

c20 Central planning

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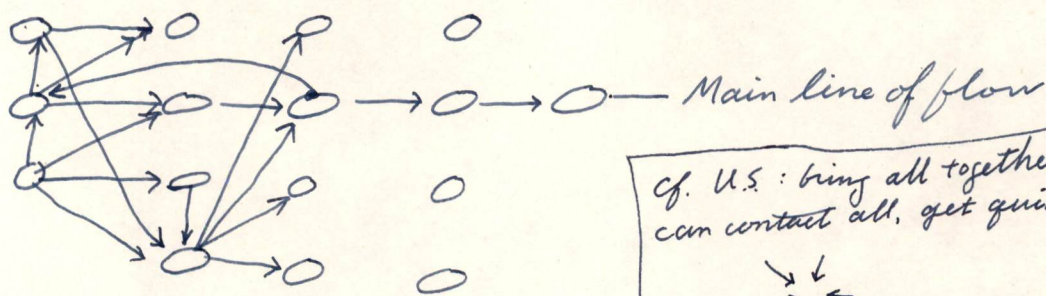
Ch. 24, Central Planning. A long, tough, sleepy chap.

Jobs for Central Planning Board

1. Determine goals, relate to costs. And quickly, for conditions change. For each industry

2. But outputs of different industries are mutually interdependent. (Joint products, or by-products; output of some is raw for other, must coordinate; vast no.s of raw materials funnelled together to make one product. — then fan out in retail distrib'n all over, via transport, & exchange. Can one central planner coordinate all that activity? Review S.P.E.

(If prod'n were a linear flow, problems enough. But ea. plant gathers from many, sends out to many



cf. U.S.: bring all together in cities, all can contact all, get quick delivery.



Ea. plant requires local utilities — joins w other local plants for those --- but how? Local mgr lacks authority to deal w. other local plants, in different commissariats. Decisions move up.

Workers require housing; stores for food, clothes, etc. How be sure they come?

B&C, ch. 24, (p. 2)

Requires myriad raw materials; machines; bldgs; technicians, & other labor. All those require production, or training — & they won't be trained or produced specifically for this ind-y, but by separate units who are also supplying other mkt's. How is the mass of detailed info on what one firm needs combined w. that on what others need, to tell supply firm its demand? Direct communication difficult. Must sum it all up at some higher level — that c'd be done by a good IBM system, not too hard. What is hard is to determine quantities. Even that possible, have each buyer list what he wants at various prices, set one that clears mkt — but no, for buyer's decision depends on other prices. So set arbitrary prices, adjust as experience suggests.

Problem, w. non-standard items, of specifications — buyer doesn't contact seller directly.

Problem of no excess capacity — probly psych., might be useful for firm to be ready to take on any new customer, permits flexib., innov-n. Russ. probly stockpile too little — no specs.)

3. Raw-material & finished good. producers.

4. Interdep.

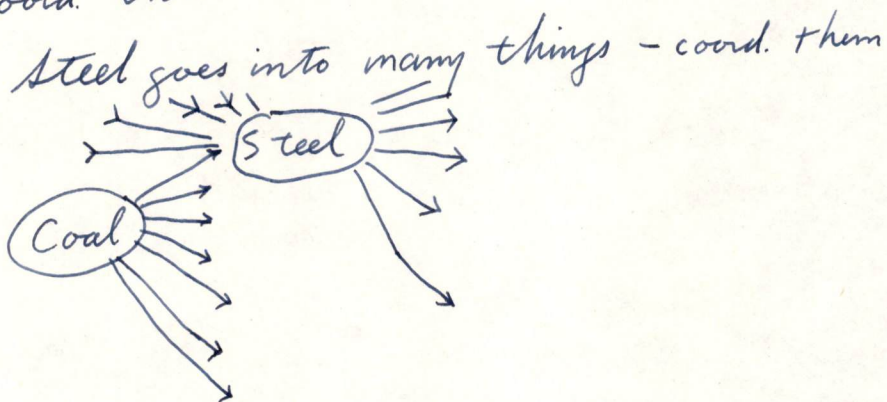
Lumber ind-y uses steel; steel uses lumber, etc.

5. So must solve all problems simultaneously - as free ec. does -

(~~Coal output~~ Steel output depends on coal use, close variation.

So to plan steel output must plan coal. Coal has many other uses - must plan them in, integrate w. steel, coordinate.

Many other things go into steel - ore, limestone, alloys, expn, water, sulfur. Coord. them.



Suppose Coal goes into 10 things, ea. of which, like steel, has 10 uses & 10 complements. That's $10 \times 20 = 200$ industries to coord. Ea. of those ind-y has 20 suppliers & customers:

$20 \times 200 = 4,000$. And so on. Quickly gets out of hand,

if central planning is the control. For no one board can make all those decisions, but they must be made somewhere. 4,000 interlocking decisions! & human beings!)

B&C, ch. 24 (p. 4)

Howder, p. 459: steel for coal. Correct for stud.s.

Shows coal & steel output interdependent: coal mfr requires steel, & steel coal. Solves problem very tortuously — then says point is to see how hard it is. I think he's made it hard. Simple case of simul solution.

$$C = k + \frac{1}{2} S$$

$$S = k' + 4C$$

Solve. (Su?)

Study this
more.

Thus far (p. 461), has ignored resource limitations. Add them, adds to complexity.

Adds production possibility curve, p. 462,

3 industry - case.

Abandon graph, turn to simul. eqns.

Input-output matrix, p. 464 — tells us how much from other ind-y are used in producing 1 unit in given ind-y.

If ec. centrally planned, must fill in input-output matrix.

Solves 3 simul eqns — assuming resources not limited

This is Leontief.

B & C, Ch. 24 (p. 5)

(I suspect those who more things can't be done.
Esp. bunglers like B & C.)

Info. required Δ s w square of no. of ind-y's involved.
... assuming each has direct relations w. all others, (which ain't
so, he's exaggerating.) (Interest's they overlook these
problems when discussing large Am. corps)

So he has 100 ind-y's, & for each one 100 items of info, becomes 10,000
items. (I doubt that's really the problem. A very large no. of
simple items can be quickly ordered by IBM or other mechanical filing &
cross-filing system. & of course not all ind-y's wd have direct contacts
w. each other. Problems lie more in lack of personal contacts; &
process of adjusting quantities; & human clashes & failings.)

Large no. of computations for each contact. & as you must
adjust more & more industries, no. of computations grows, roughly
w. cube of no. Electronic brains used.

Info hard to gather.

Δ no. of variables when consider ea. ind-y produces many
shades, types, sizes.

And requirements of diff. ind-y's not linear ... i.e. it doesn't
take 10 tons ~~of~~ steel to produce 1 ton of coal at all outputs, varies, makes
computations tougher.

Above computations are to select feasible goals, choose possible combos of output, route among plants.

Planner must also org. plants, locate, det. size, techn., & split up what ind-y gets among individ plants.

— & How will planner know "efficiency", w/o prices. Soviets use "pseudo" prices --- arbitrary.

— Russ use incentives.

— (Suppose central planner allocates so much raw mat. to an ind-y. Now commissar controls it, splits it up among plants. Must ^{ex} Narkom be wholesaler for his own ind-y? Have several ~~parallel~~ complete networks of wholesale distrib-n? ~~And~~ The duplic-n not so bad, as lack of coord-n. No xfer possible at lower levels, between ind-y's.

Is only one way to xfer resources between ind-y's --- at a higher level, crossed w. decisions. Every ind-y has its own system of distrib. raw mat.?

Hard to have common warehouse, for several local plants?

Maybe not. But once goods get into factory inventories, they're gone.)

— In genl, he is a cautious critic. Creates artificial problems. Hits no cruxes. Imputes to soc.-ism problems in org. — e.g. is hard to define mgnd product.

— Planner shd go by =mgnd, in allocating resources.

Doubts if =mgmt isn't often hard to use in practice.

Practical Planning.

Don't try to come too close — costs too much.

Small original errors magnified in comput-n.

Planners fail to antis. one vital part, much waste.

also, individ. Narkom &c, to avoid being caught short, pile up granaries.

Despite all, Soviets have had "considerable success"

Trial & error — which is what prt. bus. men do. (here is one fn. of storage, stockpiling, allow leeway for such errors.

Decentralize authority — but thus central planner loses some control.

Use "sort of" price system.

"Quasi-competitive socialism.

Autonomous mgs, instructed to have $MC = P$.

Criticism: all faults of free ent., save mpy.

Hard to find MC (~~no~~ captions)

Beer. cost ind.s won't charge enough. (b.s., charge just right)

1. Nationalistic (our socialists are tariff interests) Focussed in nat. state.
Eng. isolationists are frankly soc-sts. Ours are hypocritical socialists.
2. Unfree
3. Overcentralized control - wastes of bureaucracy. W/o personal ownership of what one deals with, much watching, waste.
4. Progress stagnates - no compet.
5. Hard to reconcile with democracy - political use of ex. power
6. ~~the~~

Comment on K&H, p 823ff.

Marx proved right: big got bigger, small smaller. Eng. cap-m lost support.

Was wrong, wrd. come first in Eng. Conditions worse, feudal & fn-dom. countries.

E.g. Indo-China now. Fn. "investors".

Trade Agreements program. (Can he raise tariffs)

Smoot-Hawley, '30.

Trade Agreements, '34. Bargaining, "reciprocal". Prewar, bilateral
Post .., multilateral.

3 yr renewals.

By exec., reducing log rolling, dirty politics. Congress accepts
tariff - As easier than initiates.

Geneva '47; Anney, '49. Lowered much.

If make free ec. work, better than soc-m. If not, get soc-m, & deserve it. & if history any guide, will gradually stagnate.

Against ~~free ec.~~ "cap-m".

1. Cycles; depression, inflation.

2. Monopoly

3. Unearned inc.

4. Unequal inc.

5. Waste of advertising

6. Natch monopolies treated competitively -- e.g. milk distr.; power

7. Subsidized, protected interests grow. - e.g. Agric.; barriers to interstate

trade.
8. Can't mobilize for war. Unequal sacrifice.

Must solve these problems, or kaput.

Vs Soc-m:

over

j. P.W.?

Integrated rails. Gmly, not much. Town & Ctry flop, new cities.

k. Imp-m

Drew in horns ok

Bes forced to. Attitude same. Atadon, Auez.

* Here, soc-m confounded early advocates. Proved more nationalistic. Can't plan fms. Isolationist Eng are radicals, not conservatives.

l. Interest?

Mnged to borrow from US w/o int.

Must have int. — otherwise inf consol & l.v.

Cap. frmtn. Discouraged pvt inv., & sav. So govt creates cap. via taxes, ^{bonds,} govt inv.

John Shaffer

Econ 203

4

Communism is a form of government that by its nature cannot permit free expression. The theory is one of a distribution of all resources & ^{of capital} gain so that every ~~person~~ person in the economy will receive the same share even though their individual productive effort might vary. It cannot permit free expression because a the chance for a change in type of government.

SCANNED

AS

FOUND

Drick
Schlusstein

3

Communism is a way of life and govt. just as socialism and republican forms are. In communism the individual person is supposed to be treated alike, that is, each get ^{same amount of} land, thus make approximately the same amount of money. There isn't any monopolies or large concerns that control businesses. All the stores and industries are supposed to be small so everyone has an ^{equal} chance.

Dick Van Allen

Econ. 203

May 18, 1954

4

Wick Van Allen
Econ 203

Communism is autocratic socialism. That is, it is socialism with one head that is all-powerful and controls the whole economy. Under this set-up the individual doesn't own anything; everything is owned by the government and is given to the individual for his use. Everything is heavily controlled and the individual can't do anything on his own initiative. It is ~~the~~ direct opposite of democratic capitalism.

Evans

4



Harlan Evans

What is Communism?

Communism is supposed to be a means of equalizing an economy, equalizing the position of each individual. This is to come about through government ownership and control of land, natural resources.

In practice, of course, this has not been the case

Tuckers, Lee

3

fasheism
fascism

What is communism

Communism as it is practiced to day is NOT
communism it is a form of fascism (spelling?)
that is what communism is.

What is Fascism, then?

Wagasaki

4

Ayako Nagasaka

1. What is Communism?

Communism is one of the most intangible and mixed-up words in our present day vocabulary. We think of it in terms of Russian Communism, of government of hierarchy which had Stalin as the absolute power manipulating the power politics through the Communist Party. As Marx put it, however, it was a society where "from each to his ability, to each his needs" - in other words a Socialistic economy - where Capitalism is gone and with it the free market economy.

Don Chubbuck

4



I think Communism is a method of power and control for a few people. These people, a Communist countries government, own and run everything - farms, factories, etc. If run for the people this method may be successful, but it is so easy to run this system for the selected few to gain

Leonard Calvert

4

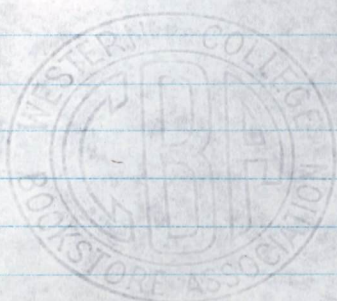
Leonard Calvert.

Communism is a political belief under which all men are supposedly free, equal and free from want. It is a welfare state of the first degree,

Under Communism, as practised in Russia, the individual counts for very little. The state is supreme and what is good for the state is good for you. The Soviet Union has a small, elite group of leaders who make the decisions for the country. What the mass of the people think is not important. Under this form of Communism there is also a mixed class structure - in contradiction to Marxian theory of a classless society.

Bruce
Blackledge

4



1 Communism is an authoritarian state government where by all the people in that state are equal. The government owns and operates all investment institutions and business enterprises. All services such as hospitalization, old age security are performed by the government; there is no private investment.

Mary Low
Gunduland

4

1. Communism as stated in its ^{manifesto} ~~manifesto~~ has very high ^{ideals} ~~principles~~ if actually carried out in that way. But the equal distribution of wealth and goods to all people with the rich sharing with the poor and the power in the hands of the people is highly idealized as can be seen by its effect in Russia.

The govt is powerful and controls the people so they have very little freedom or control over their own property or actions. People are very poor except for those engaged in govt activities because the govt discourages

Francis J. Richard

5/26/54

3

Communism: from the things it's and
communism is a form of democracy
supposedly the best form. Communism
has the poor position of having
its powers in a few people to work
and this reflects a too narrow view
which defeats its purpose. According to
all

Marcia Samwise

3

1 What is Communism?

Communism is a form of Government by which all class distinction is done away and the proletariat is the ^{supremacy} ruling figure in a sense. All economic and political freedom is lost and "Thought control" is a tactic used by the officials to gain a stronghold.

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AS
FOUND**

Bagley, Plym

3

1. What is communism?

Basically, Democracy is a state where the people own and control business, government, etc. whereas communism is a state where the government has complete ownership of everything including the people.

Jack Socolofsky

Gen 203.

Set 1.1

4

Econ 203. Jack Socolofsky

1. Communism in Russia has become the control of the masses by a few. Government controls everything and owns everything. The purpose of this was to give each citizen of the country an equal share. They believed government ownership and control would eliminate poverty and depression. However, the people often suffer at the hands of the government.

Robert Lawson
Econ 203

4

Robert Lawson
Econ 203

1. Communism is a form of government that was originated by the doctrines of Karl Marx. There is no classes, there is no income and the government owns everything.

Today the largest & most powerful communist country is Russia. Here the government owns everything, there still are classes of people and income comes in indirect ways. The people live under propaganda ~~control~~ and are in fear of the police.



Fred Hogg

4



Communism is a type of government organized theoretically by Karl Marx in the 1830's. He made many plans for how the government would take care of the common man. "Interest is the robbery of labor" is one of the vast motto's he used. Russia in 1917 after the revolution and a brief period of capitalism adopted communism. They found that they couldn't use all the doctrines of Marx, however, and adopted the "party" as a ruling class. They vote for only one man. (Yes or No.) Socialistic imperialism.





4

Library

Communism

A philosophy of life + government whereby the people work for the "common good." The government is the "common good." They own + run all industries. Theoretically everyone is equal. This is somewhat similar to socialism except communists will force these ideas upon a country by military force + governmental overthrow.

Lillian Houston

4

1. What is Communism

When communism takes over a country, the people become the pawn of the state. Under communism, everyone is working for the government. They have nothing outside of personal things that belong to them. The ~~state~~ land belongs to the government that the people work on. Everyone is supposed to be equal to one another. There are no rich landowners or poor landowners because they don't own any assets to begin with.

Mon. Office hrs.

Moley - you should know what you're getting.

If you want to know other view, against which K & H are inoculating you, many books in lib. - not enough to assign, but you who are interested may read: Samuelson; Chase; Gemmill & Blodgett; Hacker; Hansen;

Schlesinger; Keynes; Sweezy; Rogin; Brady; over

Moley, like many, feels he has objective truth, other side is propaganda. Probably is
such a thing as Truth. Perhaps K & H come closer than some others. But preach at you, &
Curiously enough, Mr. Clark, ~~the~~ "radical" ec-sts less def. have
a pt of
view.
Preferences

likely to distinguish earned from unearned inc. + from K & H.

They think whole ec. a racket, all unearned. ~~Those who~~ K & H see
merit in system, can justify most of it, but not unearned inc.

Must clean it up - get rid of Jonah

What I believe: Not Rep nor Dem.: have cracked at Rep.s; will crack Demos, too. I am
vs. special privileges for any group, favor free, open ec. Neither party very good. Bes
~~Explain 'status to contract'~~ electorate apathetic, not enough public int. concept.
& awakening, dev-s, concept of public int., some of resp. so what I favor more than anything is ec. education
& free speech over

4 systems, to organize ec.: Manor, Guild, Mercantile, Laissez-faire.

~~Answer:~~

Can't date exactly - hist. too complex. - e.g. ind. rev. 18th, 19th, 20th. 21st.

But can name types: for same conditions produce same results
around world.

Manor:

Local, Communal, ~~Manor~~ self-contained farm unit.

Not Comm-ist - much prt, & unequal ... some had none; & didn't share
w outsiders. Closed corp. Communal in another sense: opns.
Harder ~~to test~~ ^{for} Am. ^{to understand} about manor than students of any other

country. For other countries, manor common - not just Eng.

Recall
Bremer

Hard to know who is objective, who biased. Other side thinks
they objective, Moley biased. Some say no such thing as objective
truth, all biased. But probly is - for you to decide.

So don't be afraid to voice unpop. ideas here - whether w. me, or
cong. inv. comm.s, - - - speak up.

& we'll bring up here ideas of unpopular groups. May be
something to them. & if not, must know them to refute them -
ignorance no protection.

Ch. 4.

Explain "status to contract":

Anarchism, status, personal authority, impersonal mkt.

Eng. hist. - precise dating impossible, because came different times diff. places. - e.g. ind. rev. 18th Eng, 19th Fr, 20th Russia

Manor system. - custom bound, rigid. operations in common; land owned pvt & common.

Modern remnants in Europe - ~~Zealand~~. Rejuvenated system - Ejido of Mex; Kibbutzim of Israel

(Early Mormon settlements - not to criticize, perhaps they took the best.

NE; Quebec. Dorf - nucleated village, universal, save U.S.

Insofar as was trade - & was a good deal - church & state often set prices.

& prohibited int - modern feeling vs interest-taking has a long historical background.

Handicraft: (Gild system) Cities, set free from ~~manor~~ manor-feudal control.

System of town mnpys.

Merchant gilds came first. Mnpsts. - every town became a mnpys.

Craft gilds followed. Labor unions.

Not so different from modern times. Just on local level.

What happened to gilds is a portent for present day mnpsts.

History littered with corpses of suicide mnpys. - E.g. gilds & good e.g. put prices to high, & let technique stagnate, so were by-passed.

Craft gild masters excluded journeymen, & ~~also then~~ controlled town politics. Journeymen went out into country - a new generation of capitalists arose, organized "putting-out" system. (Japan today)

16th cent.

Mercantilism: National. The old town policy writ large. First place, advance over localism. Welded a national ex. - free mkt w/ in Eng. (Eng. 1834) From mnpys

Thought of each nation as alone in hostile world, acted accordingly

Grabbed every petty advantage. State manipulated for exchange, to keep terms of trade advantageous. Sell for as much as you can, buy as cheap as you can. Don't let your own people compete vs. each other

U.S., peculiar system - isolated homesteads.

Even so, have much experience: religious colonies - Mennonites, Dutchbours, & esp. 3 big areas: Mormon village; old NE; & Quebec. Again, religious.

Elsewhere, most common. Manor; seigneurie; dorf; zadruga, mir; China, Japan

Modern revivals: Ejido; Kibbutz; Am. utopians, escap'g city & inc tax.
When exchange breaks down, you get manor.
Ancient remnants: Jermatt. French communal villages, lands. Levant.

—
Org. Eng. manor (others all somewhat diff.)

Land held pvt --- even "common", graz'g rights & other land
(Taylor Graz Act)

Common operations. By custom. Weak pt. Constant neglect,
no one directly responsible for own land. No chance for individual to
improve. Static - no new entry. Ind's tied to local vested int, can't
sell, all relations personal.

A. Young, critic. "Magic of prop. turns sand..." Enclosures, ended,

Eng.

—
Now explain "Status to contract"

Gild, handicraft.

Exp. int'g, less previous ex^{ploration} of our own

Start, when commerce revived, after dark ages. Commerce means towns. & every town is a mnp, can exploit countryside — mercantilism wheel again.

So town mchts & holders org., merch. gilds — they first, K&H wrong. Forbade members to compete vs each other, serv'g outsiders. & also in buy'g labor, as labor moved to towns.

Didn't start that way, as mnpsts. But as gained power, became such.

Next, labor org. Craft gilds. Labor unions. Fought mcht gilds. Came to share power — unite in exploit'g outsiders (like Eng Labor Pny today)

Became very restrictive: limit app, freeze techniques, etc -- familiar, A.F.L.

What happened, portent of what will happen U.S. — is happen'g, under very eyes, so gradually we hardly notice. ^{N.E. textiles to S.} Hist. littered w. corpses of suicide mnpies.

Excluded ones by passed mnpsts, set up new towns. & as light of freedom came to focus on N. Italy, region blossomed; & as light moved on, N. Italy stagnated & Antwerp took lead; Amsterdam; London. & what happened most conspic. in

+ these towns which became centers of world, happened in thousands of smaller towns. Rise & fall

Same time, another kind of bypassing. - that was commercial. ↗

Was also industrial. New technique. Putting out system

(What is? Where now?) (Bombing Jap)

also polit. - Lost power to Nat. govts. That, too, may
be a portent of what will happen to Nat. govts today - lose power
to world govt.

Mercantilism dead? Nazi Eq. - & tho lost war physically, won intellectually, for ~~we take over~~ much of world has taken over their methods. Schacht - running around now, advising, great demand.

Old mercantilism had one feature different from Nazi. Gold import. Indeed, this feature so striking that come to identify w merc. But was incidental to main goal.

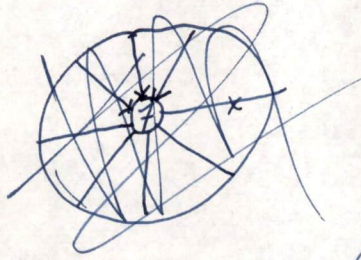
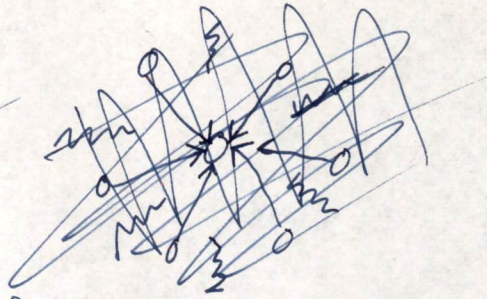
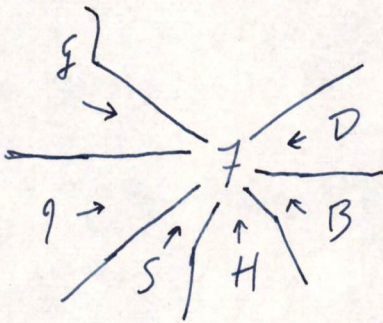
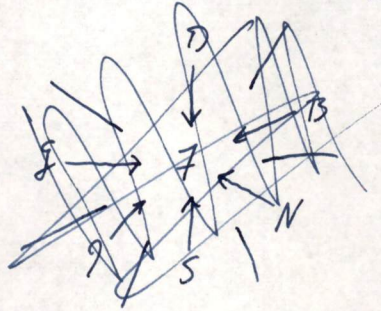
Gold import, kept home p up, thus Δg p to fms . Same time, by prevent'g gold outflow, reduced your people's demand for fn goods, made them lower P .

Nazis didn't bother with gold. Let that go. Really got back to bed rock realities - import more than exp. Left others with paper.

So if ask what merc. is, don't say system where import + gold. System of National ec., frankly exploitive. Squeeze last drop blood from fms . Cavour " " - that's merc. Consider nation as mmpy

Merc. want colonies.

Nap.



Eng did same with her colonies. Divide & exploit.

Does U.S. follow any merc. policy today?

(Webb - Pomerene. Fine & dandy to exploit firms.

(Tariff

(Import gold

(Subsidize shipping. Require goods to move in Am. ships.

Some states prohibit power export.

(Govt must "buy American"

Here. - have discussed. Nationalism. - & rather, petty, narrow
& often suicidal nat-ism at that. Psych. that today we wd.
call persecution complex. Nation alone in hostile world, trust
no one, no mutual benefit from internat. relations, but a duel -
one gets better of it, other gets worst.

Mention 1 more thing: why want gold import?
Keep up home p, force down fn p. Thus buy fn goods cheaper in
gold, sell own dearer.

But, as said, that was incidental to main goal, aggrandize
nation & weaken fnrs. So incidental that Nazis, most
intricate & ingenious mercantilists of all time, didn't try to

What kind of ec. is U.S.? Like all, a mixture.

Laissez-faire? Internally, somewhat. Externally, less so.

But cfd vs other modern countries, turning to free fr trade.

Eng policy led to Am. rev. Nap. lost Eur. Exploitees don't like it.
So sat back on heels & + haught.

Maybe get farther on Xian principles.

Same yr as Decl. of Indep, another important document: A. Smith.
"Laissez-faire" - remember. Much confusion - Harkness.

Confused - terribly confused. tragedy - must Am also.

Next week, Labor Org, 687

Rape & seduction.

Wed, 203.

1. Review 7A 7
Comm. On everyone's lips. Hint one is Comm., min this up. Pour millions abroad to stop Comm.
What is it?
2. ~~Anti~~ socialism, Comm. First of all, criticism. Born of that.

For what do they criticize ~~the~~ non-comm or soc. world?

a. Land mkt - tncy, latifundia, minifundia. Maldistrib. of pop. Much land held idle - Guatemala, S.A.

~~the~~ Even in U.S., problem. E Ky, $2\frac{1}{2}$ times the pop/acre as Pa, $8\times$ pop/crop acre,

& $15\times$ pop/\$ a.e. (1930) ~~the~~

Comm. grows on unsolved land problem. ^{Russia,} China. Huks, ~~the~~ Viet Minh.

b. Depression, unempl.

None in Russ, '30s. Gy solved hers by army.

b $\frac{1}{2}$ Insecurity

c. Mnpy. Shaw "... too bad they don't try it sometime."

Natch mnpy - plums to pol. favorites who broke leg... airlines.

Others --- they're inclined to say all are. Believe in do'g this big way. Or, if ind. is competitive, they call it "overproduction", destructive comp, -- can't please 'em.

4. What can we do about it

3. What have they done about it?

Let's really see - is enough to criticize w/o being pigheaded & distortj.

a. Eng. b. Russ. (c. Nazis)

d. Vested int.s obstruct progress. E.g. St Lawrence. Fm. bloc. Unions. Cling desperately to vested, bcs so tough to be thrown out in cold. Roads built to A.L.V., not serve people.

e. Inequality. Poverty amid plenty.

~~etc. inequality~~
f. Unearned inc.s. Astor. Bull mkt. Pervades, corrupts.

g. Snobbery, class distinctions, race discrimin. — they trace to ec. causes. — Enrightly so. It is fear of lower L.V. mostly behind race discrimin.

h. Advertising — loss of ethics, truth. Destroy natural beauty.

i. Acquisitive, anti-social habits

j. Ignore non-salable values. -- offsite benefits ... e.g. wind control, flood control, etc.

k. Imperialism — quest for mkt, raw materials.

l. Interest. -- "robbery of labor". Banks

Real problems, must admit.

3. What have they done about it?

a. Eng.

1. Land tenure? Nothing. Still nation of tnts. ^{-not "shopkeepers"} Town & City planning finance? Agric., direct controls, subsidies, "shoot or give up" Encl condemnation & control power, compensate handsomely

2. Depression

Were ready to employ everyone if depr. came.

b. Insecurity. Cradle-grave. Womb-tomb.

~~Public housing~~ Public hsg, some. Bail out slum specs, resell lower.

c. Monopoly.

Nationalized coal, steel, banks, xptn & comm-n, gas & electr.

Thus controlled rest of ec.

(Banks - credit. Govt & particular. Like Gms. (or Rockefeller's Chase Nat. Guaranty Trust)
(Xptn - location of ind., etc.
(Th. exch. - thus allocated basic raw materials
(Coal, steel, comm-n Lagnicappe)

d. Vested.

No, made worse. Bolstered up 'depressed areas'. (we do same)

e. Inequality.

Levelled inc., not assets. Destroyed incentive - no coal.

f. Unearned inc. - tax inc. from every source the same
Did nothing. Thus those Eng. w much unearned inc. just sit.

Labor has become public prop. But nat. res.s remain pub.

g. Snobbery?

Inbred

h. Advtg?

- Public radio

i. Anti-social habits?

Finish Marx. 824

Soc-ism necessarily disregard wishes of consumers?

Soc-ism nec. equal incomes?

No work. NEP.

But no prop. incomes.

Soc-ism in Eng.

Matter of degree.

✓ If free ent. so good, why Eng, home & cradle, abandon it?
7m + neg, & urban.

Conc. grew. Mopies. Unions. Paternalism. Stagnated. Doesn't

nec. prove free ent. bad — but Eng just too dumb, or
insufficiently public spirited, to fight the growing mopy etc.

Fabians. Captured Labor. Labor replaced Liberals. Lib.s ~~more~~ for free trade, & hi land tax, to equalize inc., break monopoly, etc - like U.S. prop. tax, force idle land to use.

Evidence that landholders financed Labor, to replace Lib.s. Fostered Soc-ism, preferring it to free ent. Alliance of landholders & soc-ists, as in Gy. - very diff. from Russia. Lords still in saddle, don't kid selves. Not pro free ent.

Creeping Socim. '45, big changes.

Continued P ceilings, consumer rationing (fair shares), allocation - control, not soc-m.

Soc-sec,

Soc-m Internat? Not at all - tried hard to keep empire, not trying to socialize Africa w natives -- Man Man.

Vs free trade. Very nationalistic. Threat to peace. Fn trade monopoly bying vs other nations.

✓ Eng. soc-m like Russ? Diff. as day from nite. Eng, big land-holders left intact. Hi inc. tax, but many have hi assets, so inc., sell out slowly, live fine. - no tax on idle land. Loopholes for landholders.

More like Gy - leave priv titles, control.

Socialized key ind.s, use as club, control.

Money. — credit.

Xport & comm.

Fuel & Power

Steel (now returned).

Fn Exch.

Controls:

Agric. Subsidies. ^(we do same) "Shoot or give up mustker".

Town & Ctry Plng.

Enrl condemnation & control power. Generous compensation,
nationalize some unearned Δ.

Bolster depressed areas. (vesteds)

Est. new ind.s there. (we do same)

Housg

Bail out steam landholders, resell for mkt P. (we same)

Fn trade. Planned, stay out of Enr. unions.

Labr

Some force.

Inc. Tax.

Few make much. No no coal

Investm't. From taxes, govt bonds. Little put say.

Russia.

Really soc-st:

Govt needs no tax, gets inc. from resources, & sets any p for any inc.

But use "tax" anyway, xactions, turnover. Maybe let factories keep other ppty inc.?

Nep. 5 yr plans.

✓ Cap. fmtn. Wow. No cons. sov'ty

Ind. expans. But stole from agric.

Managerial re-ltn.

Gosplan & Central Bank

Some criticism before plan formulated - not after.

Use ps. for acctg.

✓ Rise or fall's inv's ell if p right. - just like we

M & ration cards.

Fms.

$\frac{2}{3}$ too hi.

Mechanize, to release workers. But haven't mechanized much, cap going to other things. - looted fmg to build other cap.

Collectives.

7mrs pool machines, ~~for~~ get others from tractor stations.

Fn trade.

Opposite from Eng & U.S., uses aggressively to win friends.

Accepts fn goods, sells cheap.

1. Quiz: What is Communism?
What did Russ do? (Didn't disturb eng-ns - just lawyers, teachers, ^{9 have more to bear than you.} land & cap owners)

Plenty

a. Land. Socialized all, land & cap. (except small bits)
(Eng-ns wd. be more int-d in industry, cf. to U.S.)
Farm Land.

✓ First, peasants took land. Kulaks developed. ~~Lands~~ State liquidated them. 1928 - --- et seq. - 1st 5 yr plan.

Essential step in developing Comm. Have been "land reforms" before & since, but only Russ put thru Kollektivnoye Khozyaistvo. Much opposition, blood spilled, cattle etc destroyed in transition.

Famine, '33. But then improved. Essential to industrialize.
^{also political motive.}

✓ Released labor from farms, Δ production. Big, strong people must be eating something. Exporting now. Yields doubled since 1910. Not bad kolkhoz so good, but what preceded so bad. c. 80 households per kolkhoz

c. 1200 acre ave. merged as coop. unit. Small worker allotments. They started out w. very large & small. Settled on 1200 as most efficient.

Big to ^{allow} machinery? Maybe. But Govt Machine & Tractor Sta. serving many Kolkhoz.

Give tech. advice. Remember, began w. fantastically ignorant, illiterate peasants. ^{also for was to} control... by keepg central control of machines, avoid denationalist tendencies. Es. & pol. chain of command combined

By '33, $\frac{2}{3}$ had joined up.

Village life for farmers, no isolated settlement.

Mobility of labor? Dubious if can move from 1 kolkhoz to another.

✓ Local elected officers run k. - subject to much bossing of central govt. Doesn't sound like any way to get good mngs.

Rewards of individuals vary with a, Their contribution of labor
b, Output of whole kolkhoz

Early extreme centralization. Gett'g away from it more & more. At first, all work centralized under Chairman -- he decided what each man did ea. day. Also ea. implement. But impossible to administer efficiently.

1932 --; 2d 5yr plan, decentralized (N.B. even 1200 acres too big for centralized mgmt)

Brigade system. Gangs of field hands & overseer. Assign given brigade to given land, given tools, animals. Brigade leader imp'tnt, key figure, 2-3 yr apptmts, Chmn can't fire 'em, alone, but can chew 'em. Keep shift'g around, avoid feel'g of property

Under brigades, squads.

Remember, many orders also come from mach-tractor Sta. Tangled chain of command. Work somewhat under duress -- many try to evade kolkhoz work.

Various technical experts flit from place to place, hired by kolkhoz. they use free contract system to a degree.

Kolkhoz members, their elected reps, gradually gett'g more & more power, for productive efficiency. Also serve as local gov't: roads, lights, schools, ~~gov't~~ hospitals. Are also "village Soviets" for police, taxes, records, etc.

K. also mkts & buys

b. Depress, unempl? Eliminated. State employ everyone. Also, future plans co-ord. via 5-yr plans.
Insecurity? Plenty — all at mercy of state.

c. Mnpy?

No mnpy motive to restrict output.
Plant mgr sells at p fixed by state. He is supposed to ΔQ & $-\Delta$ costs, that's all.

d. Vested?

Are vested bureaucratic interests, engaged in continual power struggle.

But no vested prop. int.s. E.g. Mollendore vs atomiz. Fm bloc vs desalt'g ocean. P&E vs CVP. Id. P. Co vs Hell's C.

e. Inequality.

Considerable, among workers.

But no prop., main source of inequality.

f. Unearned inc.?

Few of kind we tolerate.

But who knows what Comm. Pty gets away with?

Emty, +ho, subordinate indiv. to group. If anyone had a racket so he lived w/o working, liquidate

But lots of pencil pushers who try to perpetuate jobs, no doubt. But often fail.

g. Snobbery?

Mixed 51 varieties. Recent anti-Semitism?

h. Advt.g?

Lost ethics & truth their own way. We at least have C.R., local bakeries. You don't have to eat poisoned, extended, devitalized demineralized white bread if don't want to. Of course if anyone tries to tell you, call him crank, etc.

As long as I can get what I want, don't care if you dopes go wrong.

In Russ. Strawberries & cream. . . . Now they want white bread.

i. Acquisitive habits?

Gone. Power struggle replaces

j. Public works

There they have one on us. We squabble over river basins, Fed v. State, TVA all we've done.
public v. priv.

Volga-Don Canal. Darydor ~~Plain~~ Other canals. Linking whole continent via cheap water xptn.

Remarkable water resource projects. Arnu Darya. Darydor Irrigate 100s of millions of acres, Kazakh area, drain swamps, raise Caspian, humidify steppes.

k. Imperialism?

l. Interest.

Repudiated for debts.

Sell bonds at home. But mainly create cap. via gov't using its income or taxes for that.

✓ Phenomenal rate of cap. fmtn. When read about low Russ. cons, remember it doesn't mean low production. There's where they'll get us. So who is "Capitalist"?

By 1960, predict stage of complete saturation, arrive at true comm-m. Pie in sky, maybe.

Phenomenal rate of growth. 1937, gross ind-l output up 800% over 1913. Nazis nipped. Now mor's ahead again.

What pay for this?

1. Lose freedom. "Cultural" planning, too. ~~For~~ Many not free to leave jobs

We'd better look out - JM wd like to do our cultural planning for us. Brownell. It's enough to make a person wonder if ~~their really~~ ~~int-d in~~ it's Freedom they want to defend.

2. Lose initiative of indep. innovator who stakes own time & M on new idea. (but if giant corps take over all, we lose too)
3. Lose automatic p system — ^{& ans. choice. Strombergs & cream} but we're losing it too.

4. High adm. costs, tangles, red tape.

Gosplan

Gosnab

Banks.

Smaller branches of ea.

Intl & regional org.

**SCANNED
AS
FOUND**

Soviet Is Short of Labor To Reap Big Grain Crop

By George Syvertsen

MOSCOW, July 15 (AP) Pravda reported new trouble today in the virgin lands on the eve of the grain harvest: mismanagement and a farm labor shortage.

The Communist Party newspaper reported "wastefulness and an irresponsible attitude toward the management of the economy" in the Kazakhstan Republic, in Central Asia.

Chief target of the stinging attack was Dinumakhamed A. Kunayev, Party First Secretary of Kazakhstan.

He was accused of failing to train and attract enough tractor drivers and combine operators to harvest the vast virgin lands Premier Nikita S. Khrushchev ordered cultivated eight years ago in an attempt to solve the Soviet food problem.

Soviet reports have cited a critical shortage of skilled farm machine operators for the Republic's 69 million acres of farmland, where the harvest is estimated at 18 million tons.

Pravda cited as an example a state farm that had only 17 operators for its 77 combines.

"On what are the state farm managers pinning their hopes?" Pravda asked. "They go out to railroad stations and zealously importune passers through to come to them for the harvest, promising them high wages."

Competition among farm directors for extra hands is so keen that some are sending recruiters to the Crimea, about 1000 miles distant.

One of the government's chronic headaches in the virgin lands has been the refusal of skilled farm labor to put up with the rugged living conditions. In 1960-61, more than 180,000 were said to have quit their jobs.

"Only last year, it was necessary to send about 100,000 machine operators to Kazakhstan for harvest work," Pravda complained. "This cost the state 16 million rubles (\$17.6 million)."

A government and Communist Party resolution published Friday approved the emergency assignment again this year of farm machine operators from other republics to help harvest the badly needed grain in Kazakhstan.

re, At Last



The Times of India

o the Editor

re American testing
w this new round of
tings, as was the case
. Thus the already
ted atmosphere will
eadily more deadly.
ness judg

Underprivileged?

I note that a local 16-year
old has been charged with the
murder of his stepfather and
the attempted murder of his
mother. The boy had a ready

Uncertain Politics Of Disarmament

By Marquis Childs

IN THE gay and heedless '20s there
was a popular song called "Dancing in
the Dark." It might serve—except that
dancing is hardly
theme song
ference th

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