

Capitalist "Planning" and Socialist Planned Economy

Critique of Capitalist Planning

by Jay Lovestone

(cont. from issue before last)

Capitalist Development — The Extension and Organization of Chaos.
In some of my previous writings I have shown how the structural changes, especially in American capitalism, have served to sharpen and not to solve the basic contradictions inherent in the present economic system of the private ownership of the means of production and exchange socially used. Let me here merely cite some proof dramatizing this truth. The classical capitalist economists have for decades hailed saving, "thrift," as a great virtue, as a cornerstone of the present socio-economic system, as the foundation of capital. Today, the biggest American savings banks are spending great sums of money propagandizing the spending and not the saving of money. And the world-renowned British economist, Maynard Keynes, even went so far as to tell his audience (with years of experience in saving) at the New School of Social Research in New York, on June 16, 1931 that:

"It is possible that the time is not distant when we will have to pay the borrower for keeping our money safely invested due to the lack of new investment fields."

Long ago Bukharin pointed out that "capitalist development is nothing but the extension of the capitalist contradictions; these contradictions will go on and lead to the collapse of the capitalist system of production..." (Report on the Program Question at Fifth World Congress of the Communist International, June 27, 1924). Thus, capitalism has reached its highest point of development in the United States. Therefore, it is just here where the development of capitalist contradictions has been manifested most clearly and to the highest degree. The hub of the whole question of the impossibility of genuine social planning under capitalism is simply this: *the extension of capitalism means the extension of its basic inherent contradictions.*

The most accurate characterization of all these efforts to have a "planned" bourgeois economy, to organize its economy, has been made by Bukharin in his estimate of the effects of these moves only as "organized chaos." And when Kautsky was still adhering to the teachings of Marxism, some decades ago, he thus put this whole question with clarity:

"There are people who believe that the antagonisms which exist between the individual laborer and capitalist would disappear if they confronted each other in ORGANIZED form. Wage contracts are to be the beginning of social peace. In reality organization simply concentrates the antagonisms. The struggle becomes less frequent but more violent, and disturbs society far more than former little individual conflicts. The antagonism of conflicting interests becomes much harsher. Because of the existence of organization the conflict tends to drop the character of a momentary conflict of individual persons and takes on the form of a necessary conflict between whole classes."

But Kautsky and the entire international Social-democratic category saviors of the capitalist system have long ago dropped every vestige of Marxism in their conceptions and estimates. A crass expression of this utter incapacity to estimate capitalism scientifically, in a Marxist fashion, is to be found in the following gem from Kautsky's *Materialist Conception of History*:

"Capitalism has gone thru so many crises, has been able to adapt itself to so many new and frequently surprising and enormous demands, that from a purely economic viewpoint, it seems to have more vitality than half a century ago."

The condition of capitalism today exposes "the vitality" of capitalism. The same pseudo-Marxists confuse state capitalism, bourgeois government ownership, with Socialism by substituting their bourgeois wishes of today for their Marxist thoughts of yesterday, thus Hilferding, at the Kiel Congress of the German Social-democratic Party, stated:

"Organized capitalism means the replacement of the capitalist principle of free competition by the Socialist principle of planfulness by means of social regulation."

The workers can well say: "Thank you, Mr. Hilferding! The social regulation you speak of, the 'Socialist principles' you stand for, we now see applied to the nth degree in Germany thru the 'Notverordnung' (emergency) legislation for wage-cuts to the bone and unspeakable working conditions under the iron heel of German capitalism, of Prussian Fascism. The Swopes, the Chases, and Beards are only poor pupils of yours."

Today, in the United States, the "scientifically planned" industries are models of pandemonium, "organized chaos."

Lenin on Capitalist Planning
Those Communists who have, in mannikin fashion, been mouthing factional froth and making a clique rag out of this serious problem, have certainly not rendered any service to the working class. Merely to say that there is no such thing as capitalist planning, that all planning is impossible under capitalism, is just that much non-sense or its equivalent.
The only planning possible under capitalism is not genuine social planning, but merely planning to secure more efficient, intensive exploitation

of the workers. Such "planning" is possible, as shown by the development of the trusts and rationalization (monopoly, speed-up etc.) Genuine social planning is the very opposite of profits and there can be no genuine socialization by an economic system which is based on private profits. Shrouding oneself in high-sounding social phrases, propagating the idea of improving capitalism by "substituting management for salesmanship" and securing an "engineered society" (Chase, Beard, Soule, Muste, Salutsky) are in effect eleventh-hour attempts to bolster up a dying system—at the expense of the workers.
Lenin, in his characteristic masterly fashion, made the following estimate of the problem of "planned economy" under capitalism:

"Present economic conditions have caused the disappearance of planless capitalism. Up to the war there were monopolies, trusts, syndicates; since the war we have had state monopoly. Universal labor, service is something new, something that constitutes part of a Socialist whole. This is often overlooked by those who fear to face present economic conditions frankly . . .

"It is noteworthy that twenty-seven years ago Engels pointed out that to characterize capitalism as something distinguished by its planlessness, means to overlook the role played by the trusts, and is unsatisfactory. Engels's criticism was that 'when we come to the trust, then planlessness disappears', tho there is capitalism. This remark of Engels is particularly appropriate now, when we have a military state, when we have state-monopoly capitalism. The introduction of planning into industry keeps the workers enslaved none the less, tho it enables the capitalists to gather in their profits in a more planful way. We now witness the metamorphosis of capitalism into a higher, a regulated form of capitalism."

This "higher" and "regulated form of capitalism" has been at its highest in the United States. In 1929 its "equilibrium" and "stability" went up with the smoke of the ticker tape in the conflagrations on the New York Stock Exchange. Since then, all these Hooverian boasts have turned to ashes. *The new crop of capitalist plans, all proposals for planned economy under capitalism, only mean new ways of exploiting the workers more intensively, enslaving the workers more effectively.*

Only in a country like the U. S. S. R., where capitalist exploitation has been abolished, where the workers have taken all political power into their hands and have set up a government of their own, a Soviet government, can steps be taken towards genuine, planned, that is, social, economy. Only such an economy, Socialist economy, develops more and move in the interests of the great mass of the population and is free from panics and crises. The Soviet Union is the best proof of this.

* * *

Prospects for Capitalist Planning.
Just what will come out of all this talk of capitalist planning to end the crisis in the United States? Very likely the following will tend to develop, unless the workers wake up and act as a class:

1. Fundamental modification of anti-trust laws to have the government instigate instead of investigate the trusts.
2. Extension of the power of

finance capital, especially thru merging of its apparatus with the government machine (last Hoover Plan).

3. Great growth of state capitalism in specific, peculiar American forms, with many strike-breaking ramifications.

4. Intensification of rationalization process at the expense of the workers.

5. Further lowering of the standard of living thru certain direct and indirect inflation schemes.

6. Expansion of Wall Street's imperialist influence in the world capital and commodity markets and consequently in international affairs. This is a sharpening of the danger of imperialist war. The net effect of these measures will be to deepen the contradictions of capitalism and thus prepare the ground for an even more devastating economic crisis than the present one.

7. The ground for Fascism is thus being prepared.

In short, the whole campaign for capitalist planned economy is only a mirror reflecting the hopelessness of the world capitalist system now in its decay. Recently, the *New York Tribune*, commenting editorially on the "planning" epidemic, seized the kernel of the question when it declared:

"We all of us want a plan that will eliminate depressions; but none of us has yet shown any desire to support a plan which will interfere with his own (the capitalist's—J. L.) rights and liberties and pet prejudices—as, of course, any working plan would have to do. We are still careening in full cry after the scapegoat and have not yet thought to look for him in the mirror."

There is more truth than poetry in this description. That's why, in the midst of all this "planning" gossip, some economists are already whispering rather loudly that *a new and worse crisis will occur in or about 1938.* None other than Sir Arthur Salter has recently admitted that:

"We shall be involved again in this tragic and heroic alternation of boom and depression. And it may well be that this will be on an even larger scale."

(Concluded in the next issue)

"Poor little Gandhi, he is becoming discouraged with the London Conference. He says they only talk. I wonder if he thought a nation got independence over a conference table and not over a gun barrel. Where would we have been if Washington conferred instead of confiscating? Didn't a Missouri Senator set the Philippines free this Summer? And Pat Hurley went over and annexed 'em again. Ammunition beats persuasion when you are looking for freedom.

Yours,
WILL ROGERS."

Old Bread, Old Fogies, Old Stuff
"Not everything that is old is outgrown. The rocks and stars are old, but you cannot damage the reputation of a rock by saying it is a million years old. (But you do damage the reputation of the Bible which says no stone is over 5693 years old—B.D.W.) There are certain principles of conduct which will never change. The Ten Commandments, the beatitudes, the Golden Rule, will be good when the stars are dust. We are building a new world."—Rev. Dr. Chas E. Jefferson, West End Presbyterian Church.

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