

point out the main features of this departure. What will be adopted at the Congress will become the law of the Republic. The question must be settled and the peasants must be notified immediately. Our entire apparatus must be employed to carry it through into life. We must first take it up theoretically and find out whether we can re-establish to some extent freedom of trading, capitalist enterprise for the small landholders, and at the same time not undermine the very roots of proletarian rule.

We could obtain a certain amount of goods and, keeping it under the control of the proletarian state, we could get it into the market. This would add to our political strength and economic power. Trade would revitalize our agriculture, the development of which has been arrested by the war, and which in turn has brought about economic demoralization. The opportunity to trade will have a stimulating influence, and we must resort to it. If this trading will give the country in exchange for its goods a certain minimum of foodstuffs to meet the needs of the cities and factories, then the governmental power of the workers remains and is even strengthened. The peasants want to know whether the workers who control the shops and factories can establish trade with them. It must be realized, furthermore, that an agricultural country with limited transportation facilities, and peculiar agrarian conditions requires a certain measure of freedom to trade within the sphere of local agriculture and local industry.

Errors have been committed in this field and it would be a great crime not to admit them or not to understand them. We did not enforce the various measures or did not know how to enforce them. There have been, of course, extenuating circumstances. We were forced to do nothing else but to carry on war and to neglect the economic life of the land. It is a miracle that the country was able to go through it all. This miracle did not come from heaven, but from the very economic interests of the workers and the peasants who jointly rose to the defense of the country and have together withstood the attacks of the capitalists and landlords. The fact, however, remains and we cannot overlook it that we have gone farther than was necessary, both from the theoretical and practical points of view. We can allow local trade to a great extent and instead of interfering, it would rather strengthen the political power of the proletariat. The way it will be accomplished will depend upon experience. It is my function to prove to you that it is possible theoretically. The workers controlling the powers of the state and having certain resources can place them on the market and satisfy the needs of the peasants, through the medium of local exchange.

The Co-operatives

A few words must be said about the local economic exchange. Before going into the matter I must touch on the subject of co-operatives. We need the co-operatives for local exchange. Our program maintains that the co-operatives which were left over from the capitalist order can serve as dis-

tributing centers, and we must preserve this apparatus. Have we utilized the co-operatives? Not sufficiently. This was due to a mistaken policy and the war.

The co-operatives have developed elements among the people who because of their economic superiority were leaning toward the Mensheviks and Social Revolutionists. This is a chemical law and nothing can be done about it. (Laughter.)

The Mensheviks and Social Revolutionists are consciously or unconsciously interested in the restoration of capitalism and are helping the Yude-nitches. This is also a law. We had to wage war upon them and defend ourselves. Can we, however, remain as we are at present? To bind our hands would be a mistake. I therefore offer the following resolution concerning co-operatives:

"In view of the fact that the resolution of the Ninth Congress of the Russian Communist Party regarding the co-operatives is based on the principle of assessments which is now being substituted by a tax in kind, the Tenth Congress of the Russian Communist Party declares the former resolutions null and void and instructs the Central Committee to carry through the party and the Soviets decisions which would lead to the improvement and development of the co-operatives in accordance with the program of the Russian Communist Party and adaptable to the change from the assessments to the system of taxations in kind."

The result of the Ninth Congress bound our hands. It put the co-operatives under the control of the Commissariat of Food Supplies. The Commissariat of Provisions is a good institution, but to place the co-operatives under its control and bind our hands is to commit a political error. We must instruct the Central Committee to work out ways and means of perfecting a change in this relation. We are at the commencement of a series of transitory measures. One thing is certain, the resolution of the Ninth Congress presupposed that our movement would follow the straight line. As a matter of fact, it zigzagged. In changing the resolution we declare that our program must emphasize the importance of the co-operative organizations.

When shall we introduce the new system? Not before the crops are brought in, i. e., after several months. Will the system be uniform everywhere? By no means. To measure Central Russia, Ukraine and Siberia with the same yardstick would be folly. I propose that this plan concerning free exchange be adopted by the Congress and put forth as its decision. The Central Committee will then send out a letter which will contain the following suggestions: Do not be hasty about the new plan; work for the benefit of the peasants without injuring the interest of the workers. Investigate and test the various plans through actual experience, sending us the results. We will then create a special commission or commissions which will go over the collected material and make the necessary deductions. If we want to be sure about the undertaking, we must check up and verify our data before we work out the final plan.

We know at the present time where we can expect to obtain commodities. Our economic position

in the sphere of international relations has been greatly improved. The type of economic relations which we are conducting with the various governments will enable us to establish freedom of exchange for the peasants. I know that there are people who smile at such proposals. There is in Moscow a galaxy of bureaucratic intellectuals who are trying to create "public opinion." They are amused at this "transformation" of Communism. They picture it as a man with crutches under his arms and his face covered with bandages. I heard these jokes but they are the jokes of either bureaucrats or fools.

Russia has come out of the war like a man who has been almost beaten to death. They were beating her for seven years. To think that we can manage without crutches means not to realize the situation. Since the revolution in the other countries has not yet arrived, we would have to spend tens of years on our rehabilitation. We can afford rather to spend millions or even billions of our vast natural resources to enlist the aid of advanced capitalism. We shall be repaid fully for this.

How must we feel after seven years of war, when more advanced countries than ours are feeling as yet the effect of only four years of it. We need an economic breathing spell. I may announce that several hundreds of thousands of poods (pood = 40 lbs.) of various necessities have already been purchased and are reaching us from Lithuania, Finland and Latvia. We received today information that a contract has been signed in London for delivery of 18 million poods of coal which we shall use for the textile industries and Petrograd. When we receive the goods for the peasants, it will be a breach of the program, but we must have the breathing spell.

I must touch upon individual exchange. When we speak of freedom of exchange we mean individual exchange. We must not ignore the fact that the exploiting peasants would be favored, and they will multiply now where their growth was arrested before. We must fight them, however, not with punitive legislation but with national unity and national measures. If the nation gets machines it will be strengthened, and if in addition to machines electrification is perfected, then hundreds of thousands of peasant exploiters will be annihilated. Until we can get that, we must secure goods. Everybody will be able to give something in return. One will give bread, the other vegetables, the third his labor. We must either satisfy the peasantry or the rule of the proletariat will have to suffer due to prevailing conditions. We must speak about it openly and speak fearlessly.

If the Congress adopts the underlying principle of the proposal the Central All-Russian Executive Committee of Soviets will take it up at its first session. The Council of Commissars and the Soviet of Labor and Defense will enforce the decisions and will formulate practical instructions. It is important that this project should be understood everywhere and undivided co-operation afforded us.

Why are we substituting taxation for the assessment? The assessment provided that the peasant had to yield his extra foodstuffs into the govern-

ment monopoly. We couldn't do otherwise because of our extreme poverty. Government monopoly is the best from the Socialist viewpoint. As a transitional measure, the system of taxation and freedom of exchange can be, however, adopted in an agricultural country. This exchange will act as a stimulus to the peasant. The owner will look out for his interest, since the tax which will be determined in advance will not absorb all of his extra supplies. The main thing is to provide a stimulus for the peasant. We must build our national economy in relation to the economics of the village which we couldn't change in the past three years. We were faced with certain needs. The assessment was increased last year. The tax should be lower. If the crop should fail we cannot obtain the extra foodstuffs as there will be none. We would have to take them from the mouths of the peasants. Under the proposed system, if the crops should fail us, everybody will suffer a little and the nation will be saved. This is our propaganda task among the peasants. The more or less enlightened peasant understands that we represent the working class with whom the toiling peasants can co-operate, and that any return to the old system would mean a return to the Czarist regime. This is shown by the Kronstadt experience. They don't want the White Guard, and they cannot have any other government but ours. This situation is the best agitation for us. We have now an opportunity to get together with the peasants, and we must handle the matter with tact. The machinery of the Commissar of Provisions is excellent, but it must be governed by the political situation. We cannot use this splendid apparatus if we fail in our attempt to bring the peasants closer to us. Before the day is over, we should let the world know through the radio that the Congress of the government party has decided to institute the tax system and provide a stimulus to the peasants in the cultivation of the soil, improvement of his holdings and that, in accepting this policy, the Congress aims to improve and to strengthen the relations between the workers and the peasants.

Every class of oppressor requires two social functions to defend his domination—the function of a hangman and that of a priest. The hangman must crush the protests and the revolts of the oppressed; the priest must picture to them perspectives of their misery being alleviated and their sacrifices lessened, while leaving class domination intact. Thus are the oppressed reconciled to this domination and led away from taking revolutionary action. Their revolutionary frame of mind is impaired and their revolutionary resoluteness shaken. Kautsky has turned Marxism into a most loathsome and stupid counter-revolutionary theory, and into the dirty sermonising of a priest.

N. Lenin.

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For the creation of a new organization time is needed as well as courage to cast aside the old one that is rotten and has outlived its usefulness.

N. Lenin.