

Capitalist "Planning" and Socialist Planned Economy

Planned Economy in the USSR

by Jay Lovestone

(Concluded from last issue)
Is It Worth While?

The bourgeoisie, particularly the liberal section, have now and then recognized the achievements of socialist planned economy, but have declared the price paid in terms of hardships and strain on the workers entirely too great. This argument holds no water. We have never denied that under the extremely great difficulties under which the Five-Year Plan was carried out, it did entail considerable temporary strain and sacrifice by the masses. However, it is historically undeniable that the economic and social hardships, temporarily borne by the Soviet masses in their speediest completion of the Five-Year Plan of socialist construction for the toilers, are petty and insignificant in comparison with the heavy price in life and limb, in dollars and cents, in pounds and shillings, paid by the British and American working classes in the cities and countries, in the industrial revolution or in the building up of these gigantic rationalized industries for the capitalists.

In the Soviet Union industrialization for the masses and not for the exploiters is proceeding at an unparalleled tempo without agonizing child labor, low wages, filthy slums, nerve-wrecking and life-sapping speed-up, and murderous accident rates. To the extent that the price paid for the socialist successes is at all heavy, it is primarily due to the fact that the Soviet workers are compelled to proceed with the construction of socialism in a situation in which the USSR finds itself in a virtual state of military siege. The Soviet Union is still the only land of the victorious socialist revolution today.

Let the bourgeoisie, of different shades, themselves attest to these facts. For instance, the *London Economist* was compelled to say that (September 5, 1931):

"It is difficult to withhold admiration from a people which is willing to endure so much for the sake of the future, or from a government which has the imagination and the resolution to take a great proportion, estimated by some at 60% of the national income, for purposes of national reconstruction. No such toll has been taken in modern time from a people, save in time of war; then it was for the purpose of destruction."

And Mr. Lloyd, writing for the *New Statesman*, further said:

"The Soviet State, so far as one can judge, does not present itself to the worker (who it did till recently at least to the peasants) as a hard task—mistress or a cruel stepmother. He does not resent the mechanization of industry and agriculture; he sees in it a new and glorious adventure, and the means of a larger life and culture. And, despite all his speeding-up, he has not begun to think of himself as a robot—and he certainly has not begun yet to shape like one. He believes in himself—sometimes a little too arrogantly—and he believes in his own and Russia's future. Elated by the hope of this future, pricked on by the fanatics of the Communist Party and by every form of propaganda, as well as by the incentive of higher earnings, he is working stolidly, cheerfully or enthusiastically at the Herculean task of the Five-Year Plan."

Serious Problems Ahead

There are still plenty of capitalist forces and factors within the Soviet Union's economic and social life to overcome. The conscious policy of the Central Committee of the Communist Party of the Soviet Union is constantly and vigorously to eliminate these factors and forces to the end of completely wiping them out.

Despite the shortcomings in one plant here and in another plant there, this goal is being realized. For instance, the *London Times* (October 15, 1931) has recognized that:

"The old methods of tilling the land in Russia are giving way to the modern methods of science. The introduction of machinery, altho the tractors may now be wrecked and left out in all weathers, will in time lead to more grain, and this would have been impossible without a ruthless suppression of the strip-system. The influence of this upon the regime is inestimable. Having won the battle against the peasant, the Soviet regime finds itself in a stronger position than it has ever been before. . . . It is able to devote its energies to its plan of industrialization."

Of course when the *London Times* speaks of the peasant it really means the kulak.

In examining the problems and difficulties still confronting the U. S. S. R. in its task of socialist construction, we underscore the fact that our aim is to build a society free from the chaos and anarchy so characteristic of and so inherent in capitalist economy. It is interesting to note that the bourgeoisie rave with joy when we fall behind on one sector or another in achieving a quota and that they rave madly when we exceed a quota. In fact, there are many serious bourgeois economic experts who maintain that the very exceeding of quota limits signifies the failure of planned economy, since things obviously haven't worked out under these conditions just according to the plan, strictly according to a blue-print. In line with this set of thoughts is the reasoning of the well-known German economic weekly *Der Deutscher Volkswirt*. Its theory propounded by its editor, Dr. Toni Stopler, is the following: In order to balance or even merely secure the achievements of planned economy, the Soviet Union must call upon foreign resources. These foreign resources come from unplanned capitalist economy. Therefore, says Dr. Stopler, capitalist chaos is necessary to help socialist planning and, therefore, unplanned capitalist economy is superior to planned socialist economy! Obviously, this is laughable.

1. Among the outstanding problems facing the Soviet Union are, first, those primarily financial in character. At the outset of the Five-Year Plan the proportion of capital invest-

ments, social in character, was 57%. Today, even before the completion of the Five-Year Plan, the social proportion of capital investments is already 80%. Naturally, to achieve such progress, there is a great strain on the capital resources. Numerous financial and currency complications tend to arise and may develop for the Soviet workers in view of the fact that there is a virtual blockade in the international capital market against the U. S. S. R.

2. The Soviet Union lacks today an adequate supply of skilled labor and technical directors. However, authoritative American engineering opinion is convinced that the U. S. S. R. will succeed in overcoming this serious obstacle. The intensive system of workers training is making real headway in developing an industrially-minded army of workers from a dominantly agricultural population. The problem of technical administrative help is more difficult and will take more time.

3. The U.S.S.R. is aware of the fact that it faces a great task in the need for developing the quality as well as the quantity of its production. Real headway has already been made in this field.

4. The price question. After all, the prices in the Soviet Union are not established in the same way and on the same basis as they are in the capitalist countries. The difficulties en-

tailed in the establishment of correct prices for the various goods produced are being overcome particularly thru the introduction of the new system of strict accounting for the trusts. This system is known as the *Chosrastschot*.

5. Difficulties are also bound to arise for the Soviet Union in its relations to the world market. The official trade reports indicate a tremendous growth in the foreign commerce of the Soviet Union for the last year. The difficulties here will grow out of a lower demand for Soviet commodities because of the higher tariff barrier and the reduced standard of living of the workers in the capitalist countries, the lowered prices received by the Soviet Union; the consequent loss in available foreign currencies with which to purchase machinery; and the ever-more intense difficulties in securing favorable or suitable credit terms for trade because of the general instability and insecurity now characterizing the capitalist world market.

We mention these difficulties in order to present a dynamic comprehensive viewpoint of this question, since the crisis of capitalism has not only tremendous political, social and psychological effects of a beneficial character for the Soviet Union today but also certain, tho less decisive, yet important, embarrassing features.

(To be continued)

"We Are The Truer Guardians . . ."

THE HERITAGE OF THE CIVIL WAR

by Will Herberg

(Continued from last issue)

The Historical Significance of the Civil War

The inevitable march of events soon brought on the Civil War. "From resistance to the slave power," the North moved on to "death to slavery" (11). But the Civil War cannot be studied in isolation. The Civil War and the Reconstruction Period form an organic unity; they both constitute essentially a bourgeois revolution in two stages: first, the defeat of the armed counter-revolution of the slaveowner: (the Civil War) and, secondly, the attempt to draw all the historically necessary consequences, economic, political, and social, of this defeat of the counter-revolution (the Reconstruction Period). In spite of the highly specific form which this bourgeois revolution assumed in this country (12), its essential and fundamental aims were still those of the classical bourgeois-democratic revolution: the national consolidation of the country (the defeat of secession), the thoro eradication of all pre-capitalist economic forms (abolition of slavery), the destruction of the political power of the aristocracy (disfranchisement of the former slaveowners and rebels), the advance of democracy (the enfranchisement of the Negroes), the agrarian revolution (the Radical plan of confiscating the lands of the former slaveowners for distribution among the emancipated slaves), etc. Nor can the strict analogy be overlooked between the military dictatorship established by the Jacobins in the reactionary rural departments of France and the military rule of the South during Reconstruction. The general historical form is the same, however different may be the external aspects of the specific episodes.

Our "liberal" historians, whose vulgar philistinism is equalled only by the narrow-mindedness of those "Marxist" historians who echo them, stand puzzled, even aghast, before the great events of heroic period and are able only to mumble some platitudinous phrases about "corruption" and "greed"! Of course, there was corruption and greed—and on an almost incredible scale too! But after all it was a bourgeois revolution operating on the sacrosanct level of private property and private appropriation. Whatever the fatal finger of private property touches, it corrupts! Nevertheless, mankind is profoundly interested that, in the struggle between lower and higher forms of private property (forms of exploitation), the latter should emerge victorious, for their victory signifies final relegation to the scrap-heap of history of much that is outlived and reactionary in the institutions of society and a great step forward along the road towards the eventual emancipation of the human race from every form of exploitation and oppression. "I naturally see what is repulsive in the form of the Yankee movement," wrote Marx (13), "but I find the reason for it in the nature of a bourgeois democracy . . . where swindle has been on the sovereign throne for so long. Nevertheless the events are world-upheaving . . ."

The Struggle Over Reconstruction

"Two paths and two outcomes are possible in every bourgeois revolution" (14): the radical (Jacobin) and the conservative (Girondin). The struggle between these two courses forms the essential content of the whole Reconstruction Period. At first the Radical course had the upper hand and it looked as if the bourgeois-democratic revolution would be carried thru to its ultimate conclusion. Then came a period of vacillation. Finally the Conservative course (out-

Johnson) emerged triumphant. The Negro slave was indeed legally emancipated but he was not transformed into a free (in the bourgeois sense) proletarian or independent peasant-proprietor. No; the slave status gave way before a new semi-servile status, a caste status in which the American Negro has labored until today.

To what must the triumph of the Conservatives and the frustration and distortion of the democratic revolution be attributed? Not merely to the inner weakness of the Northern capitalist class itself, within which there emerged powerful reactionary elements. Several factors, closely intertwined, played a decisive part in bringing about this turn of events: the role of the West, the effect of the tremendous expansion of Northern capitalism and the retreat of the more conservative sections of the bourgeoisie before the ultimate implications of the democratic revolution carried thru to completion.

The unhampered and unrestrained exploitation of the West became the absorbing object of the decisive sections of the Northern bourgeoisie, especially the financiers and merchants—had not the struggle over the West played the leading role in precipitating the war? On the basis of the decisive victory of the industrial bourgeoisie thru the Civil War, an unprecedented expansion of industry, commerce and finance along strictly capitalist lines took place, in the course of which the Federal government was converted into a most energetic and avowed champion of the economic interests of the industrial bourgeoisie (tariff, resumption of specie payment, grants to railroads and other corporations, etc.). The tremendous upsurge of capitalism did not proceed along the lines of the industrialization "bourgeoisification" of the South (industrialization here had to wait until the 1890's for a real start), it was almost entirely absorbed in economic expansion in the North and in the West. And for the free exploitation of the West, for unhampered expansion in the North, "peace" in the rear was necessary. The "disturbed condition" of the South, the natural consequence of any serious attempt at a revolutionary transformation of the Southern order must be ended, of course thru a compromise with the ex-slaveowners at the expense of the Negro freedmen, the masses of the poor white Southern population and the interests of the country as a whole.

Furthermore the radicalism of the Radicals was beginning to go much too far to suit the money lords and merchant princes. Just as the conservative sections of the French bourgeoisie recoiled at the "excesses" of the Jacobin radicals, so did these gentlemen draw back in consternation at

A violent spurt on the stock market greeted the Hoover Glass bankers bonus bills. The fruition of these measures will lead to dangerous inflation. All principal European currencies have already risen against the dollar for fear of rapid inflation here.

The stock rise is not indicative of any improvement. The price decline continues. Brokers loan