to conceal the underdeveloped nature of the first and second issues. The monetary reforms in the People's Democracies described by the author were carried out immediately after the end of World War II and long before the USSR Council of Ministers' decree of March 1, 1950. The book fails to show the difference between monetary reforms in the People's Democracies and post-war "monetary reforms" in capitalist countries.

Serious errors are also contained in the second part of the reviewed work, which covers issues of inflation in capitalist countries.

The author identifies three main stages "from the perspective of class content" in the development of inflation. His description of the final stage of inflation, which he calls the third stage, is completely incorrect and distorts the essence of the matter. "But inflation that has gone too far disrupts the normal course of the capitalist reproduction process to such an extent that it eventually comes into conflict with the interests of monopoly capital. Inflation leads to the huge-scale development of waste export ('inflationary dumping'), which means selling off national wealth cheaply in foreign markets. It leads to shifting the center of gravity of many capitalists' interests from the sphere of production to the sphere of speculation, where 'fortunes are made' instantaneously in frantic stock-exchange machinations. Thus, significant capital is transferred from the productive to the non-productive sphere. Enterprises close, and unemployment grows. As a result, the capitalist reproduction process decomposed by inflation ceases to provide the production of 'normal' masses of surplus value" (p. 106. Emphasis added. — N. G.).

Does the described situation, characteristic of the state of capitalism in the period of its general crisis even in the absence of active inflation (and only reinforced by it), really come into

conflict with the interests of monopoly capital, as Ya. Kronrod asserts?

Is it not under these very conditions that capitalist monopolies reap the highest super-profits? The financial oligarchy of the USA and England, the "200 families" of France, etc., plunder the working people, deliberately using the element of inflation and contributing through their policies to its even greater rampage. One should not speak of an alleged reduction of profits during advanced inflation, for this is merely a figment of the author's imagination. A Marxist must emphasize the decisive fact that the accelerating development of inflationary forces, the unceasing rise in prices, and the fall in real wages of workers so intensify the outrage of working people against monopoly oppression, so contribute to the growth of class struggle against capital, and so sharpen the political situation that the main condition for extracting capitalist profits — the subordination of the popular masses to the power of the imperialist bourgeoisie — is called into question. Not a reduction in profits, but the inevitable growth of resistance and struggle of the working class against the ever-increasing plundering of the masses — that is what in reality sets certain limits to inflation. In the author's illumination, however, it turns out that the increase in the non-productive portion of capital, dumping, the growth of speculation, and the growth of unemployment all allegedly come "into conflict with the interests of monopoly capital."

The author, mentioning in passing that the proletariat responds to inflation with fierce struggle, not only fails to emphasize the decisive role of this political factor, but directly blurs it by highlighting the thesis that the interests of the monopolies themselves are allegedly incompatible with advanced inflation. All this is all the more strange given that Ya. Kronrod consistently characterizes inflation in the USA, England, and other countries as being very far advanced.

Currency dumping is explained completely incorrectly in the book. "Its essence," writes Ya. Kronrod, "lies in the fact that the exchange rate of a currency is established at a level lower than the level of its real value on the domestic market" (p. 109). This "explanation" is equivalent to asserting that without currency dumping, the exchange rate of capitalist currencies corresponds to the real value of currencies on the domestic market. But such an assertion represents the main thesis of the bourgeois "theory" of purchasing power parity of currencies. In reality, currency dumping represents commodity dumping under conditions of inflation where the exchange rate of a given country's currency falls to a greater extent than domestic commodity prices rise.

Ya. Kronrod completely misinterprets the role of clearing agreements (for some reason placing the word "clearing" in quotation marks). He asserts that this form of agreement on mutual export-import conditions on a non-deficit trade balance basis is "advantageous to stronger capitalist countries" (p. 108). The example of fascist Germany in the 1930s cited by the author to prove this is unconvincing for modern times. One may ask: how then is the fact explained that aggressive American imperialism currently seeks everywhere the abolition of clearing and other bilateral agreements between other countries of the capitalist world and demands "free markets" (or throws a noose of compulsory multilateral clearing servicing Marshall Plan financing around the necks of Western European peoples)? According to the author, it would appear that US imperialists are pursuing a policy contrary to their own interests.

Ya. Kronrod's coverage of inflation in the USA without any connection to the operation of the "Marshall Plan" (pp. 131–144) provokes resolute objection. The author considers the predatory credit "plan" of American monopolies only from the point of view of its influence on Marshallized countries, and

even then very briefly. This is a one-sided and therefore incorrect interpretation of the "Marshall Plan." Militaristic in its essence, the "Marshall Plan" is economically an instrument for plundering not only the working people of Western European countries, but simultaneously the American people as well; along with the growth of direct military expenditures, it leads to increased inflation in the USA. First, US state budget expenditures under the "Marshall Plan" totaling up to $4 billion annually on average, executed through additional robbery of working taxpayers, predetermine the growth of the American budget deficit and, consequently, the intensification of inflation. Second, dumping on an unprecedented scale (at relatively high prices) that undermines Western Europe's economy enables US monopolies to maintain high inflationary prices domestically. As is known, bourgeois economists attempt to portray the positive US balance of payments as a factor allegedly strengthening the dollar's position. In reality, the positive US balance of payments is inextricably linked to American aggressors carrying out a program of accelerating military expenditures and has its source in plundering working people and deepening inflation in the USA. None of this is shown in the book.

In covering issues related to financing military expenditures of capitalist countries, the author attempts to create a new concept. He strives to prove that "all capitalist methods of war financing... served as methods of unleashing inflation" (p. 115), and that "inflation was fed (directly or indirectly) through all three channels of war financing — taxes, loans, monetary emission" (p. 119). To this end, Ya. Kronrod attempts to substantiate the thesis that although taxes extract part of excess money from the population and reduce its purchasing power, nevertheless, by changing the structure of effective demand, they allegedly "inevitably reduce the actual capacity of monetary circulation and lead to overflowing the channels of

monetary circulation with monetary funds, i.e., to inflation" (p. 117).

Further, regarding loans, the author asserts that "loans are one of the most convenient forms of completely shifting war costs by the bourgeoisie onto the working population" (p. 117), that when issuing loans "the amount of monetary funds increases," and that loans "contribute to overflowing monetary circulation channels with excess masses of money, i.e., directly lead to inflation" (p. 119).

The author believes he is exposing the views of bourgeois economists and revealing the inflationary nature of all capitalist war financing methods. But this is not the case at all. Outwardly "radical," this position in fact confuses the issue, mixes the operation of all capitalist financing methods, and prevents understanding their specific features.

First of all, one should not overestimate the role of the financial system itself nor seek explanations for war inflation solely in the operation of capitalist war financing methods. After all, it is no coincidence that precisely such an approach is a favorite among bourgeois economists. A Marxist must first of all show that the inflationary character of capitalist war financing is rooted primarily and mainly in the defining features of the capitalist war economy itself — in the enormous growth of production of means of destruction and a sharp reduction in the production of consumer goods, especially that portion intended to meet civilian needs. Next, it is necessary to point out that the real sources of capitalist war financing, regardless of any combination of methods, are the national income and national wealth of the country. All this must be noted before discussing methods of financing to avoid overestimating the role of the latter, but Ya. Kronrod fails to take this into account.

It is completely clear that under war conditions, ruling circles of capitalist states, using spontaneously inevitable inflation, are nevertheless forced as far as possible to reduce and delay using

the printing press by resorting to taxes and loans, since rapid money depreciation would undermine the effectiveness of all financing methods whatsoever — which is especially dangerous for a state in wartime. By utilizing taxes and loans, the bourgeoisie always shifts the burden of war expenditures onto the shoulders of the broad working masses. But contrary to the author's paradoxical assessments, taxes do not reinforce inflation; rather, to a certain extent they curb its spontaneous development and slow down the inevitable drop in efficiency of all capitalist financing methods resulting from deepening inflation.

The author attempts to illustrate the inflationary nature of taxes with a contrived example of changing the structure of effective demand under the influence of war taxes (pp. 116–117). Carried away by this artificial example, the author fails to sense that this point is secondary, not decisive, and that even in his cited example the main effect of inflation comes not from changing demand structure, but from a simple economic factor — the reduction of production and especially sales of consumer goods under wartime conditions. The author fails to notice another point as well: namely, that his cited example of tax operation could be fully applied even in the presence of a gold currency, which logically should lead the author to the absurd conclusion of the possibility of inflation even under a gold currency. In general, the assertion that altering demand structure through tax collection can entail issuing paper money into circulation — and in a volume greater than funds extracted through taxes — is nothing more than an exercise in scholasticism for the sake of "substantiating" his erroneous "concept."

The author's assertion that issuing state loans exerts a direct inflationary effect is also incorrect. He refers to the well-known fact that part of state securities is used in settlements, thereby increasing the mass of payment means in circulation, and is

also used as collateral to secure bank loans. All this is true and represents an essential difference between loans and taxes regarding their influence on monetary circulation in capitalist countries. But only short-term treasury obligations are used for direct settlements, and even then in wholesale turnover (usually cashless), while only a certain portion of issued loan bonds is used to obtain bank loans (also partially cashless). A certain portion of issued loans still remains in the hands of medium and small holders who gave a corresponding amount of paper money for them. Of course, money extracted through loans is immediately used by the capitalist state to pay for war expenditures, i.e., almost simultaneously re-released into circulation.

The correct scientific conclusion is that due to huge state overpayments to monopolies for war contracts, the sum of funds obtained from loans (as well as taxes) used for war expenditures is far smaller than the sum of placed loans and debt obligations burdened onto the future state. Instead, the author concluded that issuing loans directly increases the money supply in circulation. But such assertions only outwardly appear to expose the class essence of capitalist methods of financing war expenditures. In reality, such simplification blurs important distinctions between different capitalist war financing methods, attributing an identical inflationary nature to all of them, and thereby prevents understanding their true interconnection, distinction, and the exceptionally heavy character of paper money emission for working people.

It is characteristic that Ya. Kronrod himself elsewhere (p. 127) speaks of the accumulation during wartime of inflationary forces that manifested themselves fully only after the war, naming among them (for some reason in last place) the huge increase in state debt. It is not difficult to understand that if loans directly aggravated inflation during the war years,

nothing would remain for accumulating inflationary forces in state debt that failed to realize themselves during the war period, because inflation reinforced by war loans would accordingly slash the real burden of nominally increased state debt. But capitalist states make every effort to delay a more acute outbreak of inflation until post-war years as far as possible, covering as large a portion of war expenses as possible through taxes and state loans, and deferring their obligations in the form of long-term loans to future periods. Marx pointed out that the accumulation of state debt entails increased taxation (an endless screw of loans and taxes), and also creates prerequisites and the threat of inevitable inflation in the future. Lenin teaches that paper money emission is the worst kind of compulsory loan falling with all its weight upon the working classes. In the author's work, however, the most malicious and dangerous character of paper money emission remains in the shadows, obscured by reinforced "exposures" of the inflationary nature of taxes and the direct inflationary action of state loans.

In covering wartime inflation in England, the author fails to reveal its real character and features. He fails to consider that the relative moderation of this inflation resulted from huge external "assistance," including the plundering of English colonies and dominions (in the form of compulsory and free deliveries of goods to England from British Empire countries and through a huge increase in budget war expenditures of those countries). This should have been shown and emphasized primarily regarding England, exposing British imperialism's parasitism and thereby the paramount feature of its wartime inflation.

Capitalist monopolies under war conditions utilize inflation inevitably arising under capitalism in their own interests; they consciously reinforce it through their policies in the name of increasing super-profits. But they cannot help fearing excessive

inflation expansion during war and are therefore forced to take all possible, albeit limited, measures to slow its development and transfer its open explosion to the post-war period where possible.

The author of the book, through his simplified and uncritical "concept," closes his eyes to this monopolistic policy and to all the specifics of war inflation and capitalist war financing methods.

Attention is drawn to Ya. Kronrod's style of exposition in the form of inappropriate "theorizing," which frequently confuses clear issues and obscures main points with secondary details. This is evident from all that has been said previously. Let us cite another example. The author wishes to explain to the reader the causes owing to which the money supply in the USA after the war sharply exceeded the money requirements of the American economy (pp. 137–138). He should have — noting the inflationary swelling of the US money supply left by the war — emphasized first of all the role of huge military expenditures directed at preparing a new aggressive war, which causes budget deficits to grow, as well as the desire of monopolies to maintain and reinforce inflationary profit levels and inflationary plundering of the people. Kronrod, however, emphasizes first and foremost the lag in growth of physical production volume in the USA relative to the increase in money supply, and even such a detail as the acceleration of money circulation — which, moreover, does not correspond to reality. Further, the author notes that the bourgeoisie counts on partially resolving market problems through inflationary boosting of business activity, which is generally unrealistic. Only after this does he mention in passing such decisive causes as the arms race and monopoly attacks on the living standards of working masses in the USA, which are correctly illuminated by the author elsewhere (p. 140).

Post-war inflation in England is described in the same vein (pp. 147–148). In the author's proofs, the growth of bank deposits figures as an "explanation" of inflation alongside England's huge military expenditures (which again rank last among inflation causes). There is no need to prove the uselessness and harm of highlighting less important and minor points while leaving the main issues in the shadows.

The author's assessments on several other issues also frequently blur the significance of main economic and political causes behind observed phenomena by bringing secondary details to the fore. For example, Ya. Kronrod writes: "Throughout all past years, England has been experiencing a crisis in its balance of payments and an acute 'dollar shortage' caused by a huge trade balance deficit and inflated military expenses outside England and the sterling zone" (p. 146). One cannot speak of these two causes as equal. England had a huge trade balance deficit before the war as well (£400 million), but at that time this did not lead to a balance of payments crisis. In reality, the primary cause is first and foremost England's huge overseas military expenditures in foreign currency, which barely existed before the war; and regarding trade — the refusal of Labor leaders, to appease US monopolies, to maintain trade ties with countries of the socialist camp, which pushes England into the dollar trap. Additional significance attaches to the reduction of English revenues from foreign investments, shipping, etc.

It should be noted that the author superficially and inaccurately explains the gradual transformation of credit money under capitalism into paper money. Thus, he writes: "Domestic circulation of capitalist countries is served by credit and paper monetary signs, i.e., signs of gold" (p. 49). On the one hand, any boundary between credit and paper money is erased here altogether; on the other hand, the reader may gain the impression that credit and paper money function in the country simultaneously and parallel to each other. The author

mistakenly believes that bill-of-exchange backing is characteristic of modern banknotes. On the contrary, commercial bills formerly held great importance in backing banknotes alongside gold, whereas today they have lost this significance. Instead of explaining the main point — that former commercial bills in the era of capitalism's general crisis are almost completely displaced by such "backing" as state securities, i.e., fictitious capital — the author focuses the reader's attention on the increase in inflated ("bronze") private bills. Such an explanation is uncritical to say the least.

The fact that during paper money depreciation the unchanged nominal monetary unit actually represents a smaller amount of real money — gold — in circulation, the author stubbornly terms a reduction in the gold content of the monetary unit (p. 103 et al.). This is incorrect. One cannot speak of gold content of capitalist paper money, because representing gold does not mean having gold content. The changing market price of gold in paper money or its falling foreign exchange rate express not the gold content of paper money, but its relative value as substitutes for gold. The monetary unit of modern paper money, under the legislation of almost all capitalist countries, is not even fixed in gold terms, but left undefined, with only an exchange rate set in dollars, which itself is depreciated relative to gold.

Other views of Ya. Kronrod regarding monetary circulation are also erroneous. It is completely incorrect to assert that "inflation was directly reinforced by the rapid growth of cash in circulation and monetary funds in deposit accounts" (p. 125). Here, as in several other places (p. 137 et al.), the author confuses the essence and influence of extremely different things — the money supply in circulation and bank liabilities. Moreover, he even assigns the swelling of bank deposit accounts to war financing methods alongside taxes, loans, and

inflation (p. 129), and simply equates bank deposit growth with overflowing monetary circulation channels (p. 147).

Equally incorrect is the identification of the so-called "cheap money" policy — i.e., low discount rates — with inflation (p. 146). Such identification is characteristic of bourgeois "theories" that deliberately confuse these completely different phenomena.

Many pretentious definitions by the author lacking any foundation can only confuse the reader. For example, Ya. Kronrod writes: "Money depreciation proceeds along a rapidly unfolding spiral" (p. 105). Inappropriate too is playing with various concepts — now with the more definite concept of "backing," now with the indefinite concept of "credit guarantee."

In covering an important topic, the author committed a number of theoretical errors and confusions. That is why our readers remain unsatisfied and expect from Soviet economists a new work in which, on the basis of Marxist-Leninist theory, a comprehensive coverage of monetary circulation issues in the USSR and capitalist countries would be provided, showing the advantages of the socialist system over the capitalist one in this important sphere of the national economy.

N. Grodko

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B. Sokolov

ISSUES OF ECONOMICS AND PLANNING IN SUBURBAN AGRICULTURE

The development of socialist suburban agriculture is of great national economic importance. Already by 1939 (according to census data), the total number of workers and employees in the Soviet Union reached almost half of the entire population. A third of the country's population lived in cities. At present, the percentage of the urban population is even higher and will steadily increase in the future. The implementation of the gigantic construction projects of communism — hydroelectric power stations in Kuibyshev, Stalingrad, and Kakhovka — will accelerate the development of industry, the growth of cities, and the urban population. At the same time, the need will grow to expand suburban agriculture, which ensures the supply of large cities and industrial centers with vegetables, potatoes, fresh meat, milk, fruits, berries, etc.

The Party and the Government have paid great attention to the development of suburban agriculture at all stages of socialist construction. Back in 1930, the Joint Plenum of the CC and CCC of the VKP(b) issued a directive on the development of agriculture around industrial centers. The XVIII Congress of the VKP(b) adopted a resolution to create potato-vegetable and livestock bases around large cities and industrial centers. In the Law on the Five-Year Plan for the Restoration and Development of the USSR National Economy for 1946–1950 and in the decisions of the February Plenum of the CC VKP(b) (1947), practical tasks for the further development of suburban farming were outlined, and the ways of their implementation were indicated.

The measures adopted by the Party and the Government ensured great successes in the construction of socialist agriculture in the suburban zones of the USSR. The sown area under vegetable crops increased from 487 thousand ha in 1913 to 1587 thousand ha in 1940, i.e., almost 4 times. The area under potatoes increased during this period by 2.5 times, and under orchards and berry fields by more than 2 times. Protected ground vegetable growing was widely introduced, and the construction of greenhouse and hotbed farming developed. On the eve of the war, there were 5 times more hotbed frames than in 1913, and the area under greenhouses during this time increased by 36 times. The proportion of such highly valuable vegetable crops as onions, tomatoes, peppers, garlic, lettuce, spinach, etc., increased.

Major changes also occurred in the geographical location of potato and vegetable production. Areas under potatoes and vegetables increased especially around large cities in the most developed industrial regions, as well as in previously backward national regions of the country, where the rates of socialist industrialization and the growth of the urban-industrial population were very high. Thus, for example, in Kazakhstan, the area under vegetable crops from 1913 to 1940 increased by 4 times, in Eastern Siberia and the Far East — almost 6 times, and in the Urals — 11.5 times.

The development of suburban agriculture leads to the elimination of long-distance transport of poorly transportable agricultural products. As a result of the growth of potato plantings and vegetable sowings in suburban zones, inter-regional transportation of these crops has significantly decreased. In the post-war period, a further development of all branches of suburban agriculture is taking place.

Scientific generalization of the rich practice of building socialist suburban farming lags behind the demands of life. The reviewed book by N. V. Vasilyev[163] partially fills this gap.
It is the result of studying the experience of long-term and operational planning of suburban agriculture in a number of large cities and industrial centers, analyzing primary materials, specialized literature, statistical collections, materials of institutes, scientific and public conferences, etc. The book covers a significant range of issues. It thoroughly illuminates the problems of planning the volume of agricultural production and the size of suburban zones. Individual chapters are devoted to issues of placement and specialization, mechanization and electrification, marketability and profitability of suburban agriculture.
The first three chapters present the methodological foundations of planning suburban agriculture. Touching upon the long-term planning of suburban agriculture, the author correctly puts in first place the principle of comprehensive development of all its branches. The starting point of planning is determining the continuously growing needs of the city population, as well as the population of the suburban zone itself, in the products of suburban agriculture. The volume of agricultural production in suburban zones is established by product types depending on the population size of the given city and suburban zone, as well as consumption norms for individual products. The long-term plan for the development of suburban agriculture is developed in close connection with other branches of the national economy, with master plans for the development and reconstruction of cities and industrial centers.

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[163] *N. V. Vasilyev, Issues of Economics and Planning of Suburban Agriculture. Selkhozgiz, 1949, 143 pp. Pages of the reviewed book are indicated in the text.*

The author dwells in detail on planned calculations of consumption norms and gross output of potatoes, vegetables, dairy farming, food and feed grain, meat, fruits, etc. In doing so, he allows certain inaccuracies. Thus, N. Vasilyev recommends widely using potatoes as livestock feed in every suburban zone (p. 23). Meanwhile, the expenditure of potatoes for livestock feed should be planned in relation to the specific conditions of the zone. In Belorussia, the use of potatoes in pig farming and dairy farming is economically very effective. The situation is different in the suburban zones of Yerevan, Baku, and other cities, where potato production requires irrigated land.

The author points out that in determining the volume of agricultural production in suburban zones, one must proceed from the premise that "raw material bases for the canning industry, as a rule, should be created outside suburban zones, in areas favorable for the development of vegetable growing" (p. 20). It should be added: if canning enterprises exist in a suburban zone, their raw material needs must be taken into account when planning the agricultural production volume of that zone.

The book correctly notes that the production of food and feed grain cannot and should not be ousted from the agriculture of suburban zones. It is necessary to retain at least a small percentage of grain crops for proper grass-arable crop rotations. But the development of grain production must in no case occur at the expense of reducing the production of vegetables, potatoes, fodder root crops, and other poorly transportable products. Rail transport of a potato harvest from 1 ha costs, according to the author's calculations, 15–20 times more than transporting a grain harvest from 1 ha. "Consequently," concludes the author, "it is more advantageous for the national economy to deliver grain to suburban zones

from distant regions than to transport potatoes and vegetables even over a shorter distance" (p. 26).

In illuminating the issues of planning the volume of agricultural production of suburban zones by farm categories, the author loses sight of the output of private plots of workers, employees, and collective farmers, considering them only "as a kind of 'insurance' fund" (p. 45). Meanwhile, he himself cites data showing that personal plots and livestock "occupy a significant place in the total production of potatoes, vegetables, and milk in suburban zones" (p. 44). Of course, with each passing year, the role of individual plots of the urban population will decrease. But one cannot fail to take into account the output of private plots when determining the volume of production in suburban zones, especially in such regions as the Northern Urals, Central Kazakhstan, etc.

To determine normative data for agricultural production in suburban zones, the author recommends selecting state and collective farms typical for each of the zones and, oriented toward advanced experience, compiling long-term organizational and economic plans. N. Vasilyev proposes a methodology for developing normative data on the use of labor force and labor expenditures, mechanization, fertilizer system, yield, herd structure and productive livestock, feeding rations, etc.

Noting that inter-regional transportation of vegetables and potatoes, despite its significant reduction during the war years and in the post-war period, still remains large, the author explains this mainly by the uneven distribution of vegetable crop and potato areas across republics, territories, and regions of the Soviet Union. Such an explanation is groundless. The reasons for the phenomenon under consideration lie in the fact that in the agriculture of a number of suburban zones, the cultivation of potatoes and vegetables is insufficiently developed; the proportion of sowings of these crops (for

example, in the Omsk and other suburban zones) is insufficient, and main of all — their yield is low. To eliminate long-distance transportation of agricultural products, it is necessary to sharply increase in suburban zones the crop yields, livestock productivity, and marketability of suburban agriculture as a whole on the basis of comprehensive farm development, introduction of the latest technology, the latest achievements of advanced science, and dissemination of the experience of innovators.

In the chapter "Issues of Placement and Specialization of Suburban Agriculture," the author first sets out the Leninist-Stalinist principles of agricultural placement and specialization. Further, he considers the main conditions determining the specialization and placement of suburban agriculture: 1) placement of industry; 2) placement of spheres of consumption of agricultural products of suburban agriculture (location of the city and other large populated points in the suburban zone); 3) natural conditions; 4) availability and placement in the suburban zone of sources supplying agriculture with all kinds of waste and refuse; 5) transport conditions; 6) endowment of state and collective farms with land and the labor resources of collective farms. The main and decisive conditions are: a) development and placement of industry as the leading branch of the national economy, concentrating urban population and providing waste used in agricultural production; b) proper use of land as an instrument of production based on the introduction of the grass-arable system of agriculture, allowing the development of a multi-branch highly intensive economy of the suburban type. On extensive factual material, the author shows the influence of all these conditions on the placement and specialization of the economy of suburban zones.

In the chapter "Planning Main and Additional Branches of Suburban Agricultural Production," fundamental provisions for establishing the sizes and combination of various branches of

production in suburban farms are presented, and the high efficiency of a multi-branch suburban economy is emphasized. Based on studying the experience of the best suburban collective and state farms, the author comes to the conclusion that "dairy farming receives the necessary conditions for its development where sowings of fodder crops occupy at least 20 –25% of the total sown area" (p. 75).

The planning of livestock raising for the coming period must be based on the decision of the Party and Government on the three-year plan for the development of public collective farm and state farm productive livestock raising, which provides for the creation in each collective farm of four farms (cattle, sheep, pig, and poultry) and a significant increase in them of the minimum livestock head count in accordance with the size of the land area assigned to the collective farms.

The author one-sidedly explains the seasonality of vegetable consumption by the limited assortment of cultivated vegetables (p. 78). Meanwhile, seasonality will change sharply if vegetable production in protected ground is increased, early and canned vegetables are brought into northern cities from the south in the early spring period, and greenhouse-hotbed farming is significantly expanded. The author improperly disparages the role of the latter. The February Plenum of the CC VKP(b) pointed out the necessity of overall development of greenhouse-hotbed farming to supply the population of cities and industrial centers in the winter-spring period with early vegetables and greens.

The author underestimates the richest possibilities of cities and industrial centers for creating a powerful greenhouse-hotbed economy. 50–80% of the cost of products of this economy falls on fuel. Therefore, a great economic effect in greenhouse farming is given by the use of heat not fully utilized at enterprises, generated by the boiler houses of power stations and industrial enterprises. The use of electricity for heating

greenhouses and hotbeds makes it possible to eliminate heavy labor associated with placing and operating manure hotbeds and burning solid fuel in greenhouses, and also contributes to the mechanization of auxiliary work (water supply, water heating, etc.), reducing the need for labor force and draft power.

The new gigantic construction projects of communism will provide agriculture in a number of regions of our country with cheap electrical energy. Due to specific conditions of agricultural production, the bulk of electrical energy will be consumed here in spring and summer. In the autumn-winter months, electrical energy can be used on a large scale in greenhouse-hotbed farming.

In the chapter on mechanization and electrification, the author examines in detail the issues of technical equipment of agriculture in suburban zones. In suburban zones, there are especially favorable conditions for the mechanization and electrification of agriculture. "At present, more than 40% of the total capacity of rural electrical installations in the USSR falls on substations from district, city, and industrial power stations" (p. 109). The most advanced in agricultural electrification are the most industrially developed regions. However, these possibilities are far from being realized in all suburban zones of the country and far from on such a scale as required by highly intensive suburban farming. The main processes of soil cultivation are the most mechanized, while vegetable growing, dairy farming, and horticulture are still insufficiently mechanized. Suburban machine-tractor stations until now have been predominantly engaged in soil cultivation, sowing, and harvesting of grain crops. In their structure, composition, and types of available machines and tractors, and in the composition and profile of specialists, machine-tractor stations in suburban zones to a significant degree do not yet correspond to the requirements of suburban agriculture and the

specialization of collective farms (p. 111). The author correctly emphasizes the necessity of restructuring the entire technical service of suburban zones, organizing special suburban MTS in them.

In the post-war period, the production of a number of improved and new machines mechanizing production processes in potato planting, vegetable crop cultivation, planting of orchards and berry fields, plant care in orchards, and servicing of livestock farms has significantly increased. In particular, a potato harvesting combine has been created, which reduces labor costs for harvesting potatoes many times over compared with the horse-manual method. A firm technical base is thus placed under public collective farm production.

In the chapters devoted to labor productivity in suburban agriculture, its marketability and profitability, the author correctly notes as a serious shortcoming the small sizes of livestock farms and sown areas under vegetable crops and potatoes in a number of suburban farms, primarily in collective farms. On the basis of using extensive materials, the author came to the following conclusion: "The smaller the sown area of vegetables or potatoes on a farm, the lower, as a rule, is the yield of these crops, and the lower are other qualitative indicators" (p. 115). This is mainly due to the fact that on small land massifs it is harder to use machines and introduce improved agrotechnique. The book emphasizes the necessity of enlarging sown areas under vegetables, potatoes, and fodder crops, as well as enlarging livestock farms (p. 117).

The enlargement of small collective farms creates new enormous possibilities for increasing the yield of vegetable crops and potatoes and livestock productivity, for the comprehensive rise of public collective farm production in suburban agriculture, and thereby ensuring the uninterrupted supply of the population of cities and large industrial centers

with vegetables, fruits, potatoes, milk, and meat, as well as increasing the raw material resources of the food industry.
In the final chapters of his book, N. Vasilyev investigates the question of the connection between the intensity level of suburban farming and its profitability and marketability. The author analyzes economic conditions stimulating the development in collective farms of the production of poorly transportable marketable agricultural products, in particular characterizing the role of agricultural procurement and showing the importance of using several compulsory delivery norms in a district by groups of collective farms. The author proposes differentiating milk prices depending on the season in order to stimulate the production of marketable dairy products and more uniform arrival of milk in cities throughout the year.
Among the shortcomings of the book, it must be noted that the author did not illuminate issues of differential rent, which plays an especially large role in the agriculture of suburban zones. The development of this problem, in particular the determination of methods for calculating differential rent, is of great scientific and practical importance.
On the whole, N. V. Vasilyev's book, despite a number of shortcomings, deserves a positive assessment as a scientific generalization in the field of sectoral economics, as well as a useful guide on issues of planning suburban agriculture.

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M. PAROMOV

FORMS AND METHODS OF ECONOMIC COOPERATION OF THE USSR AND THE PEOPLE'S DEMOCRACIES

The working people of the People's Democracies in Central and Southeastern Europe are successfully laying the foundation of a socialist economy. Having experienced the joy of free, creative labor, they achieve a continuous rise in their national economy. The successes of socialist construction in the European People's Democracies became possible only because the working people of these countries are rallied around the working class, guided by the all-conquering teaching of Marxism-Leninism, and rely on the selfless, fraternal assistance of the USSR—the great socialist power—and on the support of the entire camp of democracy and socialism headed by the Soviet Union.

Economic cooperation between the USSR and the People's Democracies represents a new, higher type of interrelations between peoples who have freed themselves from the power of capital.

V. I. Lenin and J. V. Stalin provided the solution to all fundamental questions of interrelations between various nations after the overthrow of the power of imperialism. The Marxist-Leninist theory of the national question, deeply and comprehensively elaborated by Comrade Stalin, considers the

emergence and development of nations, and the interrelations between them, not in isolation from economics, but on its granite foundation, on the basis of economic relations between countries and peoples.

Capitalism in its development, Comrade Stalin teaches, binds the most diverse peoples "with the bonds of the international division of labor and all-round mutual dependence"[164]. As a process reflecting the development of productive forces and facilitating the elimination of the national isolation of various peoples, "it was and remains a progressive process, for it prepares the material prerequisites of the future world socialist economy"[165]. However, this tendency developed in forms completely non-corresponding to its internal historical meaning. "The mutual dependence of peoples and the economic unification of territories were established in the course of the development of capitalism not by cooperation of peoples as equal units, but by way of subordination of some peoples by others, by way of oppression and exploitation of less developed peoples by more developed ones"[166]. Therefore, along with the tendency of unification, a second tendency grew —towards the destruction of violent forms of this unification, the struggle for the liberation of peoples oppressed by imperialism in colonial and dependent countries. This second tendency, signifying the indignation of the oppressed masses against imperialist forms of unification—colonial looting and seizures, national oppression and inequality, imperialist

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164 J. V. Stalin, *Works*, Vol. 5, p. 181.

165 Ibid.

166 Ibid., pp. 181–182.

arbitrariness and violence, colonial slavery and national disfranchisement—demanded the unification of peoples on principles of cooperation and voluntary union. Therefore, it also "was and remains a progressive tendency, for it prepares the spiritual prerequisites of the future world socialist economy"[167].

For communism, in contrast to capitalism, these tendencies, as Comrade Stalin points out, are "two sides of one cause, the cause of liberating oppressed peoples from the yoke of imperialism, for communism knows that the unification of peoples into a single world economy is possible only on the principles of mutual trust and voluntary agreement, that the path of forming a voluntary union of peoples lies through the separation of colonies from the 'single' imperialist 'whole', through their transformation into independent states"[168]. The countries of the socialist camp in their mutual relations are invariably guided by the wise instructions of the great leader of peoples, J. V. Stalin.

The European People's Democracies receive from the USSR comprehensive material assistance and moral-political support, which serve as a guarantee of their sovereignty and independent existence, a necessary condition for strengthening their technical-economic independence and economic independence from capitalist countries.

In our days, the scientifically grounded foresight of the great Lenin has been fully confirmed, who pointed out as early as

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167 J. V. Stalin, *Works*, Vol. 5, p. 182.

168 *J. V. Stalin, Works, Vol. 6, p. 147.*

1916 that the working masses, freeing themselves from the yoke of the bourgeoisie, will strive with all their strength for union with large and advanced socialist nations, and that socialism will be able to give them selfless assistance without dominating them. Relations of friendship, alliance, and fraternal cooperation between the peoples of the USSR and the People's Democracies are steadily growing and strengthening because the liberation of the countries of Central and Southeastern Europe from the power of foreign imperialists and "their own" capitalists and landlords, accomplished as a result of the world-historic victories of the Soviet Union in the Second World War, eliminated all causes that previously divided and alienated these peoples from one another. Economic interrelations between the peoples of the USSR and the People's Democracies are developing ever more successfully because the working people of the people's democratic republics have become convinced of the brotherly selflessness of their elder Soviet brother, of his desire to promote in every way their prosperity, the strengthening of their national independence and state sovereignty.

If capitalism strives to erect a wall of distrust and enmity between peoples living in different territories and speaking different languages, socialism breaks down this wall and for the first time in the history of peoples creates all necessary conditions for their genuine friendship and comradely mutual assistance. As V. I. Lenin pointed out, "our experience has created in us an unyielding conviction that only immense attention to the interests of various nations eliminates the ground for conflicts, eliminates mutual distrust, eliminates the

fear of any intrigues, creates that trust, especially of workers and peasants speaking different languages, without which neither peaceful relations between peoples nor any successful development of everything that is valuable in modern civilization are absolutely impossible"[169]. Carrying out in practice this historical precept of V. I. Lenin, the peoples of the Soviet Union, as the first and most advanced nations who threw off the yoke of imperialism, honorably fulfill their duty —to help more backward nations transition to democracy, to socialism. Speaking of friendship with the great country of victorious socialism—the Soviet Union, the President of the Polish Republic B. Bierut emphasized: "There is not and cannot be anything more valuable and more honorable than this friendship. It animates and multiplies the creative forces of the Polish people."

While international economic ties of capitalist countries always express relations of exploitation, on the basis of which they emerge and develop, and cause class antagonisms, interstate conflicts, and wars, economic interrelations of the USSR with the People's Democracies contribute to the preservation and strengthening of peace precisely because they develop on a socialist basis. Not the pursuit of profit and super-profit, which engenders the desire for monopolistic seizure of raw material sources, sales markets, spheres of capital investment, as under capitalism, but the peaceful development of the national economy along the path of socialism and communism, the comprehensive satisfaction of the growing needs of the working masses serve in the Soviet Union and in the People's

[169] *V. I. Lenin, Works, Vol. 33, p. 349.*

Democracies as the main stimulus for expanding production and trade. On this basis grows the common interest of all countries of the socialist camp in expanding mutual economic cooperation.

As the successes of socialist construction in the People's Democracies grow, their economic cooperation with the Soviet Union expands and strengthens. While economic relations of capitalist countries during the period of the general crisis of capitalism represent in fact a trade war, a currency war, characterized by the introduction of various restrictions on the development of foreign economic ties (prohibitive customs duties, etc.) and the appearance of extra-economic means of coercion into economic ties (the burdensome "Marshall Plan"), the socialist system of economy not only eliminates these restrictions and obstacles, but reveals such a richness of forms and possibilities of international cooperation as capitalism never knew and could not know. The forms of economic ties of the Soviet Union with the People's Democracies are: foreign trade, the conduct of which on a broad scale is facilitated by credits and loans; cooperation on the basis of common property (mixed enterprises); joint construction—industrial, transport, etc.; mutual assistance in subsoil exploration and exploitation of natural resources; cooperation in the field of training specialist personnel; rendering assistance to each other in the most diverse fields of science, technology, and culture, exchange of samples, technical innovations, licenses, patents; transfer by the Soviet Union of the experience of socialist management methods—planned management of the national economy, cost accounting, saving of resources, maximum

utilization of technology, etc. Finally, the Soviet Union arms the working people of the People's Democracies with the most important, the main weapon, in the final analysis, for the victory of the new social order—methods of high labor productivity, transferring to them Stakhanovite work experience in all branches of industrial and agricultural production.

Created on the initiative of Comrade Stalin, the system of economic interrelations of the USSR with the People's Democracies ensures fraternal cooperation, comradely coordination of economic plans. For the organization of broader economic cooperation of the Soviet Union and the People's Democracies, in January 1949 the Council for Mutual Economic Assistance was created, which on the basis of equal representation included the USSR, Poland, Czechoslovakia, Hungary, Romania, Bulgaria, and somewhat later Albania and the German Democratic Republic. The Council for Mutual Economic Assistance is an open organization that other countries sharing the principles underlying its foundation can join. The tasks of the Council include the exchange of economic experience, the rendering by its participants of mutual technical assistance, assistance in raw materials, food, machinery, equipment, etc. The Council for Mutual Economic Assistance, resolving important specific questions of developing the planned cooperation of the countries of the socialist camp, raised this cooperation to a new, higher level. Its activities ensure the further expansion of selfless assistance of the Soviet Union to the independent and free development of the economy of the People's Democracies that have set out on

the path of accelerated industrialization and construction of socialism. Planned linkage of the development of the economy of the countries of the socialist camp is achieved by concluding bilateral agreements between them on questions of economic cooperation: on trade turnover and payments, on credits and supplies of equipment on credit, on scientific and technical assistance, on the creation of mixed societies, etc.

In the system of economic interrelations of the countries of the socialist camp, the leading role belongs to the Soviet Union, which heads this camp. Taking into account and utilizing the world-historic experience of building socialism in the USSR, its assistance and support are the main, decisive conditions for the success of socialist construction in the People's Democracies.

Foreign economic ties of each of the People's Democracies develop on the basis of strengthening in their economy the leading role of the proletarian state. Possessing the commanding heights, the people's democratic state uses its foreign economic ties in the interests of socialist construction. As one of the commanding heights ensuring the strengthening of the leading role of the working class in the state, the people's democratic governments took foreign trade into their own hands and, on the basis of the richest experience of the USSR, established in their countries the state monopoly of foreign trade. In Poland, Czechoslovakia, Bulgaria, Hungary, Romania, Albania, trade turnover with foreign countries is carried out under monopoly rights by foreign trade associations and companies specially created for this purpose, which are

subordinate to the ministries of foreign trade of these countries[170].

The monopoly of foreign trade in the People's Democracies is, firstly, a means of maximum assistance and stimulation of the development of the socialist productive forces of these countries; secondly, an instrument of defense of their planned economy from penetration and the corrupting influence of imperialist capital; and thirdly, a means of strengthening planned economic ties with all countries of the socialist camp. The monopoly of foreign trade of each of the People's Democracies is a means of planned linkage of its economy with the economy of all countries of the socialist camp, a linkage aimed at mutual promotion of the economic development of these countries.

Trade turnover of the Soviet Union and the People's Democracies is regulated through special agreements on trade turnover and payments. These agreements, concluded for long periods (5–8 years), as well as annual protocols on contingents and delivery dates of goods, which form an integral part of these agreements, ensure the subordination of mutual trade turnover of the countries of the socialist camp to the planned needs of the development of their national economy. Fulfillment of the conditions regarding the nomenclature of goods, volume and delivery dates, as well as all other clauses of trade agreements, is firmly guaranteed by the governments that concluded the agreement. An important means of enhancing the planned character of trade turnover between the

[170] *In Albania, this function is performed by the Ministry of Trade.*

countries of the socialist camp is the requirement of equality of mutual payments, which ensures adherence to delivery deadlines for goods and other forms of economic mutual assistance. Firm commitments under foreign trade agreements and their strict execution within precisely established timeframes can only be undertaken and guaranteed by states with a planned economy. This fundamentally distinguishes the foreign trade of the countries of the socialist camp from the foreign trade of capitalist states.

The Soviet Union liberated the peoples of Central and Southeastern Europe from fascist tyranny, provided them with all opportunities to establish a genuinely democratic regime, prevented the threat of their political isolation and economic blockade, and the danger of Anglo-American intervention and civil war. In accordance with its principles of full equality of parties in economic cooperation and mutual respect for their sovereign rights, the USSR began developing trade with the People's Democracies even before the end of the Second World War.

For the first time in their history, the peoples of Poland, Czechoslovakia, Bulgaria, Hungary, Romania, and Albania saw for themselves that foreign trade, instead of being a means of exploiting these countries and enriching a handful of foreign monopolists, can turn into a vital instrument for restoring and reconstructing their national economy on a planned basis, and become a means of raising their material and cultural standard of living. That is why the selfless and friendly trade policy of the Soviet socialist power immediately met with warm support from all working people in the People's Democracies. This

doomed to failure the attempts of internal reaction forces in these countries to appeal to American-British imperialists for "assistance," which is known to be a means of economic, political, and military enslavement of the recipient countries by imperialist robbers.

The Soviet Union as a socialist state provided the People's Democracies with such huge benefits of a permanent character as no capitalist country can provide even for the shortest period. The very first post-war agreements of the People's Democracies with the Soviet Union brought them invaluable real fruits from these benefits. The Soviet Union, despite its own economic difficulties associated with liquidating the consequences of war and enemy occupation of part of its territory, provided the People's Democracies with the material resources necessary for restoring their industry, transport, agriculture, cities, and ports, as well as food and feed.

The Soviet Union satisfied the main needs of the national economy of one or another People's Democracy in solid and liquid fuel, ores and metals, cotton, grain and wool, tractors, automobiles, and a number of other machines and materials. In many cases, for individual types of goods, Soviet deliveries fully covered the needs of the People's Democracies. The Soviet Union supplied Bulgaria, Hungary, Romania, and Poland with cotton and wool for processing into yarn and fabrics, with these deliveries paid for in finished products manufactured from these materials. This is one of the examples of the enormous practical assistance rendered by the Soviet people to the People's Democracies in restoring their industry

and liquidating unemployment in the most difficult initial period of their existence.

Having rendered the People's Democracies serious assistance in the rapid restoration of their economy through deliveries of raw materials and equipment, the Soviet Union continues to render them assistance on an even larger scale in their accelerated industrialization, strengthening their planned economy, and raising the welfare of the masses. This assistance allows the People's Democracies to successfully fulfill national economic plans ahead of schedule and in the shortest time solve the tasks of socialist industrialization, which would generally be beyond the strength of each People's Democracy individually without the help of the USSR.

Guided by Lenin-Stalin directives on socialist industrialization, the working people of Poland, Czechoslovakia, Bulgaria, Hungary, Romania, Albania, led by the working class and communist and workers' parties, pursue in their industrialization plans the goal of all-round development of the production of means of production. With the help of the USSR, they strengthen their technical-economic independence from the capitalist world.

If the Soviet Union, being in conditions of capitalist encirclement, was forced to build its industry basing it on the internal market, the People's Democracies in new historical conditions, in the presence of the socialist camp with its rapidly growing production and consumption, have in this camp a broader base for their industrialization. They successfully utilize the emerging socialist division of labor between the

countries of the socialist camp. This division of labor fundamentally differs from the international division of labor under capitalism, which inevitably leads to the dependence of agricultural countries on industrial states of the capitalist world, and of economically weak and monoculture countries on economically strong capitalist states. The international division of labor emerging in the camp of socialism is a division of labor between equal, friendly countries; behind it there is not and cannot be any intention of economic enslavement of less developed states or economic expansion characteristic of imperialist predators. The driving force of the socialist division of labor is the political trust of cooperating peoples, and therefore the characteristic features of this division of labor are comradely mutual assistance and fraternal cooperation. Moreover, the division of labor between the countries of the socialist camp develops not spontaneously, as under capitalism, but systematically.

The socialist character of the division of labor allows each People's Democracy to build production according to the latest word in technology, organize mass and series production of various types of products, introduce normalization and standardization that lower production costs, raise highly cultured personnel in all respects in production, locate industry throughout the country in accordance with the interests of the development of its national economy, achieve comprehensive saving of material and human resources, as well as maximum development of socialist productive forces. The Soviet Union helps the People's Democracies in solving all these practical tasks of their industrialization.

The overwhelming portion of commodity deliveries from the USSR to most People's Democracies consists of equipment for new construction projects and valuable industrial raw materials. 70% of the total value of goods received by Bulgaria from the Soviet Union in the post-war years up to and including 1948 accounted for industrial raw materials and machinery, not counting equipment supplied to Bulgaria by the Soviet Union under credit agreements. In subsequent years, when Bulgaria, thanks to the growth of its own agricultural production, was able to reduce imports of grain and feed from the Soviet Union, the share of industrial materials and equipment in its imports from the USSR increased even further.

From the Soviet Union, the People's Democracies continue to receive large quantities of industrial raw materials needed by them. Thus, in the total sum of Czechoslovak imports from the Soviet Union in 1949, industrial raw materials and semi-finished products accounted for 97%. In 1950, Poland received from the USSR 80% of all cotton it imported, 65% of iron ore, 40% of chromium ore, and 100% of manganese ore.

Export of goods from the USSR to the People's Democracies fundamentally differs from US exports to Marshallized states, which bear a pronounced colonizing character and cause in those countries where they are directed the reduction or liquidation of many branches of industry. Significantly, under the "Marshall Plan" Western European countries receive mostly stale consumer goods that find no market in the US, while machines, machine tools, and other equipment constitute only a tiny fraction of deliveries under this burdensome "plan."

Over two years, Marshallized Europe received from the US only one-fifth of the promised equipment and transport vehicles. At the same time, capital equipment, which Marshallized countries need above all, was almost not imported from the US at all. American monopolies supplied them mainly with aircraft and automobiles, which these countries could successfully produce and export themselves, as well as tobacco and cotton.

To the People's Democracies, which resolutely refused in the interests of preserving their sovereignty and independence to put their heads into the loop of the "Marshall Plan," American imperialists completely refused deliveries of equipment and other goods declared by government bodies of the US and Britain as "strategic materials." At the same time, American imperialists, through a policy of crude dictate, forced their Western European satellites against their economic interests not to develop trade ties with the Soviet Union and the People's Democracies. As a result, export of goods from Western Europe to the Soviet Union and the People's Democracies decreased in 1949 compared to 1948 by almost 2 times, and compared to 1947—by more than 5 times. In 1950, trade of Marshallized states with the countries of the socialist camp decreased even further.

The reduction of trade turnover between the USSR and the People's Democracies on one side, and the US and Marshallized countries on the other, occurs by no means because of the difference in their economic systems. "Theoretically and practically it is proven," emphasizes Comrade A. I. Mikoyan, "that even with the existing

difference, a broad development of trade ties is fully possible"[171]. The reduction of trade between countries of the socialist and imperialist camps occurs because aggressive American imperialists and their satellites conduct a policy of discrimination and undermining of trade with the USSR and with the People's Democracies.

The fundamental difference of foreign trade of the Soviet Union from foreign trade of the US and other largest imperialist states manifests itself also in the character of imports. It is known that imperialist states strive to use their imports primarily to completely subordinate the economy of countries trading with them to the needs of their own economy, turning these countries into their agrarian and raw material appendages. It is precisely these colonizing goals that the US pursues with its policy towards Marshallized, Latin American, and other countries.

As a result of discrimination against trade with countries of the socialist camp carried out by American monopolies, exports of the People's Democracies to the US have been reduced to a minimum. Thus, in 1949 the People's Democracies accounted for less than 0.4% of the total value of US imports. Subordinating themselves to American dictate, Western European countries also carry out a policy of discrimination regarding imports from the People's Democracies. For example, the French government refused imports of Polish coal, which it committed to import under an agreement concluded in 1948; Switzerland in early 1950 banned imports of textiles from Czechoslovakia, etc.

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[171] *A. Mikoyan, The Great Architect of Communism, Gospolitizdat, 1950, p. 15.*

In contrast to trade treaties concluded by American imperialists with Marshallized countries, trade treaties of the Soviet Union with the People's Democracies are based on equal rights and ensure selfless assistance of the great socialist power to the independent and free development of the economy of these countries in accordance with their national economic plans. Trade turnover between the USSR and the People's Democracies allows these countries not only to acquire equipment and raw materials in the USSR that they cannot obtain from capitalist countries, but also to find in the USSR a market for their goods, of which they are deprived in capitalist countries.

In 1950, the People's Democracies, in exchange for industrial equipment, tractors, agricultural machinery, automobiles, ferrous and non-ferrous metals, iron, manganese and chromium ore, petroleum products, cotton, chemicals, and other goods received from the Soviet Union under trade agreements, supplied the Soviet Union with coal, metals, cement, rolling stock, fabrics, sugar, meat products, and other goods.

Mutual exchange of goods in the countries of the socialist camp occurs at uniform, acceptable, and mutually beneficial fair prices reflecting the equivalent ratio of exchanged material values. Trade and payment agreements concluded between the USSR and the People's Democracies exclude non-equivalent exchange characteristic of international trade of capitalist countries.

Foreign trade of the Soviet Union with the People's Democracies is entirely directed towards meeting the needs of

the growing national economy of the countries of the socialist camp, raising the material and cultural standard of living of the working people. In this lies its great strength, the guarantee of its growth and prosperity. The foreign trade turnover of the Soviet Union in 1949 in physical volume was more than double pre-war levels; at the same time, the specific weight of the People's Democracies in Soviet trade turnover sharply increased and amounted to about two-thirds in that year. During 1950, Soviet trade turnover with Romania increased by more than 30% compared to 1949, with Bulgaria and Hungary respectively by more than 20% each. As a result of new trade agreements concluded in 1950, trade turnover between the USSR, Poland, and Czechoslovakia will increase significantly. The average annual trade turnover of the Soviet Union and Czechoslovakia in the upcoming five-year period (1951–1955) will exceed by more than 50% the average annual trade turnover of 1948–1950. The average annual trade turnover between the USSR and Poland in the upcoming 8 years (1951–1958) will exceed the actually achieved average annual trade turnover in 1948–1950 by more than 60%.

Close cooperation with the Soviet Union helps the People's Democracies to develop and strengthen mutual economic ties, expand the exchange of industrial raw materials, machinery, and consumer goods, which is a significant help in satisfying the needs of their national economy and population. From year to year, trade between the People's Democracies grows and the nomenclature of exchanged goods expands. Thus, trade turnover of Poland with Czechoslovakia in 1949 exceeded the level of 1947 by 536%, and in 1950 trade turnover between

these countries increased by approximately 25% compared to 1949. Before the Second World War, Poland's share in Hungary's imports was only 1.5%, in Romania's imports—1%, in Hungary's exports—1%, in Romania's exports—1.2%. After the Second World War, a significant expansion of trade turnover began between Poland and these countries. In 1949, trade turnover between Poland and Hungary increased compared to 1948 by 3 times and in 1950 grew by another 135%. Poland's trade with Romania was 9 times greater in 1949 than in 1945, and in 1950 increased by another 52%. Trade turnover between Poland and Bulgaria in 1950 was over 60% higher than in 1946. On January 22, 1949, a trade agreement was signed between Poland and Albania—the first in the history of foreign trade of these countries. This agreement provided for mutual trade turnover for a significant amount—16 million rubles. However, after just 10 months these countries concluded a new agreement under which trade between them in 1950 was to be expanded even further. Czechoslovakia's trade turnover in 1949 was greater than in 1947: with Romania—by 619%, with Hungary—by 223%, with Bulgaria—by 123%, with Albania—by 35 times.

While foreign trade of capitalist countries is steadily shrinking, which reflects the worsening of their economic difficulties and deepening of contradictions, foreign trade of the countries of the socialist camp, thanks to Stalinist care for friendly People's Democracies, is steadily and rapidly growing, reflecting the rise of their national economy and culture.

The working people of the People's Democracies rely on constant credit and financial assistance from the Soviet Union.

Utilizing, as J. V. Stalin teaches, to the maximum extent internal sources of accumulation for the industrialization of their countries, fighting for regime of economy, increasing labor productivity, and strengthening labor discipline, working people of the People's Democracies also have the opportunity to regularly receive additional funds in the form of friendly loans and credits generously provided to them by the Soviet Union.

It is known that loans and credits of imperialist states are means of capturing and securing foreign markets, instruments of exploiting working people and imperialist expansion. They are granted on oppressive terms, which, as a rule, place the debtor state in the position of an unpayable debtor, turning it into an economically dependent and politically subordinate state. Precisely such are US credits under the "Marshall Plan," the American loan to Britain, etc.

Soviet loans and credits, fundamentally different in their nature, character, and purpose from capitalist ones, aim to render material assistance to the People's Democracies that have set out on the path of socialist construction; they lead to the strengthening of economic self-reliance and political independence of the recipient countries. The Soviet Union provides loans and credits to the People's Democracies on exceptionally favorable terms. Poland and Czechoslovakia, for example, were given the opportunity to repay Soviet loans not in gold or free foreign currency, but in goods customary for their foreign trade assortment.

The Soviet Union renders assistance to the People's Democracies also through short-term credits and loans. Thus, in the crop failure year of 1947, difficult for the Czechoslovak people, the Soviet Union provided Czechoslovakia with a short-term credit in goods needed by it. Czechoslovakia received 600 thousand tons of grain from the USSR, which saved it from famine. The Romanian people were saved from imminent famine resulting from the severe crop failure of 1946 thanks to a grain loan granted to Romania by the Soviet government also on favorable terms.

An exceptionally important place among Soviet credits and loans to the People's Democracies is occupied by credits for purchasing industrial equipment in the USSR. In January 1948, the Soviet Union granted Poland a credit for purchasing equipment in the amount of 1,800 million rubles. In the summer of 1950, Poland received a new credit from the USSR for 400 million rubles, necessary for partial coverage of expanding Soviet deliveries of industrial equipment to Poland in connection with its execution of the six-year plan of national economic development. These credits give the Polish people real possibilities in short periods to industrialize the country, expand and create anew necessary branches of production of means of production—the basis of socialism and state independence. Thanks to Soviet credits granted to Poland, the Polish people will receive from the USSR complete sets of equipment for several dozen major industrial enterprises, which are the main targets of the six-year plan. The working class of Poland is equipping key branches of heavy industry with first-

class Soviet equipment—metallurgical, energy, timber processing, motor building, chemical, mining.

The Soviet Union supplies equipment on credit also to Bulgaria and Albania, which helps turn these countries from backward agricultural ones into agrarian-industrial ones. In Bulgaria, a large nitrogenous fertilizer plant equipped with Soviet technology is already operating, hundreds of Soviet tractors work in the fields, Soviet machines deliver water to fields, moistening soil and making it fertile. Thanks to Soviet equipment deliveries, Bulgaria has created its own machine building, chemical industry, and a number of other branches that did not exist in old Bulgaria; the country now produces two and a half times more electric power than before World War II, and hundreds of villages have been electrified. The Soviet Union supplied Bulgaria on credit also with complete sets of equipment for a low-voltage electrical equipment plant, an electrical machinery plant, a kaolin plant, etc.

Enormous assistance of the Soviet Union to the People's Republic of China significantly contributes to the development of cooperation between these two great states, helping the Chinese people industrialize their country. The credit granted by the Soviet Union to the People's Republic of China for a period of 5 years on favorable terms (1% per annum) allows the Chinese people to restore the national economy in the shortest time. Against this credit, China receives valuable materials from the Soviet Union, including equipment for power plants, mines, metallurgical and machine-building plants, railway and other transport equipment, rails, etc.

A very important form of economic cooperation between the Soviet Union and the People's Democracies is mutual scientific and technical assistance. Scientific and technical assistance of the Soviet Union is of major importance for the economic rise, industrialization, and strengthening of independence and sovereignty of the People's Democracies. It fundamentally differs from that notorious technical "assistance" that American imperialists now impose on other countries, behind which in reality hide economic espionage, the desire to grab new industrial enterprises and raw material sources, build new military-strategic bases, and turn recipient countries into a staging ground for a war being prepared by the ruling circles of the US and Britain to establish their world domination.

Mutual scientific-technical assistance of the countries of the socialist camp bears an exclusively peaceful character because at its foundation lie not exploitative or predatory aspirations, but goals of further improving the material and cultural position of the working people, which is the main driving force of the development of all forms of economic ties between the peoples of the socialist camp.

The People's Democracies receive scientific and technical assistance from the Soviet Union on the basis of special treaties. In these treaties, as in the entire policy of the countries of the socialist camp, principles of non-interference in internal affairs of another state, principles of equality and respect for sovereignty are strictly observed. On the basis of these treaties, the Soviet Union renders assistance to the People's Democracies in their industrialization with its science, most advanced in the world, and most modern technology,

facilitating for the working people of these countries the construction of new factories, plants, power stations, and other structures, helping to explore subsoil, study and exploit natural resources, create new branches of industry, large-scale mechanized and highly productive agriculture.

Under special treaties, the Soviet Union transfers to the People's Democracies licenses and technical documentation, including technical data sheets, preliminary and detail designs, working drawings, technical descriptions, diagrams, catalogs, etc., and dispatches highly qualified specialists to the People's Democracies at the request of their governments to render scientific and technical assistance to the working people on the spot.

In the mines of Poland, Soviet mining machinery is used, facilitating workers' labor and sharply raising its productivity. Currently, miners of Poland are successfully introducing into production the Soviet "MV-60" cutter loader, scraper conveyors, "Donbass" coal combine, and a number of other machines. At the same time, Polish mining equipment plants are setting up the manufacture of these combines. Among the projects of Soviet technical assistance to Hungary is the giant of the Hungarian five-year plan—the Mohács Metallurgical Combine, etc., and in Poland—a large metallurgical combine.

Soviet scientists rendered valuable assistance to research agricultural institutes of Bulgaria in restructuring their work on the basis of advanced Michurinist agrobiology and in establishing solid ties with labor agricultural cooperatives. They also helped Bulgarian specialists organize effective

control of plant diseases and pests, helped improve horticulture, etc. Soviet hydrologists conducted main surveys of Bulgaria's water resources and rendered major technical assistance in creating irrigation systems and structures equipped with Soviet machinery.

Scientific and technical assistance is received from the Soviet Union also by other People's Democracies. Nothing of the kind, of course, can exist in relations between capitalist countries. Suffice it to say that after the end of World War II, American-British imperialists stole patents in Western Germany worth at least 5 billion dollars.

The economic and cultural rise of the People's Democracies is significantly helped also by mutual technical assistance rendered to each other following the example and experience of the Soviet Union. In 1947, Poland and Czechoslovakia concluded a long-term agreement on economic cooperation. In subsequent years, a number of similar treaties were concluded: Hungary, Bulgaria, and Romania with Poland; Romania with Czechoslovakia, Bulgaria, and Albania. The People's Democracies carry out comradely coordination of production programs. In a number of cases, the volume of output of certain types of products is jointly determined depending on the availability of raw material resources, and cooperation is established for the purpose of standardizing production, series and mass output of products. Experience already exists in joint construction of industrial enterprises, power stations, and transport structures.

With a number of People's Democracies, the Soviet Union cooperates on the basis of joint intergovernmental ownership of enterprises operating in some of these countries.

The origin of this form of cooperation between the Soviet Union and the People's Democracies is historically connected with the emergence of the property rights of the Soviet government to former German assets in the countries of Southeastern Europe. In accordance with the decisions of the Crimean and Potsdam conferences, these assets in Bulgaria, Hungary, and Romania passed into the ownership of the Soviet Union as partial compensation for the enormous damage caused to the national economy of the USSR by Hitlerite invaders and their accomplices.

The Soviet government, caring for the economic interests of the People's Democracies, did not remove enterprises that passed into its ownership to the territory of the USSR, but organized normal operation of these enterprises locally, in a number of cases replacing their worn-out and obsolete equipment with new equipment. Part of these enterprises the Soviet government soon transferred to the governments of the people's democratic republics, just as it donated to the Czechoslovak government its war trophy—a large coal-chemical complex built by the Germans during World War II near Most in Czechoslovakia. The majority of these enterprises served as a base for organizing enterprises of a mixed type, in the management of which representatives of the Soviet Union and corresponding People's Democracies participate on parity principles.

Mixed societies, half of whose capital belongs to the Soviet Union and the other half to the government of the given People's Democracy, became a new form of economic cooperation of the countries of the socialist camp on principles of equality and reciprocity of economic benefits; all expenses and profits of mixed societies are divided equally between the parties. From the very beginning of their activity, mixed societies became an important factor in restoring and further developing the economy, strengthening socialist elements in the national economy of the People's Democracies. Therefore, the working people of these countries warmly welcome and support the initiative of their governments to expand this fruitful form of cooperation and mutual assistance with the USSR. On the basis of a genuinely fraternal alliance between the peoples of the USSR and the People's Democracies, other intergovernmental parity societies with Soviet participation were also organized.

The organizational principles of these mixed societies based on economic parity fundamentally differ from the organizational basis of international stock companies in capitalist countries. It is known that under capitalism a stock company is at the complete disposal of the owner of the controlling stake. In the People's Democracies, equal shares of participation in mixed societies guarantee fair distribution of profits, equality of costs for restoration, repair, expansion of basic assets of enterprises, and equality of all other rights of participants of these societies.

Management of mixed societies is also built on the basis of economic parity. It is carried out by a mixed administration in which both sides are represented by an equal number of

managers having equal powers and bearing equal responsibility. The parity basis of management of mixed societies ensures full consistency of action of the parties and their fairness.

Mixed societies are founded in full accordance with the existing laws and customs of the countries in which they are located. All norms of civil rights in force in these countries fully extend to them. In all their activities, they strictly adhere to local labor legislation, taxes, reporting, currency, etc. These societies subordinate their work to the national interests of the countries where they are located. They act in inseparable connection with the entire national economy of these countries and are organic integral parts of it as links of a single chain. Their activity, as well as the entire economy, is directed by the national economic plans of the People's Democracies. These plans determine the nomenclature and volume of production, prices of products, and the procedure for their realization. All products manufactured by enterprises of mixed societies enter the disposal of local economic and trade organizations, which sell them in accordance with the national economic plan on the internal market of the given country or transfer them partially to foreign trade organizations for realization abroad in order to ensure imports of goods necessary for the development of the national economy of the given country.

Enterprises of mixed societies are in all respects the most advanced among enterprises of the People's Democracies. They are equipped with perfected Soviet technology, facilitating workers' labor many times, making it most productive, and applying Soviet socialist methods of labor organization. This

allows them to systematically overfulfill their production plans, strengthening the economic power of the People's Democracies, accelerating the pace of their industrialization. At these enterprises, production of new types of products most needed by the national economy—industrial, transport, and agricultural machinery, tractors, chemicals, etc.—is rapidly mastered, opening new paths in technology leading to reconstruction of backward branches of industry, technical revolution in agriculture, and rapid and maximum rise of the entire economy of the People's Democracies.

As noted by General Secretary of the Romanian Workers' Party Gheorghiu-Dej, "a major role in the rise of Romania's national economy is played by mixed Soviet-Romanian societies 'Sovroms' created in the field of transport, insurance, and in a number of important branches of industry. Through these societies the Soviet Union renders great assistance to the backward Romanian economy with technical equipment and raw materials. Soviet specialists and technicians working in the executive management of these societies turn them into genuine centers for spreading advanced experience of socialist labor organization, experience of proper leadership and management of socialist enterprises... A decisive role is played by Soviet-Romanian societies in road, river, and air transport. With the help of the Soviet-Romanian tractor society, we began series production of tractors."

Enormous significance in the economic development of the People's Republic of China belongs to agreements signed between it and the Soviet Union on March 27, 1950, on the establishment on a parity basis of mixed Soviet-Chinese stock

companies for oil, non-ferrous metals, and civil aviation. The companies for oil and non-ferrous metals have as their tasks prospecting, exploration, and extraction of oil, gas, and non-ferrous metals in the Xinjiang province of the People's Republic of China. Through these stock companies, the Soviet Union helps the Chinese people build heavy industry at a rapid pace in Xinjiang equipped with modern technical equipment; it is provided that processing of extracted oil and gas must be carried out in Xinjiang province itself. The Soviet-Chinese stock company for civil aviation will facilitate the Chinese government's resolution of complex tasks of developing national aviation necessary for strengthening ties between individual economic regions of China, and will also contribute to further strengthening economic cooperation between the Soviet Union and the People's Republic of China. All expenses of the societies and their profit, as well as production of the first two societies, are divided equally between the Soviet Union and China.

Cooperation of the Soviet Union with the People's Democracies in the form of mixed societies represents the direct opposite of what "participation" of foreign monopoly capital brings to the economy and culture of the country where it rushes. Imperialists of the US, Britain, France, and Germany, having previously seized in the countries of Central and Southeastern Europe many branches of industry, credit, and trade, hampered industrial development of these countries, turned them into sales markets for their goods, into their agrarian appendages. Predatorily looting the natural riches of these countries, imperialists subjected their working people to

ruthless exploitation, extracting huge super-profits. Suffice it to say that average net profit of foreign stock companies in Romania, for example in 1929, ranged from 24.6% to 50.6% on share capital.

Creation by capitalist monopolies of stock companies on territories of foreign states to obtain super-profits leads to loss of economic and political self-reliance of these states, to their complete subordination to imperialist robbers. In contrast to this, the Soviet Union through mixed societies extraordinarily facilitates and accelerates for the People's Democracies the path of industrialization, strengthens political and economic self-reliance of these countries, promotes the rise of their economy and culture.

In recent years, the transfer by the Soviet Union of the richest Stakhanovite experience to working people of the People's Democracies has also acquired exceptionally broad scope. In countries free from the yoke of capital, labor is a matter of honor, glory, valor, and heroism. Workers, peasants, and working intelligentsia of the People's Democracies are increasingly inspired by labor achievements of Soviet people and, entering mass socialist competition, fight for early fulfillment of their economic plans across all indicators, for rationalization, for identifying and utilizing all kinds of reserves.

Leading workers of new, communist methods of labor in the USSR—Nikolai Rossiysky, Alexander Chutkikh, Pyotr Bolotov, Lidia Korabelnikova, Natalia Yarygina, Pasha Angelina, Genrikh Bortkevich, and others—coming to the

People's Democracies, as well as through exchange of letters with working people of these countries, pass on to them their valuable experience. Utilizing this experience, production leaders in the People's Democracies stand at the head of the mass movement of Stakhanovites, shock workers, and rationalizers. Names of high-speed turners Matela, Pason, Gembska, miners Markiewka, Alfred Kawczyk, and many other followers of Soviet Stakhanovites are known to all of Poland. In Czechoslovakia, high-speed turner Václav Svoboda and footwear industry shock worker Skotková became famous; in Romania, textile workers Maria Cinca, Maria Andrei, and Paraschiva Matei, who switched to servicing 50 looms each, became notable; in Bulgaria, rationalizers Pano Kynchev, Nikola Makedonski, Gercho Sovov gained wide renown; on construction sites of Albania, Negri Nikola, Lili Dimitra, Lamdi Sherifi, and others successfully applying Soviet Stakhanovite methods in their work and spreading them among builders of their country became famous. In turn, thousands of workers and working peasants from the People's Democracies visited the USSR in recent years, adopting valuable experience of socialist organization of industrial production and agriculture of the USSR and its advanced agrotechnical science. The Soviet Union also helps the People's Democracies train personnel of their own specialists in various fields of science and technology; thousands of students from these countries study in the USSR.

Evaluating the world-historic significance of Soviet Union assistance to working people of the People's Democracies, B. Bierut said: "Such invaluable assistance is possible only

between states linked by friendship based on common great and most progressive ideas of the new era—ideas of socialism."

The past year 1950 was marked by new significant successes in all fields of economic and cultural construction in the People's Democracies. Industrial production for this year increased compared to 1949: in Czechoslovakia—by 16.5%, in Bulgaria—by 23.3%, in Poland—by 31%, and according to preliminary data in Romania—by 38%, in Hungary—by 39%, in Albania—by 34%. Material and technical base of agriculture of the People's Democracies significantly grew and strengthened; crop yields, livestock numbers increased, cooperative sector in agriculture grew; further rise in the living standards of working people took place.

In contrast to the People's Democracies, which achieved unprecedented economic and cultural growth, the economy of Yugoslavia, languishing under the yoke of the fascist Tito clique that isolated Yugoslavia from the USSR and the People's Democracies, fell into deep decline and experiences a sharp crisis. The entire system of Tito's economic pseudo-planning suffered total collapse. In 1949, most Yugoslav enterprises failed to fulfill even their reduced "plans" by 50%. A mass of sown areas remains unsown. Crop yields are below pre-war levels. Famine and poverty reign in the country. This is a direct consequence of the treacherous policy of the Tito–Ranković gang, which usurped power in Yugoslavia, liquidated the people's democratic order, restored capitalism, and defected to the camp of imperialist reaction, fascism, and war.

Having sold Yugoslavia to American-British imperialists, Tito and his accomplices ever more tightly harness the country to the criminal, aggressive chariot of warmongers. Yugoslav exports to the US in 1950 increased to 30–35 million dollars against 18 million dollars in 1949, 5 million dollars in 1948, and 4 million dollars in 1938. Yugoslav export of non-ferrous metals, timber, and food, in which imperialist predators are interested, far exceeds the economic capabilities of the country. Suffice it to say that forced export of such valuable types of strategic raw materials as copper, lead, zinc, bauxite, exported unworked almost completely to the US and Britain, by the end of 1950 exceeded by 10% the amounts provided for 1951, and predatory timber cutting respectively by 75%. These branches are the only branches of Yugoslav industry in which, at the cost of incredibly severe exploitation of workers and forced labor, Yugoslav hirelings of American-British imperialists manage to maintain production to satisfy greedy appetites of ruling circles of the US and Britain pursuing a policy of intensified preparation and unleashing of a new world war.

Forcing export of food to Western Germany and other Marshallized countries, the Tito clique dooms the Yugoslav people to famine and hopeless poverty. Food prices in the country are rising; the so-called system of rationed supply of the population has come to complete disorganization. The ruling fascist clique does not provide supply to the population even in the amount of 50% of existing "norms," and these "norms" are hungry in the literal sense of the word. Suffice it to say that under them, for example, sick persons are entitled to 43 g of bread per day, nursing mothers 116 g, etc.

True masters of Yugoslavia, American-British imperialists manage the country in the same way as in their other colonies. Many Yugoslav industrial enterprises under the guise of "mixed societies" completely passed into the hands of foreign capital. Thus, for example, Titovites granted large concessions to American concerns Anaconda Copper, Mackenzie Engineering Company, and other capitalist monopolies. The Yugoslav market is also monopolized by American and British capital. In exchange for valuable strategic raw materials and food, Yugoslavia receives mainly such low-value consumer goods as milk powder; minor capital equipment imported into Yugoslavia is intended either to expand the production base of raw material industry branches giving strategic exports to the US and Britain, or to construct airfields and other military objects intended to serve as bases for aggressive actions prepared by imperialists against the USSR and the People's Democracies. Through unbearable export for the country's economy, the Tito clique also pays for so-called technical "assistance" of imperialists, which consists in promoting construction of military bases and flooding the country with a pack of "experts" engaged primarily in espionage activities.

An enormously inflated military-police terrorist apparatus—the sole pillar of the treacherous Tito–Ranković clique inside the country—cannot exist without financial support from imperialists. Loans and credits are necessary for Belgrade fascists also to artificially force imports from the US and Britain and exports to these countries. In recent years, Titovites received 55 million dollars from the US Export-Import Bank and 2.7 million dollars also from the US, 9 million dollars from

the International Monetary Fund, and 8 million pounds sterling from Britain. These loans, costing Yugoslavia loss of economic self-reliance and political independence, piled an additional unbearable burden onto the shoulders of Yugoslav working people, as the Tito clique committed to pay the US 17 million dollars as compensation for notorious "nationalization" and 38.5 million dollars of pre-war royal loans, Britain—18 million dollars; France has already received 1.6 million dollars, Switzerland—75 million Swiss francs, Belgium—365 million Belgian francs, Sweden—41 million kronor.

American and British monopolists with the help of the Tito–Ranković clique predatorily plunder and ruin Yugoslavia, ruthlessly exploit its people, turn the country into their colony, into a staging ground for aggressive intrigues against the USSR and the People's Democracies. The anti-popular, treacherous activity of Tito's fascist gang meets with increasing resistance both from Yugoslav communists faithful to Marxism-Leninism and among the working class and laboring peasantry of Yugoslavia.

Modern Yugoslav reality presents a stark contrast to what is happening in the People's Democracies, relying on fraternal, selfless assistance from the great country of building communism and the entire socialist camp.

Fidelity to the all-conquering teaching of Marxism-Leninism, reliance on the Soviet Union, on its help and richest experience of building socialism and communism allowed the People's Democracies to achieve colossal successes in economic and cultural construction in a historically short period of time.

Having long surpassed pre-war production levels, the People's Democracies, thanks to USSR assistance, in close commonwealth with each other are successfully building socialism. Economic cooperation of the Soviet Union and the People's Democracies facilitates and accelerates socialist construction in these countries and serves the cause of strengthening peace throughout the world.

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