Between 1928 and 1933, Stalin inaugurated the First and Second Five-Year Plans to achieve his goal of rapid industrialization. In many respects he was successful - by 1939 the USSR was behind only the United States and Germany in industrial output. The human costs, however, were enormous.

The question of a fast rate of development of industry would not face us so acutely as it does now if we had such a highly developed industry and such a highly developed technology as Germany, say, and if the relative importance of industry in the entire national economy were as high in our country as it is in Germany, for example. If that were the case, we could develop our industry at a slower rate without fearing to fall behind the capitalist countries and knowing that we could outstrip them at one stroke. But then we should not be so seriously backward technically and economically as we are now. The whole point is that we are behind Germany in this respect and are still far from having overtaken her technically and economically.

The question of a fast rate of development of industry would not face us so acutely if we were not the only country but one of the countries of the dictatorship of the proletariat, if there were a proletarian dictatorship not only in our country but in other, more advanced countries as well, Germany and France, say.

If that were the case, the capitalist encirclement could not be so serious a danger as it is now, the question of the economic independence of our country would naturally recede into the background, we could integrate ourselves into the system of more developed proletarian states, we could receive from them machines for making our industry and agriculture more productive, supplying them in turn with raw materials and foodstuffs, and we could, consequently, expand our industry at a slower rate. But you know very well that that is not yet the case and that we are still the only country of the proletarian dictatorship and are surrounded by capitalist countries, many of which are far in advance of us technically and economically.

Internal conditions. But besides the external conditions, there are also internal conditions which dictate a fast rate of development of our industry as the main foundation of our entire national economy. I am referring to the extreme backwardness of our agriculture, of its technical and cultural level. I am referring to the existence in our country of an overwhelming preponderance of small commodity producers, with their scattered and utterly backward production, compared with which our large-scale socialist industry is like an island in the midst of the sea, an island whose base is expanding daily, but which is nevertheless an island in the midst of the sea.

External conditions. We have assumed power in a country whose technical equipment is terribly backward. Along with a few big industrial units more or less based upon modern technology, we have hundreds and thousands of mills and factories the technical equipment of which is beneath all criticism from the point of view of modern achievements. At the same time we have around us
a number of capitalist countries whose industrial technique is far more developed and up-to-date than that of our country. Look at the capitalist countries and you will see that their technology is not only advancing, but advancing by leaps and bounds, outstripping the old forms of industrial technique. And so we find that, on the one hand, we in our country have the most advanced system, the Soviet system, and the most advanced type of state power in the world, Soviet power, while, on the other hand, our industry, which should be the basis of socialism and of Soviet power, is extremely backward technically. Do you think that we can achieve the final victory of socialism in our country so long as this contradiction exists?

What has to be done to end this contradiction? To end it, we must overtake and outstrip the advanced technology of the developed capitalist countries. We have overtaken and outstripped the advanced capitalist countries in the sense of establishing a new political system, the Soviet system. That is good. But it is not enough. In order to secure the final victory of socialism in our country, we must also overtake and outstrip these countries technically and economically. Either we do this, or we shall be forced to the wall.

This applies not only to the building of socialism. It applies also to upholding the independence of our country in the circumstances of the capitalist encirclement. The independence of our country cannot be upheld unless we have an adequate industrial basis for defence. And such an industrial basis cannot be created if our industry is not more highly developed technically.

That is why a fast rate of development of our industry is necessary and imperative.

We cannot go on indefinitely, that is, for too long a period, basing the Soviet regime and socialist construction on two different foundations, the foundation of the most large-scale and united socialist industry and the foundation of the most scattered and backward, small commodity economy of the peasants, We must gradually, but systematically and persistently, place our agriculture on a new technical basis, the basis of large-scale production, and bring it up to the level of socialist industry. Either we accomplish this task-in which case the final victory of socialism in our country will be assured, or we turn away from it and do not accomplish it-in which case a return to capitalism may become inevitable.

Source: