







BEHIND

THE RECENT announcement that the W German government is willing to provide a credit guarantee for the building of a large truck plant in Russia underlines the great crisis which is now gripping the Soviet economy.

Stuttgart has now been selected as the venue for the first exchanges between Soviet officials and the W German car firm Daimler-Benz on the construction of a giant truck plant near the Kama River in the USSR.

The talks are due to begin late this month, and, according to a Daimler-Benz spokesman, the Moscow team will probably be headed by Soviet Minister for car production Tarasov.

The W German government has already promised to assist in the financing of the project, which will cost around £400 million, and when completed, turn out 150,000 trucks a year.

At present, the entire Soviet truck industry produces about 100,000 vehicles.

Daimler-Benz, one of several W European car firms involved in the project, will make its patents and technology available to the Soviet motor industry.

It may also advise the Soviet government on which other western companies could assist the Russians in building and fitting out the plant.

There is little doubt that the possibility of securing more deals of this kind lay behind the speed with which the Soviet leaders signed the Treaty of Detente with the W Germans.

Another firm believed to be involved in these discussions is Renault. In January of this year they did a deal with the Russians involving the supply of equipment to the motor industry—part of a general easing and expansion of trade between France and the Soviet Union.

Motors has not been the only industry involved.

NATURAL GAS

Natural gas—an industry which Soviet leaders are trying desperately to expand—has also involved deals with western firms. At the end of last year a French consortium was awarded a contract to build three plants to refine and recover natural gas.

The Italian government has also lent financial support to similar deals in which leading Italian firms including Fiat and Pirelli have contracted to purchase supplies of Soviet natural gas in return for sales of piping and telecommunications equipment.

While, on the one hand, these reflect the growing turn on the part of leading capitalist monopolies to markets in E Europe and the Soviet Union, they indicate at the same time the insoluble economic problems of the Soviet economy.

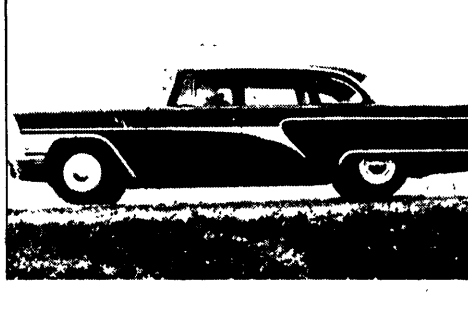
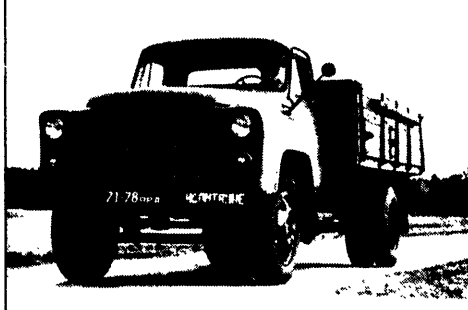
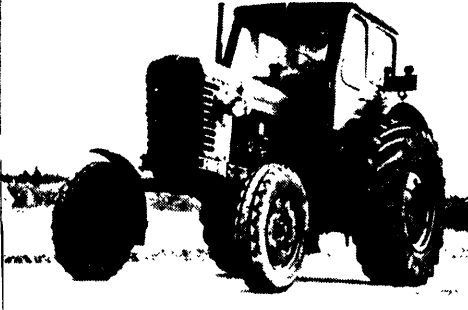
The 24th Soviet Party Congress which should have been held in March of this year, and as recently as June was announced for the autumn, has been further postponed.

Widening differences in the top bureaucracy about how to handle fundamental economic problems are certainly behind the delay.

The announcement of targets for the 9th Five-Year Plan have also been delayed as it becomes increasingly clear that the last Plan (1966-1970) did little to deal with long-standing economic problems and in fact saw some regression in key areas, notably agriculture.

It was in 1965 that more 'liberal' economic measures were introduced to try and raise output and labour productivity.

These measures represented a move away from centralized planning, which had character-



KREMLIN TRADE DEALS

Growing Soviet economic crisis

creasing defence commitments. Nor did the reforms initiated in economic management by the 8th Plan do anything to overcome the crisis stemming from the bureaucratic mismanagement of the economy.

Indeed factory managers, hit by acute labour shortages, and facing intense pressure from the working class, allowed wages to soar way beyond increases in productivity, thus aggravating a situation where delays of many months and even years are common for large consumer durables.

Conservative estimates indicate that labour shortages may exceed two millions throughout the economy.

OVERSTAFFED

At the same time, many sectors, notably transportation and distribution, are considerably overstaffed. As a result there has been little release of labour to assist with the development of Far Eastern Russia in the manner the last Plan hoped for.

The greater ability of factory chiefs to use the surpluses earned on capital to 'bribe' workers to join their plant, or to keep them even when not immediately required, has only added to labour bottlenecks and at the same time raised labour mobility in other sectors to startling proportions.

An official survey conducted last year in the Russian Federation indicated that of those interviewed, two-thirds had worked in one place for less than a year while over three-quarters of those leaving their jobs were under 30.

Because it normally takes a four-week period for a worker to leave one job and start another—and often the time delay is longer—production losses are assuming considerable proportions.

Given the constant changes in production targets which the bureaucracy imposes with no regard for real possibilities, managers have tended deliberately to 'hoard' labour in anticipation that their targets will be raised to levels which they could not otherwise realize.

For the same reason there have been continual complaints from those wishing to return to more authoritarian methods that enterprises still concentrate upon quantity rather than quality in their output and still 'hide' much of their productive capacity from Moscow in order to meet their targets.

So the 'liberals' have come under heavier and more open

attack in the Party press; Stalin's name has been increasingly invoked in economic controversy and there have been more and more strident calls for disciplinary action against those workers who violate the 'labour code'.

In other words, standing at the very heart of the economic crisis is the Soviet working class. The growing offensive of this working class, taking heart from both the revival of the class struggle in W Europe as well as from the courageous fight of sections of the intelligentsia against the bureaucracy, makes any 'peaceful' solutions to these economic problems impossible.

It increasingly makes demands upon its bureaucratic rulers—for more and better housing, for better quality food—which cannot be met by the backward Soviet economy. It is this pressure which is driving the Kremlin into closer economic ties with imperialism.

Only in this way does it see any hope of getting hold of the means of remedying the deficiencies in the economy.

Not that these moves, at this stage, represent a qualitative change in Soviet economic relations.

Whatever sections of the bureaucracy may want, the basic conquests of 1917, including the state monopoly of foreign trade, remain. It is on this basis alone, despite the mismanagement and blunders of the bureaucracy, that the rapid economic development of the last 50 years has taken place.

IMPORTATION

Lenin and Trotsky were never opposed to economic relations with the capitalist world, even to the extent of favouring the importation of capital. But these were always, in their case, subordinated to the revolutionary politics of the Third International.

Under Stalin, and now under Brezhnev and Kosygin, it is an entirely different matter.

The latest trade deals with the motor and oil giants of Europe take place as part of a rapid move to the right on all political and diplomatic questions.

As such they DO constitute an increasing threat to the Soviet property relations, even though these can only be finally overturned after a series of major defeats for both the European and the Soviet working class.

In other words, the Soviet

economic crisis has deep historical roots which sections of the working class will begin to grasp as they engage in ever sharper conflict with the bureaucracy.

For it was Stalin who first announced in 1924 that it was possible to build socialism in one country. This Utopian and counter-revolutionary theory guided the hand of the privileged caste which has controlled the Soviet Union for the last 40 years.

IN CONFLICT

Following in the traditions of Marx and Lenin, Trotsky insisted, in conflict with this growing bureaucracy, that socialism could only be established on a world scale.

Only then would all the achievements of man's struggle against nature, controlled in the main by the ruling class of Europe and N America, be made available to the young and backward Soviet Republic, thus ensuring its all-round and steady development.

It is these theoretical and political issues which lies at the very heart of the latest development of the economic crisis in the Soviet Union, and the open turn of the Kremlin towards closer political ties with W German imperialism and now the fascist regime in Franco Spain.

The working class makes increasing demands on the Soviet bureaucracy for more and better consumer goods—which cannot be met by the backward Soviet economy. It is this pressure which is driving the Kremlin into closer economic ties with imperialism—as in the motor industry.



IMPORTANT READING

REVOLUTION BETRAYED TROTSKY. WHAT IS THE SOVIET UNION AND WHERE IS IT GOING?

NEW PARK PUBLICATIONS 186A CLAPHAM HIGH STREET LONDON SW4

TV

BBC 1, REGIONAL BBC, BBC 2, ITV, WESTWARD, SOUTHERN, CHANNEL, GRAMPIAN, and other TV listings.



Laying pipes for NATURAL GAS: An industry which Soviet leaders are desperately trying to expand. French and Italian imperialist 'help' is currently being solicited.

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