

## *Albert Szymanski: Rebuttal*

I've heard *nothing* in the last hour that has addressed any of my four challenges in a serious way. Nor have I heard anything but assertions that profits are in fact in command in the Soviet economy. As to the question about whether there is a privileged ruling class in the Soviet Union, the only mention I heard was that the top managers or the managers have access to the cars of an enterprise, but we all know in the United States all doctors and lawyers and most working class people have cars, and this is no evidence that a privileged ruling class exists. As to the question of was there a qualitative difference before and after the mid-50s, in any of these things, I heard virtually no evidence that things were qualitatively different, things qualitatively changed in the direction of capitalism, other than that profit was one of the 15 indicators, and a secondary one adopted in 1965, and that an interest charge was put on capital, both of these things being accounting devices to increase efficiency in the Soviet economy.

As to the question of imperialism, I got a plug for my book, *The Logic of Imperialism*, but I'd like to remind the RCP that the logic of imperialism is the export of capital, and I heard no evidence at all about capital being exported. Instead, what I heard was there is a long history of capitalist countries supporting national libera-

tion movements. The Japanese supported anti-European imperialist movements in World War 2, the U.S. supported the independence of Cuba, yeah, they certainly did. The Japanese wanted to displace the Dutch in Indonesia, and they did. Their capital went in there, and their capital went into China. That's qualitatively different than what the Soviets do. The Soviets support liberation movements, but they don't export capital to those countries. They don't make any money, in fact they end up losing considerably. How much the Soviets in terms of their own economy would have done, how much have they lost because of their support to Cuba, their support to Eastern Europe? There's a *qualitative* difference. The Soviets don't export capital, and they don't support liberation movements for that reason. They support liberation movements because of proletarian internationalism. When capitalist countries do it, they do it because of interimperialist rivalry, and I heard no real evidence that there is anything to do with the logic of imperialism in Soviet foreign relations.

As to labor being a commodity, I heard that workers can change jobs and that in fact there is some wage spread in the Soviet Union, and so sometimes workers change jobs to find higher paying jobs. This is not evidence that labor power is a commodity, that the logic of  $M - C - M'$  operates, that somebody starts with money and buys labor power in order to expand it — that's got nothing to do with it. It was the same kind of process before '55; workers could change jobs in the 1930s and there were pay differentials. This is not really a serious response to the question of is labor a commodity. Marxists have *always* argued that socialism means to each according to their work, and we get a total confusion as to the criteria of socialism versus the criteria of labor as a commodity.

I think the RCP poses a very good question, although this is not a matter of a definition of what socialism is. One would expect that in a socialist country one moves to contain material incentives. One moves away from the socialist principle of to each according to your work. One moves away from bourgeois right. And it seems to me this is exactly what the Soviet Union has done between the mid-50s and mid-70s by reducing the spread between workers and the managers or the Central Committee members, in terms of their salaries or fringes, by more than half. That's clearly a movement away from inequality — by increasing the social wage from 20 to 35 percent, by the massive food subsidies that are increasingly introduced. This is

clearly a movement away from inequality and a movement to distribution on the basis of need which is precisely what we would expect, if you want to judge a society in terms of its motion.

It's very interesting, you brought up the thing about Asians. It is true they're trying to get people to move from Kazakhstan to Siberia where there are tremendous natural resources. But the point is, they're not being very successful. This is not a mark that they are capitalists, because believe me, if they were capitalists they would be successful. The French had no problem in getting Algerians to move to France. The British had no problems getting Jamaicans to move to England, and the U.S. capitalists had no problem getting Black people to move to Chicago. But the Soviets are finding it almost impossible to get Asians to move out of central Asia. Why? Because wage scales are universal in the Soviet Union, because there is no unemployment in central Asia, so why in hell would anyone in central Asia want to give up their culture and their country to move someplace else? They're not starving like they would be if it was a capitalist situation. It's strong evidence that it's socialist, not that it's capitalist.

You mentioned that, well, "other" countries have no unemployment. I tried to lay that out to begin with, it's not true that Germany didn't have any unemployment. The German reserve army of labor is in Turkey and in Portugal. The Common Market in that area has a unified labor market. Capitalist countries need either a reserve army or an administrative mechanism like Nazi Germany had, that operated like a reserve army. So there is no evidence at all that the Soviet Union is like that. And again, nobody made the claim that because the top 10 percent in the Soviet Union only makes three times more than the bottom that's why it's socialist. What we're talking about is the alleged capitalist class. By the way, it's pretty vague to me exactly who they're supposed to be. Is it the Central Committee members? Is it all the managers, the top managers? So we have to compare them, the alleged elite, and again, if we look at the Rockefellers, the Mellons, and the du Ponts in the U.S., you're going to get a spread of a couple hundred times with an average worker's salary. In the Soviet Union you get 2½, 3½ times, and declining significantly — that's the comparison. Believe me, there's nothing like that in Sweden. The Nobel family, the people that own Volvo, they make 1,000 times more a year, probably 500 times more a year. And it's mostly tax-free in Sweden because, as long as they re-invest it,

they get all kinds of incentives. It's qualitatively different than anything in the Soviet Union. To be socialist it seems like you'd have to be constraining distribution organized on the basis of labor, and this is exactly what is happening in the Soviet Union. The increase in the social wage and the increase in equality are clear evidence of that.

Now, most of the discussion was on profits. And again, I saw no real evidence here that profits are in command. I presented evidence that in the Soviet Union there is a tremendous subsidy on basic foods. Now, that's not evidence that profits are in command. Children's toys are subsidized. Rent is one-third of the cost of maintenance. Clearly they are paying farmers twice as much as they sell things for in the shop. They are mighty poor capitalists to work on that system, let me tell you. No capitalist can work on that system.

And then I heard that, well, in the West capitalists don't always invest for profit. And you said, for example, the U.S. military is not so profitable. Are you kidding? What could be more profitable than General Dynamics, the Trident submarines, and the military stuff? Corporations are making immense amounts of money off the military, but the thing that happens there is they tax you and I and working class people, and that money ends up in the corporations. Across the board, the capitalists don't do anything that's not profitable. They may do some things that are pretty inefficient, but who pays the bill when they do something that's inefficient — that's taxes. Now, just looking at the logic of military spending, it's very different in the Soviet Union, because it's a full employment/labor shortage economy. They have to transfer resources away from food or housing to the military, and Ronald Reagan and the U.S. capitalist class knows that well. They're jamming it to the Soviet Union by forcing the Soviets to spend more on the military. The CIA is very conscious of this, and that's economic sabotage of the Soviet Union. So increased military spending in the U.S. produces tremendous profits for the U.S. capitalist class. At the same time, it really hurts the Soviets, because that means they have to take their resources away from increasing consumption standards. The CIA understands that. I don't understand why the RCP can't understand that.

The location of investment in the Soviet Union is not by profit criteria. In the capitalist world, they tend to build on where investment already is and where wages are lower. Wages are the same in

central Asia as they are in Moscow or in Leningrad, but there's less skills there, so when they put a factory in central Asia they have to train a new labor force. That's much more expensive than building a factory in Moscow. If wages were like Mexico and you pay 25 percent, you could see it was profitable. But they get no wage reduction by moving to central Asia. In terms of profitability they take a real loss by building the factories, but they build the factories for political reasons. The Soviet Union has long been committed since the 1920s, and consistently, to reduce the inequities inherited from the Tsar, to equalize the level of income per capita, education, and everything else, among the republics. So you see, even though it's extremely inefficient or unprofitable, if you will, still they focus on moving those factories to central Asia, which is why there is such a labor shortage relatively in central Asia. They can't get the people to move to Siberia because it's a socialist economy — labor power is *not* a commodity.

Again, it's not a question of planning; it's planning for which class. Now, it might be possible for state capitalism to be totally planned, I have my doubts, but the real question is, in the socialist economy is planning in the interests of the working class, not in the interests of any alleged new capitalist class and not for accumulation for its own sake? And it's not a question that, well, they don't fulfill the five-year plan. How in the world could they predict accurately what the wheat crop was going to be? All they can do is estimate it. If the weather is bad, does that prove the country is capitalist, because the plan wasn't fulfilled? No, it's the question of whether or not profits are in command, and there is no evidence that profit is anything other than a secondary indicator.

Let me quote you from Lieberman. He's the Soviet economist that allegedly outlined the theory of profits being in command that was implemented in the Kosygin reforms of 1965. What he said about it was this: "All the basic levers of centralized planning — prices, finances, budget accounting, large capital investments, and finally all the value, labor, and major national indices of rates and proportions in the spheres of production, distribution, and consumption — will be determined entirely at the center." In other words, profits do not determine investments, they do not determine the wage bill, they do not determine the prices, they only determine a very small percentage of the bonuses. Profits in no way were in command in the Lieberman proposal, and furthermore, in 1965 they

didn't even adopt the Lieberman proposal. They adopted a much watered down one, where they reduced the number of centrally planned targets from about twenty-five to about fifteen, of which realized output was the primary one. I won't read the quote from Kosygin, but it's real clear that profits have always been a book-keeping device and not the criterion of investment, as they would be in capitalist society, not the criterion of wages and not the criterion of prices. Those things are centrally planned and they're centrally planned for political reasons, both in terms of what benefits the working class and, very crucially, what transforms that society. So we're talking about division of labor, education of the working class, the expansion of goods distributed on the basis of need — all these things are essential components of the plan.

Of course, banks in the Soviet Union do use credit as one of the mechanisms to implement a plan. But to say they have a capital charge or use interest as a mechanism to ensure plan fulfillment is a far cry from whether profits are in command. We really ought to get beyond this, back to the basic question that I thought the RCP understood in *Red Papers 7*. The question is, which class has state power in the Soviet Union? It's not a question of what mechanisms they use to guarantee the plan. I thought we agreed that the plan was really ruling; *Red Papers 7* seemed to draw that conclusion. So then the real question is, who controls the plan? Planning for what? What's the political line that guides the plan? Profits are not in command of the Soviet economy. There's just no evidence for it, there's virtually universal consensus among all anti-communist scholars, people who work for the government, the CIA, . . . I mean, *nobody* can make a serious case that the law of value and markets are the guiding thing. That markets determine what goes on in the Soviet Union is not a credible position. The only legitimate argument that we have is who controls the state, and again, I think all the evidence indicates that: one, there is nothing like a capitalist class and, two, that there are umpteen different instrumental and structural ways by which working-class power becomes real in the Soviet Union.