

SOVIET IMPERIALISM - PART I

USSR Capitalism Is Still Capitalism Digging Its Own Grave

Recent issues of CHALLENGE-DESAFIO have examined the headlong decline of U.S. imperialism and pointed to the inevitability of world war and fascism as this process accelerates. Intensifying rivalry between the U.S. ruling class and the "red" bosses of the once-socialist Soviet Union is the main contradiction in the world today.

The Soviets are rapidly emerging as the world's chief imperialist power. Nonetheless, the restoration of capitalism in the USSR—as well as its very position as the up and coming number one ruling class—carries with it all of the inherent contradictions that are inevitable under the profit system. In the following series, **Challenge-Desafio** will examine some of these contradictions.

It is safe to say that capitalism had been fully restored to the Soviet Union by 1956. Before then, while the USSR was still a socialist country, economic developments unprecedented in world history had taken place. In the span of a few decades, workers' dictatorship had transformed one of the most backward societies on earth into a modern country that had virtually eliminated unemployment, illiteracy, rotten medical care, and other capitalist evils.

Now, however, the restoration of capitalism has reversed these accomplishments and brought with it a host of typically insoluble problems. Chief among these, from the viewpoint of the Soviet bosses, is the long-range downtrend in the rate of economic growth. In 1959-60, Soviet growth was 6.5 per cent of gross national product. In the latter half of the 1950s, it averaged 5.5 per cent. In the four years from 1971-4, it sank further to 4.4 per cent. The 4.4 per cent figure is especially unsettling to Soviet bosses, whose economists had set a 5.8 per cent yearly average growth rate for the Ninth 5-Year Plan (1971-75).

When the new bosses of the USSR brought back capitalism to their country, they found a source of rapid profit in the reconstruction of productive capacity that had been destroyed by the Nazis in World War II. They were able to accomplish this at relatively low cost. But by now, this phenomenon



has vanished, and the Soviet rulers are faced with a serious contradiction between their need to expand rapidly as they make their move for top dog imperialist and their economy's persistent technological backwardness.

To extricate themselves from their "productivity" quandary and to improve their technology, they have only one resource: reliance on trade and technology from their Western and Japanese competition. During the past four years, Soviet foreign trade volume has increased by a staggering 73 per cent—a figure twice as high as the Soviets' own industrial production. **Business Week** magazine says: "Many Western analysts in Moscow believe that Soviet trade with capitalist nations will exceed 50 per cent of total trade for the first time." (April 7, 1975)

This contradiction generates another. As the Soviet ruling class leans increasingly on the Western capitalists for instant technology, the

Soviet economy must feel the inevitable effects of the current economic crisis in the U.S., Europe, and Japan. The main problem here is the increasing vulnerability of Soviet capitalism to imported inflation. Brezhnev & Co. are trying to plug this dike by increasing the price for the raw materials they sell, especially oil. In a classical imperialist move, the Soviet bosses are trying to make their own working class and the workers of their client states pay for the problems of maximizing profits. Recently, the USSR drastically hiked the cost of oil to their East European "partners" and made the increase retroactive to last Jan. 1, one year earlier than anticipated. Czechoslovakia, the German Democratic Republic, Bulgaria, Poland, and Hungary import on the average 90 per cent of their oil and oil products from the USSR. Since the beginning of 1975, the prices of industrial raw materials and fuel sold to Hungary by the Soviet Union have increased an average of 52 per cent. The price of oil sent from Russia to Hungary will be hiked from 16 to 36 rubles per ton. Hungary will have to pay the Soviet bosses over 120 million more rubles this year for oil alone, and the German Democratic Republic will incur an additional oil debt of 1.7 billion marks.

The price increases for Soviet-produced raw materials obviously will bring bone-crunching hardship down on the backs of workers in these countries. But in a long-range sense, this move cannot solve the problems caused by Soviet rulers' reliance on Western production. As the April 7 issue of **Business Week** points out: "... while raw material prices are likely to fall sharply as the world economy falls deeper into recession, the wage-price spiral in major Western economies could keep Soviet import prices rising at a steady clip."

Brezhnev & Co. have tried to concoct several mechanisms to get themselves out of their inflation quagmire. These include a special compensation deal under which Western companies agree to design, finance, and often equip a large Soviet facility. In a return deal, the Soviets pay for the facility in then-current dollars, over-produce by 30 per cent and then sell their products at later-market prices. So they are really buying with cheap dollars and selling back with cheaper ones. Another gimmick the Soviet rulers have come up with is to draw foreign customers into the ruble economy, getting the investor to take payment in rubles and then use them either for further deals in the Soviet Union or to buy Soviet goods for resale abroad. This deal seems to work well only with small and medium-sized investors.

When the Soviet Union was the center of the world communist movement and therefore a beacon of hope and inspiration to workers everywhere, it would have seized upon the growing feebleness of Western bosses and their current crisis to intensify the struggle for revolution and socialism. Today, however, the USSR's "red" rulers are doing exactly the opposite. They are trying to profit from the depression in the U.S., Europe, and Japan in order to become top dog of the worldwide imperialist dunghheap. And in this they will succeed.

HOWEVER, IN THE PROCESS OF DOING so they will sow the seeds of their own doom. As we have shown above, increased trade with Western capitalists inevitably results in increased competition, as each group of imperialists scrambles viciously to protect its own narrow interests. The historical track record of imperialism is clear: this competition must result in diplomatic antagonism, trade war, war between client states, and eventually war between the major imperialist antagonists. Every nut and bolt in every machine imported by the Soviet ruling class brings World War III closer.

The Soviet working class, which wrote one of the most magnificent chapters in human history with its rout of the Nazi "master race" and its Wehrmacht, will once again be called upon to smash fascism. This time, however, the fascists will be their own bosses as well as the bosses of other imperialist powers. Given true, revolutionary communist leadership, the working class of the USSR and everywhere else will prove more than equal to the task. And this time, we won't leave a single capitalist alive.

Next: As Soviet imperialism tries harder to become Number One, it tightens the screws on Soviet workers.



Bolsheviks on way to Winter Palace during October Revolution: The revisionists now in power in the Soviet Union will meet the same fate as the Czar and his supporters.