

J. STALIN

ECONOMIC PROBLEMS OF SOCIALISM IN THE U.S.S.R.



FOREIGN LANGUAGES PUBLISHING HOUSE

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*To the Participants in
the Economic Discussion*

**REMARKS
ON ECONOMIC QUESTIONS
CONNECTED WITH THE NOVEMBER 1951
DISCUSSION**

I have received all the materials on the economic discussion arranged to assess the draft textbook on political economy. The material received includes the "Proposals for the Improvement of the Draft Textbook on Political Economy," "Proposals for the Elimination of Mistakes and Inaccuracies" in the draft, and the "Memorandum on Disputed Issues."

On all these materials, as well as on the draft textbook, I consider it necessary to make the following remarks.

**1. CHARACTER OF ECONOMIC LAWS UNDER
SOCIALISM**

Some comrades deny the objective character of laws of science, and of the laws of political economy particularly, under socialism. They deny that the laws of political economy reflect law-governed processes which operate independently of the will of man. They believe that in view of the specific role assigned to the Soviet state by

history, the Soviet state and its leaders can abolish existing laws of political economy and can "form," "create," new laws.

These comrades are profoundly mistaken. It is evident that they confuse laws of science, which reflect objective processes in nature or society, processes which take place independently of the will of man, with the laws which are issued by governments, which are made by the will of man, and which have only juridical validity. But they must not be confused.

Marxism regards laws of science—whether they be laws of natural science or laws of political economy—as the reflection of objective processes which take place independently of the will of man. Man may discover these laws, get to know them, study them, reckon with them in his activities and utilize them in the interests of society, but he cannot change or abolish them. Still less can he form or create new laws of science.

Does this mean, for instance, that the results of the action of the laws of nature, the results of the action of the forces of nature, are generally inavertible, that the destructive action of the forces of nature always and everywhere proceeds with an elemental and inexorable power that does not yield to the influence of man? No, it does not. Leaving aside astronomical, geological and other similar processes, which, even if he has come to know the laws of their development, man really is powerless to influence, in many other cases man is very far from powerless, in the sense of being able to influence the processes of nature. In all such cases, having come to know the laws of nature, reckoning with them and relying on them, and intelligently applying and utilizing them, man can restrict their sphere of action, and can

impart a different direction to the destructive forces of nature and convert them to the use of society.

To take one of numerous examples. In olden times the overflow of big rivers, flood, and the resulting destruction of homes and crops, was considered an inevitable calamity, against which man was powerless. But with the lapse of time and the development of human knowledge, when man had learned to build dams and hydro-power stations, it became possible to protect society from the calamity of flood which had formerly seemed to be inevitable. More, man learned to curb the destructive forces of nature, to harness them, so to speak, to convert the force of water to the use of society and to utilize it for the irrigation of fields and the generation of power.

Does this mean that man has thereby abolished laws of nature, laws of science, and has created new laws of nature, new laws of science? No, it does not. The fact is that all this procedure of averting the action of the destructive forces of water and of utilizing them in the interests of society takes place without any violation, alteration or abolition of scientific laws or the creation of new scientific laws. On the contrary, all this procedure is effected in precise conformity with the laws of nature and the laws of science, since any violation, even the slightest, of the laws of nature would only upset matters and render the procedure futile.

The same must be said of the laws of economic development, the laws of political economy—whether in the period of capitalism or in the period of socialism. Here, too, the laws of economic development, as in the case of natural science, are objective laws, reflecting processes of economic development which take place independently

of the will of man. Man may discover these laws, get to know them and, relying upon them, utilize them in the interests of society, impart a different direction to the destructive action of some of the laws, restrict their sphere of action, and allow fuller scope to other laws that are forcing their way to the forefront; but he cannot destroy them or create new economic laws.

One of the distinguishing features of political economy is that its laws, unlike those of natural science, are impermanent, that they, or at least the majority of them, operate for a definite historical period, after which they give place to new laws. However, these laws are not abolished, but lose their validity owing to the new economic conditions and depart from the scene in order to give place to new laws, laws which are not created by the will of man, but which arise from the new economic conditions.

Reference is made to Engels' *Anti-Dühring*, to his formula which says that, with the abolition of capitalism and the socialization of the means of production, man will obtain control of his means of production, that he will be set free from the yoke of social and economic relations and become the "master" of his social life. Engels calls this freedom "appreciation of necessity." And what can this "appreciation of necessity" mean? It means that, having come to know objective laws ("necessity"), man will apply them with full consciousness in the interests of society. That is why Engels says in the same book:

"The laws of his own social activity, which have hitherto confronted him as extraneous laws of nature dominating him, will then be applied by man with complete understanding, and hence will be dominated by man."

As we see, Engels' formula does not speak at all in

favour of those who think that under socialism economic laws can be abolished and new ones created. On the contrary, it demands, not the abolition, but the understanding of economic laws and their intelligent application.

It is said that economic laws are elemental in character, that their action is inavertible and that society is powerless against them. That is not true. It is making a fetish of laws, and oneself the slave of laws. It has been demonstrated that society is not powerless against laws, that, having come to know economic laws and relying upon them, society can restrict their sphere of action, utilize them in the interests of society and "harness" them, just as in the case of the forces of nature and their laws, just as in the case of the overflow of big rivers cited in illustration above.

Reference is made to the specific role of Soviet government in building socialism, which allegedly enables it to abolish existing laws of economic development and to "form" new ones. That also is untrue.

The specific role of Soviet government was due to two circumstances: first, that what Soviet government had to do was not to replace one form of exploitation by another, as was the case in earlier revolutions, but to abolish exploitation altogether; second, that in view of the absence in the country of any ready-made rudiments of a socialist economy, it had to create new, socialist forms of economy, "starting from scratch," so to speak.

That was undoubtedly a difficult, complex and unprecedented task. Nevertheless, the Soviet government accomplished this task with credit. But it accomplished it not because it supposedly destroyed the existing economic laws and "formed" new ones, but only because it relied on the economic law that the relations of production

must necessarily conform with the character of the productive forces. The productive forces of our country, especially in industry, were social in character, the form of ownership, on the other hand, was private, capitalistic. Relying on the economic law that the relations of production must necessarily conform with the character of the productive forces, the Soviet government socialized the means of production, made them the property of the whole people, and thereby abolished the exploiting system and created socialist forms of economy. Had it not been for this law, and had the Soviet government not relied upon it, it could not have accomplished its mission.

The economic law that the relations of production must necessarily conform with the character of the productive forces has long been forcing its way to the forefront in the capitalist countries. If it has failed so far to force its way into the open, it is because it is encountering powerful resistance on the part of obsolescent forces of society. Here we have another distinguishing feature of economic laws. Unlike the laws of natural science, where the discovery and application of a new law proceeds more or less smoothly, the discovery and application of a new law in the economic field, affecting as it does the interests of obsolescent forces of society, meets with the most powerful resistance on their part. A force, a social force, capable of overcoming this resistance, is therefore necessary. In our country, such a force was the alliance of the working class and the peasantry, who represented the overwhelming majority of society. There is no such force yet in other, capitalist countries. This explains the secret why the Soviet government was able to smash the old forces of society, and why in our country the economic law that the relations of production

must necessarily conform with the character of the productive forces received full scope.

It is said that the necessity for balanced (proportionate) development of the national economy in our country enables the Soviet government to abolish existing economic laws and to create new ones. That is absolutely untrue. Our yearly and five-yearly plans must not be confused with the objective economic law of balanced, proportionate development of the national economy. The law of balanced development of the national economy arose in opposition to the law of competition and anarchy of production under capitalism. It arose from the socialization of the means of production, after the law of competition and anarchy of production had lost its validity. It became operative because a socialist economy can be conducted only on the basis of the economic law of balanced development of the national economy. That means that the law of balanced development of the national economy makes it *possible* for our planning bodies to plan social production correctly. But *possibility* must not be confused with *actuality*. They are two different things. In order to turn the possibility into actuality, it is necessary to study this economic law, to master it, to learn to apply it with full understanding, and to compile such plans as fully reflect the requirements of this law. It cannot be said that the requirements of this economic law are fully reflected by our yearly and five-yearly plans.

It is said that some of the economic laws operating in our country under socialism, including the law of value, have been "transformed," or even "radically transformed," on the basis of planned economy. That is likewise untrue. Laws cannot be "transformed," still less "radically" transformed. If they can be transformed, then

they can be abolished and replaced by other laws. The thesis that laws can be "transformed" is a relic of the incorrect formula that laws can be "abolished" or "formed." Although the formula that economic laws can be transformed has already been current in our country for a long time, it must be abandoned for the sake of accuracy. The sphere of action of this or that economic law may be restricted, its destructive action—that is, of course, if it is liable to be destructive—may be averted, but it cannot be "transformed" or "abolished."

Consequently, when we speak of "subjugating" natural forces or economic forces, of "dominating" them, etc., this does not mean that man can "abolish" or "form" scientific laws. On the contrary, it only means that man can discover laws, get to know them and master them, learn to apply them with full understanding, utilize them in the interests of society, and thus subjugate them, secure mastery over them.

Hence, the laws of political economy under socialism are objective laws, which reflect the fact that the processes of economic life are law-governed and operate independently of our will. People who deny this postulate are in point of fact denying science, and, by denying science, they are denying all possibility of prognostication—and, consequently, are denying the possibility of directing economic activity.

It may be said that all this is correct and generally known; but that there is nothing new in it, and that it is therefore not worth spending time reiterating generally-known truths. Of course, there really is nothing new in this; but it would be a mistake to think that it is not worth spending time reiterating certain truths that are well known to us. The fact is that we, the leading core,

are joined every year by thousands of new and young forces who are ardently desirous of assisting us and ardently desirous of proving their worth, but who do not possess an adequate Marxist education, are unfamiliar with many truths that are well known to us, and are therefore compelled to grope in the darkness. They are staggered by the colossal achievements of Soviet government, they are dazzled by the extraordinary successes of the Soviet system, and they begin to imagine that Soviet government can "do anything," that "nothing is beyond it," that it can abolish scientific laws and form new ones. What are we to do with these comrades? How are we to educate them in Marxism-Leninism? I think that systematic reiteration and patient explanation of so-called "generally-known" truths is one of the best methods of educating these comrades in Marxism.

2. COMMODITY PRODUCTION UNDER SOCIALISM

Certain comrades affirm that the Party acted wrongly in preserving commodity production after it had assumed power and nationalized the means of production in our country. They consider that the Party should have banished commodity production there and then. In this connection they cite Engels, who says:

"The seizure of the means of production by society puts an end to commodity production, and therewith to the domination of the product over the producer." (See *Anti-Dühring*.)

These comrades are profoundly mistaken.

Let us examine Engels' formula. Engels' formula cannot be considered fully clear and precise, because it does

not indicate whether it is referring to the seizure by society of *all* or only part of the means of production, that is, whether *all* or only part of the means of production are converted into public property. Hence, *this* formula of Engels' may be understood either way.

Elsewhere in *Anti-Dühring* Engels speaks of mastering "*all* the means of production," of taking possession of "*all* means of production." Hence, in this formula Engels has in mind the nationalization not of part, but of all the means of production, that is, the conversion into public property of the means of production not only of industry, but also of agriculture.

It follows from this that Engels has in mind countries where capitalism and the concentration of production have advanced far enough both in industry and in agriculture to permit the expropriation of *all* the means of production in the country and their conversion into public property. Engels, consequently, considers that in *such* countries, parallel with the socialization of *all* the means of production, commodity production should be put an end to. And that, of course, is correct.

There was only one such country at the close of the last century, when *Anti-Dühring* was published—Britain. There the development of capitalism and the concentration of production both in industry and in agriculture had reached such a point that it would have been possible, in the event of the assumption of power by the proletariat, to convert *all* the country's means of production into public property and to put an end to commodity production.

I leave aside in this instance the question of the importance of foreign trade to Britain and the vast part it plays in her national economy. I think that only

after an investigation of this question can it be finally decided what would be the future of commodity production in Britain after the proletariat had assumed power and *all* the means of production had been nationalized.

However, not only at the close of the last century, but today too, no country has attained such a degree of development of capitalism and concentration of production in agriculture as is to be observed in Britain. As to the other countries, notwithstanding the development of capitalism in the countryside, they still have a fairly numerous class of small and medium rural owner-producers, whose future would have to be decided if the proletariat should assume power.

But here is a question: what are the proletariat and its party to do in countries, ours being a case in point, where the conditions are favourable for the assumption of power by the proletariat and the overthrow of capitalism, where capitalism has so concentrated the means of production in industry that they may be expropriated and made the property of society, but where agriculture, notwithstanding the growth of capitalism, is divided up among numerous small and medium owner-producers to such an extent as to make it impossible to consider the expropriation of these producers?

To this question Engels' formula does not furnish an answer. Incidentally, it was not supposed to furnish an answer to it, since it arose from another question, namely, what should be the fate of commodity production after *all* the means of production had been socialized.

And so, what is to be done if *not all*, but only part of the means of production have been socialized, yet the conditions are favourable for the assumption of power

by the proletariat—should the proletariat assume power and should commodity production be abolished immediately after this?

We cannot, of course, consider an answer the opinion of certain half-baked Marxists who believe that under such conditions the thing to do is to refrain from taking power and to wait until capitalism has succeeded in ruining the millions of small and medium producers and converting them into farm labourers and in concentrating the means of production in agriculture, and that only after this would it be possible to consider the assumption of power by the proletariat and the socialization of *all* the means of production. Naturally, this is a “solution” which Marxists cannot accept if they do not want to disgrace themselves completely.

Nor can we consider an answer the opinion of other half-baked Marxists, who think that the thing to do would be to assume power and to expropriate the small and medium rural producers and to socialize their means of production. Marxists cannot adopt this senseless and criminal course either, because it would destroy all chances of victory for the socialist revolution, and would throw the peasantry into the camp of the enemies of the proletariat for a long time.

The answer to this question was given by Lenin in his writings on the “tax in kind” and in his celebrated “cooperative plan.”

Lenin’s answer may be briefly summed up as follows:

a) Favourable conditions for the assumption of power should not be missed—the proletariat should assume power without waiting until capitalism succeeded in ruining the millions of small and medium individual producers;