

# The Mechanism of the Soviet Economic Machine

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When the question is raised of bringing out the class essence of the mechanism of the functioning of a given economic system, its fundamental feature should be analyzed first, because this is what distinguishes one mechanism from another; then comes analysis of the economic categories of this system, and finally of its socio-economic consequences.

Following this course of analysis, it turns out that the fundamental feature, on which the present mechanism of the functioning of the Soviet economy is founded, is its development and management, not on the basis of a unified general state plan, but on the basis of the laws of the market. This regulating mechanism is applied by using such economic categories as commodity, labour power, capital, profit, production price, competition, supply and demand, the free play of prices in the market, percentage on capital, etc. It is also inevitably accompanied by such social-economic phenomena as anarchy, spontaneity, unemployment, inflation, price rises, increased cost of living, economic crises, etc. These are also the most important guidelines which characterize the mechanism of the functioning of the capitalist economy of every bourgeois country today.

In conformity with the capitalist mechanism of the functioning of the economy of the Soviet Union, the Soviet enterprises have gone over to the so-called complete financial self-sufficiency, i.e. to complete economic independence. An inevitable corollary to this is that their economic-financial activity is no longer subject to centralized planning. Now they are entirely free to choose to produce those goods, in that quantity and with that range which, in the conditions of the free play of the market, will bring them the highest profits and enable them to withstand the fierce competition. The independence of Soviet enterprises has reached such a point that speculation and the black market have become a normal phenomenon of their economic and financial activity. If we add to this general framework, in which the Soviet enterprises operate, the creation of branch and inter-branch combines of the monopoly type also with complete economic independence, we can see the mechanism of the functioning of the Soviet economy as a whole, which is a typically capitalist mechanism which the Soviet revisionists try to disguise with socialist phrases.

The Soviet revisionists still assert that their economy is guided by a state plan, that there is planning and, consequently, centralism in their economy. But the state plan, as the Soviet revisionists conceive it, is by no means a socialist plan; it does not contain specific targets for each economic enterprise, and consequently, enterprises are no longer obliged to apply it. As independent commodity producers, the Soviet enterprises recognize and submit to only one economic power — the power of profit, of the market and its spontaneous laws. Thus, even that centralism which exists in the Soviet economy is a bureaucratic centralism of the monopoly type.

The lack of a truly socialist plan in the Soviet economy is brought out and confirmed by other facts, too. The so-called plan of the Soviet enterprises contains only indices in value such as profit, the norm of profitability, the percentage on capital and distribution of profits between the state and the respective group of the revisionist bourgeoisie. This so-called plan contains no indices of the quantities and range of concrete products to be turned out, about the fundamental funds or the funds of circulation, or any indices

to do with the size of the labour force and wages, the distribution of the products, fundamental investments, etc. It is obvious that such indices cannot be laid down for the Soviet enterprises, since the aim of their production is profit, since the labour power and the means of production are commodities, since everything these enterprises turn out passes through the 'devil's mill', i.e. through competition and the market. In these conditions, to speak about centralism, plans and planning is just like trying to convince people that, even when all eyes are turned on profit, the market and the capitalist mechanism of the functioning of the economy, this economy can still be called and actually be a socialist economy. This scandalous assertion is clear proof of the anti-Marxist logic of the Soviet revisionists.

Marxist-Leninist theoretical thought and our experience in the construction of socialism have proved that a truly socialist economy must be an economy which functions, is regulated and managed in a planned way; it is an economy in which the main problems — those which represent the fundamental needs of the society and those which represent the main proportions of the extended reproduction, are decided and safeguarded in a conscious, centralized way, by a single centre — the socialist state. This is the only regulating mechanism of a genuine socialist economy, a mechanism based on the economic laws of socialism and the very opposite of the regulating mechanism of the market and the law of the value, characteristic of the capitalist economy. Even the market of mass consumer goods in the socialist economy is regulated within the context of the plan, is subject to and serves this plan. In this market the working people of town and countryside can spend the money earned by their work, choosing among the goods they find on the market according to their tastes and needs. On the other hand, the labour market, the market for capital and means of productions do not exist in the socialist economy.

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In order to give the capitalist practices of the functioning of the economy they have established in the Soviet Union the most attractive, credible and allegedly Marxist-Leninist 'theoretical' appearance, the Soviet revisionists grasp at the question of the use of commodity and money relations in the socialist economy.

It is a known fact that Marx and Engels did not envisage commodity production in socialism, they did not put forward for solution the question of commodity production, or the utilization of commodity and money relations in the socialist economy. On this basis, before the triumph of the October Socialist Revolution the opinion was widespread that socialism was incompatible with commodity production, that they are mutually exclusive. At that time it was accepted as an axiom that commodity production did not exist in socialism. It is an historical fact, also, that in the period of war communism in the Soviet Union attempts were made to abolish commodity and money relations. However, the mechanism of the functioning of the Soviet economy of that time proved convincingly that it was impossible to build socialism without using commodity production and the economic categories resulting from it. Basing himself on the experience gained during the period of war communism, Lenin unhesitatingly and definitively discarded the dogma of the incompatibility of socialism and the socialist economy with commodity production. Lenin linked the abolition of commodity production and money relations with the triumph of communism on a world scale.

Meanwhile, it has been proved, both in theory and in the practice of the construction of socialism in our country, that commodity production and commodity and money relations in the socialist economy do not present themselves with the same features and nature as in the conditions where capitalist ownership over

the means of production prevails, but undergo modification. To bring out this difference Stalin proved that in socialism there is a commodity production of a special kind. It is precisely this thesis of Stalin's that the Soviet revisionists furiously attack and reject, with the aim of gaining acceptance for their bourgeois thesis that the socialist economy, too, is allegedly an economy of commodity production, a market economy.

Hiding behind the 'argument' that the socialist economy, too, is allegedly a commodity production economy, a market economy, the Soviet revisionists extend commodity and money relations to the whole social product, including the means of production and labour power. Therefore, the combination of the means of production with labour power, as the fundamental economic relationship on which the objective of production depends, is not carried out directly, through the mechanism of the centralized planning of the economy, but through the act of sale and purchase, in the interest of the revisionist bourgeoisie which, as the owner of the means of production, appropriates the surplus value created by the Soviet workers and peasants. It is on this basis that the mechanism of the functioning of the Soviet economy operates in the spheres of production, distribution and exchange.

Since the direct aim on which social production is based is the securing of profit and not the fulfillment of the needs of the working masses, since it is based on commodity production and not on the direct social product, the mechanism of the functioning of this production can be no other than that of the market with its inherent laws. No economic system, including the economic system which operates in the Soviet economy today, can escape this combination, this objective conditioning.