

# *Realities of Social-Imperialism Versus Dogmas of Cynical Realism: The Dynamics of the Soviet Capital Formation*

*by Raymond Lotta*

I would like to begin my presentation by reading two short poems which I think capture some of what is at stake in this debate and which tell us something about the reversal of socialism in the Soviet Union. They were gathered by Vera Dunham in a recent survey of Soviet literature. The first was written in 1917 by Vladimir Kirillov and is entitled "We":

We are the countless, awesome legions of Labor.  
We have conquered the spaces of ocean and land,  
With the light of artificial suns we have lit up the cities,  
Our proud souls burn with the fire of revolt.  
We are possessed by turbulent, intoxicating passion,  
Let them shout at us: "you are the executioners of beauty!"  
In the name of our tomorrow we shall burn Raphael,  
Destroy museums, trample the flowers of art.

Now in 1974 the prestigious Moscow literary anthology, *The Day of Poetry*, dedicated an entire section to labor by inviting worker-poets to make contributions. The poems were of a decidedly different cast. For instance, the poem "I Fear To Be Without Trade":

I fear to be without trade —  
 Not to know how  
 To cut fabric or sew,  
 To stack hay,  
 To handle a chisel,  
 Or to forge.  
 Not to know how to do anything  
 Is like having no soul.<sup>1</sup>

This poem is built around the verb *umet* which means “to know how.” It’s very telling because we are dealing with a society which puts a premium on professionalization and proficiency, which reinforces the quest for status with a deadening technocraticism. Communism for the revisionists has become the struggle to produce more to get more. This is a profoundly conservative society. Marxism is imbibed like high-school civics and has been transformed from a philosophy of rebellion and conscious struggle for the future into a religion of the status quo. Cynicism mingles with grotesque nationalism. Why are countries like Hungary — where enterprise targets are not even set centrally anymore — or Romania — where even the pretense of a monopoly on foreign trade has been discarded — why are these countries socialist? Because they are loyal members of the Soviet-dominated COMECON and Warsaw Pact.

Soviet society stands in sharp contrast to the revolutionary China of Mao and the Cultural Revolution — where mass upheavals transformed society in every sphere, where peasants met in the fields to discuss art, where rebel students brought revolutionary politics into hushed laboratories, where hundreds of thousands of Chinese workers demonstrated in the streets in 1968 in support of the Afro-American rebellions in the U.S. Marx described the fundamental line of demarcation between scientific socialism and bogus socialism in these terms:

This Socialism is the *declaration of the permanence of the revolution, the class dictatorship of the proletariat as the necessary transit point to the abolition of class distinctions generally, the abolition of all the relations of production on which they rest, to the abolition of all the social relations that correspond to these relations of production, to the revolutionizing of all the ideas that result from these social relations.*<sup>2</sup>

One must ask — on what side of this line of demarcation does the Soviet Union fall?

Yet and still, the apologists of Soviet social-imperialism declare this society to be “real existing socialism.” And even among honest and critical-minded people there is a view, which actually has a great deal of influence, that the Soviet Union, for all its blemishes, is a qualitatively different kind of society than what is normally understood to be capitalism. What are these distinctive features? Private ownership has been largely eliminated, a central plan has replaced the spontaneous operation of private markets and facilitated so-called intentional investment decisions, the planners and those in authority do not pocket the proceeds of the economic activities of others, and the very logic of the system makes these leaders more responsive to mass pressure, that is, if they want to maintain their legitimacy. What emerges, then, is a highly politicized mode of production, perhaps nonrevolutionary, but one that by definition cannot return to capitalism.

Not only does Soviet society not measure up to Marx's vision of socialism, but the attempt to prove that it is not capitalist betrays a fundamentally incorrect view of what capitalism and, more particularly, what imperialism is and what it will take to transcend it. For the revisionists, capitalism is rigidly linked with certain structural forms — privately-owned corporations investing at home and abroad, stock exchanges, and so on. And they identify capitalism with certain practices — like inherited wealth and systems of political patronage. Since these things obviously don't exist in the Soviet Union — what more is there to discuss? Their conception of socialism is just as mechanical. Supposedly, by eliminating private ownership at the top of society and erecting central planning institutions a machine that maximizes social benefit is set in motion. In fact, for the revisionists, state ownership is the functional equivalent of Adam Smith's “invisible hand.” All that is required, then, is to use this machine in the most rational and efficient manner.

Now one of Mao's central insights into the process of capitalist restoration is that the rise to power of revisionism is the rise to power of a new bourgeoisie. In other words, once the outlook of the bourgeoisie comes to characterize the overall line of the leading party, that is, once the party ceases to rely on the masses and to lead forward the struggle to overcome the differences and contradictions of socialist society and to promote world revolution, then capitalism

will be restored. This is neither a question of a mere coup by a handful — these forces have a real social base which arises from the disparities of socialist society itself. Nor is it a question of bad ideas in the abstract — the proletariat inherits a society with profound differences between mental and manual labor, town and country, agriculture and industry, a society in which a coercive state is still required, a society where commodity / money relations continue to play an important role in social production in a world dominated by imperialism. Mao emphasized that it would not be too difficult to rig up a capitalist system under such conditions; the instruments and mechanisms are, so to speak, close at hand! Until commodity production is abolished, until communism is established on a world scale, a socialist society generates two roads: one forward to communism and one back to capitalism.<sup>3</sup>

There's a very important and relevant passage in *Anti-Dühring*. Engels points out that the "value form of products . . . already contains in embryo the whole capitalist form of production, the antagonism between capitalists and wage workers, the industrial reserve army, crises."<sup>4</sup> Exchange through money is the soil breeding capitalism. It contains within it the possibility of separating the producers from the means of production, of buying and selling labor power, of accumulating capital. Unless the commodity system and exchange through money are restricted under socialism, they will disintegrate a collective economy into one made up of private aggregations of capital. The so-called reforms carried out by Khrushchev and Brezhnev / Kosygin have had just this effect.

My opponent says that we agree that the key question is who controls the state in society. This is true. But revolutionary communists emphasize the role of the state and the superstructure for completely different and completely opposed reasons. To begin with, the state is not some neutral instrument up for grabs, which can be forced or pressured to act in the interests of this or that class. It is a dictatorship of one class or another. A bourgeois state cannot be transformed into an instrument of proletarian rule, because the rule of the proletariat depends on making radical ruptures in traditional property relations and traditional ideas. For revolutionary Marxism-Leninism, the state and superstructure overall play the initiating role in socialist society; that superstructure must be revolutionized in all spheres and all aspects in order to achieve communism, that is, to abolish classes and the state itself. Thus, the

decisive turning point in the process of capitalist restoration in the Soviet Union was the counterrevolution in the superstructure in 1956 and the adoption of an all-around bourgeois line. The road forward, or shall I say backward, was chosen and backed by the force of a counterrevolutionary apparatus.

The focus of my talk, however, is neither the political struggles leading to Khrushchev's rise nor the role of the state and superstructure as such. The state is an objective structure of society whose character is determined not by the class origins of its leading personnel but by the specific social division of labor of which it is an extension and the production relations which it must ultimately serve and reproduce. It is these underlying production relations I want to focus on. In particular, I want to apply what Engels said about the law of value. These are not easy issues to get into and I ask people to bear with me. But this is the only scientific approach to grappling with the real nature of Soviet society — to pierce beneath its mystifying shell and to rip away revisionist apologetics.

We live in an era of commodity production; we live in an era in which society is divided into classes. Some mechanism must regulate the allocation of means of production and labor in order to produce and utilize a social surplus. When the proletariat rules, that mechanism is the planned allocation and conscious organization of social labor in accordance with the interests of world proletarian revolution. But if the proletariat is not consciously directing and transforming society, if the scope of commodity production is not being restricted, if a line and leadership opposed to the overcoming of the differences of class society is not in command, then some other mechanism will regulate society. And, as the historical experience of the Soviet Union has shown, that can only be the law of value. The law of value is the connecting and directing force of capitalist society. In the Soviet Union, like any capitalist society, discrete capitals or blocs of capital decide what and how much to produce and control the fruits of socialized labor. Independently organized labor processes are dominated by the pursuit of profit. Yet each particular labor process is objectively part of a highly interdependent social division of labor.

The law of value unites these fragments into a social whole. What do I mean by the law of value? Commodities, including labor power, exchange according to the socially necessary labor time required for their production. Capital flows to different spheres in

pursuit of profit. This results in the formation of a general rate of profit which establishes a norm for enterprise performance and viability. But this law operates blindly and destructively in capitalist society. Individual units or blocs of capital are obedient to the social conditions of production, to capital as a whole, but they do not function as a coordinated whole. This is true despite the efforts of capitalists — be they cartels in the West or planning in the Soviet bloc. Capital is distributed and the conditions of profitable expansion established through continual disturbances and violent reorganization. These are the objective processes, rationalized in boring revisionist tomes, that govern social production in the Soviet Union.

In capitalist society, the labor process — by which I mean purposive activity through which human beings make use of and transform nature — is subordinate to the value-creation process. The very measure of value, socially necessary labor time, is established in the context and on the basis of the capitalist pursuit of profit. The law of value is not a neutral arbiter of efficiency. It reflects the requirements of commodity production, the separation *and* interaction of independently organized labor processes. In a genuine socialist society, the value-creation process is subordinate to the planned creation of concrete use values. The striving to reduce labor time is subordinate to and governed by revolutionary, proletarian politics. For the revisionists, the law of value is not a remnant and generator of capitalism. They regard it as *the* essential tool and spur to efficiency... only they claim to be controlling it. This is the illusion Marx called commodity fetishism. Under genuine socialism, social labor is not allocated and organized according to some classless notion of efficiency. It is deployed and assessed first and foremost from the standpoint of collectively transforming and mastering society.<sup>5</sup> This is the socialist road: the continual revolutionization of society and the world. It is not the road the Soviet Union is on.

What is capitalism? Capitalism is the dominance of the law of value, a process of the expansion of value as an end in itself of which the capitalists are merely the personification. It is this dominance and not some superficial conceptions of villas and prep schools or Wall Street brokerage houses that determines the essential capitalist fabric of society. If we are to understand why the Soviet Union is waging colonial wars in Eritrea or Afghanistan; why the Soviet bloc is gripped by accelerating political and economic crisis; and why the Soviet Union, like its U.S. imperialist counterpart, is readying for a

world war of redivision, then we must understand its underlying laws of motion. This is the subject of my talk. It consists of four parts: profit in command; planning; the many-ness of capital; and crisis and international compulsion in the Soviet social formation.

### Profit in Command

The 1965 economic reforms were a watershed in the process of capitalist restoration.<sup>6</sup> They represented the systematic application of capitalist principles — something which Khrushchev had begun and botched up — within the context of a highly centralized planning and control apparatus. These reforms were a response to faltering growth and increasing inefficiency and linked with a program of massive militarization. From the moment the revisionists seized power in 1956, they recognized that they would ultimately confront the U.S.-led imperialist bloc. This and their actual position in the world influenced the internal allocation of capital and foreign policy. But this is something I will get to later. As for the 1965 reforms themselves, three issues must be examined: the interrelation between the success or planning indicators, the recalculation of prices, and the imposition of a capital charge.

Now it is alleged by my opponent that profit is only *one* of several planning indicators in the Soviet Union. But that's true in any capitalist country. It would be absurd, for instance, to suggest that corporations in the West simply pay attention to profit. They also make use of both physical and price indicators. They attempt to forecast growth, to insure long-term supply sources, to anticipate output before production, to conduct nonprofitable research and development. Moreover, the imperialist state organizes warfare and welfare expenditures which are determined by political necessity; it deploys a wide range of tax subsidies and incentives and carries out investment programs which do not necessarily yield a high rate of return. So the question is whether the profit criterion is the *leading edge* of the planning process in the Soviet Union.

During the socialist period under Stalin, the indicators of gross output and reduced cost of production were used to evaluate enterprises. These were supplemented by a host of other indicators. With the 1965 reform, the number of indicators was reduced and new indicators introduced. These plan indicators now included the wages fund, value of sales, total profits, rate of profit, contributions and receipts from the state budget, centralized investments, new tech-

niques, and material supply obligations. The revisionists openly admit the decisiveness of profit in these reform mechanisms.

Kosygin in his 1965 speech on industrial reform noted that in order "to orientate the enterprise towards raising efficiency, it would appear to be better to use the profit index. . . ." <sup>7</sup> The authoritative Soviet economist, P. Bunich, writing in 1977, tells us: "Of the new indicators, the profit indicator — which detects increases in sales volume, reductions in production costs, and improvements in product quality (since they are accompanied by price rises or markups) — most nearly approximates final effectiveness." <sup>8</sup> Here we have the myth again that profit is somehow the best means of achieving the maximum social good combined with the illusion that it can be controlled.

Actually, whatever the revisionists might say, the profitability index — which must correspond to real value relations — clearly dominates and circumscribes the others in the economy as a whole. What is the significance of the profitability index in relation to centralized investment if not to determine the necessary investment to achieve a certain profitability? The profit index objectively unifies the results of sales efforts and cost reduction into a single indicator that can be compared across industries. The contributions into enterprise funds, which consist of incentives, social, and production funds, are taken out of retained profits and are determined on the basis of the enterprises' performance with respect to some combination of these sales and profits indicators. In 1979, a new appraisal indicator for deductions into enterprise funds was established. This was value added to the material inputs. But, again, this is quite obviously a derivative of profitability. A Soviet economist, writing in the March 1983 issue of *Socialist Industry*, summed up the effect of this new index in a chemical machinery plant. Making miniature reactors was unprofitable and the plan for reactors was only fulfilled by 46 percent; rotary devices were highly profitable — and that plan was overfulfilled. <sup>9</sup> In 1978, half of all investments in the Soviet Union came out of retained profits at the enterprise level. <sup>10</sup> In other words, there is a direct link between the profitability of an enterprise and investment criteria. The overall thrust of the various reforms has been to bring profit and loss accounting to center stage at the enterprise, production association — which is like a conglomerate — and even, as decreed by the 1979 reform, at the ministerial level. And it is the central levels that maintain *decisive* control over

resources and the social product.

In 1956 sharp debates broke out over so-called rational prices. Unleashed by Khrushchev, economists railed against "arbitrariness" in prices, politically determined plan priorities, and wide disparities in profits. Previously, prices tended to be formed by adding to material costs and direct labor inputs a mark-up, calculated as a few percent of these direct costs plus overheads and depreciation. Following debates on the appropriateness of incorporating profits into prices, wholesale prices were reorganized in Soviet industry in 1967. Two major changes took place. First, there was an attempt to bring the wholesale prices of means of production closer to their value. This was necessitated by the requirement of more closely monitoring and promoting profitability. Second, and directly related, capital now had a price. When the Soviet Union was socialist under Stalin, the allocation of capital to enterprises took the form of budgetary grants from the central economic bodies. The reform instituted a payment by the enterprise to the state for capital assets. These are capital charges and they were incorporated into prices. Prices were then calculated, as they are now, as cost plus a percentage on capital.

The reformulation of prices created new contradictions. Different rates of profit are built into prices in different branches. This was aimed at ensuring balanced reproduction since industries which were previously unprofitable, but which were useful to the proletariat under socialism, were now put on the cost-accounting basis — and this would have meant their bankruptcy. Yet the Soviet economy is marked by extreme imbalances. At the same time, centralized price-fixing becomes chaotic once the economy is placed on a profit/loss foundation. There are the grotesqueries of price administration. The apologists of Soviet social-imperialism yammer about the orderly control of market relations in the Soviet Union; they wax eloquent about the wonderful flow of information up from the bottom levels, up to the planning bodies who send that information back down to the enterprise level. But the enterprises inflate their input cost estimates in order to obtain a higher final price and thereby raise operating profits. In fact, the Deputy Chairman of the USSR State Committee on Prices estimates that these costs are overstated by 20 percent or more.<sup>11</sup> This amounts to a kind of price-bargaining in the context of fixed prices.

The capital charge is a rental assessment of equipment and

other elements of productive capital. This is no mere technicality of financial accounting. It is a specific form of appropriation of surplus value by a state bourgeoisie. An enterprise controls a given amount of fixed and working capital. It must cover its expenditures and pay capital charges (along with other fixed payments) into the state budget. The allocation of capital by the state is influenced by the relationship between the expenditure of this capital and the results of its application — both the scale of earnings and the time it takes to recover an investment. The capital charge amounts to a minimum norm of effectiveness. Of course, a genuine socialist enterprise must take value and effectiveness into account. In revolutionary China rural factories had to be run efficiently. But the decision to locate industry in the countryside was fundamentally a political one — and the chief concern of the workers in these factories was politics. What we have here, however, is something entirely different — the law of value commanding social production. The apologists of social-imperialism also tell us there is no market for means of production. Now independent trade between enterprises in the Soviet Union is growing in importance, but this is not the essential point. To treat capital as a commodity, it is not necessary to *sell* it in a marketplace. Assignment of capital to particular units of production in anticipation of a certain rate of return is also a form of exchange. But what is also being exchanged in the Soviet Union, like all capitalist societies, is labor power.

Soviet society is organized around cost-accounting and a system of material incentives. When new production facilities are put into operation ahead of schedule, the construction firms acquire the right to a certain share of the client's profits. When workers perform multiple functions and reach output targets with a smaller workforce, the uniform bonuses to wage scales may be increased by as much as 50 percent.<sup>12</sup> The revisionists argue that these wages and bonuses are payment for labor performed. It's the classic argument of capital. But when the law of value and money relations determine the organization of social production workers become cogs in a machine that oppresses them; they become mice running after cheese in a maze from which there is no exit; in a word, they become wage slaves. The workers in the Soviet Union are caught in a web of wage payments and bonuses which effectively force them to put up and shut up; they survive by meeting quotas. The workers are separated from the means of production and from struggle over the cardinal

issues of the day. But they are inextricably linked with the process of profit maximization: from the work-group level on up, the call of society is financial responsibility and striving for material gain and status.

Wages in the Soviet Union are centrally administered. The total wages fund for enterprises is centrally set. But workers can seek out jobs. This certainly approximates the conditions of a labor market. This system of administered wage rates represents the operation of market relations within a plan; it is nothing more than a capitalist allocation of wage labor with inducements dangled in front of the workers to secure their cooperation. The wage and bonus system is merely a means by which the state bourgeoisie gets things done, a means of getting workers to do things that have nothing to do with their historic interests. For political and economic reasons the Soviet ruling class wants to populate the Siberian region with Moslems from Central Asia. How will this be done? Through inducements. Advertisements promise free moving and travel expenses, loans for buying cows, exemptions from taxes, lump sum payments.<sup>13</sup> As in the West, the worker enjoys a certain measure of choice in deciding who will exploit him or her and where this exploitation will take place. I know of few more striking descriptions of wage-slavery than this powerful passage from the Hungarian, Miklós Haraszti, in his marvelous book *A Worker in a Workers' State*, which describes life in one of these Soviet-style "socialist" societies:

We accept the fact of competition and its spirit, and so cannot even pose the question of whether it could be replaced by cooperation in life and in work, or why competition has come to dominate our conditions of life. . . . I myself can only write about wage-labor, piece-rates, norms, supplementary wages, and the two machine system as outrages. But, in putting the emphasis on their specific characteristics, I feel that I am guilty of maintaining the illusion that these are contingent forms which can be reformed. It seems to me that, right up to the blank page in front of me, money proves the omnipotence that it has already demonstrated in the factory. It not only has the capacity to guarantee or to threaten my existence, but also that of censuring my tongue. When I come to speak of it, I am incapable of finding words which would allow me to express anything which seems in any way adequate. Money expresses an absolute power over the terrain of objectivity: here, as in the factory, it has the power to exile

into the realms of poems those who dream of abolishing it or — which comes to the same thing — to cut out their tongues.<sup>14</sup>

Is this the way it must be? Is this all workers are capable of? Can they not transform the world in their own interest? Carrying out such transformations in a socialist society is a process of struggle. During the Cultural Revolution in China piece-rates and various kinds of bonus payments were abolished, one-man management was dispensed with, cadre participation in productive labor was introduced on a mass scale. More important, these productive units were transformed into units of political struggle and the relations between these units were transformed in order to break down the relative separation of workers from the means of production and from each other. The workers raised their heads to the question of state power and the world. In the Soviet Union, labor is subordinated to strict, hierarchical forms of authority; incentives, which amount to profit-sharing, are the stuff of motivation and control; and rebellion and struggle over the cardinal issues of the world are snuffed out. My opponent glows about production committees in the Soviet factories. But forms of workers' participation can be found in Volvo plants in Sweden. The point is that once the production of surplus value dominates social production, wage-labor becomes a commodity.

The revisionists buttress their case that labor power is not a commodity in the Soviet Union by pointing to the absence of a reserve army of labor. Two things must be said about this. First, Marx derives the growth of surplus labor from the mechanization of the labor process forced by competition, that is, from the accumulation of capital. Unemployment is not what makes labor power a commodity, although it is part of the condition of wage-slavery. Second, the idea that rising living standards and the absence of large-scale unemployment for extended periods are somehow incompatible with capitalism betrays a profound distortion of how imperialism works. Countries like Japan and Germany have for long stretches experienced high growth and low unemployment in the postwar period. Sustained imperialist accumulation makes this possible. The point is that the advanced countries cannot be looked at by themselves but must be seen as part of larger, international processes of expansion.

If the leveling of incomes is somehow the criterion of socialism,

then it must be noted that while inequality in the Soviet Union is still less than in the U.S., the 1976 measure of Soviet wage and salary inequality was almost exactly equal to the inequality measured by the same official Soviet method in Great Britain.<sup>15</sup> But my opponent lets the cat out of the bag when he tells us that the labor shortage in the Soviet Union "makes the Soviet labor system extremely advantageous to the producers. . ."<sup>16</sup> One has to ask, against whom is the working class pressing this advantage — itself, or perhaps a new bourgeoisie? My opponent would have us look for decadent and high-living leaders to discover if capitalism exists in the Soviet Union. Frankly, their personal lifestyle is irrelevant — although one might assume that it is as repugnant as it is boring. The privileges of the Soviet elite are considerable. Yet they are not mainly private personal privileges as much as they are privileges that are private to a class. A factory director may not own a car but his position guarantees that its use will be at his command. But capitalism is not quintessentially the consumption of revenue. It matters little whether the archetypal capitalist is Howard Hughes in his latter-day asceticism and know-nothingism or the mansion- and art-collecting Rockefellers.

Capital is the appropriation and accumulation of surplus value, the power to allocate means of production on the basis of certain norms. The fundamental thing that marks labor power as a commodity is the dominance of the capital relation, the subordination of the labor process to the value-creation process. But this is a question of the road and direction of society as a whole. In 1981 Bob Avakian posited this definition of capital:

Capital is a social relation and a process, whose essence is indeed the domination by alien, antagonistic interests over labor power and the continual (and extended) reproduction of that. . . . It means that. . . labor power is controlled and utilized on an expanded basis to reproduce relationships which are alien to [the workers] and opposed to them. . . .

Avakian then shows the relevance of this to a socialist society:

If ownership has been (in the main) socialized, if a correct line is in command. . . which means that the division of labor as well as differences in distribution are being restricted to the greatest degree possible. . . if the motion is toward eliminating these things,

then how can it be said that a force opposed to the proletariat has domination over its labor power or even a force alien to it, in the fundamental sense?<sup>17</sup>

Thus, the key thing that Avakian correctly points to is what labor is being applied to and what labor is working for. It is not a question, as many followers of Charles Bettelheim seem to imply, of mainly what is going on in factories or of worker control over production, but a question of what is happening in society overall.

Let me sum up the main points about profit in command. The social link that unites the various labor processes in the Soviet Union is the law of value including the production of surplus value, that is, profit as the motive force of production. Social labor is allocated according to the needs of value expansion, and the character and purpose and payment of labor is determined by that. The goal of individual units is profit and the norms and categories used to measure it result from the interaction of these very units.

To be socialist, a country would have to restrict commodity/money relations. In the Soviet Union, their extension corresponds to the requirements of capitalist commodity production. The surplus being produced in the Soviet Union, which is formally described in the Soviet texts as net national income, takes the form of surplus value and capital is behaving as self-expanding value.

Now if someone wants to make the question whether profit is the most useful measure of and spur to efficiency, so be it, but that's another debate.

## Planning

Let's turn to the plan. Given what I've just talked about, the essential question remains, what guides planning: profit or the revolutionary interests of the proletariat? The apologists of social-imperialism would have us believe that planning is incompatible with capitalism and the dominance of market relations. The revisionists claim that market relations can only exist in the form of intercorporate competition and they even argue that competition is fundamentally a struggle for markets. But what are market relations? Do they require particular forms of competition and market exchange in order to be capitalist? Must there be three brands of toothpaste on the market? No, they are relations of exchange based on the existence of separate but interdependent commodity pro-

ducers. These market relations may operate where money does not directly change hands, as when a bank records abstract credits and debits. Under imperialism, market relations become increasingly *internalized* within large units of capital, between such units, and within the state itself. For instance, the head office of a transnational corporation organizes exchange between its subsidiaries. The prices charged to the overseas subsidiaries for components amount to planned value transfers within the universe of that corporation. These phenomena result from the enormous concentration of capital and the general requirements of the total national capital. In the Soviet Union, market relations operate where there is no formal transfer of titles of ownership, but where commodities nonetheless exchange between distinct units of production and centers of control. The revisionists want us to look for a classical market. In the Soviet Union, the market exists mainly within and through the plan.

Now the Soviets certainly have no monopoly on planning. Look at GM. It sets priorities for the allocation of resources, plans major investment projects for its divisions, and establishes target rates of return for them. Cartels and joint ventures link different corporations. We're all familiar with this when oil companies set prices or when steel companies jointly go out to exploit iron ore supply sources. Nationalization and planning at the state level are essential features of monopoly capitalism. In France, 25 percent of competitive industry falls within the state sector; government-owned banks in France account for 95 percent of all loans in that country; the state plan indicates general investment requirements that should be met by the industrial branches.<sup>18</sup>

The point I'm making is this: in all its forms of existence capitalism has elements of plan and organization. This is called forth by the socialization of production and made possible on the basis of private appropriation. But underlying and compelling all of this is the struggle for surplus value, the anarchic interaction of independent capitals. Both organization and anarchy intensify in the imperialist epoch. Planning and competition are not mutually exclusive but a unity of opposites.<sup>19</sup> What distinguishes capitalism is not the absence of planning, but the struggle for surplus value. Capitalist planning represents an attempt to resolve the conflict between production and exchange by reducing the risk of selling a commodity, by planning its sale in advance.<sup>20</sup> Under capitalism, the capitalist does not know whether the labor process he organizes is socially

necessary until he sells his commodities. Again, planning tries to minimize the risk of separate production decisions. Capital strives to overcome its contradictions. The distribution of social labor and the transfer of values within the Soviet Union takes place within the context of a plan. This plan is far more comprehensive than anything that exists in the West. But such planning cannot override the laws of capital — these laws assert themselves through the plan. They ultimately determine its objectives and undermine it.

In the Soviet Union, surplus value is produced at the enterprise level. But it is transferred to the state which concentrates it and transforms it into capital. When I say profit commands the Soviet economy, am I saying that the planning authorities simply get together to figure out where to make the most money this week? No, that would be a crude simplification. To begin with, there is struggle over the allocation of capital, and this is a point I'll return to later. The key thing is that the plan is a concentration of the contradictions of capitalism. It attempts to meet the material requirements of social production in the framework of the expansion of value. It attempts to meet the overall political priorities of an imperialist social formation in the framework of capital expansion. All this raises contradictions to a higher and more intense level. On the one hand, capital is allocated on the basis of norms of effectiveness with the key being profitability — of the sort I described earlier. On the other, it is allocated on the basis of strategic and political necessity. The application of this capital is evaluated from both standpoints. But the conflict between material and profit targets and between independently organized labor processes, dependent on each other yet striving for profit, create constant tensions. Indeed, different elements of the plan operate at cross-purposes with each other.

The plan, then, must be grasped as a *moving contradiction*. The use of input/output techniques, that is, the projection of what goes in and comes out of a particular sector, and the role of the state bank make it seem like the proportionality of capital is fixed in advance. But all this ultimately depends on and answers to the production of surplus value. Bettelheim, I believe, is correct when he describes the plan as an unstable combination of commodity relations and administrative orders.<sup>21</sup> Value dominates the plan and the politics it serves are the politics of imperialist expansion.

Let's demystify this plan. Anyone who thinks that the Soviet planners draw up a five-year plan according to which everything

falls into place is sadly mistaken. The 1966-70 five-year plan wasn't even in its final form until the end of 1967.<sup>22</sup> Annual plans become much more operational — but they undergo constant adjustment and revision. The Soviet press is full of accounts of the failures of the supply plan to meet output goals and unintended changes in the product mix. Construction takes twice as long as planned.<sup>23</sup> In 1978, uncompleted projects stood at 85 percent of total annual investment — up sharply from previous years.<sup>24</sup> Enterprises finesse and finagle for supplies. Every factory has a so-called *tolkachi* or expeditor on the company payroll. When the tires for a tractor plant don't arrive on time, this expeditor goes out, armed with rubles and cognac, to get these parts; advertisements and illegal factories are also part of the game. There is the practice of what is called "storming" — crazed, end-of-the-month attempts to meet targets. Norms are constantly changing. The March 17, 1983, issue of *Pravda* contains this complaint from a production association director: "We are simply tangled in indices. . . . We don't know what God to pray to."<sup>25</sup> The god of profit, I might add, works in mysterious ways. The revisionists have a wonderful way of rationalizing all of this. When the top planning authorities determine the overall goals, the revisionists say "Ah hah, that's socialism!" When the opposite is shown, when the anarchy of this mode of production forces productive units to scamper for supplies and to resist or enforce their own targets, then the revisionists tell us, "Ah hah, that's democracy!" What this whole picture really is, is the chaos of capital!

It is alleged by the apologists that because of state ownership it's impossible for a business to go under in the Soviet Union. In point of fact, mergers and consolidations go on all the time. Moreover, the state financial organs use credit allocations and suspensions of credit as a means to steer and restructure capital towards greater profitability. In *Pravda* recently we find an enterprise director explaining his predicament: "We operate on the basis of mutual contracts. If someone's credit has been temporarily suspended, it turns out that we shouldn't ship him any output at all. But how, then, can a client overcome his difficulties? And what are we supposed to do with the output?"<sup>26</sup> Not only does this tell us something about market discipline, but about the character of planning as well — all kinds of decisions are made, but something quite different happens. And the planning mechanism must seek to "outplan" the unintended effects of its own contradictory interventions.

Historically, it is true that all genuine socialist plans have been marked by balance and imbalance and require adjustment and re-evaluation. But here we have a plan bursting at the seams as a result of the anarchy of capitalist production. Meanwhile the revisionists tell us that stability is the hallmark of socialism.

I would submit that planning in the Soviet Union serves four political purposes. First, to perpetuate and safeguard the interests of the national capital. Second, to mediate disputes between vying fractions of the state bourgeoisie. Third, to maintain the legitimacy of the ruling class and preserve some social peace through social expenditure and certain egalitarian measures. And, finally, this plan serves to mobilize resources for a world war of redivision. This is the most fundamental and overriding strategic plan according to which the Soviet ruling class is operating. It is the same plan that the U.S. imperialist bloc is acting on, though the institutional mechanisms are somewhat different.

### The Many-ness of Capital

Let me turn to the many-ness of capital. The Trotskyites and revisionists think they have pulled a rabbit out of the hat when they quote Marx from the *Grundrisse*, where he says capital must and can only exist as many capitals.<sup>27</sup> Since, according to their logic, unitary state ownership dominates in the Soviet Union — capitalism couldn't possibly exist. Of course, if you were looking for Brezhnev & Sons Motors or Andropov Savings and Loan, they seem to be on solid ground. But all this shows just how ignorant they are both of the profundity of Marx's point and the nature of the Soviet Union. Since when does the state equal one capital? As long as there are different sites of accumulation, different branches of production, departments, ministries and centers of decision-making in a society carrying on commodity production and divided into classes, you can have different capitals forming. As long as there is no conscious control exercised by the working class, where a line antithetical to its interests is in command — there will be blocs of capital forming and rivalry between them. The revisionists argue that such competition is out of the question when both prices and production quotas are set centrally. But when competition is restricted in the price arena it still asserts itself in the cheapening of cost elements through pressure on or absorption of suppliers — as happens in production associations in the Soviet Union all the time — and through organizational

and technical changes in the productive process itself. This is precisely what occurred in Nazi Germany under conditions of strict state control.<sup>28</sup> Value in the Soviet Union is formed through the conflict and interaction of discrete sites of accumulation.

The revisionists insist that private property must be linked with a system of individual rights and prerogatives. By this they mean rights of inheritance, sale and purchase of means of production and so on. But rights of inheritance are really carryovers from feudalism and, especially, more primitive forms of society in which kinship relations played an important role in the production and distribution of wealth. If inheritance through birth and family ties is the crucial issue, then one must ask whether the Vatican's holdings can be considered capital. (Although I understand there is some hanky-panky!) The essence of private property under capitalism is the monopolization of the means of production by the bourgeoisie, in whatever legal form this may assume, and the existence of discrete and competing centers of accumulation.

As we know, capital assumes more socialized forms: just think of a major corporation, which is rarely owned by one person. The separateness of sites of production is the cell of private centers of accumulation. But this is mediated in the imperialist stage of development, both Western- and Soviet-style. First, particular units of production are integrated into larger financial groups, and they operate according to a larger global perspective of profit maximization. On a higher and more important level, the imperialist state mediates the interactions of these financial groups. In fact, in no imperialist country is internal competition more important than international rivalry.

The Soviet capital formation is not the SU, Inc. In other words, it is not one big enterprise that collects profit. It is divided into many capitals. But the Soviet state bourgeoisie is not just or principally factory directors. And these many capitals do not necessarily correspond to a production association or a ministry. We are talking about distinct financial groups. This understanding is different from that of many followers of Bettelheim who either approach the state bourgeoisie as an undivided whole or who focus on enterprise managers. Now I must state that much more investigation must go on to identify the forms of existence and sources of control of financial groups in the Soviet Union. It is difficult to untangle exactly because these groups are embedded in the state. But no one in this room can

tell me with precision how financial groups interact and coalesce in the United States. Yet naming these exact groups is not necessary to establishing their objective existence and mode of operation. It is clear that such financial groups exist in the Soviet Union as complex and overlapping networks — with varying degrees of control and access to resources, with their own subplanning and regional headquarters, control over key party, government, and military positions, and sources of public opinion-making. Policy is arrived at through the interaction and conflict of larger financial groups. The state and plan are instruments of bourgeois class rule. Yet, at the same time, they are arenas of conflict within the bourgeoisie. The formulation and execution of the plan can be compared to an imperialist treaty. There is struggle over the terms of the plan, and struggle to break it.

We can see some footprints which indicate the existence of such struggle. The spread of so-called grey markets, semi-legal markets based on informal networks between factories; there is continual criticism in the Soviet press of concealment of productive potential, hoarding and noncompliance of contracts, all of which suggests a degree of noncooperation and empire-building. The empire-building becomes even more apparent when we consider redundancy between ministries — for instance, Alex Nove reports that materials moving equipment is made by 380 factories under 35 ministries.<sup>29</sup> Finally, since 1975, Soviet planners have been promising imminent publication of a comprehensive fifteen-year plan. By the start of 1982, that plan had still not been released. Let me turn to the question of crisis and international compulsion.

### Crisis and International Compulsion

The structures and mechanisms that I have been describing belong to an *imperialist* social formation. But when the question of imperialism comes up the revisionists resort to all kinds of anti-Leninist distortions to prettify the Soviet Union. They bray that the Soviets don't have worldwide military emplacements which can be compared to those of the U.S.; that they give military assistance to liberation movements; that they give preferential economic treatment to some developing countries, pump aid into their state sectors, and even lose money in other countries — à la Cuba or Vietnam. Am I going to dispute these facts? Absolutely not. They just have nothing to do with whether the Soviet Union is imperialist or

not. The history of imperialism is replete with episodes of one imperialism using a national liberation movement against another power; the U.S. did it in the Philippines during the Spanish-American War and the Japanese secured the cooperation of Sukarno in Indonesia in driving out the Dutch. The U.S. certainly loses money in Israel and has given generous support to Brazil's state sector. Germany after World War 1 had no colonies and was actually prevented from exporting capital to a substantial degree in the interwar period. Was it any less imperialist than the archetypal imperialist power — Great Britain? To be perfectly blunt, the apologists are simply prettifying an imperialist power which doesn't have a large slice of the globe and which operates, sometimes effectively, under a socialist cover. Much the same way the U.S. operated under an anti-colonial umbrella following World War 2.

If we are to understand the particularities of Soviet social-imperialism, we must reckon with its socialist past — the fact that the revisionists made use of a high degree of centralization and some of the forms inherited from socialism. But from the beginning, the process of capitalist restoration was linked with a global dynamic. The Soviet Union emerged as an imperialist power into a very specific international environment reflecting, in the main, a division of the world which had its roots in the outcome of World War 2. The Soviet Union faced a vastly more powerful imperialist network dominated by U.S. imperialism. The specific international configuration and structure of world capital impacted on the allocation of capital in the Soviet Union, its internal policies and the shifting tides of its international strategy. One profound expression of this international dynamic has been massive militarization of the Soviet economy. This was by no means the enhancement of the military potential and capabilities of a socialist state under siege. It was the projection of a qualitatively different kind of military power in the world and serving the ultimate and decisive confrontation with the rival U.S.-led bloc. And this militarization has caused enormous strains and dislocations in the Soviet economy. At the same time, when the revisionists seized power, there followed a tremendous thrust outward into the "third world."

My opponent puts great store in the Soviet Union's resource self-sufficiency. Why this militates against imperialist expansion, especially when you consider the United States, that other resource-endowed great power, is beyond me. But Alexei Kosygin had some-

thing interesting to say about this:

The representatives of industry often regard foreign trade as something secondary. This absolutely false point of view must be changed, and the contacts between industry and foreign trade must be strengthened. The importance of a stable division of labor between socialist and developing countries must be stressed.<sup>30</sup>

This much-vaunted international division of labor is nothing but a refurbished version of Ricardian theories of comparative advantage: "You do what you do best, we'll do what we do best, and we'll all mutually prosper." It is, to quote the title of my opponent's recent book, "the logic of imperialism." Furthermore, in 1978 all foreign trade associations in the Soviet Union were put — you guessed it — on a cost-accounting, that is, profit-and-loss basis.<sup>31</sup> The question of investment, trade, and aid must be seen in every imperialist economy as more a *qualitative* than a quantitative one. By this I mean the pivotal role of overseas activity, especially investments in the "third world," in stimulating the profitable reproduction of the total capital. Still, as Kosygin's statement bears out, the Soviets do not look lightly on the quantitative scope of such activity. In fact, in 1982 total trade turnover — and this includes trade with other COMECON countries, the developed West, and the "third world" — amounted to 24 percent of Soviet national income.<sup>32</sup>

I don't have time to extensively document Soviet capital export. I do want to emphasize that capital export does not have to assume any one specific form — like a multinational corporation setting up a fully owned branch plant in a "third world" country. Chase Manhattan exports capital through loans; other corporations do it through management contracts. For mainly political reasons, the Soviets go in for industrial cooperation agreements with "third world" countries. They may not involve direct ownership but are compensated through a share of production arranged through trade and aid agreements. It is through this commodity trade, financed through loans, that capital is really being exported to these countries and surplus value generated in and extracted from them. The revisionists clamor that their loans have low interest rates. But Soviet loans are double-tied: the Soviets must approve each project for which the funds are to be used and the credits must be spent on goods purchased from the USSR. By locking these countries into

agreements forcing them to sell their commodities cheap and buy back Soviet equipment at higher than world market prices, the social-imperialists are also obtaining superprofits.

The Soviet Union derives important benefits from its overseas economic activity.<sup>33</sup> It obtains strategic raw materials. The Soviets, for instance, have concluded an agreement with Morocco lasting thirty years providing a \$2 billion Soviet loan for development of phosphate deposits in southern Morocco. Most of the 10 million tons annual output will be shipped to the Soviet Union to repay the loan, and in barter deals for Soviet products.<sup>34</sup> The Soviets also obtain semi-industrial products from "third world" countries and secure markets for their industrial equipment. This trade also generates some hard currency earnings which can be used in other markets. One overall measure of the benefits of Soviet investment in, aid to, and trade with the "third world" countries is captured in their balance of payments with them. In 1960, the Soviet balance of payments with the "third world" was a negative \$229 million; in 1977 they ripped off a cool \$3 billion.<sup>35</sup> The point is this. Through such diverse economic forms the Soviet Union has structured a production relation of dependency and exploitation with the "third world." Now if someone wants to argue that imperialist investment in the "third world" is a good thing because it leads to industrialization, so be it, but that, too, is another debate.

The Soviet Union heads an imperialist network. It includes other imperialist and capitalist countries in Eastern Europe which are tightly integrated through economic and military connections. It includes client states and investment spheres in the "third world." Both the U.S.- and Soviet-led blocs are highly integrated and interdependent. But they are not self-contained. Their economic interaction and political rivalry can be seen in countries like India and Poland which themselves form part of a larger chessboard of international rivalry. But the Soviet Union has faced a certain problem. While it has been able to make some inroads into various countries in the "third world" at U.S. expense, its relative economic weakness with respect to the U.S. bloc has limited its ability to decisively tear some of these countries out of the U.S. orbit — as exemplified by what happened in Egypt. In fact, the Soviets often make gains in countries after they have gone through years of distorted and dependent development and at a time of unprecedented world economic crisis. It can inject some program assistance into these countries, but

little else — except of course for massive military aid which figures prominently in Soviet international economic and political strategy. The Soviet Union has an empire, but not enough of an empire to propel a massive and sustained surge of accumulation.

The Soviet Union is gripped by the compulsion of an internationalized mode of production. There are forces pulling capital outward, yet the present division of the world and structure of world capital does not permit either the volume of such flows or the kind of reorganization of capital internationally to fuel an expansionary process. There is a specific dynamic of crisis within the Soviet bloc. It involves a division of labor turning into its opposite, historic difficulties in agriculture, the reverberations of military spending, and a vast run-up of debt. In the Soviet Union itself there are profound manifestations of systemic crisis. Bottlenecks, shortages, and intensifying imbalances reflect the uneven reproduction of the total capital. Despite massive infusions of capital, the agricultural sector shows broad-based deterioration. The rate of capital formation and national income growth in the Soviet Union has been slowing. In fact, the 1976-80 growth targets were the lowest ever set for a five-year plan — and they were not even met.<sup>36</sup> Modernization is lagging in basic industry, yet the new five-year plan projects a reduced rate of investment. Andropov has launched a major campaign to boost labor productivity. These taken together are all symptoms of declining profitability.

For all its top-down planning, the Soviet economy is fundamentally unplanned — these difficulties are not the result of policy mistakes, overzealous planners, or inefficiency in the abstract. They flow from the contradiction between anarchy and organization in the capitalist mode of production. The crisis in the Soviet bloc interacts with the deepening and accelerating crisis in the West. Lacking the ability to expand on a new basis, the structure of capital in the Soviet bloc turns ever more wrenchingly in on itself, heightening all of its contradictions. The point is that the Soviets cannot resolve the crisis in their own bloc within the bounds of the existing division of the world. Nor can they allow the U.S. bloc to obtain the more favorable division of the world which it just as desperately needs. This is the compulsion they face. It is the same compulsion that the U.S. bloc faces. And so the two imperialist blocs rev up their peace propaganda machines while they prepare for war.

In closing, I would like to ask: is this cost-accounting, business-suit, and crisis-ridden economy consistent with socialism or with some other mode of production? Is the chauvinist proclamation of an international division of labor and the rape of Afghanistan consistent with proletarian internationalism or with some other ideology and practice? Is this mind-deadening and cynical social order consistent with the spirit of the Communards and Bolsheviks and rebels everywhere who've sought to storm the heavens, or is it consistent with the dead weight of tradition and oppression? The Soviet Union: socialist or social-imperialist? That we even have to ask that question emphasizes that the worldwide proletarian revolution is as tortuous and challenging as it is liberating.

#### FOOTNOTES:

1. Vera S. Dunham, "The Waning Theme of the Worker as Hero in Recent Soviet Literature," in Arcadius Kahan and Blair Ruble, *Industrial Labor in the USSR* (New York: Pergamon Press, 1979), p. 399.
2. Karl Marx, *The Class Struggle in France, 1848-1850* (January-November 1, 1850), in Karl Marx and Frederick Engels, *Selected Works*, Vol. 1 (Moscow: Progress Publishers, 1969), p. 282.
3. For a discussion of Mao's theory of continuing the revolution under the dictatorship of the proletariat, see Bob Avakian, *Mao Tsetung's Immortal Contributions* (Chicago: Banner Press, 1979), Chapter 6.
4. Frederick Engels, *Anti-Dühring* (Moscow: Progress Publishers, 1969), p. 368.
5. In recent correspondence Bob Avakian has put forward this brief summary of planning in socialist and communist society: "In communist society, planning, etc., will be a process involving the conscious participation, initiative and activism of the members of society and it will involve *direct calculation* of labor time and so on (without the famous value, as Engels put it); politics and ideology (the superstructure) will still be ultimately and overall dependent on the material foundation, on human labor and its products in the final analysis — but politics and ideology will play a greater role than in any previous society (even socialism). In a (genuine) socialist society, planning, etc., is under the leadership of the vanguard party but must involve the masses to the greatest degree possible and must fundamentally rely on them, both in formulation as well as implementation, which means the application by the party of the mass line; planning will have to involve the use, to one degree or another (depending on the material and ideological conditions, not just in the socialist country but fundamentally and above all in the world as a whole) of the law of value and other factors that are remnants of capitalism, but it must subordinate these to proletarian, revolutionary politics."
6. For a full discussion of these reforms, see *How Capitalism Has Been Restored in the Soviet Union and What This Means for the World Struggle* (Chicago: Revolutionary Union, 1974), Chapter 3.

7. A. Kosygin, "On Improving Management of Industry, Perfecting Planning and Enhancing Economic Incentives in Industrial Production," *Izvestia*, September 28, 1965. Reprinted in *New Methods of Economic Management in the USSR* (Moscow: Novosti, 1965), p. 28. Kosygin went on to say: "Profit reflects all these aspects of the production activities of an enterprise in a much more complete way than the production costs index. What is important in this case is to take into account not only the amount and increment of profit obtained, but also the level of profitability that has been attained, i.e., the amount of profit per ruble of productive assets."
8. P. Bunich, "Economic Accountability in a Mature Socialist Society," in *Problems of Economics*, May 1978, p. 9.
9. V. Selyunin, "Paradoxes of the New Index," in "Will the Net-Output Index Ever Work?", *The Current Digest of the Soviet Press*, Vol. XXXV, No. 11 (April 13, 1983), p. 10.
10. V. Rubin and A. Khachaturian, "Improving the Credit Financing of Capital Investments," *Problems of Economics*, November 1980, p. 49.
11. A. Komin, "Effectiveness and Price Formation," *Problems of Economics*, November 1982, p. 8.
12. P. Bunich, "Plan Indicators, Economic Norms, and Rules," *Problems of Economics*, November 1980, p. 5.
13. *New York Times*, May 1, 1983.
14. Miklós Haraszti, *A Worker in a Worker's State* (New York: Universe Books, 1978), pp. 69, 115.
15. Peter Wiles, *Distribution of Income: East and West* (Amsterdam, 1974), p. 35.
16. Al Szymanski, "Soviet Socialism and Proletarian Internationalism," in *The Soviet Union: Socialist or Social-Imperialist? Essays Toward the Debate on the Nature of Soviet Society*, compiled by the editors of *The Communist* (Chicago: RCP Publications, 1983), p. 44.
17. Bob Avakian, *Conquer the World? The International Proletariat Must and Will, Revolution*, No. 50 (December 1981), p. 29.
18. For a discussion of industrial structure and planning in France, see *New York Times*, November 28, 1982, and Andrew Shonfield, *Modern Capitalism* (London: Oxford University Press, 1969), Chap. 7.
19. This question is treated in depth in Raymond Lotta with Frank Shannon, *America in Decline: An Analysis of the Developments Towards War and Revolution, in the U.S. and Worldwide, in the 1980s*, Vol. 1 (Chicago: Banner Press, 1983).
20. This characterization of capitalist planning is put forward and developed in the important essay by Paolo Giussani, "Sur le concept de capitalisme monopoliste d'Etat," in *Communisme*, 25-26 (1976-77). This essay has been of major assistance in the preparation of this section of the presentation.
21. Charles Bettelheim, *Economic Calculation and Forms of Property* (New York: Monthly Review Press, 1975), p. 102.
22. Alec Nove, *The Soviet Economic System*, second edition (London: George Allen & Unwin, 1980), p. 34.
23. *Ibid.*, p. 162.
24. Thane Gustafson, *The Soviet Economy in the 1980s* (Santa Monica: Rand Corporation, 1982), p. 22.
25. "Will the Net-Output Index Ever Work?," *Current Digest*, p. 9.
26. *Ibid.*, p. 8.
27. Karl Marx, *Grundrisse*, translated with a foreword by Martin Nicolaus (London: Penguin Books, 1973), p. 414.
28. See Franz Neumann, *Behemoth, The Structure and Practice of National Socialism 1933-44* (New York: Harper, 1966), Part 2: Chapter 4.

29. Nove, *The Soviet Economic System*, p. 169.
30. Cited in Andre Gunder Frank, *Crisis: In The World Economy* (New York: Holmes & Meier, 1980), p. 180.
31. Elizabeth Kridl Valkenier, "The USSR, the Third World and the Global Economy," *Problems of Communism*, July/August 1979, pp. 28-29.
32. "The Report on 1982 Plan Fulfillment," *The Current Digest of the Soviet Press*, Vol. XXXV, No. 4 (February 23, 1983), p. 14.
33. As applied to India, see Santosh K. Mehrotra and Patrick Clawson, "Soviet Economic Relations with India and Other Third World Countries," in *The Soviet Union: Socialist or Social-Imperialist?*, pp. 98-114.
34. Gu Guan-fu, "Soviet Aid to the Third World, An Analysis of Its Strategy," *Soviet Studies*, Vol. XXXV, No. 1, January 1983, p. 76.
35. Data cited in S.J. Noumoff, "COMECON and the Third World," *Economic and Political Weekly* (Bombay), August 23, 1980, p. 1450.
36. Abram Bergson, "Soviet Economic Slowdown and the 1981-85 Plan," *Problems of Communism*, May/June 1981, pp. 24-37.