

Capitalist "Planning" and Socialist Planned Economy

Critique of Capitalist Planning

by Jay Lovestone

(Continued from last issue)

Perhaps the most realistic estimate of the limitations and impossibilities for planned economy under capitalism has thus just been made by the National City Bank in its October 1931 Bulletin:

"... The more complete and compulsory the regimentation provided in the various planning schemes advanced for this country, the more visionary they are, and the less likely ever to win support. On the other hand, the less complete the program, and the less supported by legal compulsion, the less effective national planning would be. This is the dilemma upon which the whole argument may be said to break down.

"The system upon which it is urged that overhead planning should be imposed is a system of individual effort, in which each person is free to engage in any honest work within his capacities. . . . The system is one of rivalries and constant change, in which miscalculations are made and confusion occurs. . . .

"Under this system the agencies tending to maintain the equilibrium are prices and profits, which rise when there is too little of anything and decline when there is too much, and hence act as traffic policemen directing the flow of capital and labor into and out of various enterprises. The agencies tending to disrupt the equilibrium include wars, political and social disturbances, changes in monetary systems, natural calamities such as drought, interference with the flexible adjustment of prices and the free movement of goods and capital, the defects of human nature which lead men into extremes of exhilaration and depression, or debt-making and debt-paying, and into irrational economic behavior. . . .

"Prices and profits" are the traffic policemen against the workers! These "traffic policemen" have certainly gotten economic traffic into a bad tangle, with the economic pedestrians (proletarians) having a miserable time of it. War and starvation amidst plenty are the results of capitalist regulation and planning. The proletariat pays the prices and the bosses get the profits by exploiting the workers. Prices are now declining not because there isn't enough produced but because so much has been produced by the workers that the bosses have fired them by the millions and that millions of workers, therefore, cannot even touch the superabundance and are forced to starve amidst plenty.

Inherent Anarchy in Capitalist Economy

The well-known American economist Wesley C. Mitchell shed further light on the anarchy inherent in capitalist production when he exclaimed that:

"In detail, economic activity is planned and directed with skill, but in the large industries there is neither general planning nor developed direction. Civilized nations (Mr. Mitchell means capitalist nations) have not yet developed sufficient inventions to make systematic plans for the sustenance for their population; they continue to rely on the badly coordinated efforts of private initiative."

The moment the bourgeois economists begin to go to the root of the question, they lose all faith in the possibility of developing the capitalist system into an economy free from chaos. For example, Mr. Paul N. Mazur, of the banking firm of Lehmann Bros., thus hit the nail on the head:

"If each of us were appointed president of the United States with the power to influence the psychology of the public, what would we do in order either to prevent or to minimize a recession in business? There is a theoretical formula which would make it possible to diminish or even eliminate real recession. All that will be necessary is a guarantee that there would be no unemployment, no reduction of wages or no recession of purchasing. If the first two and not the third were affected, industry would accumulate inventories. If all three were in force, there would be the same purchasing power, the same ability to consume and produce. That would be a simple principle and a principle which the Soviet government of Russia is attempting to introduce. But in a political

system like our own the principle is hardly practical."

Yes! The much-vaunted "efficient" capitalist system has been a costly curse for the American masses. The development of its "organized chaos," accompanying the development of the country itself, has been a monstrous waste. Said Mr. Floyd W. Parsons, editor of the *Gas Age Record*:

"The story of the development of life in industry in America is the most amazing tale of the waste of wealth by careless people that the world has ever known. We have flooded the air with the wonder fuel, natural gas; covered our land with the ashes of burned trees, killed off our wild animal life for the sport that was in it, and robbed our virgin acres of so much of their fertility that in many of our regions farming as a pursuit is about as obsolete as a spinning wheel."

Again, the National City Bank puts its finger on the real sore spot of the whole situation confronting the workers in all this "planning" it states:

"The best way to maintain the equilibrium is to keep the world politically in

order and to leave the governor of the machine, which is prices, free of artificial control. If the world is dissatisfied with this method it will have to submit, not to national planning, but to a world dictatorship."

Here we have it! "To keep the world politically in order"—is the essence of all capitalist plans and solutions for the crisis. "If the world (toiling masses,—J. L.) is dissatisfied with this method, it will have to submit not to national planning but to a world dictatorship." This is a plain threat of Fascism, of a Fascist dictatorship not only against the American workers but against the workers of every country.

What is the way out? Let us go to the Soviet Union. There we will see in life how social planning, genuinely planned economy is operating and how the men in overalls have become their own masters.

The final article in this series, dealing with Socialist planned economy, will appear in the next issue.

For Militant Trade Unionism!

THE FOOD WORKERS NEED UNITY!

by Alexander Constas

The statement below was presented before the Executive Quorum of the Amalgamated Food Workers and rejected by it. The Executive Quorum also refused to have it published in the Free Voice, official organ of the union.

The ever-deepening crisis in the U.S.A. hit the food industry more than any other industry in the country. The bosses, taking advantage of the situation, are determined once and for all to put the burden of the crisis on the backs of the workers. And, as a result of this policy of the bosses, we see big wage-cuts lengthening of the hours of the workers, speed-up, and tremendous unemployment. More than 50% of the food workers, bakers, cooks, waiters, are tramping the streets of the city today begging for a chance and offering themselves to the employment sharks and exploiters of labor to work even for a meal so as to be able to keep body and soul together.

The Role of the Trade Union

What are the existing trade unions doing in this situation? What is their role and their duty towards the workers in our industry? On one side, we see the powerful bosses associations endeavoring by all means at their disposal to smash any conscious movement for the organization of the food workers. And, on the other side, we see weak divided and small trade unions of food workers taking no steps to serve the interests of the workers by a centralized united effort, but instead, wasting their time and energy fighting each other rather than fighting the common enemy, the big food trusts. It is my opinion that no one of the existing food workers unions today is able alone to undertake successfully the struggle against the centralized and powerful bosses associations. Therefore, today more than ever the slogan of unity of all food workers unions is imperative: it is the only way to counteract the existing apathy and demoralization in the ranks of the food workers, organized as well as unorganized.

Now let us look at the existing food workers unions. What do we see?

1. The American Federation of Labor food unions, small decentralized craft unions controlled by an unscrupulous bureaucracy, are today in

danger of becoming no more and no less than a second edition of the A.F. of L. craft unions. This is due to the do-nothing and wrong policies of the central leadership of our union. This can be substantiated from the experiences of the last attempt by the Hotel Workers Branch to organize the cooks and waitresses working in our so-called organized shops. Altho the constitution of our union calls for an industrial organization, we find that in the shops controlled by the A.F.W. only the bakers are organized and attempts to put the constitution into practice, that is to organize all the workers in their shops, are met by unanimous opposition by the officialdom of the organization.

Almost half the members of the locals are today unemployed. The only answer to this situation would be an intensive centralized organizational drive to organize the unorganized.

The officials present us with long plans and lengthy speeches but the fact remains that all this remains on paper and nothing has been done up till now. The situation in our union today is that unemployment increases and membership falls. A radical change must be made in our organization if we want to remain as a militant industrial organization. Today the membership has lost confidence in the leadership of our union. The existing demoralization and disintegration of our union are ample proof of this.

The officialdom, instead of calling a convention which is necessary today more than ever due to the existing crisis, proposes to postpone the convention and thus stifle the voice of the rank and file.

The officials propose various amendments to the constitution by a referendum vote which in my opinion, is an attempt at strengthening the bureaucratic power of the central officials. These changes in the constitution can only be made after a thorough discussion by the membership as a whole and by a convention.

What's To Be Done

1. I propose an immediate call for a convention and a thorough, free discussion of our situation and problems confronting our locals.