KHRUSHCHEVITE REVISIONISTS TAKE ONE FURTHER DANGEROUS STEP TOWARDS CAPITALIST DEGENERATION OF SOCIALIST ECONOMY

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A plenum of the Central Committee of the Communist Party of the Soviet Union was held during the last days of September this year in which A. Kosigin read a report on the so-called «improvement of the management of industry, perfectioning of planning and strengthening economic stimulation of industrial production». He wound up the last phase of debates on «economic reform», which had been started in the Soviet Union as early as Autumn 1962.

Like every other plenum since the Khrushchevite revisionist group has assumed the leadership in the Communist Party of the Soviet Union the last one too took a further step towards treason, this time in the field of economy.

The main topic of the plenum was a change in the method of management of industry and of planning industrial production. As usual the Soviet revisionist leadership made a lot of demagogical noise about these changes and measures connected with them. It tried to single them out as a new economic reform of «international significance», as a force that would yield miraculous results and would turn the scales in «competition» between socialism and capitalism, as «the last word» in applying economic laws to the development of society, as a «new scientific treatment» of the economic problems of socialism and so on and so forth.

The scrutinous examination of these problems so loudly proclaimed shows that their virtual intention is to pave the way for a wider and more consistent application of revisionist views in matters of managing socialist economy, in the aims of socialist production, in the ways that should be followed and the economic levers that should be used. Measures taken at the last plenum are a continuation and logical deepening of the revisionist course in the field of economy, an application of capitalist organizational forms and methods painted in socialist colors.

Through their economic policy Khrushchevite revisionists have long wrecked the socialist bases of Soviet economy. We are all familiar with N. Khrushchev's so-called reforms like the break up of the Tractor and Motor Stations and the sale of their means to the kholkhoses, «the virgin new lands», the setting up of people's economic councils and of directorates of kholkhosian an sovkhosian production, his tutelage of the maize cult, the insertion of material stimuli as the only factor to promote socialist production and so on. Now the Soviet leaders themselves and their press are obliged, in view of failures met with, to admit that many of these «reforms» were nothing but gross blunders causing grave consequences to Soviet economy.

«The new economic reforms» of N. Khrushchev's successors, far from correcting any of the catastrophic measures taken at N. Khrushchev's time, are a deeper implementation and a more complete application of the directives given by Khrushchev to insert into Soviet economy forms

of organization and methods of management typical for capitalist economy. Khrushchev in his time, had more than once expressed his sympathy towards the system of organization and management of capitalist economy especially of American economy, and had constantly given advice to learn from the experience of American industrialists and farmers, from the experience of Eatons and Hearsts &C°. It is this experience that the present revisionist leaders of the Soviet Union are inserting on a large scale in Soviet economy.

Under guise of criticizing the bureaucratic, inefficient administrative management of industry, the plenum launched its attacks on the principle of centralized management and planning of socialist economy. Under guise of extending the use of economic stimuli and economic methods of management, it attacked the principle of regulating socialist production in a plannified way, of adjusting it to the material and cultural needs of workers. Instead of this principle it was pointed out that the most effective mechanism to regulate production and distribution in socialism should be the use of free markets, the unrestricted action of the law of values, profit, credits, independent activity of enterprises and other categories of capitalist economy. Under guise of promoting the initiative of the working masses through material interest, it attacked the socialist principle of distribution according to work done, upholding the cultivation of bourgeois views on becoming rich and on creating for managers of enterprises such privileged positions as to enable them to become rich by unlawful means, which would consequently degenerate them into a new bourgeoisie.

The main features of the economic policy of the Soviet revisionist leaders lie in demagogy, preserving only the form, the outward view of the basic principles of socialism. Their true essence is their violation, their disregard of these principles, their anti-marxist, capitalist treatment and solution of the fundamental problems of socialist economy. The aim of this policy has always been and continues to be the camouflaged preparation of conditions to degenerate Soviet economy. The measures taken also at the 1965 September plenum of the Central Committee of the Communist Party of the Soviet Union serve this end and are drawn up in this spirit.

The complete failure of N. Khrushchev's measures to set up councils of people's economy

It is borne well in mind by all that, following the 20th Congress of the Communist Party of the Soviet Union, N. Khrushchev began to launch his frontal attack against the fundamental issues of marxism-leninism. This attack could not spare, and in reality it soon affected the sound marxist-leninist principles of management of socialist economy.

Giving full play to his revisionist course, N. Khrushchev undertook to «re-organize» the management of industry and building construction in the Soviet Union about the middle of 1957. He suppressed

all economic Ministries at the center and in the United Republics. Councils of people's economy were set up in their place for the USSR and for all economic regions which were charged with the task of managing the various branches of industry and building construction.

N. Khrushchev and his closest collaborators, Brezhnyev, Mikoyan and Kosigin considered this measure at that time a major economic «reform», «the creative development» of the marxist-leninist principles of socialist economic management which would allegedly correct the bureaucratic distortions which had arisen in this field by J. V. Stalin's cult. It was also alleged at that time that this reform was being made for the sake of enforcing the Leninist principle of centralized and planned management of economy, for the sake of combining centralization and local initiative better, of raising the standard of concrete and operative management of enterprizes, and so on and so forth.

We do not intend to list here all the epithets which revisionist propaganda attached at that time to N. Khrushchev's reform. But we cannot pass over the fact that in order to justify this reform both Khrushchev as well as his heirs today — Brezhnyev, Kosigin, Mikoyan and all the gang of his propagandists tried their uttermost to prove that this reform was an objective necessity which was allegedly supported by and emanating from Lenin's teachings. They did not even hesitate in this case to distort and mis-interpret Lenin's writings regarding economic advice for this purpose.

But no matter how much mud Khrushchevite revisionists may throw on the memory and teachings

of Lenin, they will never succeed to distort before true marxists his great revolutionary teachings on socialist economic management. Lenin, at his time, stressed the principle of democratic centralization as a major principle of management of socialist economy. «Communism», he used to say, «demands and presupposes the highest centralization of large-scale production throughout the country.» (V. I. Lenin. Works, vol. 36, page 392).

This leninist principle passed the historical test of socialist construction in the Soviet Union. It was concretized and further enriched in the system of Soviet economic management which was established in the USSR during the period of socialist construction under J. V. Stalin.

The real purpose of setting up councils of people's economy was to de-centralize Soviet economic management and development. As a result of this measure, the management of industry according to branches was substituted with management according to territory.

Decentralized territorial management, however, came very soon into conflict, as it was expected, with the objective development of branches and gave rise to a number of phenomena of grave consequences for industry and for the entire Soviet economy. These consequences were so serious that even the press itself and the Soviet leaders were obliged to refer to them, keeping, of course, many other and more scandalous things under cover. Here are some of these consequences.

The economic and technical unity of management and development of the branches of industry was broken up. A situation was created in which

plans of production and of the use of modern technique were studied and approved by certain organs, plans of production and capital investments by certain other organs, while plans of furnishing — by third organs. Localist discriminating tendencies became so matter-of-fact that they led to attempts at local autarchy, or to setting up a closed economy at the level of the territory under the jurisdiction of each economic council. In Soviet economic life it happened that the leaders of one economic region or another tried their best to organize the production of this or the other product or equipment, although these might be produced better in other regions. In addition to this, the Soviet press has recently been obliged to mention, allegedly for purposes of «criticizing», many other cases that show that when an economic district produces products that are scarce, when it comes to distribution it looks only to «supplying its own needs» with no regard for the needs of other districts or the general interests of people's economy.

Confusion was created in economic relations among the various branches of industry. Bureaucratic and arbitrary stand towards economic problems became more intense. By applying the system of management by territories a state was created in which tens of enterprises of the same profile tried to produce the same commodity, each independent of the other. Such phenomena occur all over in the industries of tractors, cars and electrical appliances, in those of means of transportation by river and sea and in other branches of industry. Need it be proved how injurious this is to planned socialist economy, and that this can only take

place in the economy of the capitalist type which develops in a spontaneous way and through competition?

By adopting the system of territorial management state discipline and state responsibility became so weak that it started to give place to chaos. This system created such conditions as to enable the managers of enterprises to attribute all failures to reach plan targets to higher offices and account for every failure by «objective reasons». Direct personal responsibility for work assigned to them disappeared. Only through this can the following and many other similar examples, of which the Soviet press is full, can be accounted for: 30 different signatures from several firms were needed to coordinate the plans of supply of one enterprise alone.

The chopped up management of industry according to territory became a major obstacle to put into effect the successes of science and technique on a large scale. And this could not but handicap the development of industry especially in such branches as the light industry, the food-processing, chemical paper and lumber industries and that of construction materials.

Finally, it must be stressed that management of industry on the basis of territorial de-centralization and revisionist economic policy as a whole have caused further difficulties for all Soviet economy. Disproportionate development of various branches of economy became more intense. Retardation of agriculture by industry, which had an earlier start, became more evident and assumed menacing proportions. Production of light industry lagged far behind that of heavy industry. Plans of

producing commodities for broad consumption are not fulfilled in a systematic way. The number of schemes not completed at the time-limit prescribed increased. Installations were long overdue. Material values and financial means were blocked from economic circulation more than at any other time before during the period of socialist construction.

As a result of these consequences the rate of increase of industrial production (not to speak of agricultural production) and of national income slowed down. During the period from 1963 to 1964 these rates were lower among the lowest the Soviet Union has ever recorded during the last thirty-five years.

All these consequences, which are directly and solely due to revisionist economic policy, weighed, in the end, on the shoulders of the working masses. The rates of increase of the real incomes of the population were slowed down. Difficulties to meet the needs of the laboring masses, especially for agricultural products, became more acute. Speculation and the black market of most essential consumption goods spread all over the country. There was also among these men a certain individual who «in the 20's» had been an «NEP» man and who «had stolen all along».

Or let us take the case of the man in charge of the workshop of a psycho-neurologic dispensary in Moscow and his collaborators who set up «an illegal enterprise» and through bribes «acquired 58 knitting machines» and a large supply of raw materials, and established connections with «52 factories, artels and kholkhoses», and, within some years amassed three million rubles. They had succeed-

ed in buying off the fellow workers whose duty was to fight against stealth of socialist property and speculation, like controllers, auditors of accounts, inspectors and so on.

In Kirghiz, a band of forty or fifty persons, having taken possession of two factories, organized in them illegal production, robbed the state of over 30 million rubles. This band included the Chairman of the planning Committee of the Republic and the Deputy-Minister of Trade, seven office directors and chairmen of departments of the Council of National Economy, of the State Control Committee, as well as a prominent «kulak who had run away from the place he had been deported to».

Plans to do away with taxes and to raise the material welfare of the population so loudly promised by N. Khrushchev, L. Brezhnyev, A. Mikoyan and A. Kosigin for demagogical purposes and political expediency, failed in full, they were buried before they saw the light of day. All of these gravely affected the standards of living of workers and intensified their discontent towards the revisionist leaders and their policy.

Finding itself in straits the Khrushchevite group of the Soviet leadership tried hard to find a way out. And the best way out for it was to stretch out its palms to American imperialism for grains and credits. The Soviet Union which was formerly considered by all the world as the greatest exporter of grain, was now obliged to import unheard — of quantities of grain from the USA and other capitalist countries. In 1963 it imported 14 million tons of grain from the USA. Since July this year the Soviet Government bought over 7

million tons of wheat from Canada, Argentine and France, and in September this year it was announced that the Soviet Union would again buy nearly 2 million tons of wheat from America. This way out is not a casual solution. On the contrary, it is a manifestation, a well thought-out aspect of the revisionist policy and plot to discredit the Soviet order, the socialist order of things to the advantage of capitalism.

These were the inevitable results of the revisionist economic policy of N. Khrushchev and his group, which would one day surely come to light as they actually did. The economic laws of the development of society cannot be changed by any revisionist policy. It was proved once again that any economic policy deviating from the teachings of marxism-leninism, trying to revise these teachings, and failing to take into account the historical experience of socialist construction, regardless of all attempts to keep it going, even in a powerful economy as that of the Soviet Union, is bound to fail and to fail for certain, as it has done in recent years.

At their last plenum the Soviet revisionist leaders decided to abolish the councils of people's economy and, in their stead, to set up Ministries for the various branches of industry. The setting up of Ministries was alleged to have been done for the purpose of eliminating decentralized management and planning and of returning to the leninist principle of democratic centralization. In this case too they did not miss the chance to try to persuade internal and external opinion that this step was allegedly conformable to Lenin's teachings and

springs from them. It is very significant that in order to prove that economic councils should be eliminated, revisionists turned once more to Lenin, made use of his authority, quoted his works. But it did not bother them at all that seven years before they had set up the economic councils speculating with Lenin's teachings, hiding behind Lenin's name. According to Soviet revisionist leaders, Lenin may change his mind as often as they need a thing of this kind to obliterate their spoors. This is equal to degrading Lenin's work, to making light of his name.

As a matter of fact, we are here faced again with the usual demagogy of Soviet revisionist leaders, with a new trick of theirs to waylay the naive. But revolutionary marxist-leninists are already familiar with the tactics of Soviet revisionist leaders. When they find themselves in great straits and too far ahead on the road of betrayal they try to maneuver, they even resort to some kind of «criticism» for illusionary culprits, but their final objective remains the same. This is happening also now with the steps taken at the 1965 September plenum.

The real meaning and purpose of the steps taken at the 1965 September plenum is *to root out the very foundations of planned management of Soviet economy, to decentralize it under new conditions, under another name and on a larger scale, to plunge Soviet economy deeper and deeper into the pit of its degeneration.*

Inspite of the great damage the creation of economic councils brought about and their complete failure, the present revisionist leaders did not condemn N. Khrushchev's reform. On the contrary, they tried their best to minimize these losses and this failure and to prove that this reform was allegedly correct at that time, but that conditions had now changed (!) Kosigin himself stated that «the organization of industrial management through economic councils had many positive sides to it, but as time went on, major deficiencies began to come to the fore».

This stand of revisionist leaders is not to be wondered at. The present leaders of the Communist Party of the Soviet Union are Khrushchev's most trusted men and closest collaborators. They did not renounce Khrushchev's reform as they try to cover up, to conceal their responsibility as co-authors of this reform, as persons who have been fully at one with Khrushchev's economic policy and faithful agents to carry it out. On the other hand, the stand the revisionist leaders took towards Khrushchev's reform shows once again that they are determined to pursue to the letter and to carry out to the end Khrushchev's revisionist economic policy without Khrushchev.

At the 1965 September plenum revisionist leaders tried their hardest to create the impression that measures proposed by them to change the management of industry and planning were the result of collective study, that they were submitted to extensive public discussion and that they were based on deep scientific study and so on, whereas for the not very distant past, when Khrushchev was in power, they speak rather reluctantly of the existence of subjectivistic methods, of arbitrary acts, of personal decisions taken without taking into account the experience of the masses and the views of scientists and so on. Soviet leaders have

really become ridiculous. How soon have Brezhnyev and Kosigin forgotten that right after the 20th Congress they had hailed the «true democratic and «the spirit of collective leadership» which had allegedly been established in the party and in its Central Committee after Khrushchev «had smashed J. V. Stalin's cult of the individual». Did Mikoyan not state at the time that «the main features which characterize the work of the Central Committee and its presidium these last years is the fact that, after a long interval, our Party set up a collective leadership», and that «leninist spirit of innovation and principle, leninist management, leninist leadership of the Central Committee headed by N. S. Khrushchev have triumphed»?

When L. Brezhnyev awarded the decoration of Lenin's Order to Khrushchev in April 1964 he cried out loud: «In our country there have been established leninist norms in the life of the Party and of society, the immortal spirit of Lenin in all its purity and rectitude has again prevailed. Your name, Nikita Sergeyevich, has been linked for all time with this new historical phase in the life of our country, which will consecrate the magnificent glory of the pioneers of communism during the present generation of the Soviet people» (!)

In the message addressed to Khrushchev at that time by the Central Committee of the Communist Party of the Soviet Union we read: «We all know the major role and the leninist revolutionary courage which you showed in the struggle for the triumph of leninist norms in the life of the Party and of society. The Party and all the Soviet people know how energetically and with

what talents of a prominent organizer and knowledge of facts you work, Nikita Sergeyevich, in urgent matters of economic and cultural reconstruction, of scientific and technical development, of communist enlightment» and so on and so forth.

Did Khrushchev himself not declare at the time that the reform of creating people's economic councils was a collective measure of the Party which had been discussed with the laboring masses and was accepted by them?

Hence the question: When have they taken collective decisions, during Khrushchev's time or now, during the time of his successors and, have there ever been true collective decisions taken after the 20th Congress of the Communist Party of the Soviet Union? If what has been said after the 20th Congress, namely, that «full leninist norms of collective leadership have been established» in the life of the Party, is true, then are the present Soviet leaders, as close collaborators of N. Khrushchev, not fully responsible for all that had occured during this time? And if all this hue and cry about «the re-establishment of leninist norms in the life of the Party» after the 20th Congress, was an outright bluff (which it really was), why then is the finger not placed on the sore spot, why is the culprit for the creation of this situation not named and not condemned openly in public?

It is not the first time that the present revisionist leaders maintain an attitude of this kind towards themselves and toward the principal culprit. the top leader of modern revisionism, Khrushchev. And this attitude is neither casual nor without a purpose; nor can it be accounted for by lack of courage. To expose Khrushchev and to discard his

revisionist course would be tantamount to present leaders to expose themselves, to incriminate themselves, for they are part and parcel of Khrushchevism, for they are faithful perpetrators of Khrushchev's course. Therefore, the myth about «the new collective leadership» is sheer bluff. The truth is that the same revisionist spirit and the same revisionist methods of leadership continue to prevail in the Party and in its leading organs.

«The new economic reform» — A major step towards decentralizing Soviet economy

By trying to camouflage by all methods and means the true nature of their new economic reform, the Soviet revisionist leaders try to describe it as a necessary reform aiming at allegedly increasing the economic efficiency of socialist production. There is nothing new or original in this. Khrushchev too claimed that all the measures he took in the economic field were dictated by the same objective.

What do we understand by economic efficiency of social production? At first sight this might seem very simple. But let us not jump into conclusions. In reality, it is exactily the distortion of this matter that the Soviet revisionist leaders use as their principal passport to cross over to their new economic reform.

The problem of economic efficiency of production is a dominant one for all social orders. As such the classics of marxism-leninism and historical practice has proven that it can be solved aright only from positions and requirements of the basic economic law of each given social order, through a

just combination of the yield of people's economy as a whole and the yield of one individual branch or enterprise.

In the socialist order of things in which the purpose of production is to meet the material and cultural needs of society as a whole, this purpose serves also as a basic and universal criterium to determine the economic efficiency of production in all phases of its development. Consequently, the only leit-motif to which socialist production should serve and submit is to meet the needs of the workers, to raise their material and cultural welfare. The main index by which to measure, in the last resort, the economic efficiency of production is the degree in which this production meets and responds to the needs of society.

As far as yields, the concrete expression of economic efficiency, are concerned, these again must be seen as closely related to the requirements of the basic economic law and the degree of people's economy as a whole. This means that the yielding capacity of an individual branch or enterprise should be evaluated, first and foremost, from positions of needs and perspectives of the development of national economy, and then, of course, from positions of urgent advantage. Any other narrow interpretation of rentability in socialist economy is at variance with the teachings of marxism-leninism and with the historical experience of socialist construction. To place the rentability of one branch or enterprise above that of people's economy, to place immediate rentability above the interests of future development of national economy, would mean to act in the same way as in the capitalist order of things. Finally, in the matter of evaluating economic efficiency and

rentability marxism-leninism teaches us that we should take into account the internal and external political factor, the political obligations of building socialism and communism.

Soviet revisionist leaders, however, did not stop short of revising even this vital matter of the socialist order and of substituting it with capitalist conceptions. According to them, socialist production should not submit to the fundamental economic law, the fulfilment of the material and cultural needs of the masses, but to securing as maximum results with as minimum efforts. They openly declare that attaining maximum results with minimum efforts is the most universal law of socialism. This law should also serve as the sole criterium by which to judge the economic efficiency of socialist production and of each individual branch or enterprise.

But why did the revisionist leaders stand in need of substituting the fundamental law of socialism with the law of economic efficiency? What lie behind this «new theoretic discovery»?

Of course, there is nothing bad in the objective of attaining maximum results with minimum efforts in production as such. Nor can it be said that this is an unknown, alien objective for socialist society. The evil and all the stratagems of Soviet revisionist leaders lie in the fact that they purposely distort the marxist-leninist meaning of this objective, they turn it into an objective similar to capitalist production, and, as a consequence, advocate the same ways, methods and organizational forms which are used in capitalist economy to attain it. According to them, in socialist economy as in capitalist economy, profit should be the sole

criterium to serve as inducement and measure of economic efficiency of social production. «Orientation to increase efficiency in production», Kosigin stated in his report read at the plenum, «is best served by the index of profit, of rentability». Thus, the Soviet revisionist leaders turned the just socialist principle of producing as much as possible with as little expenditure as possible (that is, at lowest costs) to the capitalist principle: the greatest profits from least capital.

As can be seen, the Soviet revisionist leaders stood in need of the matter of economic efficiency and its distortion in order *to pave the way for profit, to usher it in as the main motive force of production in the socialist order too.*

Always under the pretext and watchword of increasing economic efficiency of production, the Soviet leaders urged the need for changing the method of economic management in a radical manner. According to them, it is high time to cross over from methods of «administrative» management of people's economy to the so-called methods of economic management. But what do revisionist leaders consider «administrative» methods of management of economy? It suffices to pose this question to see that by that they mean the management of socialist economy in a planned and centralized way by the state. According to them, management of socialist economy in a planned and centralized way by the state has nothing in common with the economic methods of management; as if these are not two things that complement, that presuppose each other in socialist economy, but alternatives of each other. In short, when the revisionist leaders raise their voice against «adminis-

trative» management of economy which is based on the economic laws of socialism, they raise their voice against planned and centralized management of economy by the state, against the leninist principle of democratic centralization in economy. According to them, planned centralization and management of economy by the state are consequences of J. V. Stalin's cult of the individual therefore, they are to be abandoned as soon as possible and the «cult of planning» should be discontinued once and for all time.

For the Soviet revisionist leaders the only economic methods of management of socialist economy are those based on the free play of the mechanism of the law of values and of markets and on the unhampered action of all categories connected with them, such as profit, credits, percentages, prices and so on. Renegate Khrushchev's downright capitalist motto *«we should act in the same way as the capitalist would act in this case»*. this is the essence of those methods of management of socialist economy which revisionist leaders so unscrupulously proclaim as the only correct economic methods. It is for this reason that in carrying out their own economic methods revisionist leaders turn their eyes to capitalist methods, to the experience of capitalist countries in the use of market levers.

Before the socialist order ever came to being classics of marxism-leninism had envisaged the preservation and existence of production goods, of the law of values, the markets and other categories connected with them in socialism. But at the same time they clearly indicated that their economic and

social role would radically change. The historical experience of socialist construction shows that socialist society should use these categories in a planned and consciencious way for the benefit of society, for the benefit of socialism, narrowing down and limiting the sphere of their spontaneous action, their devastating consequences. In this sense and in this sense alone these categories serve in socialism both as economic levers in managing the economy, in regulating social production, distribution, exchange and consumption, as well as in managing the economic activity of enterprises and organizing the relations among them. Only in this way can a just connection be established between plans and the law of values and marketing and the law of values and markets can be devested of its function as a spontaneous adjuster of production.

Judging by the masses envisaged in the economic reform it turns out that, according to Soviet revisionist leaders, the more highly developed socialist production is, the greater becomes the need of regulating production on the basis of the law of values and the market, the more necessitous it becomes to limit the role of planning in a centralized way. Under these conditions the economic activity of enterprises and the relations between them should also be freed from any intervention by the state and should be regulated only by the action of the law of values and the market. Such an interpretation of the action of the law of values and the market aims at leaving socialist economy at the mercy of spontaneity. To uphold the free play of the market in socialist economy means to undermine socialist planning, to undermine centralized management of economy and to pave the

way for spontaneous and decentralized development. This means to place the sign of equality between capitalist and socialist production of commodities. By proceeding along this road, the present revisionist leaders do nothing but pull out of the grave the old views of Bukharin and other opportunists which the Communist Party of the Soviet Union under J.V. Stalin's leadership exposed and discarded at their time.

As can be seen, «the methods of economic management» of which the Soviet revisionist leaders speak with such zeal, and which constitute one of the main directives of the new economic reform, are nothing but methods borrowed from the practice of the management of capitalist economy. Revisionist leaders stand in need of these so-called economic methods *in order to cross over from the centralized and planned management of economy to its decentralized management and to its spontaneous regulation, in order to pave the way for the free, unhampered play of capitalist economic laws in Soviet economy.* Behind the pseudo-marxist blabber of crossing over to «economic methods of management» there lies the insertion of Soviet economy into the way of its degeneration.

Insertion of capitalist methods and organizational forms into Soviet economy

Measures envisaged in the new economic reform affect and transform all the most important aspects of the system of planned and centralized management of socialist economy. On the basis of the economic reform, relations according to the pattern

of capitalist economy are established between individual enterprises and people's economy as a whole, among enterprises themselves, as well as between enterprises and the market. All these relations are pervaded with the spirit of liberalism and decentralization, with the idea that profit should be the motive power of socialist production, while the market should be the principal regulator. As to integrated, universal planning to govern all the people's economy, the revisionist leaders, while keeping it 'pro forma', speak a lot, but in reality it is wrecked and it is replaced with prognostic planning.

Let us now look at some of the principal measures of this reform, at their true meaning and purpose.

The first measure envisaged by the reform is that of extending the free activity of economic enterprises, exempting this activity from centralized and planned management, of giving full freedom to enterprises to take their cue from and act in accordance with the demands of the market with a view to deriving as large profits as possible.

In order to achieve this the enterprise is authorized to set in an entirely free way the volume of production, its nomenclature, the yield of work, the size of the working force, wages, cost of production, capital investments and so on. The enterprise should center all its attention to two indices alone: to profits and sales (the amount realized). Profit will represent the whole objective of the economic activity of the enterprise, whereas sales (the market) will serve as a means through which the enterprise will take its cue in its activity to achieve this objective. In short, the enter-

prise will produce not to better meet the material and cultural demands of the working masses, but to sell in the market so as to secure as high a profit as possible. Hence the question: What distinguishes this production of a «socialist» enterprise from that of a capitalist one? Nothing. This is production of a capitalist category.

The economic reform envisages a broad decentralization in the policy of accumulation and capital investments. It authorizes the enterprises to use a large part of its profits to extend its production, by fixing capital investments independently. Decentralized investments will increase considerably. Suffice it to point out here that in 1967 investments of this nature will increase 33% over those of 1964 coming up to nearly 4 billion rubles. Moreover, centralized budgetary appropriations for capital investments will be replaced with decentralized credits, which is a plain copy of patterns in capitalist practices. Credits and percentages will be used as a means to subject capital investments to the rush for profits and market demands. Decentralization of investments aims at regulating also the proportions of various branches of industry in a spontaneous way by profits of each enterprise and by market demands.

Conformable with the spirit of decentralized management of production and its planning on entirely capitalist criteria are organizead also the relations between the enterprises of production and trade organizations of retail selling. From now on enterprises of production are free to conduct direct relations with trade enterprises, to sell them goods and to produce on the basis of their purchase orders. This reorganization aims at subjecting pro-

duction to the free play of market forces, to sales, through which profits are after all secured. The tendency is such as to substitute the centralized and planned supply of materials and technique to enterprises by free sales of the means of production between enterprises of production and consumption. In this case, production of the means of production (their quantity and structure) will also be directly regulated by the conjuncture of the market.

The new economic reform changes also both in form and in substance the nature of financial relations between an enterprise and the state budget. It is envisaged to abolish taxes on turnover, as one of the forms of the net income of society and to replace it with a new tax, as the Yugoslav revisionists have recently done. The new taxes which enterprises will pay will be a percentage on the productive funds (basic of turnover), which is identical with the familiar capitalist category — percentage on capital. As a consequence, another category of capitalist economy has been introduced to act freely in Soviet economy. By implementing percentages on productive funds, taxes on turnover will ultimately be reduced to indirect taxes on goods for broad consumption, which will be identical with excises which are exacted in capitalist countries and which weigh entirely on the shoulders of the laboring masses.

In the framework of the above-mentioned measures and in organic connection with them, radical changes will also take place in the system of prices. A reform connected with prices is, therefore, foreseen for the coming year. Regardless of the concrete measures which will be adopted in this connection, it is already clear that the Soviet re-

visionist leaders are convinced that in this matter too it is necessary to pursue the example of capitalist economy, by taking the capitalist scheme of production prices as the basis for setting prices. In addition, it is envisaged that the prices on most of the goods should be set directly by the enterprises, in a decentralized manner, by complying with the law of supply and demand. In the beginning there will be 'pro forma' fixed prices set in a centralized way, but in time, these too will be fixed freely by the producing enterprises themselves.

Measures specified in the new economic reform in the Soviet Union are, in essence, as like as two water drops with the measures long in practice and now even more so in Yugoslav economy. We are all familiar with the results which these measures have yielded in Yugoslav economy. Yugoslav economy at present is characterized by chaos, spontaneity and competition, by a rise of capitalist elements and speculators, by a disproportionate development of branches of economy, by the constant rise of prices and by the lowering of standards of living of the laboring masses and by other typical manifestations of capitalist economy. In face of the chaotic situation into which revisionist policy has plunged Yugoslavia, Tito himself was obliged to assert once again in his recent speech at Varashdin: «At the beginning it seemed as if the new reform would not affect our standard, as it was impossible to assess all elements. The new measures we have adopted have affected to a certain extent our workers, especially those employed in low yielding enterprises». Titoite reforms have led and are constantly leading Yugoslav economy towards capi-

talist devolopment. Through the new economic reform Soviet economy is also bound, sooner or later, to share the same fate. The so-called economic methods of management of enterprises which the revisionist leaders are practicing will give rise in Soviet economy to the same phenomena and consequences that prevail today in Yugoslav economy.

In their new economic reform the Soviet revisionist leaders have put aside the socialist principle of distribution according to labor and have replaced it with capitalist forms of remuneration for work done. They try to conceal this direct turn to capitalist methods of distribution by speculating in a demagogical way with the socialist principle of the material interests of the workers.

Marxism-leninism teaches us that the use of the material interests of the workers as a stimulating factor in developing productive efficiency and raising output of work, is correct and essential. On the other hand, it has been proven, both in theory and in practice, that the principle of material interest can be effectively used to the benefit of socialism and of the laboring masses themselves only when it is rightly combined with the communist stand of workers towards work and its results, with the formation and steeling of their socialist conscience, with the use of moral stimuli, with educating the workers in the spirit of placing social interests above personal interests.

In arrant contradiction with this, the new economic reform proclaims material interest as the sole factor for whose sake the workers of socialist enterprises should labor and produce and on the basis of which their work should be remunerated.

The enterprise is for this reason authorized to set up from its profits a fund for remuneration the size of which is unlimited. From now on workers will be remunerated according to the system of «their taking part in the profits and losses of the enterprise». This is a typically capitalist system widely used in enterprises in capitalist countries. This system creates innumerable opportunities for managers of enterprises to speculate arbitrarily to the detriment of workers, to appropriate a considerable part of the work of laborers and, in this way, to increase their incomes and to get rich more easily. This has already been proven on a large scale in Yugoslav enterprises where the workers are also paid on the basis of profits they realize.

What will this system of remuneration bring to the laboring masses? Its first result will be different remuneration for the same amount of work done in enterprises of the same branch. The size of the difference of incomes will depend on the commercial efficiency of the enterprise, on the size of its profits, on speculations and combinations which it will make to increase by all means its «rentability» and profits. This will give rise to the uncontrollable urge of workers to move from enterprises of lower incomes to those of higher incomes. Finally, the managers of enterprises, from the point of view of the size of their incomes, will turn to veritable capitalists, as in Yugoslavia, where they receive «incomes» tens of times larger than workers, or receive rewards amounting to as much or nearly as much as the whole of the fund of payment of the workers of the enterprise.

Through their new way of remunerating work the Soviet revisionist leaders give us another

example of «the creative use» of the laws of socialism. In this case the question crops up automatically: Can it be said that this way of distributing incomes among workers is at one with the socialist law of distribution according to the amount of work done? There is not even the last shade of distributing according to work done in such distribution. A distribution of this kind conforms only to the capitalist principle of «becoming rich at the expense of the work of others».

The new method of remunerating work creates conditions and educates the workers with the spirit of looking at all their efforts in production in the light of their material and pecuniary interests, with the spirit of running after money and becoming its slave. It spreads and cultivates bourgeois views of getting rich, of placing personal above social interests; it represses the socialist ideology of the laboring masses and poisons their conscience.

The policy of creating privileges and enriching certain classes of the population at the expense of the laboring masses pursued by the Soviet revisionist leaders has a specific aim in view. This aim is: to expand the ranks of people who serve as a social basis to carry out the political line and revisionist views of the treacherous leaders of the Communist Party of the Soviet Union.

The demagogy of revisionist leaders and reality

The new reform creates a transitory situation in Soviet economy which is bound to develop towards capitalism for it cannot stop half way. For the time

being the Soviet revisionist leaders are acting according to the principle «let both the sheep live and wolves be satiated». They are trying to reconcile the free and independent initiative of enterprises, the uncurbed action of the laws of the market with the fundamentals of socialist planned economy. This, however, is something impossible, a task that cannot be solved, for planning and the free market are two things that cannot be reconciled, two things that exclude each other. In this case the Soviet revisionist leaders do nothing but proceed openly along the path of the apologists of capitalism, who demand, no more and no less than, to unite free private initiative with socialist planning.

Practice is the only criterium of truth. Historical practice and that of Yugoslav economy indicate in a most convincing and clear-cut way that there are only two ways to promote present economic development, namely, the way of capitalist development and the way of socialist development. There is no nor can there be a middle course or a grafting of capitalism into socialism. Therefore, the course the Soviet revisionist leaders are mapping out for Soviet economy is that of degeneration, of evolution towards capitalism.

The typical thing about the Soviet revisionist leaders is that they are pursuing that course with more cunning than Tito's clique, and the measures they have taken are more camouflaged and more refined. They would have liked to place Soviet economy sooner and more openly on the road to degeneration, just as they have placed their policy on the road towards open cooperation with American imperialism, on the road to capitulation to

it. But the internal conditions in the USSR prevent a thing of this kind for the time being.

It is a known fact that the roots and positions of socialism were very firmly established in the Soviet Union when the revisionist leaders of the Party began to think of finding ways to degenerate Soviet economy. A certain length of time was needed to prepare public opinion, by demagogical means, of course, and get people accustomed to capitalist methods and organizational forms, covered always under the cloak of socialism. Even now, after the reform, the Soviet revisionist leaders dare not yet call things by their own name. On the contrary, they still continue to swear demagogically and with cunning, that the capitalist methods adopted in Soviet economy are «purely» socialist in substance. But this demagogy will soon lose its gloss and things will emerge naked as they are in reality. Their false aspect will soon be revealed for the laboring masses are bound to feel the weight of the inevitable consequences emerging from placing economy on the road to degeneration.

Fearful of what may be about to happen, the Soviet revisionist leaders resort to demagogy when they say that, so long as state property of the means of production is kept in the Soviet Union, there can be no question of existence of capitalist phenomena in Soviet economy, and that the socialist nature of economic relations remains unchanged. In this connection A. Kosigin stated: «The essence of the system of economy lies in the fact as to in whose hands lie state power, the means and tools of production, to the interests of which class is production developed and profits distributed. This is a basic matter and in this matter we have stood

and will always stand on firm positions of marxism-leninism». It must be asserted that A. Kosigin can claim no originality for this statement. He has copied it literally from A. Mikoyan who, returning from a visit to Yugoslavia, and in order to prove that the Yugoslavs were allegedly building socialism in their country, declared at a meeting of the plenum of the Central Committee of the Communist Party of the Soviet Union that: «the means and tools of production are in the hands of the working class, of the workers' state in Yugoslavia».

It is true that on the surface the means of production in the Soviet Union preserve the form of social property. But with the new economic reform, from the view of its real substance, of relations in production, distribution, exchange and consumption, of the aim of production, its organization and management, social property has entered into the road to degeneration.

The way Soviet economy is going, social property is no longer serving the interests of socialism and of the laboring masses. Production, based on it, instead of developing in order to meet the material and cultural needs of the laboring masses, their well-being, is done for the sake of gains, rentability and enrichment. Instead of being regulated by plan and developing the economy as a whole, production is regulated by the free play of the forces of the market. Instead of being distributed according to work done and, on this principle to determine the part that each laborer should receive, social products are distributed on the basis of the profits of each individual enterprise and profits are the main factors on which the incomes of workers depend. Under these circumstances, although property continues to preserve its external aspect of social property, in essence economic processes and relations are dominated more and more by capitalist phenomena, it turns out that social property becomes its antipode; it serves as the basis of to degenerate socialist economic relations and to set up the class of the new bourgeoisie.

Revisionist views on economy are spreading also in various degrees in other socialist countries of Europe where revisionist leaders are in power. So-called economic reforms, or new systems of planning and economic management have also been adopted in these countries. In all these cases enterprises are free to fix the volume of production, the sale price of finished goods, to procure the raw materials themselves, and even to be independent and free also as far as their relations with foreign markets are concerned. The economic results of enterprises are assessed only on the basis of profits and wages of workers and sales prices are fixed by the enterprises themselves. These «reforms» and «novel systems» have been adopted in industry, building construction, foreign and home trade and, they will gradually be adopted in agriculture, transports, public services and so on.

But it must be said that both in the Soviet Union and in the other socialist countries of Europe where they have been adopted, these «reforms» are coming up against critical contradictions. The economic policy of the revisionists in all these countries has met with the resistance of the laboring masses and has aroused their discontent. A clear expression of the discontent and the distrust of the laboring masses towards the economic policy of the revisionists is the non-realiza-

tion of plans of production, lack of efforts to raise the output of work, weakening of state discipline to enforce the accomplishment of economic tasks and so on. And this is fully natural and understandable since the more the revisionists insists on putting into effect their anti-marxist, capitalist policy, the further do the peoples of these countries move away from the correct tested road of socialism, the easier and more systematic do they make it for new capitalist elements to grow and thrive, the more they pave the way for evolution towards capitalism, the more they meet with the determined opposition of peoples and of true revolutionaries. Faced with the mistrust of the laboring masses and with a view to appeasing their discontent, the revisionists of these countries have found a most effective formula in the appeal which Tito addressed to the laboring masses of Yugoslavia for the same purpose, namely: «Do not lose heart, have patience, as the advantages of the new economic system will be felt later on.»

The economic reform adopted in the Soviet Union and the measures taken by other socialist countries in Europe have aroused a lot of interest in the capitalist world. In all principal capitalist countries they have been hailed with satisfaction and have been called by their real name as initial doses of capitalism in socialist economy. The international bourgeoisie, the American imperialists in the first place, have already begun to export their capital in the form of credits to the Soviet Union and to certain Eastern-European countries, as they have long done in Yugoslavia. Knowing the ruthlessness and intentions of monopolist capital it is clear that the fundamental objective of the imperialists is to use these credits as fetters to hold in economic bondage the Soviet Union and the other Eastern-European countries as they have done Titoite Yugoslavia. This bondage represents one of Johnson's famous «bridges». And imperialism has received its guarantees for these investments by first acquiring a favorable official stand towards its policy. In the case of Yugoslavia it found this assurance and guarantee in Tito's clique, that is why it invests and keeps investing year after year millions and billions of dollars. As regards the Soviet Union and the others, it is finding this guarantee in the pro-imperialist policy which Khrushchevites are pursuing, that is why the imperialists have begun to invest their capital without fear. The press in capitalist countries and the ideologists of imperialism are exerting great pressure on and persistently demanding of revisionist leaders to be consistent in their line of degenerating socialist economy, to carry the processes begun in this direction to their logical end, holding out the economy of Yugoslavia as an example and pattern to them.

Referring to the economic reform in the Soviet Union the American newspaper «Monitor» wrote in its editorial on Septemer 30, 1965: «The economic reform does not influence to a large degree the economic life of the Soviet Union alone, but it is at the same time of deep significance to the future of communism as a whole.... It is true that such steps are an imitation of western economic methods. On the other hand, this large scale freedom of action of enterprises is nothing else but part of the step towards unlimited freedom which has been manifested in other aspects of

Soviet life. We are convinced that nothing can resist this current». It goes without saying that when this bourgeois newspaper speaks of freedom and of an irresistible current, it has nothing else in mind but the capitalist way of development. Besides this, by identifying revisionist economic policy with socialism, the bourgeois press has launched a frenzied campaign against the alleged failure and incorrigible crisis of the socialist economic system.

Yugoslav revisionists too, as lackeys of imperialism who have long thrust their economy on the road to capitalist degeneration, have welcomed with joy and optimism the economic reforms of their Soviet and other colleagues. The Yugoslav press make no secret of the affinity, and even the identity of these reforms with those applied in Yugoslavia. Formerly N. Khrushchev, while visiting Yugoslavia in September 1963, had praised the Yugoslav system of economy, and had even expressed his desire and intention to make a study of and apply it in the Soviet Union. Khrushchev, to his bad luck, was not able to realize this desire in full. But what Khrushchev failed to do is now being done by his successors. This is the reason why Yugoslav revisionists hail the new economic reform of the Soviet leaders, in which they see the fulfilment of their mission as «transmission belt to carry economic ideas of the West to the East».

All the support and aid given to this reform by the bourgeois press, the apologists of imperialism and Yugoslav revisionists are a very significant indication as to whose advantage is this reform and in what direction it leads Soviet economy. The new economic reform of the revisionist leaders

is one which opens the way towards degeneration to Soviet economy. This undeniable truth cannot be covered up by any demagogy and cunning of the Soviet revisionist leaders, however refined they may be. Through this reform the present Soviet leaders showed once again their true anti-socialist and anti-Soviet features; it showed that they are persistently marching along the Khrushchevite path of treason. No doubt that while pursuing this path they can hope for no better destiny than that of their inspirer — N. Khrushchev.

TABLE OF CONTENTS

The complete failure of N. Khrushchev's measures to set up Councils of people's economy 6

«The new economic reform» — A major step towards decentralizing Soviet economy 16

Insertion of capitalist methods and organizational forms into Soviet economy..... 24

The demagogy of revisionist leaders and reality..... 31