

Combines — State Capitalist Monopolies Wearing a “Soviet” Tag

Combines of all sorts are very much in vogue in Soviet industry today. Alongside the “two-level or three-level” organizational system, they are an effort by the Brezhnev clique in recent years to underpin the economic base of state monopoly capitalism in the Soviet Union. But its endeavour to wring more out of the working people through combines will, of course, invite a mounting struggle by the Soviet working class against oppression and exploitation.

FOLLOWING the Soviet revisionist renegade clique's usurpation of state power, the socialist economy of the Soviet Union has degenerated into one of state monopoly capitalism. A handful of bureaucrat-monopoly capitalists represented by the Soviet revisionist leading clique have for years been working to perfect the organizational form of state monopoly capitalism and the economic management structure.

“Thorough reorganizations” took place on many occasions in the days of Khrushchov's rule. When Brezhnev took over, the first thing he did was to introduce to industrial enterprises throughout the country a “new economic system,” the core of which is the capitalist principle of profit. This was followed by a large-scale establishment of combines in the late 1960s and early 70s. In 1973, the central committee of the Soviet revisionist party and the Council of Ministers mapped out “certain measures for the further perfection of industrial management,” deciding that transition to the two-level or three-level system in industry was to be completed in three years. It was stipulated that the various ministries were to set up, depending on the circumstances, either a two-level managerial system consisting of the ministry and production combine enterprises or a three-level system consisting of the ministry, the industrial combines and production combine enterprises. Official Soviet data disclose that by early 1975 the whole country had already had 1,715 combines encompassing more than 6,700 enterprises and production units which made up some 14 per cent of the overall figure.

Using Capitalist Organizational Forms as a Blueprint

These Soviet social-imperialist combines, however, are in no way a novelty, but are copied from the blue-

print of the capitalist-imperialist monopoly organizations like trusts, big concerns and syndicates — with a “Soviet” tag on them of course.

The Brezhnev clique also issued “regulations of production combine enterprises” to make these enterprises “unified management complexes” embracing factories, scientific research institutes, designing offices, technological and other production units. Generally of considerable magnitude, the combines incorporate enterprises of not only a particular industry in a given area but of other industrial branches and in other areas as well. A big enterprise or a big scientific research institute, which exceeds the others in capital and profit-making, becomes the “sinew” of the combine and the head of the said enterprise or institute normally serves as the combine's general manager.

As to the remaining enterprises in the combine, some retain relative independence, except that their main managerial functions, such as the supply and sales of products and financial matters, now rest at the combine enterprise level. Others lose their independence completely and become a mere subsidiary of the combine.

Of much greater magnitude are the all-Soviet or the various republics' industrial combines, which usually take in all or most enterprises in a certain industry. A Soviet combine has many powers: It holds the funds for “scientific research, mastering new technical know-how and development of production of goods for export,” in addition to the funds allocated for development of production in general, for payments by way of material incentives and for social and cultural facilities, etc. It not only is in charge of the production matters of its subsidiaries but also exercises in a centralized way all managerial functions related to sales, supplies, scientific research, designing and finance, etc. It even has the authority to make scientific and technical contacts and sign agreements with foreign countries.

With the introduction of the two-level or three-level managerial system, all production combine enterprises and economic administrative departments at the ministerial level are to practise “complete economic accounting” where profit is the main concern and eco-

conomic incentive is above everything. Thus, the relations between a ministry, an industrial combine and production combine enterprises are not just administrative relations but those between a holding company and its subsidiaries with a common economic interest. This has put the organizational form of the Soviet state monopoly capitalist economy on a more systematic footing.

Concentration of Capital and Production Accelerated

The bureaucrat-monopoly capitalist class in the Soviet Union has accelerated concentration of capital and production through the establishment of the combines, and also tightened its control and monopoly of enterprises all over the country. Statistics show a fall in the number of industrial enterprises from over 200,000 in the 1950s to about 48,000 in 1974. Since the combines were formed, the number of enterprises under the Ministry of Oil Industry has dropped from 1,600 to 1,000, under the Gas Industry Ministry from 560 to 357, and under the Coal Industry Ministry from 2,000 to 300. Though the number of enterprises as a whole has registered a sharp decline, there has been a marked increase in the number of big enterprises.

According to the *Yearbook of the Soviet National Economic Statistics*, in 1960 only 0.8 per cent of the industrial enterprises were big ones, with output value upwards of 50 million rubles. By 1973 the percentage was up to 3.2 with the number of these big firms more than tripled.

The proportion of big enterprises and the number of workers they employ today are greater in the Soviet Union than in the United States. According to official Soviet and U.S. statistics, enterprises employing more than 1,000 workers in the processing industry constitute 5.9 per cent of the total in the Soviet Union and 0.8 per cent in the United States. The number of workers in these Soviet enterprises accounts for 96.3 per cent of the total as against 50.6 per cent in the United States.

Giant combines in the Soviet Union are playing an increasingly important role in production. As revealed by the Soviet press, in 1973, the industrial output value of big enterprises, which accounted for 3 per cent of all industrial enterprises, was 45.6 per cent of the total. Their fixed production funds were almost half the total for all industrial production. In 1971 these enterprises consumed two-thirds of the electric power used by industry. Twenty-one combines under the Ministry of Oil Industry control 98 per cent of the total oil output, while the all-Soviet combine organized by the Ministry of Chemical Industry exercises exclusive control over all establishments in the chemical industry. The result is that a handful of Soviet bureaucrat-monopoly capitalists

have tightened their grip on the lifelines of the whole national economy.

Seeking Higher Rate of Profit

The Soviet bureaucrat-monopoly capitalist class has further intensified its exploitation of the working people and reaped more profits through these combines. High profits thus made are ploughed back to line the pockets of the bureaucrat-monopoly capitalists by means of "economic levers." "One of the goals in establishing combines," the Brezhnev clique stressed, "is to merge small factories together and raise rates of profit through specialization" and "it is necessary to strengthen the role played by economic levers." In short, the principle in running the combines and their planning and management are all geared to making huge profits.

Under the aforesaid "regulations," a combine is free to work out its own production plans on the principle of profit-seeking, study market conditions by itself, fix the prices of its own products and market them directly. It is also entitled to do its own "accounting and distribution in financial matters, materials and manpower." For the monopoly capitalist class, the more capital for free activities, the greater the surplus-labour it absorbs. Marx said: "All methods for raising the social productive power of labour that are developed on this basis, are at the same time methods for the increased production of surplus-value or surplus-product." (*Capital*.) And the bureaucrat-monopoly capitalist class in the Soviet Union, which is only a handful, is making greater efforts to have the sweating wage system — including the "perfection of remuneration for labour" and "scientific working units" — work in the combines for enormous profits.

Before the combines, the rate of profit at the Moscow Likhachev Motor Works, for instance, was 10.3 per cent, but soon after they were formed, it went up to 23.4 per cent.

The Brezhnev clique's all-out efforts to set up combines have further deepened the contradictions within Soviet social-imperialism. There is contention inside the capitalist class for a redistribution of power and capital. To keep their vested interests intact, the heads of some departments, local governments and enterprises have been opposing, under various pretexts, merging of enterprises. This has resulted in very slow progress in establishing combines. By the end of 1975, only one-fourth of the country's enterprises had joined. With the formation of combines, contradictions have grown more acute between social production and ownership by a handful in the bureaucrat-monopoly capitalist class. The struggle by the Soviet working class against oppression and exploitation is mounting. Soviet social-imperialism is staggering in political and economic crises that become deeper and deeper.