

Capitalist "Planning" and Socialist Planned Economy

Planned Economy in the USSR

by Jay Lovestone

Our examination of the sundry schemes for capitalist "equilibrium" and "prosperity" has disclosed that the problem of socialist construction is today the decisive historical question before the world. That this is an international problem, a British, Chinese, French, German and American question, besides being a Russian problem, is obvious. For instance, even the well-known anti-Soviet American journalist, Eve Garrett Grady, recently wrote: (*American Magazine*, November 1931):

"When I came home from Russia last Spring, after a year's residence there, I found that overnight America had become Russia-conscious. Talk of the Five-Year Plan, Soviet export policies, and the human experiment of Communism was on every tongue. The discussion of Russia had come to rival prohibition as the most controversial topic of the day."

The liberals and "Socialists", overawed by the unparalleled crisis of capitalism and the simultaneous giant strides of socialist construction are feverishly at work concocting schemes to bring back capitalism to a bigger and better capitalism, as it were. Only to the extent that they vainly try to graft on to the capitalist mechanism some feature of planned socialist economy now being developed in the Soviet Union, are these would-be life-savers of the decaying capitalist system being taken seriously at all by the best minds of the bourgeoisie. For instance, Professor H. Parker Willis, formerly secretary of the Federal Reserve Board, and probably the greatest capitalist authority in the United States on banking, emphasized the other day:

"Now there is no special reason to love the capitalistic system any more than there was to adhere to the feudal system by which it was, at some interval, preceded. The question of leaving it or modifying it or giving it up is a question of serviceability. But what have the present generation of 'social' reformers to suggest in place of it? Usually nothing except some vague generalizations about what is being done in Russia" (Our emphasis).

What Is Genuine, Planned Economy?

There has been a lot of loose talk and writing about planned economy. In discussing this question, theoretically as well as practically, we must brush aside the historically insignificant matters and details, regardless of how important these might be in themselves; we must look scientifically into the background of the problem and arrive at some concrete definitions. Otherwise, we will be unable to avoid the capitalist morass into which Stuart Chase, Herbert Swope, Norman Thomas, and others of their type have already engineered themselves.

Let no one think that the concept of planned economy is something new to socialism, something recently discovered or invented by Stalin, Bukharin, Rykov, Molotov, or any other member of the Communist Party of the Soviet Union. Planned economy always has been and remains an inherent feature of the socialist system, of socialist construction as distinguished from capitalism. Friedrich Engels, in his *Principles of Communism*, long ago thus succinctly put the problem before the workers of the world:

"Either large-scale industry must be abolished, which is quite out of the question, or it needs a totally different social order wherein to function. The new social order would no longer tolerate individual factory owners competing one against the other, but would inaugurate industrial production as an affair run by the whole of society according to the needs of all the members of society. . . . This is to say that industry will be run according to a concerted plan and that every member of society will take a share in industrial life. . . ."

Tho the Five-Year Plan is the most systematic, highest and most concentrated form of planned economy hitherto applied in the Soviet Union, it is not the first step but is only the next logical move after the various measures in planned economy taken by the U. S. S. R. before this plan was inaugurated. Typical of the beginnings of planned economy and substantial progress in economic construction in the Soviet Union even before the Five-Year Plan are Lenin's Plan for Electrification, the establishment of the Gosplan in 1921, the first draft of a Five-Year Plan in 1923, and the establishment of the system of "control figures" in 1925-26. In all of these steps the course and achievements of socialist economy have been along the following lines of scientific socialism laid down by Engels:

"Once liberated from the yoke of private ownership, large-scale industry will develop on a new scale that will dwarf the present machine industry as conspicuously as that has dwarfed the manufacturing system of earlier days. This huge growth of industry will provide a quantity of products sufficient to gratify all the needs of society. Similarly with agricultural production, hitherto cramped and hindered by the weight of private ownership and the excessive subdivision of farming land. Scientific methods and improvements of all sorts will soon create a flourishing agricultural industry, and society's needs will be amply provided for. . . . It follows from all this that the contrast between town and countryside will likewise disappear. The fact that agriculture and industrial production will be carried on by the same individuals, instead of by two different classes of society, lies at the very foundation of communist association and is an essential feature of such association." (*Principles of Communism*).

When we will examine the specific achievements of socialist construction already recorded by the Five-Year Plan, we will see the correctness of Engels analysis of the basic

features of planned economy. The continuity and oneness of socialist theory and practice, in regard to the problem of planned economy, from the days of Marx and Engels to the present, is evident from the following resolution adopted by the First Congress of the Presidium of the U. S. S. R. Gosplan and the Gosplans of the Federal Republics about ten years ago.

In our struggle for planned economy we aim, first, at such a structure of the national economy as, owing to inner harmony among its parts, to scientifically established methods of production and distribution, and to a correct coordination with objective material resources and the existing labor power, will result in maximum production at a minimum cost and in a minimum working time; second, at the construction of the complete state system such as will assure regular working of the whole mechanism without crises and interruptions while the entire laboring community will be a conscious participant in socialized production and will clearly understand the methods by which and the extent to which it is possible to subjugate nature to its needs."

How does the system of planning work in the Soviet Union? What are the mechanics of socialist planned economy? The State Planning Commission is not a congregation of a number of economists, of Communist officials sitting in swivel chairs in Moscow and sucking out of their thumbs plans for factories, power houses, mines and general economic development. The planning machinery of the Soviet Union is a gigantic all-inclusive system centering at Moscow and reaching the most remote sections of the country and involving and directing the most retarded as

well as the most advanced cultures in the U. S. S. R.

The All-Union Planning Commission operates from Moscow. Working under its direction are planning commissions in each of the seven constituent republics comprising the U. S. S. R. There is likewise, and in the same relation to the Central Planning Commission, a planning commission in each of the important thirty autonomous Soviet republics and areas of the Federation. Then, there is a planning commission in each of the great oblasts (sort of provinces or states) into which a republic is divided. There is to be found a planning commission in the smaller politico-economic divisions. Planning bodies are also associated with the more important divisions or departments of the government cultural organizations and various industries.

It is true the system of planned economy is still in its initial stages of formulation and application. Yet, the U.S.S.R., tho it inherited only a backward Czarist industrial machine ravaged by imperialist and civil war, has already shown its capacity to carry thru a policy of planned, of social economy in coordinating the current work of state enterprises in all their branches in achieving great tempo of rationalization and heavy industrialization, in realizing rapid collectivization of agriculture, in "the undertaking of pioneer work in backward regions". And all of this under unfavorable and complicated international conditions!

(Concluded in the next issue)

FOR A REAL DISCUSSION OF POLICY!

Zimmerman Answers "United Front Committee"

We publish below the letter of Chas. S. Zimmerman to the "Dressmakers United Front Committee" in reply to the so-called "challenge" to a debate.

January 25, 1932.

J. MIGDOL,
Chairman, Dressmakers
United Front Committee,
Dear Brother Migdol:

On Saturday, January 23rd, I received a letter from you in the name of the Dressmakers United Front Committee, making ridiculous accusations and pretending to challenge me to a debate.

At the same time that I received this letter, I noticed in the *Freiheit* appearing the same Saturday afternoon, January 23rd, an alleged answer from me to your communication. I could not understand how it is that the *Freiheit* could carry an answer from me to your letter when I had just received your letter. Under these circumstances it is clear that the same people who wrote your letter to me also wrote my alleged answer to you.

Judging by the contents of your letter and the great haste with which the *Freiheit* answered it for me, it is clear that the Needle Trades Workers Industrial Union officialdom and its latest so-called united front committee, the Dressmakers United Front Committee, are still afraid of an honest discussion of the real issues before the dressmakers—especially, on how to bring about unity of the dressmakers. Thru this letter you are merely making another petty maneuver to confuse the dressmakers and thus avoid a genuine discussion of the actual issues.

This letter of yours pretends to propose a debate between Ben Gold and myself on the question of the united front. We have always been ready and are prepared today to engage in a genuine discussion of the urgent problem of unity of the dressmakers. But, what do you propose in your letter? Under cover of so-called impartiality you proceed to repeat parrot-like the lies and slanders of the Needle Trades Workers Industrial Union officialdom and the *Freiheit* which neither you nor any honest worker does or can believe. By making such ridiculous charges that I am an agent of the bosses, the bankers, the capitalist politicians, Dudley Field Malone, etc., you are simply trying to cover up your bankruptcy and to blur the real issues before the dressmakers.

You speak of the divisions in the ranks of the dressmakers. Have you forgotten that over a year ago we raised this question of unity in the Needle Trades Workers Industrial Union? Then your only answer to our plea for unity was booing and more vilification. Apparently, thru our continuous propaganda and activity for one union in the industry, we have finally forced you to recognize that the dressmakers want unity and mean to get it. But instead of meeting this issue squarely, instead of discussing it honestly and attempting to find the best possible way to bring about unity you are continually engaging in clumsy unity maneuvers. Thus you are only prolonging the divisions and standing in the way of unity. In fact, it is because we are systematically unmasking these maneuvers of yours and are actually doing our utmost to unite the dressmak-

ers for a militant struggle that you are so vicious and have lost your head in your attacks against us.

Everyone recognizes the deplorable conditions of the dressmakers. All workers recognize the need for a militant struggle against the bosses. All dressmakers know the need of having one union in the field as the best means to facilitate a victorious struggle against the bosses. We are working energetically to bring about such a situation.

We say to you: Stop your cheap maneuvers. Stop your splitting activities. Stop your mud-slinging. The situation is serious. You must stop playing with the welfare and lives of the dressmakers. An honest discussion will help to clarify the issue of unity and hasten the realization of one union in the industry. Contrary to what the *Freiheit* has stated, I am ready to accept and am prepared to discuss this issue with Ben Gold.

I propose to defend our position that the best and only way to unite the ranks of the dressmakers and really achieve one union in the industry is by the members and sympathizers of the Needle Trade Workers Industrial Union joining the International Ladies Garment Workers Union which today has the majority of the organized workers and in the International Ladies Garment Workers Union uniting with us and all progressive and left forces on a constructive program, win the workers, and build up a powerful union which will be able to fight militantly in behalf of the interests of the workers.

I propose that if you are prepared to go into a frank unity discussion, not merely to continue your game of throwing sand into the eyes of the workers, that then we arrange such a debate between Ben Gold and myself under the joint auspices of the Dressmakers Progressive League and either the Dressmakers United Front Committee or any other sub-division of the Needle Trade Workers Industrial Union, no matter what its present name may be.

Fraternally yours,
Chas. S. Zimmerman.

ATTACK BARES TRICKS OF N.T.W.I.U.

(Continued from Page 1)

such damnable methods of settling differences in the ranks of the workers. We condemn this bloody attack made on the dressmakers delegates and declare that this attack exposes beyond a shadow of doubt the whole fraud of all the petty and dishonest "unity" maneuvers of the Industrial Union and its United Front Committee. To all honest workers, this outrageous attack lends the final and decisive proof of exposing the United Front Committee and its parent organization, the Industrial Union, as absolutely uninterested in and even hostile to real unity of the dressmakers on the eve of the dress strike. The Dressmakers United Front Committee, now stands clearly exposed as only an auxiliary of the N.T.W.I.U. which itself has been reduced to a mere shadow.

We, the 223 shop delegates, hereby declare to all the workers that slugging tactics and brutal assaults to which desperate bureaucrats have at never brought about unity. We firmly reiterate our position that the only