

I. THE USSR IS A SOCIAL IMPERIALIST COUNTRY

1. We hold that the USSR is no longer a socialist but is a social imperialist country. In calling the USSR social imperialist we refuse to detach the politics of imperialism from its economics and refuse to consider social imperialism as merely the preferred policy of a ruling group or clique within the Soviet party seeking collaboration with U.S. imperialism. We hold that capitalism in the USSR has been restored as a social system and that the reproduction of social relations are subordinated to the accumulation of capital. We consider this to be a restoration of capitalism at its highest or monopoly stage, that is imperialism, and consider it to be characterized by the dominance of monopolies, by finance capital, by the pronounced importance of the export of capital, and by the struggle of the USSR for world hegemony in contention and collusion with U.S. imperialism.

*Policies of 50's
+ consolidation of
economics in 60's*

We call the social system of the USSR state monopoly capitalism because of state monopoly ownership of the means of production, because of state control of finance capital, because of state control of the export of capital, and because of the direct state control over all aspects of the struggle for hegemony.

2. We hold that the restoration of capitalism in the USSR means the separation of the working class from ownership and control of the means of production and that the agents of capital—a new bourgeoisie in the state apparatus, a new bourgeoisie of enterprise managers and a new bourgeoisie of rural capitalists—have seized state power. This means that labor power has been reduced to a commodity and that the means of production function as capital. Social production serves the accumulation of capital, rather than the securing of the maximum satisfaction of the constantly rising material and cultural requirements of the whole of society (Stalin). Proletarian politics do not have priority over economics, but instead "economic methods" are used to run the economy and profit is in command of social production.

3. We hold that the restoration of capitalism in the USSR is not the result of a counterrevolution or a counterrevolutionary coup of the overthrown exploiting classes or their remnants within the country, nor the result of external imperialist aggression, but the result of an internal peaceful revisionist degeneration. During the socialist period the fundamental contradiction remains the Contradiction between the bourgeoisie and the proletariat; however the proletariat has become the dominant aspect of the contradiction. Class struggle and the struggle between two roads and two lines continues and non-antagonistic contradictions among the people can become antagonistic if they are not correctly resolved on the basis of a proletarian line and the science of Marxism-Leninism. Thus the sharpest internal manifestation of class struggle after the liquidation of the exploiting classes is the struggle between Marxism and revisionism.

4. We hold that the material bases for peaceful revisionist degeneration under socialism are two: (1) the material-economic base inherited from the past (2) the external influence and pressure of world capitalism. The stains of the old society exist not only in consciousness or ideology, but are also stamped upon the process of social production. Capitalist relations of production have developed the productive forces in a capitalist way and stamped them with a capitalist character. This means concretely: (1) the persistence of commodity relations and the operation of the law of value, and (2) the persistence of the social division of labor including the distinction between the tasks of direction and execution and the division between mental and manual labor. The dictatorship of the proletariat must be an instrument for the perfection of socialist relations of production in order to accomplish a socialist transformation of the process of social production in a revolutionary way, in order to achieve a genuinely socialist development of the productive forces, and in order to wipe out every objective and subjective trace of capitalism.

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5. We hold that the peaceful revisionist degeneration of the USSR was decided first in the superstructure by an attack on the conscious element. During the whole period of socialism leading cadres fill roles in social production which bear the stamp of capitalism and which tend to generate bourgeois ideology. Socialist revolution is not a spontaneous process but a conscious struggle between two classes, two roads and two lines organized and directed by the vanguard party relying fully on the masses and generalizing every revolutionary initiative of the masses. Cadres who fail to firmly grasp the mass line and who fail to strengthen party leadership in all fields substitute the worship of spontaneity for Marxism-Leninism and degenerate into bourgeois elements. The attack on the conscious element in the Soviet state apparatus and in the Soviet Party succeeded in destroying the proletarian vanguard and eliminating the dictatorship of the proletariat.

6. We hold that the principal stages of the restoration of capitalism in the USSR involved (1) degeneration of the superstructure through an attack on the conscious element in the realm of ideology, (2) through an attack on the vanguard party and (3) through the wrecking of the socialist economic base and the systematic fostering of capitalist relations of production by the party and state.

Historically, this has occurred in three stages: (1) the period of inner-Party struggle during the lifetimes of Lenin and Stalin; (2) the period of the wrecking of socialism, under Khrushchev 1952-1963; and (3) the period of the conscious reestablishment of capitalist relations of production, under Brezhnev and Kosygin 1964-to the present.

A. Period of Inner-Party Struggle

When capital realizes that it cannot defeat the proletarian revolution on the battlefield, it turns its attention to "seizing the fortress from within"---ensuring the victory of a bourgeois line within the Party of the proletariat, which in turn will compromise the proletarian character of the state.

IN the CPSU these major two-line struggles revolved around the Party's policy in the countryside, since the worker-peasant alliance was the foundation of the dictatorship of the proletariat in the USSR. First, Trotsky, with his anti-peasant line of "primitive socialist accumulation" or ruthless exploitation of the countryside by the town, then Bukharin, with his pro-Kulak line of encouraging the exploitation of the poor and middle peasants by the rich, attempted to drive a wedge between the proletariat and peasantry, setting the stage for capitalist restoration. These lines were defeated by the proletarian line of Lenin and Stalin in the 20s and 30s.

Following World War II a new bourgeois center (or two allied bourgeois centers) emerged in the CPSU, associated with the Ukrainian political machine of N.S. Khrushchev, then First Party Secretary in the Ukraine, and with Nikolai Vozneshensky, head of the state planning apparatus (GOSPLAN) and member of the Politburo of the CPSU. Brezhnev and Kosygin were respectively the proteges of Khrushchev and Vozneshensky. The attack of these forces against socialism came down around three areas:

1. IN AGRICULTURE Vozneshensky preached, and Khrushchev put into practice a line which encouraged the expansion of production on collective farmer's private plots (petty commodity production for the market) and the breakdown of socialized labor on collective land by the introduction of the "link system" in which a single family or small group of neighbors would be the fundamental unit of collective labor. They also urged the abolition of the state-owned Machine Tractor Station network, a powerful instrument in the hand of the state in raising the ~~max~~ technical and political level in the countryside, and drawing the collective farms closer to the state. All of these 'reforms' sought to reverse the hard-won victories of collectivization and swamp the countryside with petty commodity production and the narrow, bourgeois individualistic outlook that grows out of it, laying the basis for the emergence of a new Kulak class

2. IN PLANNING Vozneshensky proposed making the law of value the main regulator of the proportions of economic development, rather

than Party policy based on the needs of the masses, thus destroying the socialist character of centralized state planning, and turning it into a reflection of market forces --- capitalist, indicative planning as was then practiced by Fascist Germany, and is practiced today by many West European countries. He proposed a reform of prices that would have brought back capitalist "prices of production," and eliminated the "arbitrary, politically determined and economically unsubstantiated" prices which under-valued both the basic items of consumption and the means of production, causing hardship to the Soviet people and slowing down the expansion of industrial production.

3. IN THEORY both Khrushchev and Voznesensky exalted "practicality" and belittled the role of Marxist-Leninist science ~~science~~ and the ideological mobilization of the masses as means towards the resolution of the economic, social and political problems facing Soviet society. Voznesensky also put out the line that had previously been pushed by Bukharin --- that socialism is defined simply by the most "rational" deployment of the productive forces, and not by the dictatorship of the proletariat.

4. STALIN'S COUNTERATTACK was swift, and had he lived, would have been through. Voznesensky and Khrushchev's "agricultural reforms" were scrapped and a new policy based on strengthening collective labor and the political-ideological mobilization of the peasantry was undertaken. Voznesensky's price reform was reversed, and his draft Five Year Plan, which would have put the law of value in command and increase enterprise autonomy, was rejected by Stalin. Khrushchev was recalled to Moscow, where Stalin could keep an eye on him. Voznesensky was stripped of his position, tried and shot for attempting to restore capitalism. Stalin prepared for a new purge of the Party. The ideological foundation of this campaign was his Economic Problems of Socialism, a detailed refutation of the revisionism of the Khrushchev-Voznesensky group and a major contribution to the science of Marxism-Leninism in its own right.

B. Period of the Wrecking of Socialism

However, Stalin's death cut short this rectification campaign, which was just getting off the ground, leaving most of the capitalist-roaders in the CPSU unexposed. Through a complicated series of factional manoeuvres, Khrushchev managed to seize control of the Party, break the power of the state security apparatus, still loyal to Stalin's proletarian line, and through the elaboration of a through revisionist political line change the character of the CPSU from a proletarian to a bourgeois party, and the character of the state from a dictatorship of the proletariat to the dictatorship of the bourgeoisie.

1. The triumph of this revisionist line was marked at the XX Party Congress of the CPSU in 1956. There Khrushchev delivered his famous "secret speech" attacking Stalin, which amounted to an attack on 30 years of proletarian rule.

2. The XX Party Congress also marked the beginning of a systematic attack on the main weapon of the proletariat in achieving and consolidating its rule: the scientific theory of Marxism Leninism.

a. the doctrine of the "3 Peacefuls": Peaceful Co-Existence, Peaceful Competition, and Peaceful Transition to Socialism marked

a fundamental revision of M-L theory and practice

i. The doctrine of Peaceful Co-Existence replaced proletarian internationalism as the fundamental principle guiding the foreign relations of socialist countries ---- it extended the concept to the relations between oppressed and oppressor nations, and exploited and exploiting classes, abandoning the national liberation movements, attempting to suppress the class struggle, and marking the Soviet Union's emergence as a collaborator of U.S. imperialism.

ii. the doctrine of Peaceful Competition was a revision of the most fundamental precept of Marxism: that class struggle is the motor of history. The international proletariat and the oppressed peoples were told to sit back, while the USSR developed its productive forces and bested the USA in peaceful economic competition, which would prepare the ground, mystically, for a peaceful transition to socialism.

iii. the doctrine of Peaceful Transition to Socialism negated the teachings of the classics of M-L on the necessity for the violent overthrow of the capitalist system. It had the effect of transforming Communist and Worker's Parties throughout the world from revolutionary into reformist parties.

b. Khrushchev's major self-styled "creative development of M-L was his theory of

i. The Party of the Whole People which was the total negation of the need for the proletariat to have its own Party, guided by its own ideology, M-L, and representing the most conscious and organized detachment of the class. It transformed the Soviet CP into a Party like the Democratic Party here, lots of workers, under the ideological and practical hegemony of the bourgeoisie. Clearly a Party of the Whole People cannot exist while there are still classes, even when these class are non-antagonistic.

ii. The State of the Whole People, which negated the M-L precept that the state is an instrument by which one class suppressed other classes, an instrument of class rule. The bourgeoisie has always tried to pass off its dictatorship as representing the will of the whole people, even under fascism, the proletariat, because it represents the majority, can come outfront and call its rule dictatorship. The theory of the State of the Whole People was a giveaway for the fact that the majority --- the proletariat --- no longer held state power, that state power had been usurped by a privileged gang of capitalist roaders. S/A

c. In the New Program of the CPSU adopted at the XXII nd. Party Congress and in the infamous Liberman Debate conducted in the early 1960s Khrushchev and Co. began the ~~xxx~~ ideological legitimization of profit ~~xxxxxxxxxxxxxxxx~~ as the main indicator of economic efficiency --- and thus, ultimately, as the guiding principle and goal of economic activity. This of course meant the running of the Soviet economy as a capitalist economy:

"The Party attaches prime importance to more effective investments, the choice of the most profitable and economical trends in capital construction, achievement of the maximum growth of output per invested ruble, and the reduction of the time lapse between investment and return"

(Program of the CPSU, International Publishers N.Y.,

3. Not only did Khrushchev attack the ideology guiding the CPSU and through it the whole proletariat and toiling classes of the USSR, he set about wrecking the Party itself.

a. It was only after the open proclamation of Modern Revisionism as the guiding ideology of the CPSU at the XX Party Congress --- which indicates the depth and extent of revisionist degeneration in that Party --- that the proletarian element within the Party leadership made a serious bid for power in 1957. Khrushchev was able to defeat them by rallying lower-level revisionist support and getting the support of the armed forces under Marshall Zhukov. The ~~event~~ defeat and ouster of the anti-Party group i.e. the honest bolsheviks does not constitute a forceful military overthrow of the d of the p, it was merely the last step in the peaceful triumph of bourgeois degeneration marked by the xx Party Congress.

b. The purge of the "anti-party group" set the stage for an even more dramatic purge of bolshevik elements in the CPSU;

purge
 "Seventy per cent of the members of the Central Committee elected at the 19th. Congress of the C SU in 1952 were no longer figuring on the list of the Central Committee members elected at the 22nd. Congress in 1961. Sixty per cent of the CC members ~~of the~~ who were elected at the 20th. Congress in 1956 were no longer figuring on the list of the CC members that were elected at the 23rd. Party Congress in 1966. A still greater purge has been carried out in the lower party organs. For instance in 1963 alone, more than 50 per cent of the members of the party central and regional committees in the Republics of the Soviet Union were relieved of their functions, while in the city and district party committees three quarters of their members were replaced with others. The purge of revolutionary cadres has been carried out on a large scale also in the State organs, and especially in those of the army and State security.

c. Khrushchev further destroyed the Leninist character of the Party by abandoning the traditional policy of keeping political leadership concentrated in the Party and leaving the ^{tasks} of economic construction in the hands of "non-Party" elements. Khrushchev split the party along "Industrial" and "Agricultural" lines and called upon its cadre to take over the practical tasks of economic management, a new variety of economism, guaranteed to swamp the most dedicated cadre with a mass of petty tasks preventing him from exercising any sort of political leadership among the masses. The Party was moved from the factory floor into the head office.

replaced

by revisionism

4. Having ~~replaced~~ the Party's marxist-leninist line, purged it of most honest elements, and paralyzed it by an anti-Leninist technical division of labor which cut it off from the masses, Khrushchev could move on the socialist economic base.

A IN AGRICULTURE Khrushchev hastened to put the line he had experimented with in the Post-War Ukraine into general practice. *On the Collective Farms*
 Restrictions on private plots and herds were lifted, as were stringent requirements on the amount of time to be spent cultivating the collective fields. The Machine Tractor Stations were dismantled, and their assets sold off to the richest collective farms, leaving the poorest to be converted into State farms (which formerly had been the most advanced sector of Soviet agriculture). The distinctions between state and collective property were thus blurred, and the incentive for the collective farms to become state farms (ownership of machinery) removed. Later, having undermined socialist relations in agriculture, Khrushchev tried to tighten up on private production and livestock ownership and met with the resistance of the re-bourgeoisified peasantry, provoking the agricultural crisis of the early 60s.

B IN PLANNING Khrushchev abolished centralized state planning, turning over the task of the GOSPLAN to over a hundred regional "Economic Councils" which combined bureaucratic methods with narrow regional self-interest resulting in ~~the emergence of a series of~~ ~~disproportion-~~ ~~alities~~, the near break-down of production in certain industries relying on supplies from outside their economic region, severe disproportionality resulting from autarchic development policies pursued by the economic councils, and an inflationary crisis as well, which provoked ~~work-~~ riots in some industrial cities.

This was anarchy of production, but it was not anarchy of capitalist production, for profit was still not in command of the economy. The Liberman debate was initiated in the midst of this chaos specifically to raise the slogan of putting profit in command as "the way out."

c) IN THE FIELD OF INTERNATIONAL ECONOMIC RELATIONS Khrushchev initiated capital export to the under-developed nations outside the ~~Soviet~~ "socialist camp." By the time Khrushchev had been axed by Brezhnev and Kosygin more complete plants had been sold to India than to the developing countries in the "socialist camp": China, N. Korea, N. Vietnam, Cuba, Albania and Outer Mongolia TOGETHER! The Social-Imperialists offered cut-rate interest rates (which still represents a transfer of the value created by the labor of the people of the country receiving this generous aide), on their tied-aid and agreed to finance and build projects that U.S. imperialism shied away from like the Aswan Dam in Egypt and a state-owned Steel complex in India. By agreeing to accept payment in kind (in the case of the steel mill) or in the leading export commodity (cotton in Egypt, ~~stixixixixix~~) or in local currency, they were able to completely dominate the economic life and finances of the country in question. Khrushchev also began the process of transformation of the East European People's Democracies into colonies of the USSR by pushing for supra-national planning in the COMECON and for an international division of labor binding the E. European countries to the Economy of the USSR.

export of capital

Preceding all-round development of socialist countries

C. The Period of the Conscious Establishment of Capitalist Relations of Production

1. Khrushchev was sacked by the other capitalist roaders because while his antics were effective in wrecking socialism, they did not succeed in establishing a functioning capitalist economy, able to contend, as well as collaborate with the USA on the international scene; they had been throughly exposed in the international communist movement by the CCP and PLA; and they were provoking active and often vilent resistance on the part of the Soviet working class.

2. His sucessors, Brezhnev and Kosygin made a big show of returning to Leninism, piecing back the Party, and even findang a few kind words to say about Comrade Stalin, to pull the wool over the eyes of the masses.

However, it was Brezhnev and Kosygin who proceeded to systematically restore capitalist relations of production in the Soviet Economy. They began by establishing economic experiments suggested by the Liberman debates in light industry and in the transport industry. These experiments made profit and profitability the sole planned index, and cut management in on the profits as well. They represented the high pint in the decentralization of the Soviet Economy, a high point in the abandonment of centralized direction. ~~xxxxxxx~~

3. In 1965 Premier Kosygin instituted a sweeping reform of the entire Soviet industrial economy, which established it as a state monopoly capitalist regime of production. Its chief aspects were:

a. the means of production became capital, monopolized by a new capitalist class:

i. The reform made profit and profitability the main planned index, the main goal production. Profitability was defined in the traditional capitalist way: "the amount of profit per ruble of fixed

assets" Kosygin stated that "the main problem" of the Soviet economy is "raising the efficiency of social production as much as possible, saving live and materialized labor, and considerably and steadily increasing returns from capital investments and fixed assets" (On Improving Industrial Management, Perfecting Planning, and Enhancing Economic Incentives in Industrial Production, reprinted in Problems of Economics, Vol. VIII, No. 6 1956) *enough (65)*

ii. The reform ~~xxxx~~ granted wide autonomy to the enterprises in formulating their ~~production~~ goals. However the enterprises remained subordinate to the State Plan and to their respective Industrial ministries which handed down indices regarding:

- the volume of goods to be sold
- the main assortment of goods
- the wage fund
- payments into the budget
- volume of centralized (planned) capital investment
- targets for introduction of new technology
- indices for supplying materials and equipment --- as well as profit

This is perfectly in line with the character of the Soviet Economy as a state monopoly capitalist ~~xxxxxxx~~ economy of a special type, allowing for greater state control, but still fundamentally ruled by the law of value.

iii. The reform provided for a "production development fund" to be formed out of retained profit. This fund could be used for capital accumulation outside the plan.

iv. the enterprises were allowed to dispose of capital goods at will counting the profits realised on their sale as fulfilling their planned production

v. and finally, of an equal importance with the putting of profit in command was the abandonment of the long-standing practice of the treatment of capital as a free good by the state, a policy which reflected the economic task of the suppression of capital as a social relation of production.

Instead of making free financial grants from the State budget, for fixed and circulating "capital", ~~and~~ ^{now} productive funds were to be funnelled through the State Bank as credit, with principle and interest to be paid by the enterprises out of their profits;

And instead of appropriating funds into the state budget by taxes on ~~final~~ goods of final consumption (the turnover tax) or by "arbitrary" levies of enterprise profit, a 6% charge on the full --- not depreciated --- value of all existing fixed assets was to be paid to the state by the enterprises, again out of profit.

b) on this basis we can talk about the creation of a new bourgeoisie, defined not on the basis of high salaries or outrageous misappropriation of public funds, ^{in the private consumption} but after Marx's definition :

The expansion of value becomes his subjective aim, and it is only in so far as the appropriation of ever more and more wealth in the abstract becomes the sole motive of his operations, that he functions as a capitalist, that is, as capital personified and endowed with consciousness and will. Use values must therefore never be looked upon as the real aim of the capitalist; neither must the profit on any single transaction. The restless, never ending ^{process} of profit-making alone is what he aims at.

This bourgeoisie has three component parts:

1. The high functionaries of Party and State, whose direction of investment at home and abroad, ownership of the fundamental means of production on the basis of class rule over a state which had nationalized those means of production, and control over credit define them as finance capitalists, state monopoly capitalists.

They appropriate surplus value in the form of capital charges and interest on loans, as well as taxes and certain rental payments on natural resources.

2. The enterprise managers, who function as industrial capitalists. Their ranks are being thinned and the power of the remaining members of this stratum of the bourgeoisie is increased by the latest re-organization of industry which calls for the amalgamation of enterprises into monopolistic firms patterned after U.S. multi-national corporations. However, this class is still under the control of the state finance capitalists, since their sources for accumulation are relatively narrow.

They appropriate surplus value through the fund for the development of production (as capital) and from the material incentive fund (also formed out of retained profit) as revenue.

3. The directors of the State and Collective Farms, who are a new Kulak class.

They operate both on the basis of private property --- private plots of land or herds of livestock --- tended with wage labor hired from among the peasants on their farm (who are eager to hire themselves out, since there is a wage differential of roughly 20 X between the field workers and directors), and on the basis of nominally collective "subsidiary enterprises" introduced by Brezhnev in 1967, which are constructed on the basis of retained profit and state bank loans and which process food, produce building materials and so-on, all completely outside of the plan. As with the industrial enterprises, state financing is now on a credit basis. Agribusiness is being born in the USSR.

2. Marx states that the precondition for capital is wage labor: the producer separated from the means of production, whose labor power has become a commodity. The labor of the Soviet worker is now a commodity.

a. The principal steps were taken towards this end during the period of the wrecking of socialism were:

1. the loss of state power by the proletariat. The proletariat does not possess the means of production like the "independent freeholder" of 500 years ago. Capitalism has developed the means of production into vast, social forces which can be mastered only collectively, both in the process of production itself and in the form of social ownership. Thus it is through the ownership of the state apparatus --- d of the p --- guaranteed by the proletarian line of the Party, that the working class owns the means of production. Thus loss of state power was already the expropriation of the proletariat and was manifested as follows:

ii. the reduction of the party's role to the technical task of stimulating production and the destruction of its political leadership and mobilization of the class

iii. the reinforcing of the system of one-man management, of the distinction between tasks of direction and execution.

iv. failure to rely on mass initiative, no revolutionizing of production relations from below, production conferences are transferred from ~~XXXX~~ arenas of political struggle and cooperation to trade union productivity sessions a la I.W. Abel ---designed to stimulate production for profit.

v. reinforcing of the distinction between mental and manual labor.

b. However, the Kosygin reform and what followed it put the seal on the practical dispossession of millions of soviet workers.

i. The Soviet constitution of 1936 guaranteed work to all able-bodied citizens. When socialism still existed in the USSR, the plan turned that promise into a reality by specifying to the last man and percentage how many workers to be hired, what their level of productivity was to be, what wages they would be paid, as well as providing a lump-sum wage fund.

The economic reform of 1965 said that only the wage fund was to be set by the state. This enabled managers to hire --- or to lay off ---- as many workers as they pleased, in accordance with the requirements of capital accumulation. Wages can also be determined more arbitrarily now, as well. Kosygin revealed that:

There have been proposals that the wage fund of a enterprise also not be assigned from above. But to discard the planning of the wage fund would be premature. The necessary balance between the quantity of consumer goods manufactured and the populations purchasing power must be guaranteed in the national economy. And the populations purchasing power is determined in large measure by the wage fund.

(control inflation!)

ii. Since the abandonment of planned employment in 1965, the social imperialists have moved on to planned unemployment :

A. In 1967 the Launched an "experiment" at the Schekino Chemical Combine. The state promised to maintain the wage fund at the same level for three years if 20% of the work force were laid-off. Over a thousand manual workers lost their jobs. The remaining workers raised their productivity by 90% as a result of combining jobs, speedup and the general climate of insecurity created by the layoffs. As a bribe, they received a 30% pay hike, out of the saved wages of their comrades, the rest going into the material incentive fund, and thence into the pockets of the managemnet. In October 1969 the Central Committee of the CPSU praised the Schekino experiment in a special resolution and called for a national campaign of "socialist emulation" of this model.

B. In 1930 it was possible to shut down the last labor exchange in the USSR. Today the revisionists have been forced to set up labor exchanges (called Bureaus for the Utilization of Man-power Resources) in 80 cities in the USSR

c. Espeically hard hit are women workers who are being driven out of social production by a cut-back of childcare and other social services, lack of enforcement of protective legislation, particularly concerning pregnancy, and a barrage of fascist pro-

around the theme of "A Woman's Place is in the Home" and appeals for more "femininity" and a higher birth-rate.

iii. The new definition of profit means that technological advances lead to unemployment.

4. In terms of international economic relations, Kosygin and Brezhnev had expanded Khrushchev's capital export effort, charging ever higher interest rates and exacting more economic, military, and political concessions. They have also opened up the USSR to the penetration of foreign capital. To quote an interview with David Rockefeller, whose Chase Manhattan Bank helped finance the world's largest truck plant at Kama:

Q. Do American firms feel that they must have some ownership rights if they are to make large investments in Communist enterprises?

A. I don't think so. We are learning that there are ways of accomplishing essentially the same thing. After all the aim is to share in the profit of the foreign company. It really doesn't make much difference to some companies whether they have ownership, provided they know that they will have a share of the profit.

Businessmen are devising new and rather ingenious devices which permit the socialist country to preserve its desire not to have equity participation but which enable the American company to participate in the benefits.

(U.S. NEW & WORLD REPORT, Aug. 13, 1973, p. 37)

The invasion of Czechoslovakia in 1968 proved to what lengths the USSR was prepared to go in preserving its economic domination of East Europe.

We believe that in all respects the Soviet Union matches up to a Marxist-Leninist understanding of a capitalist society which has reached the stage of imperialism.

(Note: We must appologize for the rather sloppy presentation of our theses. People interested in further discussion should contact us at 992-4725)