

## Raymond Lotta: Rebuttal

I want to speak to a few of the points that were raised by my opponent. One, the question of profit in command. What's very interesting is that what he is saying amounts to: "Look, the real question is not what all these underlying mechanisms are, but really which class rules the state." This is exactly what I was hitting at in the opening part of my presentation. Line and superstructure are decisive, and they play an *active* role in reproducing and transforming society. But line and superstructure also correspond to and reinforce a certain material reality. What my opponent wants to do is say: "Well, let's just leave aside this question of the base and let's talk about all these nice, electoral, bourgeois-democratic forms that the workers seem to be engaged in. From there we can derive that as long as they are involved in those kinds of participatory mechanisms at the factory level and so on and so forth, then whatever lever is used — profit or any other indicator — to guide production, so be it so long as you have some workers who are making some decisions at some level." The whole thrust of my talk was to examine what is the motive force in the mode of production, and that is the law of value and profit in command.

Now on the question of profitability, I just want to read from a summary of the Soviet Standard Methodology for Investment Allo-

cation in 1969. It explains that "investment, including through central budget funds, has been determined by dividing change in national income by investments within a sector." In other words, it's describing how investments are made within and between sectors, and that there is a relationship between the income generated and the amount of capital that is extended into those sectors. This at least should tell us that we have to look very closely at this question of profit in command and what it means.

That relates very directly to this issue of wage-labor. The point is that the existence of wage-labor is not in and of itself capitalist — we're talking about *capitalist* wage-labor. There is payment for work performed under socialism. But what marks wage-labor as capitalist wage-labor is the subordination of the labor process to the value-creation process. There is both exchange and use value produced in a socialist economy. The question is what is dominant, what politics are determining the allocation of labor, in accordance with the interests of what class, and on the basis of what real, underlying relations in society? What stamps wage-labor as capitalist wage-labor is the fact that the worker must sell his or her labor power to an alien force in order to survive, to an alien force that dominates and oppresses that worker — that's what makes wage-labor capitalist wage-labor. So let's not attribute to me some sort of position that wage-labor in and of itself, or money in and of itself, is the problem. Yes, they are problems that have to be overcome; they are contradictions that have to be overcome. But, again, the dividing line in socialist society is the question of what is subordinate to what and what is the motion of that society. Is it moving in the direction of overcoming and eliminating wage-labor and payment for work performed, and towards the communist model of "from each according to his ability, to each according to his need"?

I think the very flippancy with which Szymanski talks about payment for labor performed betrays a very shoddy understanding of the contradictions in the socialist period. Because Marx doesn't simply talk about payment for labor as the "great socialist principle." He also talks about this as a *defect*, as something that has to be moved beyond. He talks about the inequalities that are inherent in the wage-labor relationship, and that's the thing my opponent is not speaking to. In fact, payment for labor performed can be very easily turned into a bourgeois relationship. In other words, from each according to his ability, to each according to his work, or he who does

not work, neither shall he eat — this can be turned into its opposite and be given a bourgeois content and serve capitalism. That is, it can become the credo of the capitalist — work for me or starve. And that is the condition that I was describing in the Soviet Union.

Next, I want to speak to some of these international points raised by my opponent. I thought it was most interesting in the beginning of his presentation that he talks about free trade as a great principle of interrelationships between countries. He quotes Marx, who of course was writing in the pre-imperialist epoch, and he also says that this is a principle that we ought to uphold — the proletariat in power should regard free trade as a fair principle. That's again another example, in the realm of international relations, of the enshrinement of bourgeois right. I think there's a very important relationship between the way in which wage-labor is approached — that is, "Hey, payment for work, that seems fine, well and good, let's move on," not seeing that in itself this is contradictory, that it has to be moved beyond and in fact can be turned into its opposite — and this view of international trade relations, that socialist countries and other countries should be engaging in free trade.

But we live in the imperialist epoch in which nations are divided into oppressor and oppressed nations, in which the existing structure of world trade from the get reinforces that division. Yet all we hear about is international trade being a good thing while we supposedly make such a big deal about autarky. Well, I don't know of any socialist principle which establishes autarky as the guiding light of a socialist economy. Mao, of course, talked about self-reliance, which meant relying on the efforts of the masses of people in developing an economy and in moving that society forward, but that is not the principle of autarky, so let's not confuse the two. By the way, in terms of international trade, to really overcome bourgeois right in the realm of international relations, you would have to modify price relations and value transfers in order to deal with the fact that there are oppressed nations in the world that suffer under the boot of imperialism, that stand in an *unequal* relationship with imperialism and occupy a subordinate place in the international division of labor, and are thus actually pushed back when "free trade" is carried on. That's another point in connection with this enshrinement of bourgeois right.

On international relations in general, first of all I want to stress that we must understand the overall position of the Soviet Union in

the world as an imperialist power. As I emphasized, it does not have much of a division of the world and it must maneuver in that context. That has real implications in terms of its camouflage, in terms of its even having to make concessionary deals. But the key thing is that they have a larger and longer-term perspective. The Soviet social-imperialists are operating according to a long-term perspective and not the immediate benefits that might be derived from this or that investment. That's one point.

The second point pertains to my opponent's view of capital export. I think it's very interesting that he basically defines capital export out of existence by identifying it with direct investment abroad, i.e., the multinational corporation. The revisionists want to prettify the situation in the Soviet Union by talking about a capitalism that basically corresponds to the nineteenth century capitalism of the independent, cigar-chomping factory owner, and can't deal with the more complex, labyrinthian relationships that are concentrated in finance capital. Then when it comes to international relationships, we have to see a French *colon* or we have to see an American-style multinational corporation. In point of fact, the export of capital does not have to assume that form. For instance, in the history of imperialism loan capital and portfolio investments were very significant (at the turn of the century).

It's very easy to identify a United Fruit Company or an Anaconda, but it's much more complex and deceptive when we deal with a so-called and ostensibly nationalized industry in Mexico, which has linkups with international debt agencies. In fact, the imperialists control countries though indirect means, through control over marketing arrangements, credit allocations, and so on. To look at the export of capital simply and solely in terms of direct productive investment is very misleading. Let me just cite one statistic which I think makes the point much clearer. In South Korea in 1960, 82 percent of the foreign capital invested there took the form of direct investment, and 18 percent took the form of loan capital. In 1975, those figures were completely reversed — 82 percent of the investment in South Korea from the West was in the form of loan capital and only 18 percent in the form of direct investment, i.e., branch plants and so forth. So, again, I think we have to take a careful look at what capital export is all about. It is the export of value to generate value, and that can go on through any variety of mechanisms, including those of the Soviet Union that I described.

If Soviet aid is qualitatively different from that of the West, let's look at what it is actually doing. Yes, Soviet aid can be repaid in kind through barter arrangements. In other words, the Soviets will lend money to help construct a factory and part of the output of that factory will then return to the Soviet Union. But what is the effect of that kind of relationship? It ties these countries in a long-term sense to the Soviet Union: it's the functional equivalent of a concession granted a foreign power, insofar as a certain amount of that output is earmarked for the Soviet Union. And what is the difference between payment in commodities and payment in money? There is no fundamental difference. In both cases, value is being generated in the "third world" countries and transferred to the imperialist country, the Soviet Union — in another form, but it's still extracted value, materialized as a commodity.

I talked very briefly about how the Soviet Union obtains super-profits through loans and pricing scissors relationships, that is, buying raw materials cheap and selling industrial equipment dear. Let me give one example which I think is very illustrative: Iraq. The Soviet Union has extended aid and loans of various kinds to help Iraq develop its oil drilling and refining capacity. Oil accounts for 90 percent of Soviet imports from Iraq, yet not *one drop* of that oil is consumed in the Soviet Union, not one drop of that oil. I find this very interesting and almost comical, because my opponent talked before about the fact that the Soviet Union has a surplus of oil which it can export around the world, and here it enters into a relationship with Iraq, through loans and aid — for oil! What is it doing with that oil? Is it using it to meet use value requirements in the Soviet Union? No, not at all. They are remarketing that oil, principally to the West European market. One has to ask, why does a socialist society do such things? What is involved here? In fact, in 1973-74, the Soviet Union obtained oil from Iraq in partial payment for arms that were extended them during the '73 Arab-Israeli War, and they sold that oil at three times its price in the West European markets.

It's very important to grasp these kinds of relationships and how they are linked with the changes that took place when the revisionists seized power. As far as Soviet relationships with the rest of the world, I think it's very significant that at the same time that Khrushchev was equalizing relations with Eastern Europe in the mid-50s, in fact entering into pricing relationships that were more advantageous to Eastern Europe, that was the same moment they

thrust massively outward into the "third world." What in fact was happening was that they were beginning to construct a network based on certain intercapitalist, interimperialist relations which extend into the "third world." That process went through stages, in terms of developing the infrastructure necessary to carry out investments in various countries, carrying through with the various forms of reorganization of the Soviet economy, and, at the same time, beginning to challenge U.S. imperialism in various kinds of ways.

During the reign of Khrushchev, that mainly took the form of collaboration and collusion with the U.S. imperialists, for fear of provoking a confrontation with the United States at a time at which they didn't have the necessary military or economic reserves to fully challenge the U.S. But, again, there are two facts that are coincident: the relations with Eastern Europe were undergoing a certain change, which was part of the elaboration of a ramified imperialist network (including increasing trading relationships with the West), and the penetration into the "third world." It's very curious that Khrushchev gives a speech in the UN in 1960, in the same period this is happening, in which he says the era of colonialism is over, and now the Soviet Union is getting into the "third world" countries to help them. It's very telling that Stalin was in fact attacked by the revisionists for not having a "broad" enough, "internationalist" enough perspective in economic relations with other countries. So there are these very significant shifts taking place that represent certain qualitative changes in the relationships between the Soviet Union and the rest of the world.