

**ON THE
POLITICAL ECONOMY
TEXTBOOK
(1951-1953)**

**This is a publication of STC — SPC — DD(CP).
September 2026.**

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PREFACE

On November 10, 1951, the Central Committee of the Communist Party of the Soviet Union (Bolsheviks) held the first session of a meeting to discuss the draft textbook of political economy. Leading scientists and teachers of political economy, history, and philosophy, together with economists and practitioners, were all invited. The meeting was attended by 263 people; 21 plenary sessions were held, at which 119 specialists spoke. Participants were relieved of their routine work during meeting hours and, in addition, continued their work in three sections corresponding to sections of the textbook.

The format of the discussion was set out in the opening speech of G. M. Malenkov, who stated that the discussion should be full and free.

Stalin did not take part directly in the discussion but followed its progress closely. Seven files held in RGASPI ¹ contain abbreviated transcripts of the participants' speeches. These documents, originally published by V. V. Zhuravlev and L. N. Lazareva in "Stalin's Economic Heritage: Plans and Discussions 1947–1953, Documents and Materials," in 2017, reproduced here, bear pen and pencil markings of Stalin, showing that they were closely analysed.

With regard to the economic laws of socialism, Stalin left a comment in the margin:

"The cognised necessity is not enough for the socialist national economy: to recognise the necessity of laws does not mean to limit them. Needless to say that, for example, the law of value, or the laws concerning money, etc., are limited under socialism, since the anarchy of production has been replaced by planning" (doc. 39).

In *Proposals* (doc. 39), on economic issues related to the November 1951 discussion, a whole chapter had already been devoted to this problem, in which Stalin attributed the law of planned development to ensuring the proportionality of the national economy.

¹ RGASPI: Russian State Archive of Social and Political History, F. 558, the personal archive of J. V. Stalin.

During the discussions, the main controversy centred on the political economy of socialism. Of the 18 pages that make up the text of *Proposals* to improve the draft textbook of political economy, 8 pages relate to the section on the Socialist Mode of Production, and a further 4.5 pages to the Information on Controversial Issues that emerged during the discussion of the draft textbook.

Inquiry on controversial issues (doc. 40) offers insight not only into the position of the majority of participants but also into the problems that emerged during the discussions. Participants discussed the following controversial topics at the meetings: the nature of the economic laws of socialism; the commodity and the law of value in a socialist society; socially necessary labour time under socialism; the principles of setting prices for goods in the USSR; necessary and surplus labour under socialism; the Soviet monetary system and its connection with gold; capitalist reproduction during the general crisis of capitalism; the possibility and inevitability of intra-imperialist wars after the Second World Imperialist War; the source of differential rent; the foundations of feudal society and non-economic coercion; the place of the chapter on capital and surplus value; and the scheme of the textbook's section on the Socialist Mode of Production.

The reader will see from these documents that, although Stalin's *Economic Problems of Socialism in the USSR* was approved at the XIX Party Congress of the CPSU, discussion of the Socialist Mode of Production and Transition to Communism continued among certain groups within the party. L. Yaroshenko's arguments persisted even after the Congress — so much so that, on 25 January 1953, the Bureau of the Presidium of the CC CPSU approved a decision “to expel L. Yaroshenko from the ranks of the Communist Party as a double-dealer and a degenerate” (doc. 32).

As a result of these controversial discussions, the *Political Economy Textbook* was not completed during Stalin's lifetime. Interest in its publication faded after Stalin's death, and when the book finally appeared in 1954, the section on *product exchange* — the basis for the transition to communism — had been removed from the 1953 draft. Furthermore, the mistaken decisions taken on the

USSR's economic affairs after Stalin's death were included in the 1954 edition.

**Socialist Truth in Cyprus
(London Bureaux)**

September, 2026

1. RECORD OF COMRADE J. V. STALIN'S DISCUSSION WITH ECONOMISTS. 29th January 1941

On Issues of Political Economy

On The Object of Political Economy

There are several definitions of the object of political economy: Engels' definition which views political economy as a science about production, exchange and distribution; there is the definition given by Marx in his preparatory notes to *Capital*; there is Lenin's point of view which accepts the definition given by Bogdanov in 1889. We have a lot of bookworms and they would attempt to counterpose one definition to another. We are very fond of quotations. And quotations are a sign of our ignorance. That is why we must rigorously think over the correct definition of the object of political economy and then standing inside of it introduce it.

If we write that 'political economy is the science about historically developing modes of social production, then people would not immediately understand that we are talking about the economy and relations between people. It is better to say that political economy is the science of the development of the relations of social production, i.e. the economic relations between people. This definition explains the laws governing the production and distribution of the necessary means of consumption for both individual and production purposes'. When I speak of distribution, I have in view not the common notion of distribution in the narrow sense of the word, i.e. distribution of the means of individual consumption. We are talking about distribution in the sense in which it has been used by Engels in *Anti-Duhring*, where he analyses distribution as a form of ownership of the means of production and means of individual consumption.

On the next page, after completing the second paragraph, we must make an addition in the following words: 'i.e. how the means of

production are distributed between the members of the society as, subsequently, also the material goods necessary for peoples' lives.'

You certainly know about the preparatory notes of Marx for the fourth volume of *Capital*. There you have the definition of the object of political economy. When Marx speaks of production, he includes transport (independently of whether we are talking of long distance or short distance transport, about transportation of cotton from Turkestan or a factory's internal transport). With Marx all the problems of distribution are included in the concept of production. What do those present here think: is the definition being outlined here the correct one?

Remark: Unconditionally, the outlined changes bring about a fundamental improvement.

Question: Is it correct to use the words relations of 'social production' in the definition? Is the word 'social' not irrelevant here. After all, production is also social. Will we not have a tautology?

Answer: No, we must write 'social-production' with a hyphen, as, after all, there can be technical relations in production, here we must speak specifically of the relations of social production.

Question: Will it not be more appropriate to talk of consumption as 'individual and productive' instead of the words 'individual and production'?

After a short exchange of opinions 'individual and production' was written.

If we accept the proposed formulation of the object, then the general conclusion must be made that the question of distribution in all the formations must be accorded much more attention. Otherwise, here, very little is said about banks, stock exchanges and markets. This will not do. In particular the section on socialism also suffers because of this.

There are stylistic irregularities on page 5. These must be removed. It is written 'it is a historical science, examining and explaining different modes of production and explaining the traits that distinguish each of them.' It should be written in proper Russian as not 'examining' and 'explaining', but the science that examines and explains.

On the Law of Value

I am coming to the section on socialism. A few things have been improved. But a lot has been spoilt in comparison to what was there earlier in this section.

It is written here that the law of value has been overcome. Then it becomes incomprehensible from where the category of cost arises, without which we cannot calculate, cannot distribute according to labour and cannot set prices. The law of value has not been overcome yet. It is not true that we are commanding with the help of prices; we want to command, but cannot. In order to command with the help of prices, there must be huge reserves, an abundance of commodities. Only then can we dictate our prices. As long as there is an illegal market and a collective farm market, market prices would exist. If there is no value, then there is nothing by which to measure incomes. Incomes are not measured by labour. When we begin to distribute according to needs, then it will be an altogether different matter. But for the present the law of value has not been overcome. We want to consciously use it. We are compelled to set prices within the framework of this law. In 1940 the harvest was lower (in Russia – *ed.*) than in Estonia and Latvia. There was not enough bread and the prices jumped upwards. We threw in about 200,000 *poods* of bread and the prices came down immediately. But can we do this with all the commodities all over the country? No, we are far from dictating prices for all commodities. For this we have a great deal more to produce. Much more than presently. But at present we are unable to command with the help of prices. And also the income from the sales in the collective farm market goes to the collective farm peasantry. Obviously with us the means of production cannot be bought with this income, and this income goes towards increasing the individual consumption.

Poster propaganda finds its way into the textbook. This will not do. An economist should study facts, and here all of a sudden: ‘Trotskyite-Bukharinite traitors’ what is the need to mention that the courts have established this thing and that? What is economic about it? Throw the propaganda out. Political economy is a serious matter.

Voice: It was written long ago when the trial was underway.

Answer: When it was written is irrelevant. Now the new edition has been presented and it is there too. And it is out of place here. In science we appeal to Reason. And here we are appealing to something like the belly and a bit to something else. This spoils the job.

On Planning

Regarding the plan for the economy a lot of terrible words have been piled up. What all has not been written. ‘Directly social character of labour in the socialist society. Overcoming the law of value and elimination of anarchy in production. Planned conducting of the economy as a means of bringing the production relations of socialism in conformity with the nature of the productive forces’. Some kind of a flawless planned economy is painted. Whereas one can say simply: — under capitalism it is not possible to carry on production on the scale of the whole of the society, there you have competition, there you have private property, which separates. Whereas in our system the enterprises are united on the basis of socialist property. Planned economy is not something we want, it is an *inevitability*, otherwise everything would collapse. We have destroyed such bourgeois barometers as the markets and the stock exchanges, with the help of which the bourgeoisie corrects the disproportions. We have taken everything up on ourselves. Planned economy in our system is as much inevitable as is the consumption of bread. And it is so not because we are all ‘good boys’, not because we are capable of doing everything, and they cannot, but because in our system the enterprises are integrated. In their system integration is possible only within trusts and cartels, i.e. within narrow limits, but they are incapable of organising an All peoples’ economy. (It is in place here to remind ourselves of Lenin’s critique of Kautsky’s theory of super capitalism). The capitalist cannot run industry and agriculture and transport according to a plan. Under capitalism the town must devour the countryside. Private property there is an obstacle. So say simply: there is integration in our system, and in their system there is division. Here (page 369) it is written: ‘planned functioning of the economy as a means of bringing the production

relations of socialism in conformity with the character of the productive forces'. It is all rubbish, schoolboys' chatter. (Marx and Engels spoke long ago, and they had to talk about contradictions). But why in hell are you treating us to such generalisations? Say simply: in their system there is division in the economy, the form of property brings divisions; in our system there is integration. You are at the helm, and the power is yours. Speak simply.

We must properly define the objectives of the planning centre. Not only must it establish the proportions. Proportions are not of central importance, they are essential, but still secondary.

What are the main objectives of planning?

The first objective consists in planning in a way that ensures the independence of the socialist economy from capitalist encirclement. This is obligatory, and is most important. It is a form of the struggles against world capitalism. We must ensure that we have metal and machines in our hands so as not to become an appendage to the capitalist system. This is the basis of planning. This is central. GOELRO and subsequent plans were drawn up on this basis.

How to organise planning? In their system capital gets spontaneously distributed over the branches of the economy depending upon the profits. If we were to develop various sectors according to their profitability we would have a developed flour-grinding sector, toy production (they are expensive and give high profits), textiles, but we would not have had any heavy industry. It demands large investments and is loss-making in the beginning. Abandoning the development of heavy industry is the same as that which the Rykovites had proposed. We have turned the laws of development of the capitalist economy upside down, have put them on their head, or more precisely on their feet. We have begun with the development of heavy industry and machine building. Without planning of the economy nothing would work out.

How do things happen in their system? Some states rob others, loot the colonies, and extract forced loans. It is otherwise with us. The basic thing about planning is that we have not become an appendage to the world capitalist system.

The second objective of planning consists in strengthening the absolute hegemony of the socialist economic system and closing all

the sources and loopholes from which capitalism arises. Rykov and Trotsky had once proposed to close down advanced and leading enterprises (The Putilov Factory and others) as unprofitable. Going by this would have meant ‘closing down’ socialism. Investments would have then gone into flour-grinding and toy production because they yield profit. We could not have followed this path.

The third objective of planning is to avoid disproportions. But as the economy is huge, ruptures can always take place. Therefore, we need to have large reserves. Not only of funds, but also of labour power.

We should provide something new to the reader, and not endlessly keep repeating about the correlation between the relations of production and the productive forces. It does not produce any results. There is no need to go overboard in praising our own system and ascribe to it those achievements which are not there. Value exists and differential rent exists, but they are used differently. I was thinking about the category of Profit — should we leave it out or to keep it?

Remark: Maybe it is better to use the word ‘income’?

Molotov: Income is of different kinds.

Remark (N.A. Voznesensky—*ed.*): May be socialist accumulation?

Answer: As long as profit has not been extracted it is not accumulation. Profit is a result of production.

Question: Should we have in the textbook that there is surplus product in the socialist society? There were differences of opinion on this matter in the Commission.

Molotov: We have to educate the workers so that they know that they work for the whole of the society and not only for their families.

Answer: Without surplus product you cannot build the new system. It is necessary that the workers understand that under capitalism they are interested in what it is that they are getting. But under socialism they take care of their own society and this is what educates the worker. Income remains but it acquires another character. The surplus product is there, but it does not go to the exploiter, but towards increasing the welfare of the people, strengthening defence etc. The surplus product gets transformed.

In our country distribution takes place according to labour. We have qualified and unqualified labour. How should we define an engineer's work? It is multiplied simple labour. With us incomes are distributed according to labour. It cannot be that this distribution happens independently of the law of value. We think that the entire economy is run according to the plan, but it does not always happen this way. There is a lot of spontaneity with us also. We knowingly, and not spontaneously, make calculations according to the law of value. In their system the law of value operates spontaneously, bringing in its wake destruction, and demands huge sacrifices. In our system the character of the law of value undergoes a change, it acquires a new content, a new form. We knowingly, and not spontaneously, set prices. Engels speaks of leaps. It is a risky formula, but it can be accepted, if we correctly understand the leap from the realm of necessity into the realm of freedom. We must understand freedom of will as necessity recognised, where the leap means a transition from spontaneous inevitability to the recognition of necessity. In their system the law of value operates spontaneously and it leads to large-scale destruction. But we should conduct things in such a way that there are fewer sacrifices. The necessity resulting from the operation of the law of value must be used by us consciously.

Question: In the Commission there were misunderstandings and discussions regarding whether there are commodities in the Soviet economy. The author, against the opinion of the majority in the Commission, speaks not about commodities but about products.

Answer: Once we have a monetarised economy, we also have commodities. All the categories remain, but have acquired a new character. Money, in their system, serves as a tool for exploitation, but in our system it has a different content.

Question: Until now the law of value was interpreted as a law operating in a spontaneous market which determines the spontaneous distribution of labour power.

Answer: This is not correct. One should not narrow down the scope of the formulation of the question. Trotsky repeatedly limited money to its being an instrument for calculation. He insisted on this both before and after the transition to NEP. This is wrong. Our

answer to him was: when a worker buys something, is he calculating with the help of money, or is he doing something else? Lenin repeatedly would point out in the Politbureau that such a formulation of the question is wrong, that one should not limit the role of money to it being an instrument of calculation.

Remark: Surplus product in a socialist society — the term is embarrassing.

Answer: On the contrary, we have to educate the worker that the surplus product is needed by us, there is more responsibility. The worker must understand that he produces not only for himself and his family, but also for creating reserves and strengthening defence etc.

Remark: In the *Critique of the Gotha Programme* Marx did not write about surplus product.

Answer: If you want to seek answers for everything in Marx you will get nowhere. You have in front of you a laboratory such as the USSR which has existed now for more than 20 years but you think that Marx ought to be knowing more than you about socialism. Do you not understand that in the *Critique of the Gotha Programme* Marx was not in a position to foresee! It is necessary to use one's head and not string citations together. New facts are there, there is a new combination of forces — and if you don't mind — one has to use one's brains.

On Wages and Workdays

A few words about wages, work-days and incomes of the workers, the collective farmers and the intelligentsia. In the textbook it has not been taken into account, that people go to work not only because Marxists are in power and there is a planned economy, but also because that it is in their interest, and that we have grasped this interest. The workers are neither idealists nor ideal people. Some people think that it is possible to run the economy on the basis of equalisation. We have had such theories: collective wages, communes in production. You will not move production forward by all this. The worker fulfils and over-achieves the plan because we have piece-work for the workers, a bonus system for the supervisory

staff and bonus payments for farmers who work better. Recently we have enacted the law for the Ukraine.

I will tell you of two cases. In the coal industry a few years ago a situation was created when the people working overground received more than the people working in the mines. The engineer sitting in the office received one and a half times more than those who worked in the mines. The top leadership, the administration want to attract the best engineers to their departments so that they sit by their side. But for the work to move ahead, it is necessary that people have an interest. When we increased the wages for the underground worker, only then did the work move forward. The question of wages is of central importance.

Take another example: cotton production. For four years now that it is moving uphill only because the procedure of paying the bonuses has been revised. The more they produce from a unit of land the more they get. They now have an interest.

The law on bonuses for collective farmers in the Ukraine has exceptional importance. If you go by peoples' interests they would move forward, would upgrade their qualification, work better and will clearly see that this gives them more. There was a time when an intellectual or a qualified worker was considered fit only to be social outcasts. This was our foolishness, there was no serious organisation of production then.

People speak of the six conditions of Stalin. Come to think of it — what news! What is said there is that which is known all over the world but has only been forgotten with us. Piece-work for the worker, a bonus system for the engineering and technical staff and bonuses for the collective farmers — these are the levers of industrial and agricultural development. Make use of these levers and there would be no limit to growth in production and without them nothing is going to work out. Engels has created a lot of confusion here. There was a time when we used to boast that the technical staff and the engineers would receive not more than what the qualified workers get. Engels did not understand a thing about production and he confounded us too. It is as ridiculous as the other opinion that the higher administrative staff must be changed every so often. If we had gone along with this everything would have been lost. You want to

leap directly into communism. Marx and Engels wrote keeping full communism in view. The transition from socialism to communism is a terribly complicated matter. Socialism has yet not entered our flesh and blood, we still have to organise things properly in socialism, we still have to properly set up distribution according to work.

We have filth in our factories, but we want to go straight to communism. But who will let you in there? We are sinking in garbage and we want communism. In one large enterprise about two years ago they started breeding fowl — chicken and geese. Where does all this lead you to? Dirty people would not be allowed entry into communism. Stop being swine. And only then talk about entering communism. Engels wanted to go straight to communism. He got carried away.

Molotov: On page 333 it is written: ‘the determining advantage of the *artel* consists in that it *correctly* combines the individual interest of the collective farmers with their social interests, that it *successfully* harmonises the individual interests of the collective farmers, with the interests of society’. Such a formulation of this question is avoiding the question. What is ‘correctly combining the individual interest of the collective farmers with society’s interests’? It is a hollow sentence which has very little of concrete substance in it. You get something like ‘all that exists is rational’. In fact it is far from being so. In principle we have come to a correct solution of these questions, but in practice there are a lot of things that are wrong and out of place. This needs to be explained. The social economy has to be placed first.

It is necessary also to pose the question of piece-work wages. There was a time that when this question was very complicated, the piece-work system was not understood. Visiting workers’ delegations, for example, of French syndicalists, would ask why do we support piece-work and the bonus system, after all under capitalist conditions workers are fighting against it. Now everyone understands, that without a progressive system of payment and without the piece-work system there would have been no Stakhanovites and front-rank workers. In principle this question is clear. But in practice a lot of disgraceful things are happening with us. In 1949 [*sic.—ed.*] we are forced to go back and repeat the

decisions of 1933. Spontaneity is pulling us to the opposite side. The top echelons want the best engineers to be by their side. We have not yet grown up to become as neat and tidy as we would like to be. There is a lot of colouring up of our reality, and we have not at all become as clean and tidy as we want to be. We must criticise our practice.

On Fascism

A few more observations on fascist philosophy. They write as if they have socialism. This needs to be exposed in economic terms. This is what Hitler says: ‘The State, The People! our capitalists receive only 8%. That is enough for them’! The formulation of this question needs to be accompanied by throwing light on the question of competition and the anarchy of production, with the attempts of the capitalists to get rid of competition with the help of the theory of ultra-imperialism. It must be demonstrated that they are doomed. They are propagating a corporativist system, as if it is above the class of workers and the capitalists and the State cares and looks after the workers. They are even arresting individual capitalists (it is true that Thyssen could escape). One should say that in all of this there is more of demagogy, that this is just the pressure of the bourgeois State on individual capitalists who do not want to subject themselves to class discipline. It should be mentioned once in the section on cartelisation and their unsuccessful attempts at planning. Mention it again in the section on Socialism. In your system, gentlemen fascists, to whom do the means of production belong? To individual capitalists and to groups of capitalists and, therefore, you cannot have genuine planning, except for bits, as the economy is divided among groups of owners.

Question: Should we use the term ‘fascists’?

Answer : Name them the way they call themselves: the Italians — as fascists, the Germans — as national-socialists.

In this cabinet I met [H.G.] Wells, and he said to me that he is neither for the workers to be in power nor for the capitalists to be in power. He is for the leadership of engineers. He said that he supports Roosevelt whom he knows well and says that he is an honourable

person and a person loyal to the working class. Petty ideas about a reconciliation of classes among the petty bourgeois do exist and are widespread. These ideas have acquired a special meaning with the fascists.

About the place where you talk about the Utopians. Here one should also critically mention the idea of reconciliation among classes. There, obviously, is a difference between the way the question is put by the utopians and the fascists, a variance in favour of the Utopians, but one must not circumvent this issue. Owen would feel very bad if he is put in the same rank as the fascists, but Owen must also be criticized.

The abusive style should be removed from the whole book. You do not convince anyone by abusing. You may sooner get the opposite results, the reader would become wary: 'since the author is being abusive, it means that not everything is clean'.

One should write in a way that we do not get the impression that everything in their system is bad, and everything in our system is good, one should not beautify things.

Remark: It is written here that the State formulates the plan for almost everybody.

Answer: It is nonsense. In general there is a lot of philosophizing in the section on socialism. One should write more simply.

Question: Is the heading of the chapter 'Preparation of the capitalist mode of production' correct? Do we not get a slight impression that it was consciously prepared?

Answer: This is a terminological issue. One may certainly use the word 'prepared'. The issue actually is about the birth and the creating of the preconditions.

In fact there is another question regarding the preparation of the Socialist mode of production. It is mentioned here that socialism does not arise within capitalism. It needs to be explained that the material preconditions are created within capitalism, that the objective and subjective preconditions are created within capitalism. It should not be forgotten that we have emerged from capitalism.

Composed according to the notes of Com[rades] [L.A.] Leontyev, [K.V.] Ostrovityanov, [A.I.] Pashkov.

2. RECORD OF THE DISCUSSION OF 22 February 1950 at 23 hours and 15 minutes

There are two variants of the model of the textbook on Political Economy. However, there are no differences in principle between the two variants in the approach to the questions of Political Economy and the interpretations of these questions. Thus there is no basis for having two variants. There is the variant by Leontyev and this variant must be taken as the basis.

In the textbook we must give a concrete critique of the contemporary theories of American imperialism. On this question articles have been published in *Bolshevik* and in *Voprosi ekonomiki*.

People illiterate in terms of economics do not distinguish between the People's Republic of China and the People's Democracies of the countries of Central and South-Eastern Europe, let us say the People's Democratic Republic of Poland. These are different things.

What is People's Democracy? It contains at least such features as: 1) Political power being in the hands of the proletariat; 2) nationalisation of the industry; 3) the guiding role of the Communist and Working Peoples' Parties; 4) the construction of Socialism not only in the towns but also in the countryside. In China we cannot even talk about the building of Socialism either in the towns or in the countryside. Some enterprises have been nationalised but this is a drop in the ocean. The main mass of industrial commodities for the population is produced by artisans. There are about 30 million artisans in China. There are important dissimilarities between the countries of Peoples' Democracy and the Peoples' Republic of China: 1) In China there exists a democratic dictatorship of the proletariat and the peasantry something akin to what the Bolsheviks talked about in 1904-05. 2) There was oppression by a foreign bourgeoisie in China, therefore the national bourgeoisie of China is partially revolutionary; in view of this a coalition with the national bourgeoisie is permissible, in China the communists and the bourgeoisie comprise a bloc.

This is not unnatural. Marx in 1848 also had a coalition with the bourgeoisie, when he was editing the *Neue Rheinische Zeitung*, but

it was not for long. 3) In China they still face the task of the liquidation of feudal relationships, and in this sense the Chinese revolution reminds one of the French bourgeois revolution of 1789. 4) The special feature of the Chinese revolution is that the Communist Party stands at the head of the state.

Therefore, one can say that in China there is a Peoples' Democratic Republic but only at its first stage of development.

The confusion on this question occurs because our cadres do not have any deep economic education.

A decision is taken to recommend to the Commission, comprising of Comrades Malenkov, Leontyev, Ostrovityanov and Yudin, to complete the modification of the model of the textbook within a period of one month.

**Drafted according to the notes of Com[rades]:
[L.A.] Leontyev, K.V. Ostrovityanov and [P.F.] Yudin.**

3. RECORD OF THE DISCUSSION OF 24th April 1950 at 23.30 hours

I wanted to make a few critical observations about the new model of the textbook on political economy.

I have read about a 100 pages relating to pre-capitalist formations and to capitalism. I also looked at a little of the section on socialism. About socialism I will talk another time. Today I want to talk about the shortcomings relating to the section on capitalist and pre-capitalist formations. The Commission's work has proceeded along the wrong track. I have said that the first variant of the textbook model should be accepted as the basis. And this, evidently, was understood to mean that the textbook does not need any particular corrections. This is wrong. Substantial corrections are needed.

First and the main shortcoming of the textbook, which shows a complete ignorance of Marxism, is regarding the periods of manufacture and machine production under capitalism. The section on the period of manufacture capitalism is bloated, it has been allotted 10 pages and is more prominent than the period of machine production. In fact, the period of capitalist machine production is absent. It has simply vanished. The period of machine production has not been given a separate chapter, it has been allotted a few pages in the chapter on 'Capital and Surplus Value'. Take Marx's *Capital*. In *Capital*, the manufacture period of capitalism occupies 28 pages, and the period of machine production — 110 pages. Also, in other chapters, Marx talks a lot about the period of machine production. Such a Marxist as Lenin in the work *The Development of Capitalism in Russia* paid especial attention to the machine period. Without machines there is no capitalism. Machines are the main revolutionising force which have transformed society. It has not been demonstrated in the textbook what actually comprises a system of machines. About the system of machines, literally only one word has been said. Therefore, the whole picture of the development of capitalism has been distorted.

Manufacture is based on the hand labour of artisans. The machine sweeps aside hand labour. Machine production is large-scale production and is based on the machine system.

We have to take into account that our cadres, our youth — our people have had 7-10 years of education. They are interested in everything. They can look up Marx's *Capital*, and Lenin's works. They can ask: why is it that the exposition of the question has not been done in the manner of Marx and Lenin? This is the main shortcoming. We must elaborate the history of capitalism according to Marx and Lenin. In the textbook a special chapter on the period of machine production is needed, and the one on manufacture needs to be shortened.

The second serious shortcoming of the textbook is that there is no analysis of wages. The main problem has not been elucidated. Wages are considered in the section on pre-monopoly capitalism as Marx has done. There is nothing about wages under conditions of monopoly capitalism. A lot of time has passed after Marx.

What are wages? Wages are a minimum for livelihood plus some savings. It is necessary to show what is the livelihood minimum, nominal and real wages, and to demonstrate it vividly and convincingly. We are fighting capitalism on the grounds of wages. Take the vivid facts of contemporary life. In France, where you have a falling currency, one receives millions, but you cannot buy anything. The English shout that they have the highest level of wages and cheap commodities. And they all the time hide the fact that though nominal wages may be high, they are still not enough to provide the livelihood minimum, not to talk about savings. In England the prices for certain products, bread and meat, are low, but the workers get them on ration in small quantities. Other products are bought in the market at inflated prices. They have a multiplicity of prices. And the Americans are very bumptious about their high living standards, but according to their own data two-thirds of their workers are not provided with the minimum livelihood. All these tricks of the capitalists have to be exposed. We have to show, on the basis of concrete facts, to these English workers, who have been for long living off the super-profits and the colonies, that the fall in real wages under capitalism is an axiom.

We could tell them that during the civil war with us everybody was a millionaire. During this war the prices were at their lowest, bread was sold for one ruble per kilogramme but the products were rationed.

With us the calculations of wages are done differently. It is necessary to show on the basis of concrete facts the situation regarding the real wages in the country. This has a great revolutionary and propaganda importance.

It would be correct to deal with the question of wages in the section on monopoly capitalism and to return to it in contemporary terms.

In the model of the textbook a large chapter is devoted to primary accumulation. You may talk about it in a few words in two pages. It is mentioned here how a certain duchess drove peasants away from their lands. Who are you going to impress today by all this? And more important things have been left out. The epoch of imperialism provides much more vivid examples.

Regarding the plan of the structure of the textbook. The section on capitalism must be divided into two parts: under A—pre-monopoly capitalism and under B—monopoly capitalism.

Now about the object of political economy. In the textbook what you get is not establishing the object of political economy but rather an introduction to it. There is a distinction between determining the object of political economy and its introduction. In this context the second variant is closer to the topic, though, here too, you end up with an introduction. Some economic terms used by Marx are explained here. This helps the reader to move towards an understanding of the economic works of Marx and Lenin.

It is written that political economy analyses the relations of production. But this is not comprehensible for everyone. You say that political economy examines relations of production and exchange. This is wrong. Take exchange. There was no exchange in primitive society. It was not developed in slave society either. The term circulation will not do either. All this is not very useful for socialism too. It should be stated: Political economy examines the production and distribution of material goods. This is applicable to all periods. Production constitutes man's relation to nature, and

distribution shows where the goods produced go. This is the purely economic side.

In the textbook there is no transition from the object of political economy to primitive society. Marx begins *Capital* with the commodity and why is it that you begin with primitive society? This needs to be explained.

There are two methods of exposition: one is the analytical and abstract method. This method begins with expounding the general and abstract concepts along with the usage of historical material. Such a method of exposition (it was used by Marx in *Capital*) is meant for people who are more prepared. The other method is historical. This method gives an exposition of the historical development of different economic systems and reveals the general concepts on the basis of historical material. If you want people to understand the theory of surplus value — expound the problem from the moment surplus value arises. The historical method is meant for people who are less prepared. It is more accessible because it subtly leads the reader to an understanding of the laws of economic development. (He reads out the definition of the analytical and historical method).

In the textbook Engels' model of savagery and barbarism is used. This does not lead anywhere. It is rubbish. Engels in his work did not want to have any differences with Morgan, who at that time was moving towards materialism. That was Engels' business. But how does it concern us? People would say that we are bad Marxists once we do not adhere to the exposition according to Engels. Nothing of the sort. What we get here is a huge heap: stone age, bronze age, kinship system, matriarchy, patriarchy and to top it all savagery and barbarism. All this only confuses the reader. Savagery and barbarism were contemptuous expressions used by 'civilised' people.

There is a lot of gibberish in the textbook, unnecessary words and a lot of historical excursions. I have read 100 pages and have crossed out 10 and could have crossed out more. In a textbook there should not be even a single superfluous word, the exposition must be sculpted exactly. And here at the end of the section you have these antics: you imperialists are scoundrels, you have slavery, bonded

labour, etc. All these are like Komsomol antics and posters. This wastes time and creates confusion. We need to influence people's minds.

About Thomas More and Campanella you say that they were isolated and that they had no relations with the masses. This only evokes laughter. Is this relevant? So what ? Even if they had been close to the masses, what would that closeness have given us? That level of development of productive forces demanded inequality which arose out of the property relations. It was absolutely impossible to overcome this inequality. The utopians did not know the laws of social development. Here we have an idealist interpretation.

It is necessary that our cadres have a thorough knowledge of Marxist economic theory.

The first, old generation of Bolsheviks were very solid theoretically. We learnt *Capital* by heart, made conspectuses, held discussions and tested each other's understanding. This was our strength and it helped us a lot.

The second generation was less prepared. They were busy with practical matters and construction. They studied Marxism from booklets.

The third generation is being brought up on satirical and newspaper articles. They do not have any deep understanding . They need to be provided with food that is easily digestible. The majority has been brought up not by studying Marx and Lenin but on quotations.

If matters continue further in this way people would soon degenerate. In America people argue: We need dollars, why do we need theory? Why do we need science? With us people may think similarly: 'when we are building socialism why do we need *Capital*?' This is a threat for us — it is degradation, it is death. In order not to have such a situation even partially we have to improve the level of economic understanding.

The present number of pages are not needed – it has been bloated to 766 pages. It is necessary to have no more than 500 pages, and half of these must be devoted to pre-socialist systems and half to socialism.

The authors of the first variant have shown no concern about explaining Marx's terminology which is used in *Capital*. The most frequently used terms by Marx and Lenin must be introduced from the very beginning so as to enable the reader to understand *Capital* and other works of Marx and Lenin.

It is bad that there are no arguments and no fights in the commission over theoretical questions. Remember that your work is of historical importance. Everybody will be reading the textbook. It is now 33 years that Soviet power exists yet we do not have a book on political economy. Everyone is waiting for it.

In literary terms the textbook suffers from bad editing. There is a lot of gibberish, and excursions into civil and cultural history. It is not a textbook on cultural history. It needs fewer historical excursions. They need be there only when necessary for the illustration of theoretical propositions.

Get hold of Marx's *Capital* and *Development of Capitalism* by Lenin and use them as a guide for your work.

When the textbook is ready we will put it before the court of public opinion.

One more observation. In the textbook capitalism is examined only in the industrial sector. It is necessary that the whole of the economy must be taken into account. In *Capital* Marx is also predominantly dealing with industry. But his objective was different. He had to expose capitalism and its ills. Marx understood the importance of the economy as a whole. This is evident from the importance he accorded to the *Tableau Économique* of Quesnay. We must not limit ourselves only to elucidating the problems of agriculture in the chapter on land rent.

We have not only exposed capitalism, we have overthrown it and now we are in power. We know what is the share and importance of agriculture for the national economy.

As with Marx, in our programme too, insufficient attention is paid to agriculture. This must be corrected.

We must study the economic laws in their entirety. We must not neglect agrarian relations under capitalism and socialism.

According to the notes of: [L.A.] Leontyev, [K.V.] Ostrovityanov, [D.T.] Shepilov, [P.F.] Yudin.

4. RECORD OF THE DISCUSSION OF 30th May 1950. Began at 19 hours and ended at 20 hours

How do you think that the text on pre-monopoly capitalism should be submitted? By chapters?

Nothing would work out in separate chapters. We need an overall picture. That is why I asked for all the chapters to be submitted together. You cannot examine it in separate chapters. It is necessary to depict pre-monopoly capitalism as a whole, immediately give a review of the corresponding economic views, and give the criticism that Marx made of regarding the preceding political economy.

Regarding the plan of the section on pre-monopoly capitalism, how do you intend to submit the portion on primary accumulation – in a separate chapter?

(**Answer:** No, this would go into the chapter on the emergence of capitalism.)

In the plan it is proposed to elucidate the question of ‘Trading capital and trading profit’ only in the XIIIth chapter, after having given the characteristics of industrial capital. Historically this is wrong. The analysis of trading capital should be given earlier. I would put the topic of trading capital before the emergence of the capitalist mode of production. Trading capital precedes industrial capital. Trading capital stimulated the emergence of manufacture.

(**Note:** We propose here to examine trading capital in the framework of the distribution of the surplus value under capitalism, and in the chapter on feudalism we talk about the role of trading capital of that period).

In that case the heading is ineffectual, then give the chapter-heading as ‘Trading profit’, otherwise people may understand you as saying that the trading capital emerges only during the period of machine production, and this is historically incorrect.

In general you are avoiding the historical method in the textbook. In the introduction you say that the description would be conducted using the historical method, and yet you avoid it. The historical method is necessary in this textbook, it is not possible to do without it. Nobody with us would understand why trading capital is

placed after the examination of the period of machine production under capitalism.

The tone used in the chapter on feudalism is also wrong, it is the popular bazaar tone of a grandfather explaining things to children. Everybody turns up in here — the feudal turns up, the trader turns up, the buyers-up appear, like puppets on the stage.

You should picture the readership for whom you are writing. You should have in view not stereotypes but people who have finished 8-10 classes. And you are explaining here a word such as regulation and you think that without an explanation they would not understand. You have adopted a wrong tone. You speak as if you are narrating fairy tales.

In the chapter on feudalism you write that the town again separates from the countryside. The first time the town separated from the countryside was during the slave society, and, then again it got separated under feudalism. This is nonsense. As if along with the slave society, the towns also were destroyed. The towns emerged during slave society. During the period of feudalism the towns remained. It is true that in the first period they developed feebly but subsequently the towns grew strong. The separation of the town from the villages remained. With the discovery of America and the expansion of the markets, trade was developed in the towns and huge riches were accumulated.

In the chapter on feudalism nothing is said about the discovery of America. Very little is said about Russia. You will have to say more about Russia, beginning with feudalism. In the chapter on feudalism you must throw light on feudalism in Russia until the Emancipation Act.

During feudalism there existed extremely large towns for the period: Genoa, Venice and Florence. During feudalism trade reached huge volumes. Florence could leave ancient Rome far behind.

Under slave society large towns and large scale production came into existence. As long as there was slave labour, and cheap labour was available there could be large scale production, and big latifundia. Immediately as the slave labour became less available the latifundia started to be divided up. The earlier vivacity is already

missing. But the towns remained, they stayed alive. Trade also was conducted, there were ships of 150 oars.

Some of the historians create an impression that the Middle ages were a time of degradation in comparison to the slave society, that there was no movement ahead. But this is incorrect.

In the chapter on feudalism you have not even mentioned what kind of labour was the basis of the feudal society. But you have to show that in the world of antiquity slave labour was the basis, and under feudalism it was peasant labour.

When the large latifundia in slave society fell apart, the system of slavery fell too, the slave was no more, but the peasant remained. And even under the slave system there were peasants, but they were few and always under threat of becoming slaves. The Roman empire was conquered by the so-called 'barbarian' tribes. Feudalism arose when two societies confronted each other: on the one hand — the Roman empire and, on the other — the barbarian tribes, which fought against Rome. This question has been sidestepped, the 'barbarian' tribes have not even been named. Which tribes were these? These were the Germans, Slavs, Gallic tribes and others. These tribes at the time of the conquest of Rome had a commune system. It was particularly strong among the Germans where it was represented by the Mark. The agricultural commune began to coalesce with the remnants of the slave system of Rome and the Roman Empire. The Roman Empire exhibited remarkable endurance. First it broke into two parts: the western and the eastern Empires. Even long after the western Empire was destroyed the Eastern Roman Empire continued to exist for a long time.

It is necessary to clearly and precisely state that peasant labour was the main basis of the existence of the feudal society.

We always say that capitalism has its origins in the feudal system. This is true and unquestionable and it must be demonstrated historically how did this happen. One does not feel that capitalism was born within the feudal society. We do not have here the discovery of America. But, after all, the discovery of America happened during the middle ages prior to the bourgeois revolutions. They were looking for the sea route to India and hit upon a new continent. But this is not essential. What is important is that there

occurred a huge degree of growth in trade and a big expansion of the market. Thus were created the conditions wherein the first capitalist manufacturers were able to break apart the guild system. Thus was created a huge demand for commodities and the manufacture system emerged in order to satisfy this demand. That is how capitalism emerged. All this is missing in the chapter on the feudal system. To write a textbook is no simple task. One has to deeply consider history. You have done a hack-work of writing the chapter on feudalism. That is how you have gotten used to delivering your lectures, all wishy-washy. And every one listens to you there and nobody criticises you.

The textbook is written for millions of people, it would be read and studied not only with us but in the whole world. The Americans and the Chinese would be reading it and it would be studied in all the countries. You must have a more qualified readership in view.

Slave society – is the first class society. It is the most engaging society before capitalism. The ills of class society have been taken to their limits in it. Now, when capitalism is facing trouble, it is reverting to the methods of the slave owners. In antiquity wars were conducted so as to acquire slaves. And Hitler in our time started a war to enslave other nations, especially the nations of the Soviet Union. This was also a manhunt. Hitler obtained slaves from everywhere. Hitler had transported millions of foreign workers into Germany, there were Italians and Bulgars and the inhabitants of other countries. He wanted to revive slavery. But he failed. Therefore, when capitalism is in trouble it reverts to the old and most savage methods of slavery.

The bourgeois textbooks talk a lot about the democratic movement in Antiquity and praise the ‘Golden Age of Pericles’. It must be shown that democracy in the world of antiquity was a democracy for the slave owners.

I really request you to relate more seriously to the textbook. If you do not know the material study it from books and other sources or ask competent people. The textbook is going to be read by everybody. It will be an example for everybody. You must redo the chapter on the feudal system. It is necessary to show the source of feudalism. The slave owning elite was eliminated and slavery fell

apart. But the land remained, the handicrafts remained, the *coloni* remained and the peasant labour remained. The town remained and they prospered towards the end of the Middle ages.

It is necessary to begin the age of capitalism with the bourgeois revolutions — in England, in France, and the peasant reforms in Russia. By this time capitalism has already acquired its own foundation within feudalism.

It is better to bring a part of materials relating to the emergence of capitalism into the chapter on feudalism.

It is necessary to show the role and significance of state power in the period of feudalism. When the Roman Empire ended, the decentralisation of power and the economy began to take place. The feudals waged war against each other. Small kingdoms were created. State power became fictitious. Every landlord put up his own customs barriers. Centralised power became necessary. Later it acquired real force when nation states began to be organised on the basis of emergence of the national markets. The growth of trade demanded national markets. And here not a word is said about the national markets. The feudals obstructed trade. They fenced themselves off by means of various tariffs and taxes. It is necessary to mention this even if only in a couple of words.

The feudal system is more near to us — it was there only yesterday. In this chapter one must speak about Russia and the peasant reforms, how the peasants were emancipated — with land or without land. The landlords were afraid that the emancipation of the peasants would take place from below, therefore the State conducted the reforms from above. With us the system of serf labour was ended when the peasant reform took place, and in France—it happened at the time of the bourgeois revolution.

In the chapter the propositions being discussed are correct. But all this is spread about, it is not concentrated and it is not done consistently. And the main thing is not mentioned. Which labour formed the central basis of the feudal society?

A quotation from Ilyich is cited to establish that the serf system was based on the stick. This quotation has been taken out of context. Lenin had paid a lot of attention to the economic aspect of the question. It is impossible to keep people under the stick for 600-700

years. The main thing is not the stick, but that the land belonged to the landlords. The land was the basis and the stick was the supplement. You take quotations from Marx and Lenin without thinking in what connection a particular thought was expressed.

Do not be stingy about economic ideas. By acquainting oneself with these ideas the reader gets a more concrete elucidation of the epoch. You must mention mercantilism and Colbert. Within the country Colbert brought down the tariffs but fenced off the State with high tariffs in order to stimulate the development of manufacture and capital in the country. Mercantilism existed prior to the bourgeois revolution.

I make some observations about the democratic movement in ancient Rome and Greece and have written about a page for you. In the chapter on slavery you had not given any criticism of the bourgeois theories of the democratic movement in ancient Rome and Greece. This movement is praised not only in the bourgeois literature but in some of the books with us. The French revolutionaries would swear by the name of the Gracchi.

It is necessary to elucidate by using the historical method once you have taken the job up.

One should not be carried away by the style of bazaar propaganda or popular language because then it would appear like a grandfather is telling stories.

It turns out with you that the town got separated from the countryside a second time. The separation was there and it remained, no reason for it to separate again. The old town under the slave system was not severed from the countryside. The separation of the town was further developed during the end of the Middle Ages. Its enough to recall such towns as Venice and Florence. Recall the hanses. What trade they had, what ships! The trading capital played a major role. The kings remained dependent on the large traders.

Venice conquered Constantinople. It hired soldiers and conquered it. The bounds of trade greatly expanded. Within feudalism a powerful trading class emerged. It was pocketing high dividends. In antiquity two of the biggest traders were — one Hittite, whose name I do not remember, and one Phoenician by the name of

Hiram. They had a lot of money and they would lend money even to the state. But in comparison to the Fuggers they were nothing.

(Question: In relation to your suggestion it is not clear whether the question of the commodity is to be partly included in the section on feudalism, as it was in the model?)

Of course it is better to speak of the commodity in the chapter on feudalism. But the full question of the commodity in its entirety needs to be given in the section on capitalism. We agreed, did we not, on following the historical method.

Marx went according to another method. He began with the commodity as the economic cell of capitalism, investigated and turned it over from all sides. But you give the question of the commodity in parts and sum up in the chapter on capitalism. This makes it easier to master. It is necessary to give the theory of commodity in separate elements, as corresponding relations emerge.

(Question: As we are going to jot down the economic thought of the period of pre-monopoly capital, what do we do with the explication of Lenin's works. Where do we put them?)

In the chapter on pre-monopoly capitalism one must explain the works of Lenin right up to the publication of his work on Imperialism, or, to be precise, the publication of his article against Trotsky *On the Slogan of the United States of Europe*. Here the works of the period of so-called free capitalism must be explained, when different countries were steadily coming up to the level of the others and occupying lands yet unoccupied by anybody else. Then a new period began — a period of monopoly capital. Thus, the elucidation of Lenin's works must be done in two parts.

The ideology of capitalism in the pre-monopoly period is altogether different from the monopoly period. At that time the bourgeoisie would by all means run feudalism down, would talk of freedom, praised liberalism. It is altogether different under Imperialism, when the ideologues of capitalism throw away all the remnants of liberalism and glean the most reactionary views of the preceding epochs. Now there is an altogether different ideology.

(Question: We have faced a similar question: in the section on pre-monopoly capitalism we explain a number of themes to which we never come back in the section on Imperialism, for example, rent

from land. Can we give here concrete factual data relating to contemporary capitalism?)

Obviously, you may. After all Imperialism is also capitalism.

(Question: In the chapter about the period of machine production do we limit ourselves, as Marx did, only to steam-powered machines, or, do we show the further development — of the internal combustion and electrical engines, without which there is no system of machines?)

Certainly, one must speak about the system of machines too. Marx, after all, wrote in the [18]60's and since then technology has progressed way ahead.

You will have to expand the chapter on feudalism by another 15-20 pages.

(Question: Should we not make two chapters —1) the main features of the feudal mode of production and 2) decline of the feudal mode of production?)

You decide this yourself as you find necessary. The chapter on feudalism has to be modified almost on the same pattern which was used for writing the chapter on slavery.

In the chapter on feudalism it is necessary to indicate the economic system of the 'barbarian' tribes. One must show what happened when the so-called barbarian tribes and slave-owning Rome met.

In the beginning there was no serfdom, it took place later. It is necessary to show how the relations of serfdom were created. Maybe it is necessary to divide feudalism in two periods: the early and the later.

About manufacture do not speak a lot, it is not the most interesting period of capitalism. Under manufacture the technology is old, in fact it is nothing more than bloated handicrafts. A new quality is imparted by machines. Manufacture can be cut down, do not get carried away. The machine period changed everything.

A period of one month is insufficient to write the chapter on pre-monopoly capitalism. I think the writing of the textbook will take the whole of this year. And some of it might even take up part of the next year. It is a very serious matter.

We think that in the textbook we must print the names of all the members of the Commission and also print ‘approved by the CC AUCP(b)’.

**Drafted according to the notes of:
[I.D.] Laptev, [L.A.] Leontyev, [K.V.] Ostrovityanov, [A.I.]
Pashkov, [D.T.] Shepilov and [P.F.] Yudin.**

The words in brackets belong to the members of the Commission.

5. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK¹. November 10, 1951

1. [Comrade RUMYANTSEV A. M.]²

[Director of the Institute of Economics of the Academy of
Sciences of the Ukrainian SSR]^b

Comrade Rumyantsev notes that the draft textbook on political economy has many positive aspects, but the main task is to reveal the shortcomings of the textbook and thereby help the team of authors improve the draft textbook presented.

The authors of the textbook correctly chose the method of historical presentation, but it is not used sufficiently in the presentation of the division of the political economy of socialism. It is known that economic life in pre-socialist societies proceeds spontaneously, by gravity, while the socialist economy develops as a result of the conscious activity of the working people, led by the working class and led by the Marxist-Leninist party. This provision is not taken into account by the authors when they describe the division of socialism. Therefore, they set out the division of

¹ Selected discussion materials with notes by J. V. Stalin.

² Rumyantsev Alexey Matveevich (1905-1993), Soviet economist, Doctor of Economics, professor, 1950-1952. —Director of the Institute of Economics of the Academy of Sciences of the Ukrainian SSR, head of the Department of Social Sciences of the Academy of Sciences of the Ukrainian SSR. The circle of scientific interests is the political economy of socialism, sociology. At the discussion, he spoke on the following issues: the subject and method of the political economy of socialism, the peculiarities of the transition period from capitalism to socialism, the use of the laws of value in a transformed form in the conditions of the Soviet economy.

^b Underlined in red, opposite in black pencil on the left margin.

socialism according to the same principle as the presentation of pre-socialist formations^c.

[The section of socialism must be opened by summing up everything said earlier in the preceding sections]^d. The aim of the labour movement should be stated at the beginning, give a definition of socialism to which the transition from capitalism should lead.

It should be said about the inevitability of the proletarian revolution, about the leading role of the communist party. Only then will it be clear to the reader why the seizure of power by the working class and the establishment of public property, as well as the planned management of the national economy in the country, are necessary.

The disclosure of the goal, the economic content of socialism and communism, the ways and means of achieving it will lead to a clear understanding of the features of the economic law of socialism and communism, their objective necessity and the impossibility of their implementation by spontaneous flow. This will reveal the concept of the policy of the Soviet state, ways of using the economic laws of socialism^e.

The authors of the textbook bypassed these questions, did not reveal the essence of the law, the systematic rise in the material situation, the cultural level of the working masses, did not [reveal the classic definition by Comrade Stalin of the Soviet economic system, given by him at the XVI Party Congress]^f.

A number of issues related to the transition period, the authors of the textbook consider schematically.

In the section on the victories of socialism in the USSR, the authors do not at all mention the fact that the transition period from capitalism to socialism in the modern world continues, that it had its own characteristics in the conditions of our great Motherland. These

^c In the left margin, in red pencil opposite the last two sentences of the paragraph, a vertical bar.

^d On the left margin there are two vertical lines in pencil, followed by a check mark in pencil.

^e Along the left margin, the paragraph is marked with two vertical lines in pencil, followed by check mark.

^f In the left margin in red pencil, the paragraph is marked with a vertical line, behind it in the margin in pencil: (cm). **Below: NB.**

features are also not mentioned where they talk about economic transformations in the countries of people's democracies.

The authors of the textbook on political economy depart from the historical method of presenting materials, when in the chapter on the transition period from [socialism] to communism describe the development of the economy during the Great Patriotic War and in the post-war period. [The Great Patriotic War does not apply to the period of transition from socialism to communism]^a. The Great Patriotic War and the post-war period did not change the industrial relations existing in our time. The war and the post-war period especially clearly revealed the superiority of the socialist economic system over the capitalist one.

The authors of the textbook should also introduce as an independent chapter the peaceful coexistence and fraternal cooperation of peoples as the law of building and developing socialism. This law [discovered and developed] by JV Stalin, it is of exceptional importance for the working people of capitalist countries, metropolises, colonies and semi-colonies^b.

In the chapter on socialist industrialisation, the authors of the textbook do not reveal the peculiarities of the transition to socialist industry in backward countries, especially the former colonies and semi-colonies^c.

It should show the process of the revival of Khiva, Bukhara, Tuva, the Central Asian republics, the Transcaucasia under the conditions of the Soviet system, for their economic development is a model for all backward countries of the world. The law of peaceful coexistence and fraternal cooperation of peoples should be considered in a special chapter. [This law, discovered by Comrade Stalin, is essentially the antipode of the law of uneven development

^aOn the left margin, a krulsock is drawn in pencil opposite "from socialism to communism". Below on the field there is a pencil mark: Exactly!

^{bb}On the left margin in red pencil, the paragraph is marked with a vertical line, behind it on the margin with a pencil mark: Not that, below:?, "open and developed" circled in pencil.

^{cc}Along the left margin with a red pencil, the paragraph is highlighted with a vertical line.

of capitalism under imperialism]^d, is a law on the formation and development of the creative community and socialist mutual assistance between countries.

The authors of the textbook do not always remember about the subject of political economy, and as you know, its subject is production relations. The task is to find out, to reveal the laws governing production and distribution under socialism, if we talk about the division of socialism.

In the textbook, fuzzy and unclear formulations are often encountered. In the section on the nationalisation of industry, the material is presented in such a way that it can be understood that the proletariat, on the second day after the seizure of power, nationalises all industrial enterprises, and later in the textbook it is said that the capitalist way of life remains in the country, which has existed for a long time. Why there is a multi-structured economy for a long time—the authors do not explain^e.

In the textbook of political economy, it was necessary to explain the reasons causing [the inevitability of coexistence in the transitional period of different structures, to reveal the features of production] relations inherent in the transitional period.^a

The authors do not say anything [about workers' control as a prerequisite for nationalisation]^b, do not reveal in essence the characteristic features of socialist nationalisation, which differs from capitalist nationalisation, which often appears in a disguised form. Instead of a verbal declaration, the reader must be armed with a criterion that determines the nature of nationalisation.

^{dd} Along the left zero with a pencil, two vertical lines, followed by a pencil of a mark: **So**.

^e Along the left margin with a red pencil, the paragraph is highlighted with a vertical line.

^a In the left field, the paragraph is marked with two vertical lines in pencil, followed by a pencil mark: **Yes**. There is a check mark between the vertical lines.

^b There are two vertical lines in the left field with a pencil, followed by a litter pencil: **Yes**. Further along the field, a vertical line is drawn in red pencil from the underlined text to the end of the paragraph.

It would also be necessary to explain the concept of politics and economic policy, and what place they occupy in the political economy of socialism.

From the chapter on socialist industrialisation, it remains unclear that socialist industrialisation is a law of building socialism of international importance.

The authors of the textbook poorly show the ways of realising socialist industrialisation.

A common expression is used in the textbook—the collaboration of science with production. Modern manufacturing is scientific at its core. One should [instead speak of the commonwealth of workers in science and workers in production]^c.

The authors of the textbook also needed to reveal the difference between the state and [cooperative property under socialism from similarly named categories under capitalism]^d. At the same time, it was necessary to remember that in our time, in the period of collectivisation, the cooperative form of ownership did not always have a socialist content, since this is only a form, as Comrade Stalin pointed out, which, under certain conditions, could also have a non-socialist content, when in these collective farms kulaks penetrated and organised pseudo-collective farms. It is known that in the capitalist countries, for example, in Tito's Yugoslavia, to deceive the workings masses and discredit socialism, cooperatives are also created that do not have a socialist content. Therefore, the textbook should indicate that there is not generally a state and cooperative form of ownership, but [a state and cooperative form of socialist property; state enterprises and collective farms are not just [types of economy, but [types of socialist economy].

^c A short vertical line is drawn in red pencil along the left margin. Behind it, a pencil mark is made: Yes. in the If left field, a cross is drawn in pencil opposite the one highlighted in the text, followed by a pencil mark: **NB**.

^d In the left margin, a cross is placed in pencil opposite the underlined one in the text, followed by two short vertical lines, followed by a litter: **So**.

The paragraph on personal property only covers [the question of the form of ownership of consumer goods^e. For political economy, the main issue is the ownership of the means of production. And when we talk about property, we are not talking about a suit, but about the personal property that a collective farmer has on his personal plot.

The question of using the law of value in the transformed form in the conditions of the Soviet economy. The special nature of the commodity under socialism is not shown. As you know, VI Lenin pointed out that the product produced in the Soviet economy is a commodity and not a commodity in the political and economic sense, ceases to be a commodity^a.

The authors begin to substantiate the necessity of the law of value in the conditions of the Soviet economy with the fact that labour in our country is heterogeneous. With this explanation the need for the law of value appears primarily as a result of counting and calculating needs.

The authors of the textbook state that concrete and abstract labour exists in the USSR, but they do not show why [labour under socialism is of a dual nature]^b.

The textbook does not explain why there is social value and value in the enterprise under socialism.

The authors do not indicate whether the commodity form of the product and the law of value will take place under communism^c.

^e In the left field, a short vertical line is drawn in red pencil opposite the one highlighted in the text, followed by a pencil mark: **NB**. On the bottom margin of the pencil mark: **Personal and private property = difference!**

^a In the left field, in red pencil, starting with the sentence “The special nature of the product is not shown...” to the end of the paragraph, a vertical line. Behind it, in pencil, is a note: **NB**.

^b In the left margin, there are two short vertical lines in pencil, followed by two short horizontal lines, followed by a note pencil: **Yes**.

^c In the left margin, two short vertical lines are drawn in pencil opposite the paragraph.

2. [Comrade. A. Alekseev] M.³
Deputy Director of the Institute of Economics [USSR
Academy of Sciences]^d

Layout of a textbook on political economy, prepared on behalf of the Central Committee of the CPSU (B)group of Soviet economists, deserves a positive assessment in some parts, but needs to be radically revised. Many chapters are written raw, incomplete, and simplistic, with large imbalances and inconsistencies. Many important issues that should be included in the textbook are not covered. The layout [poorly used the latest data on the development of the capitalist economy during the period of its general crisis] is, there are factual errors and inaccuracies^e.

[The weakest part of the layout is the issues of money circulation, credit, public finance] under the conditions of capitalism and socialism. The question of the form of value is presented in an extremely primitive and superficial way. The authors of the model were not at the height of the situation when they covered the issues of money circulation under capitalism^f. The functions of money are not expanded, the connection [between the historical and the logical in the development of the function of money is not shown, the class nature of inflation is not revealed, it is incorrectly shown the mechanism of the influence of inflation on the position of individual classes and groups of the population of bourgeois society, mistakes and inaccuracies were made in the analysis of the reasons for

³ Alekseev Alexander Mikhailovich (?-?), During the discussion, Deputy Director of the Institute of Economics of the USSR Academy of Sciences.

^d Underlined in red pencil.

^e A short vertical line is drawn in red pencil in the left margin. Opposite the underlined in the text on the left margin, draw two short vertical lines, followed by two short horizontal lines.

^{ff} On the left margin, in red pencil, from the beginning of the paragraph to the end of the third sentence of the paragraph, a short vertical line. Behind her on the field with a pencil note: **So**.

stabilisation monetary circulation, concrete ways, methods and means of currency stabilisation are confused^g.

The authors of the textbook [did not show the role of world money]. Without a clear and consistent presentation of the function of world money, the reader will encounter considerable difficulties in understanding the causes of the uneven distribution of gold in the capitalist

world, the so-called ‘gold obesity’ of the United States as a result of the first and especially the Second world Wars, [‘dollar famine’ in the industrialised countries, [the weakening of the currency positions of many countries^a.

Serious objections are raised by the definitions of the very concept of inflation given in the model and the demonstration of its influence on the position of the working class. The main features of inflation are: flooding of circulation channels with excess paper supply money, impairment of paper money, i.e. a decrease in the amount of gold represented paper currency, an increase in prices expressed in paper money, a reduction in real wages, an increase in the profits of capitalists, the disorganisation of all economic life^b.

The authors of the layout incorrectly presented the issue of inflation, without showing its influence on the development of the economy and the growth of the revolutionary movement.

The textbook does not say what should be understood by the monetary system of any capitalistically developed country. The layout also lacks the definition and the monetary system of the USSR. The authors did not consider the process of development of capitalism’s monetary systems in a historical context^c. In the history

^g On the left margin, in pencil, opposite the last two lines of the paragraph, two short vertical lines, followed by two short horizontal lines, and under them a note: **So**.

^a In the left margin in red pencil, the paragraph is marked with a short vertical line. Opposite to what is underlined in the text on the left margin, there is a check mark in pencil, a cross under it, two short vertical lines behind the cross, and five short horizontal lines behind them.

^b Along the left margin, in pencil, two vertical lines, followed by two short horizontal lines.

^c Along the left margin with a red pencil, a short vertical line.

of capitalism, the ruling classes used a variety of methods to stabilise money circulation (nullification, devaluation, open and hidden restoration), and not just devaluation, as the authors of the layout write. It is necessary to point out in the textbook that the choice of this or that method of currency stabilisation has always depended, first, on the degree of currency depreciation, secondly, on the state of the country's economy, and thirdly, on the correlation of class forces in the country. [Contrary to the assertions of the authors of the layout, devaluation is not always a method of currency stabilisation]^d

One of the most difficult and poorly covered in our press questions of the theory of Soviet money is [the question of the mechanism of the influence of gold on the price level in the USSR]. The authors of the textbook do not explain whether labour productivity in the gold mining industry of the USSR affects the level of commodity prices, what is the mechanism of the influence of gold on prices^e.

After setting out the form of credit under capitalism, it would be necessary to give a definition of the credit system of capitalism, its most important links: commercial banks, banks of issue, special credit institutions. Correct coverage of this issue makes it easier to understand the concentration of banks and their new role in the era of imperialism^f.

A serious omission of the authors of the layout is that they did not provide an analysis of the production, distribution and redistribution of national wealth] and national income] under capitalism. The question of the distribution of national income is, according to Comrade Stalin, a fundamental question from the point of view of the material and cultural situation of the working people^a.

^d There is a check mark in the left margin with a pencil followed by two vertical lines.

^e In the left margin, in red pencil, from underlined in the text to the end of the paragraph, there is a short vertical line. Behind his note: **Important.**

^f In the left margin in pencil opposite the paragraph of the note: **NB.**

^a On the left margin, in red pencil, there is a vertical line from the underlined to the end of the paragraph. Behind it, two vertical lines are drawn in pencil. Behind them in the litter field: D a.

An important role in the redistribution of national income is played by financial the system of capitalism and, in particular, its most important link—the state budget.

The authors of the model did not pay attention to the analysis of state budgets under capitalism, did not show the place, role and significance of taxes, loans and the issue of paper money in [additional robbery of the working masses] did not reveal the unproductive nature of the expenditures of the bourgeois states aimed at covering military expenditures^b. This would be all the more important because in modern conditions of further deepening and exacerbation of the general crisis of capitalism through [the mechanism of the state budget is diverted 40-50] and further more than percent of national income to cover [inherently unproductive military spending]^c.

The chapter devoted to the characteristics of the financial system of the USSR and, in particular, its most important link—the state budget of the USSR—resembles [a cursory retelling of departmental instructions raised to the rank of science]^d. The authors of the model did not use the best theoretical works on this issue and limited themselves to only a short description of the financial system of the USSR. The authors of the textbook did not give a theoretical analysis of the need for Soviet finance, did not show their direct, organic connection with the reproduction process, and did not reveal the functions and purpose of Soviet finance did not show the advantages of Soviet finance over the finances of bourgeois states.

Questions about the forms and methods of economic and, in particular, monetary and financial relations between the countries of the mighty camp of socialism and democracy. The authors of the model did not reveal the principles of this relationship, developed by Lenin and Stalin long before the end of the Second World War, the

^b On the left margin, in pencil, opposite the underlined text, there are two short vertical lines, followed by a litter: So.

^c On the left zero, in pencil, opposite the underlined text, there are two vertical lines, followed by a litter: So.

^d On the left margin, a vertical line is drawn in red pencil next to the one underlined in the text.

camp of democracy with a population of over 800 million people and unlimited resources was formed.^e

It should be emphasised in the textbook that in the post-war period international economic ties are developing in the following directions: 1) with the countries of the camp of socialism and democracy, 2) with the countries of the imperialist camp, and 3) with the two camps. The authors of the textbook essentially limited themselves to only considering one form of communication between the countries of the socialist camp - foreign trade. The authors of the textbook omitted the fact that in the post-war period in connection with the formation of the countries of the socialist camp there was a change in the functions of the monopoly of foreign trade, and did not disclose that the monopoly of foreign trade is a means of planned coordination of the Soviet economy with the economy of the countries of people's democracy, aimed at mutual assistance in economic development^f.

They devoted only one and a half pages to the question of economic cooperation between the countries of socialism and democracy, and three and a half pages to the 'Marshall Plan'. Section on the economic cooperation of the countries of the socialist camp must be rewritten^a.

The authors of the layout failed to show the latest facts and figures in the chapter, entitled 'A new stage in the general crisis of capitalism', the variety of forms of manifestation of militarism in the economic life of the countries of the imperialist camp, explain to the reader what is generally meant by the militarisation of the capitalist economy. This chapter is poorly written and lacks internal logic. The parasitic nature of the 'Marshall plan' is not disclosed, its mechanism and, in particular, its monetary and financial part^b is not shown.

^e In the left margin, a short vertical line is drawn in red pencil opposite the paragraph.

^f On the left-hand pencil line opposite the paragraph, two vertical lines, followed by a pencil mark on the field: **D a**.

^a On the left margin, in red pencil, there is a short vertical line opposite the paragraph.

^b In the left margin, in pencil, opposite the last sentence of the paragraph, two short vertical lines, followed by two short horizontal lines.

The layout should emphasise the deep processes of decay of the economy post-war imperialism, to analyse the specific features and characteristics of post-war capital exports. It is necessary to show the consolidation of American imperialism of its role [as a centre of financial exploitation of the entire capitalist world], strengthening of state monopoly tendencies in the export of capital, military-police, reactionary nature of foreign loans and credits^c.

It is also necessary to open, as the most important indicator of parasitism and decay capitalism, an increase in the burden of direct and indirect taxes, a colossal accumulation of government debts, currency chaos and rampant inflationary elements, a parasitic degeneration of the credit system^d.

The layout of the textbook contains factual errors and inaccuracies in the coverage of the economic and, in particular, the financial results of the first and especially the second world wars.

Researchers working in special areas of political economy (planning, finance, money [circulation, domestic and foreign trade] for)^e should be involved in the finalisation of the layout in order to fill the existing gaps in the layout of the textbook on political economy.

3.To [c. Dokukin V. I.]^{4f}

^c On the left margin with a pencil opposite the litter underlined in the text: N In, under it on the margin with a pencil until the end of the paragraph two vertical short lines.

^d In the left margin opposite the paragraph, two vertical lines are outlined in red pencil with a “grid” drawn behind them in pencil.

^e Is underlined in red pencil. In the left field, the underlined field is marked with two vertical lines. The right vertical line is outlined in red pencil. Follow them with a dung pencil: **That’s right.**

⁴ Dokukin Vladimir Ignatievich (1894-1987), Soviet economist, Doctor of Economic Sciences (1963), Professor (1938), during the discussion, Head of the Department of Political Economy of the Moscow Institute of National Economy. Plekhanov. Research interests: problems of the world economy, criticism of bourgeois economic theories.

Head of the Department of Political Economy of the Moscow Institute of National Economy named after G.V. Plekhanov

Comrade Dokukin in his speech noted the great importance that a discussion organised by the Central Committee of the All-Union Communist Party (Bolsheviks) of a draft textbook on political economy prepared by a group of Soviet economists.

The main disadvantage of the draft textbook is that the team of authors made little use of the instructions of Comrade J. V. Stalin given in the work '*Marxism and Questions of Linguistics*.' This lowered the ideological and theoretical level of the discussed draft of the textbook^g.

A significant drawback of the draft textbook on political economy is [the heterogeneity of the quality of the content of individual chapters]. The draft textbook contains chapters that are clear, concise, and convincing. For example, an introduction and chapters on pre-capitalist modes of production. Here the vicious Morgan scheme, which guided the teachers of political economy, was overcome and eliminated^a.

A number of chapters related to the section 'Socialism' require the most serious amendments, additions and changes. The same should be said for that part of the draft textbook, which covers issues of imperialism and the general crisis of capitalism. The authors of the draft textbook did not reveal the reactionary role of the capitalist political superstructure. In this regard, the section of the tutorial devoted to state-monopoly capitalism must be fundamentally revised in the light of Comrade Stalin's instructions on the active role of the capitalist political superstructure, about the relationship between the base and the superstructure^b.

^f Is underlined in red pencil.

^g In the left margin, the paragraph is marked with a vertical line in red pencil.

^a On the left margin of the pencil from the underlined to the end of the paragraph, two vertical lines. The left line is crossed out by two short vertical lines.

^b There is a short vertical line in the left margin in red pencil opposite the paragraph.

Further, Comrade Dokukin believes that the draft textbook poorly shows the teachings of Lenin and Stalin that imperialism is the stage in the development of capitalism at which revolution became a practical inevitability.

Referring to the section 'Socialism', Comrade Dokukin says what is summed up here and the already covered material is systematised in a number of articles and brochures. But this generalisation is mechanical.

4. Comrade V. G. BUDAGOV^{5c}

Head of the Department of Political Economy, Rostov University

Comrade Budagov believes that the group of economists who drafted the textbook did a great job. The layout of the textbook is a successful attempt to give a brief systematised presentation of the Marxist-Leninist-Stalinist economic theory in close connection with history and living practice.

It is correct that the authors of the textbook adhere to the historical method of presentation, but they do not adhere to this method to the end. So, for example, after the 22nd chapter 'The Victory of Socialism in the USSR' is given the section 'Socialist Economy during the Great Patriotic War and in the post-war period.' It is impossible to talk about the socialist economy during the Great Patriotic War and in the post-war period without studying the economic laws of socialism, the laws of the economic development of socialist society. It is necessary to give a separate chapter to the socialist economy during the Great Patriotic War.^d

Another deviation from this method is that in chapters 20 'Socialist industrialisation' and 21 'Collectivisation of agriculture', which consider the laws of the transition period, highlights the

⁵ Budagov Vladimir Gerasimovich (?-?), Soviet economist, Head of the Department of Political Economy of the Rostov University during the discussion.

^c Is underlined in red pencil.

^d In the left margin, the last two sentences of the paragraph are marked with a vertical line in red pencil.

material base of an already established socialist society, it is true, still ending, a characteristic of the development of industry and agriculture up to 1940 is given the impression that the transitional period continues after 1936, that is, after the adoption of the Stalin Constitution, in which the victory of socialism in the USSR.

It would be more expedient, after covering the problems of the transition period, to give an independent chapter 22 'The Victory of Socialism in the USSR', setting here the general results of the struggle for socialism.

In the section 'Socialist mode of production' as an introductory chapter, it would be necessary to give a new chapter 'Features of the development of capitalism in Russia and the Great October Socialist Revolution.' This is necessary because that the reader remains unclear about the peculiarities of the development of capitalism in Russia, about the peculiarities of Russian imperialism, about the place of Russia in the chain of imperialism, about the inevitability of a breakthrough in the chain of imperialism in this place^a.

In the section 'The class structure of capitalist society, the bourgeois state' it is necessary to make fuller use of Comrade Stalin's brilliant work 'Marxism and Questions of Linguistics.' Here it is necessary to show the bourgeois superstructure, to show the contradictions of the bourgeois superstructure, its limitations, which is a reflection of the limited contradictions of the bourgeois economic basis.

In Chapter 17, The General Crisis of Capitalism, the textbook authors did not sufficiently show [a depression of a particular kind]^b. In our economic literature, when analysing economic laws of socialism, the following laws are indicated: planning, 'distribution' 'and these laws end with three letters' and so on. 'The student, the reader is left with the impression that 'etc.' means that there are still some other laws. In a textbook on political economy, these three letters are replaced by the two words 'and others.'

^a On the left margin in red pencil, the paragraph is marked with a vertical line.

^b On the left margin, in pencil, opposite the underlined mark in the text: Ha-ha-ha, from it to the end of the paragraph along the margin in red pencil, a vertical line.

It is necessary to indicate exactly what laws are in force in the conditions of a socialist economy. The compilers of the textbook must refuse the words ‘etc.’ and ‘and others.’

5. Comrade. [KOZLOV] G. A.^{6c}
Head of the Department of Political Economy of the Higher
Party School under the Central Committee of the All-Union
Communist Party (Bolsheviks)

The draft of the tutorial is slightly improved over previous versions.

At the same time, the textbook has a number of significant drawbacks. It contains many inaccurate provisions, careless wording, and incorrect data.

One of the significant shortcomings that characterise in particular the section ‘Capitalist mode of production’ is the simplification allowed in a number of cases. One of the valuable ideas permeating the topic of commodity production was to be the provision that the development of commodity production on the basis of private property [leads to the development of contradictions, to an increase in the power of the elements over commodity

⁶⁶Genrikh Abramovich Kozlov (1901-1981)—Soviet economist, corresponding member of the USSR Academy of Sciences (1968), Head of the Department of Political Economy of the Higher Party School under the Central Committee of the CPSU(b)/CPSU (1946-1978). Research interests: problems of the political economy of socialism and capitalism (commodity production, the law of value and money circulation, methodological issues of political economy). During the discussion, he made comments on the following issues: the nature of the contradiction of a simple commodity economy, the essence and function of money under capitalism, and the value of money, on the laws of the socialist system of the national economy and the economic role of the Soviet state, on the peculiarities of the national income of the USSR and its distribution.

^{6c}Underlined in red pencil.

producers]^d. This is the main idea of the topic about commodity production is completely insufficiently reflected. It's not just that it's primitively stated the question of goods and money, but the fact is that the most important provisions have been eliminated, characterising the growth of contradictions in the development of commodity production.

The question of the development of the form of value, of the development of money from a commodity, is completely irrelevant; it is not shown that this process was caused by the growth of contradictions in social labour. [The emergence of money is explained by the economic difficulties of exchange, that is given such an explanation, which Marx criticised as] incorrect^a.

In the textbook, the question of banknotes is poorly presented. The essence of banknotes in credit, their difference from paper money is unclear. The tutorial provides [without any explanation the fact that currently no country has gold money in circulation]^b.

It was necessary to reveal the fact that this fact expresses an extreme aggravation of the contradictions of capitalism, the disorder of its entire economy.

There is confusion in the textbook when presenting the questions of the [subsistence minimum and labour costs]^c. The cost of living cannot be equated with the cost of labour, even when adjusted for savings. The textbook does not show the mechanism for obtaining the relative surplus value.

A significant drawback of the textbook is also that the authors do not take into account the instructions of Comrade Stalin in his works on linguistics about the need for a creative approach to Marxist theory.

^d In the left margin, in pencil opposite the underlined text in the text, two check marks, from the underlined sentence to the end of the paragraph in red pencil, a vertical line.

^a In the left margin, in pencil, opposite the underlined sentence in the text, there are two short vertical lines.

^b On the left margin, in pencil, opposite the underlined sentence in the text, there are two short vertical lines.

^c In the left margin, in pencil opposite the sentence, there are two short vertical lines and two short horizontal lines.

In the chapter on the machine period of capitalism, there is a paragraph 'Capitalist industrialisation'. This paragraph does not reveal with sufficient depth the contradictions of capitalist industrialisation; it is not shown that it leads to a break in the interests of industrialisation with difficulty, to the aggravation of internal contradictions, to the impoverishment of the working masses. The generalising and deep characterisation of capitalist industrialisation, which was given by Comrade Stalin at the XV All-Union Conference of the All-Union Communist Party of the Soviet Union (Bolsheviks), is not given.

Socialist industrialisation has not been sufficiently characterised. The contradictions of capitalism are also poorly shown in the presentation of questions about the price of production and capitalist credit. The question is bypassed that one of the reasons for the growth of loan capital is the growth of the rentier stratum.

It should be noted exclusively [poor coverage of the colonial problem. There are only two]^d pages dedicated to the colonies, one of which is in small print. It is necessary to radically revise and give a much broader characterisation of the colonial system, the position of workers in the colonies, expand the characterisation of the reactionary goals of capitalism and feudal remnants in the colonies^e.

The decision of the Central Committee of the CPSU (B) of August 6, 1951 on the teaching of social sciences in higher education requires serious criticism of modern reactionary bourgeois theories. The textbook does not satisfy this requirement.

Further, Comrade Kozlov submits a proposal to change the structure of the section on [the socialist mode of production. In his opinion, the textbook did not receive sufficient coverage of the most important questions about the role of the Soviet state, about its economic and organisational function]^a.

In the chapter 'The Creation of Political Economy by Lenin and Stalin' it is not clearly formulated that [Lenin's most important

^d In the left margin, in pencil opposite the sentence, there are two short vertical lines and two short horizontal lines.

^e In the left margin, the paragraph has a vertical line in red.

^a Underlined in red pencil. On the left margin, the paragraph is marked with a vertical line in red pencil.

theoretical merit is the elaboration of the question of the significance of the dictatorship of the proletariat in the economic field. The authors of the textbook did not reflect the economic role of the Soviet state at all], did not show that during the victory of socialism, the Soviet state [entered a new phase of development and that at the same time its function of economic, organisational and cultural and educational work was fully developed]^b. This is a result of the fact that the authors of the textbook did not follow a consistent historical method in the study of the subject. It is necessary to finish the chapters on the emergence of the socialist mode of production and the victory of socialism by covering the new [phase of development of the Soviet state]^c.

The section devoted to the laws of the socialist system of the people economy, should begin with a detailed description of the economic role of the Soviet state. Will be historically and logically correct after characterises the victory of socialism and the function of the state, to begin the characterisation of the socialist economic system with the question of economic and organisational functions of the Soviet state.

The disadvantage of the textbook is also the fact that the role of the state in the development of socialist property [is reduced only to the protection of socialist property]. The textbook does not provide a general statement [on the role of the organisational question in the construction of a socialist society]^d. It was necessary to show that backward forms of economic organisation hinder the development of the productive forces. A new corresponding level of development of productive forces, forms of organisation allow us to make the most of the productive forces.

Comrade Kozlov considers the absence of a detailed description of socialist production an essential shortcoming of the section on the

^b In the left margin in pencil, the underlined in the text is highlighted by two vertical lines, followed by a pencil mark: **NB**.

^c In the left margin in pencil, the underlined in the text is highlighted by two short vertical lines, followed by a pencil mark: **there is a cross**.

^d On the left side, in red pencil, the underlined in the text is highlighted with a vertical line, followed by two short vertical lines in pencil, followed by a pencil of notation: **NB**.

socialist economic system. The chapter must be finalised and the question of the fundamental features of socialist machine production, of ways to increase socialist labour productivity, must be put in the centre.

In the section ‘Socialism’ did not find sufficient reflection on the issue of features of national income, its distribution. The chapter on finance is very weak.

The reason for this is that the authors consider finance outside of the question of national income, while [finance is the main method of distribution and redistribution of national income]^e.

The textbook did not find sufficient reflection on the most important position that labour of the masses on themselves is a powerful engine for the development of the socialist economy. It is necessary to expand coverage of this problem in separate chapters, to give to the section ‘Socialism’ a special conclusion, in which to summarise everything that has been said on this issue.

Thus [the following changes are proposed in the section ‘Socialism’]^a: start the question with the economic role of the Soviet state, revise the chapter on the organisation of labour in such a way that the advantages of the socialist mode of production and the socialist organisation of labour are more fully stated; consider the issue of national income before considering the financial system; to give a conclusion summarising everything said in the textbook about the creative role of the masses, freed from exploitation

Comrade Stalin shows the inextricable link between theory and practice, the great effectiveness of Marxist-Leninist theory. This link is not shown in the draft tutorial. The significance of the most important provisions of political economy for the practice of socialist construction and for the struggle of the working class in general is not shown.

^e In the left margin in red pencil, the underlined in the text is highlighted with a vertical line, followed by two short vertical lines in pencil, followed by a pencil for notation: **NB**.

^a Underlined in red pencil. On the left margin, in red pencil, from the selection in the text to the end of the paragraph, there is a vertical line, followed by a mark in pencil: **NB**.

**6. Comrade [YAKOVLEV A. F.^{7b}
Head of the Department of Political Economy, Moscow
Financial Institute**

We must in every possible way approve and welcome the initiative of the Central Committee of the CPSU (B) to convene this meeting of economists to discuss the draft textbook on political economy. Our leader and great teacher, Comrade Stalin, in his writings on linguistics, convincingly showed that no science can develop and succeed without a struggle of opinions, without free criticism.

The Central Committee of the CPSU (B), organising a discussion, showed an example of the business implementation of these instructions of Comrade Stalin. However, in the practice of our scientific economic institutions, free discussions, criticism and self-criticism were ignored, hence the obvious disadvantage and lagging behind the needs and demands of the socialist society of the economic front.

According to Comrade Yakovlev, there is a monopoly on the economic front. It consists in the fact that many comrades did not have the opportunity to appear on the pages of our press with various proposals and opinions in assessing issues related to the development of the socialist economy. Hence, it turned out that often the reader was presented with articles that differed from one another only in dates, but similar in content to each other, like two drops of water. The practice of socialist construction is not generalised enough, there was no exchange of opinions, discussions, that is, what Comrade Stalin and our Bolshevik Party are calling us to. We have not worked out on our own the most important problems of the socialist economy.

⁷ Yakovlev Alexander Fedorovich (?—?)—Doctor of Economics (1948), Professor. During the discussion, the head of the Department of Political Economy of the Moscow Financial Institute. Research interests: problems of capital investments in the national economy of the USSR, the development of the world socialist system.

^b Underlined in red pencil.

We expected the solution of a number of questions from Comrade Stalin instead of working out economic questions on the basis of his teachings and moving our science forward. A lot of harm to our science was brought about by unscrupulous criticism, pasting various labels of ‘anti-Leninism’, ‘anti-Marxism’.

In the opinion of comrade Yakovlev, the textbook on political economy has failed. The team of authors did not draw the proper conclusions from Comrade Stalin’s works on linguistics^c. The presented draft textbook is more a step backward than a movement forward of our economic thought. This can be explained by the fact that the group of authors closed in on itself, broke away from the collective of economists, did not listen to their voice, and acted independently. The textbook turned out to be at the level of previously published articles in our newspapers and magazines.

The biggest methodological flaw in the section ‘Imperialism’ is that the authors of the draft textbook display a kind of economism, leading to a one-sided and sometimes incorrect coverage of the most important problems of imperialism^a.

Lenin shows that it is impossible to understand the historical place of imperialism, confining oneself to purely economic concepts. Lenin and Stalin characterise imperialism always in an inseparable connection with the issues of class contradictions and the class struggle of this era. The authors of the textbook essentially bypassed this most important proposition, limiting themselves to a purely declarative assertion that imperialism is leading the working class to a socialist revolution.

The authors almost nowhere talk about the communist movement, while in the works of Lenin and Stalin on imperialism, much attention is paid to exposing opportunism⁸ and social

^c Along the left margin with a red pencil, the paragraph is highlighted with a vertical line.

^a On the left zero in red pencil, the sentence is highlighted with a vertical line.

⁸⁸ Opportunism (Lat. Opportunus—convenient, profitable). Adaptation to circumstances, unscrupulousness, compromise. In the text, opportunism is understood as the policy of subordinating the working-class movement to the class interests of the bourgeoisie.

chauvinism⁹. The authors of the textbook devote only cursory remarks to this issue; the textbook does not provide [an exhaustive criticism of the theory of ultra-imperialism¹⁰ of organised capitalism¹¹, etc.]^b

The authors clearly did not understand that in the era of imperialism [a new relationship between economics and politics]^c is taking shape. The authors of the textbook also made a gross methodological blunder when characterising the general crisis of

⁹⁹Social-chauvinism—a kind of opportunism, the support of the social-democratic imperialist policy of the capitalist government of their country.

¹⁰¹⁰ The theory of ultra-imperialism was formulated by Karl Kautsky (1854-1938) in 1914. According to this theory, as a result of the struggle of national financial capitals, a single state is formed international financial capital. Capitalism, after imperialism, will move to a new stage of development—ultra-imperialism. V. 14. Lenin (1870-1924) in his work “Imperialism as the highest Stage of Capitalism” (1916) criticised the theory of ultra-imperialism, arguing that the growing concentration of production and capital would exacerbate social contradictions, and the uneven economic development of countries would give the ultra-imperialist unions the character of a single world cartel, temporary associations, the world will get only a respite between the wars.

¹¹¹¹ The theory of organized capitalism is part of the theory of Austro-Marxism (theorists K. Kautsky, K. Renner, O. Bauer, M. Adler, F. Adler, R. Hilferding, etc.). The concept of “organised capitalism” was introduced into scientific circulation by Rudolf Hilferding (1877-1941) in the book “Financial Capital” (1910), as detailed by him in 1927 in a report to the congress of the German Social-Democratic Party. Hilferding interpreted it as a new stage of historical development, changing capitalism without competition. The concentration of capital and the development of monopolies leads to the widespread application of the principle of planning and organization, and ultimately to the disappearance of the anarchy of production and economic crises. According to the theorists of Austro-Marxism, changes in the economy cause the democratization of the state and the elimination of the national framework of capitalist organizations, making them part of the international financial oligarchy.

^b In the left margin in red pencil, the sentence is marked with a vertical line. Behind her with a pencil of a note: **NB.**

^c In the left margin, the sentence is marked with two vertical lines in pencil. Behind them with a pencil note: **NB.**

capitalism. As you know, Comrade Stalin, in his report at the XVI Party Congress, characterised four features general crisis of capitalism. The authors of the textbook limited themselves to only three features^d.

The situation is bad with showing the importance [of the problem of the markets]. The authors rather state its aggravation than explain and analyse. Ignoring Comrade Stalin's instructions on the appointment and development of young [capitalism in dependent and colonial] countries has led to the fact that the growth of the proletariat in these countries is not shown and thus [the reader is not brought to the question] about the struggle of the proletariat for hegemony in colonial revolutionary movement^e.

Chapter 18, devoted to the general crisis of capitalism, does not pay sufficient attention to the impoverishment of the working class and the peasantry, and does not pay due attention to the development of the labour movement. An analysis of the situation of the working class and the peasantry and the deepening crisis of the colonial system does not follow from the content of the previous chapters^f.

The textbook does not properly show the achievements of the people's democracies, [the problems of economic competition between the two systems fell out].

In the textbook, when highlighting the law of uneven economic and political development of capitalist countries, the political side of this law is omitted. There are the same mistakes in teaching political economy^g.

The section 'The Socialist Mode of Production' does not reflect what is new that Comrade Stalin's works on linguistics give for the study of the economic system of socialism. The section is poorly

^d In the left margin in red pencil, the sentence is highlighted with a vertical line. Behind her with a pencil of a note: **NB**.

^e In the left margin, the sentence is marked with a vertical line in pencil. Behind her with a pencil of a note: **NB**.

^f Along the left margin with a red pencil, the paragraph is marked with a vertical line.

^g Along the left margin, the paragraph is marked with two short vertical lines in pencil. Behind them with a pencil note: **NB**.

written, without taking into account the fact that the textbook should be of great importance [for workers in foreign] countries^a.

It was necessary to begin the presentation of the political economy of socialism by highlighting the basic provisions, the basic principles of the teachings of Lenin and Stalin about the socialist revolution, the dictatorship of the proletariat, the peculiarities of the emergence and development of the socialist base and superstructure. This question was not reflected in the textbook of political economy^b.

It would be necessary to highlight the features of the transition period in the countries of people's democracies, the features and paths of building socialism in other countries that have embarked on the path of building a socialist society.

The second section should have been titled: 'The first phase of communist society—socialism.' In this matter, it would be nice to highlight the periodisation of communist society given by Lenin in his work 'State and Revolution'. This section should be based not on the chapter 'The Economic Foundations of a Socialist Society', but 'The Economic System of a Socialist Society.' Thus, begin the presentation of political economy with an explanation of the economic basis of socialist society.

The second chapter should be entitled: 'The political system of the socialist society', where the central problem should be the teaching of Comrade Stalin about the role of the superstructure in socialist society, about the new role of the communist party and the state in socialist construction, about the new role of the dictatorship of the proletariat in the period of gradual transition from socialism to communism.

The authors of the textbook completely ignore the role and importance of production. After explaining the economic and political system of society, the topic of socialist production should be clarified, where it is necessary to give a teaching about socialist

^a In the left margin, the sentence is marked with two vertical lines in pencil. Behind them pencil note: **NB**.

^b Along the left margin with a red pencil, the paragraph is highlighted with a vertical line. Behind her with a pencil of a note: **NB**.

production, about its place and significance. Here we should consider the topic ‘Labour in a socialist society’, where to show [the nature of labour, its dual nature, value, production of surplus product, working day]^c, socialist discipline, the elimination of the opposites between mental and physical labour, socialist competition as the law of the development of socialist society. Next, outline the question of socialist distribution according to work: wages, workdays. After that, a new topic should be given under the title: [‘The steady growth of material and the cultural level of the population - the law of a socialist society’]^d.

Comrade Yakovlev considers it possible to introduce the concept of ‘capital’ in the transformed form, instead of the concepts of fixed and circulating assets.

7. Comrade. MEIMAN M. N.¹² PhD in Economics

The presented textbook on political economy indicates that small-scale commodity economy cannot carry out even simple reproduction. This is not possible. Comrade Stalin says that the commodity economy [does not always have] the ability to carry out even simple reproduction.

The authors of the layout, listing the reasons for the need [action of the law of value in a socialist society], do not indicate the main reason: [the presence of a capitalist environment]^a. When Marx and Engels wrote that under socialism the law of value would not work,

^c In the left margin in red pencil, the sentence is marked with a vertical line. Above her with a pencil of a note: **NB**.

^d In the left margin in pencil opposite the highlighted sentence of the note: **NB**.

¹² Meiman Max Natanovich (?—?), a Soviet economist, Candidate of Economic sciences, did not work during the discussion, as it is written in the list of participants, “due to illness”.

^a The words “the presence of a capitalist encirclement” are circled, in the field of yellow, pencil litter: And strong remnants of capitalism in the country.

they meant the victory of socialism simultaneously in [all or most of the capitalist countries]. And it was right. But the historical situation has developed in such a way that socialism won only in one country. Consequently, [the capitalist encirclement was preserved]. Proceeding from this, Comrade Stalin concluded that it was necessary to preserve [the law of value and commodity-money relations] in the USSR. Ignoring the fact of the presence of a capitalist encirclement, the authors of the model gave a superficial and incorrect explanation of the essence of Comrade Stalin's discovery of the operation of the law of value in the USSR^b.

The layout does not use the work of Comrade Stalin 'Marxism and Linguistics' in particular on the fate of the state under communism.

The layout (on page 348) says that under capitalism labour is of a private nature.

This is not true. Labour under capitalism has a social character. Another thing is that labour under capitalism is a private matter for the worker. Not shown in the layout the process of [growth] of the social character of labour under capitalism^c.

The layout of the textbook on political economy on page 339 incorrectly indicates that the working hour of one worker is not equal to that of another worker, due to varying degrees of labour mechanisation. In fact, within an hour of the same complexity of labour, the same value is always created, regardless of the degree of mechanisation. The authors of the layout confuse labour productivity with the value of the created value per unit of time^d.

The layout on page 343 states that 'the value of a commodity as an expenditure of abstract, socially necessary labour is manifested only in monetary form.' The value of a commodity is not an

^b In the left margin, in pencil, opposite the remark highlighted in the text: And strong remnants of capitalism within the country. From the mark along the margin to the end of the paragraph, a short vertical line in red pencil, followed by a pencil: **NB**.

^c In the left margin, the paragraph is marked with two short vertical lines in pencil, followed by a pencil notation: **NB**.

^{dd} In the left margin, the paragraph is marked with two short vertical lines in pencil, followed by a pencil of a note: **So**.

expenditure of abstract socially necessary labour. The value of a commodity is not an expenditure of labour, but [the labour expended itself]. Therefore, it is necessary to write in the layout as follows: 'The value of a commodity as a social abstract socially necessary labour is manifested only in monetary form.' The role of the comrade is insufficiently shown

Stalin in the development of political economy [...]

RGASPI. F. 558. Op. 11.D. 1242.L. 1-21. Typescript.

6. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK. November 13, 1951

Evening Meeting 13 November^a

**Comrade Kronrod Ya. A.¹
Senior Researcher, Institute of Economics, USSR Academy
of Sciences**

First of all, the structure of the section ‘Socialism’ is questionable.

The fundamental lack of structure in the section dealing with the transition period consists in the fact that in essence the laws of development of our economy are not revealed there, but only a description of the history of the transition period is given. There is more history here than political economy. Suffice it to say that in the entire section there was no room for the development of the foundations of the Stalinist reference to the nature of transitional relations of production. The doctrine of the victory of socialism in one country here is not an initial idea, but passes as a pendant in the conclusion of Chapter XIX, which characterises the main features of the transition period. The entire section on the transition period is a collection of a wide variety of, to a large extent, arbitrarily composed questions. In the section ‘The Socialist System of the National

^a There is a check mark in the left field with a pencil.

¹ Yakov Abramovich Kronrod (1912-1984), economist, Doctor of Economic Sciences (1955), since 1945-researcher, and then head of the Department, sector of the Institute of Economics of the USSR Academy of Sciences. Research interests: theoretical problems of the political economy of socialism and capitalism. At the discussion, he criticized the layout on the theory of value and the relationship of Soviet money with gold.

Economy’ there is a chapter ‘The Economic Foundations of a Socialist Society.’ But the economic foundations are nothing more than the socialist system of the national economy. This means that both the section and one of its chapters—the first—are identical. This alone speaks of a serious problem with the structure.

Further, in the next—24 chapter, the category of planning is completely arbitrarily connected with the categories of goods and money. Does planning only use the law cost? On the other hand, are commodities and money connected only with the law of planning? It is clear that this connection is arbitrary, methodologically untenable.

There are also a number of major structural deficiencies in Chapter 31. In the definition content of reproduction, it is limited to the reproduction of the product, labour and production relations, arbitrarily excluding [reproduction of funds and wealth] (p. 429). [She completely bypasses the question of circulation of the social product]^b.

The main drawback here is that it does not highlight the mechanism of the relationship between value and natural-material proportions, [nothing is said about applicability of schemes of reproduction] Marx to the socialist economy, although with the corresponding changes, these schemes should be used^c.

Without [the use of schemes, the problem of the balance of the national economy cannot be fruitfully developed], which the authors actually bypassed, devoting to it only ten inconsistent [lines]^d. But the problem of the balance of the national economy is one of the largest, main problems of the Marxist-Leninist theory of reproduction, as Joseph Vissarionovich once pointed out. It is even difficult to understand how it fell out of sight of the authors of the textbook.

It is clear from the textbook that the law of value allegedly follows from the incommensurability of heterogeneous labour, from the fact that the hour of one worker is not equal to the hour of another worker. But Marxist-Leninist political economy teaches that

^b In the left margin, the paragraph is marked with two check marks in pencil.

^c In the left field with a pencil next to the selected note sentence: **NB.**

^{dd} In the left field with a pencil next to the selected note sentence: **NB.**

value exists because behind it hides [commensurate labour]. If labour was not commensurate, then there could be no cost. Consequently, the idea of the incommensurability of labour, as the cause of value, is completely untenable. It is clear that the comparison directly in the hours of working time is not the main, but an indirect reason, that is, the value follows from the nature of production relations.

Further, the second reason for value is explained by the distribution according to work, due to the fact that distribution requires taking into account the measure of labour and consumption, and this accounting allegedly can be carried out otherwise than with the help of the law of value. All this again completely wrong. The value form of distribution follows in fact from the forms of reproduction. And to deduce one of the laws of production from the form of distribution, as is done in the layout, is to turn the problem upside down.

Further, we get an obviously vicious circle, when they try to explain cost by cost accounting and cost accounting by cost.

Finally, as the reason for the cost, it is pointed out that there are two forms of property in the USSR. In our country, the dominant form of ownership is state ownership. How to explain the need for value within the state economy? Judging by the layout, it turns out that the value form is not which is the main one, namely, collective-farm and cooperative property, imposes their patterns of dominant form. Hence it follows that simply from the fact the existence of collective-farm and cooperative property cannot be derived from value relations without risking falling into a purely mechanical analogy with capitalist private property^a.

It is known that socialist society by no means invents direct compensation as an economic form that meets the needs of material stimulation. The possibility of using the indemnity form arises from the fact that that as a product of commodity relations developed historically, even before socialism.

Why does direct compensation take place under socialism in the commodity form? The answer is that [that at a time when aggregate

^a In the left margin, the paragraph is highlighted with a vertical line in pencil. Behind her with a pencil of a note: **NB**.

labour on the scale of the national economy is socially necessary], individual living costs and materialised labour at every enterprise deviate from socially necessary standards. Under these conditions, direct compensation, which takes place within the socially necessary framework, is achieved with the help of commodity forms of movement of the products of labour^b.

Consequently, [the well-known relative, non-antagonistic contradiction] between socially necessary aggregate labour and individual costs deviating from socially necessary norms, the need in socialist society to organise production relations on the basis of direct cost recovery and leads to the commodity form of the products of labour^c.

Consequently, the commensuration of labour in aggregate value form follows from the nature of socialist production relations, organised on the basis of labour compensation, on the basis of cost recovery in accordance with the results of production.

In the textbook, the necessary and surplus product is defined contradictory.

Accumulation is also defined incorrectly and contradictory; it is limited only to accumulation in production assets and reserves and excludes the accumulation of non-production assets and consumer goods (p. 437).

The textbook does not contain a chapter on the material and technical basis of socialism. There is no chapter on the consistently socialist enterprise, the socialist factory as an economic category.

Lenin and Stalin teach that the decisive force in the development of society is production. In declaring this provision, the authors of the textbook, unfortunately, often deviate from it. So, for example, the authors write that moral and political unity, friendship of peoples, Soviet patriotism are the driving forces of the development of socialism, but they are not talk about the main driving force —about the way of getting a livelihood, the way production of material

^b On the left margin in pencil opposite to the mark highlighted in the text: **NB.**

^c In the left margin, in pencil, opposite to the mark highlighted in the text: **NB.**

goods. Consequently, the main material force of the development of socialism is not shown.

On the issue of driving forces in the layout, the idea of the primacy of production was not carried out.

In order to carry out the idea of the primacy of production, it is necessary to build the entire section according to the following plan:

a) socialist property as the basis of production relations; planning as a law arising from the nature of the socialist economy;

b) the material and technical base of socialism;

c) instead of the chapter on the socialist organisation of labour, give a chapter on the socialist cooperation of labour;

d) give an independent chapter on goods and money, revealing their role in socialist production;

e) give a special chapter on the consistent socialist state enterprise^a;

f) give a chapter on the agricultural cartel.

Further, before interpreting the issues of wages and distribution of income by workdays, give a special chapter on the total social product and its parts.

Methodologically, shortcomings also affected the planning of the interpretation of a number of important issues. First of all, about the law of value. Opening by Comrade Stalin the inevitability of the law of value in a transformed form under socialism raised the Marxist-Leninist theory of value to a new level. This required a serious scientific interpretation of the laws of value. But the authors with this task are not coped with^b.

The unsatisfactory analysis of the necessity of the law of value under socialism led the authors of the textbook to misinterpret a number of value categories. So, for example, about socially necessary time, about the price in the textbook it is said: the price follows either as a prime cost (p. 183), then as a value.

^a On the left zero, in pencil, from the words “on the question of driving forces ...” to point “e” there is a long vertical line. Behind her with a pencil of a litter: NB.

^b On the left margin, in pencil, opposite the last two sentences of the paragraph, there are two short vertical lines, followed by two crosses in a column.

The authors unreasonably deny the contradiction between use value and value.

Finally, the value of agricultural products and the source of differentiated rent^a are interpreted inconsistently.

The question of money is presented especially unsatisfactorily in the textbook. [Money like a tool of a planned economy, play a large and ever-increasing role in our country]. It is not clear why there is only one small paragraph in the textbook for money. Money is portrayed as a commodity playing the role of a simple intermediary in exchange. Money is not shown as a carrier of the contradiction of private and social labour, the functions of money are not revealed as a form of movement of these contradictions. Thus, money is drawn not according to Marx, but rather according to Adam Smith², according to Tuba, that is, just as it is portrayed by metalworkers, not Marxists.

If you believe the authors of the textbook, it turns out that [money under socialism is bank notes, not gold]. Therefore, gold is not money. Socialism is characterised by special money that is fundamentally different from the money of capitalism. The basis for providing Soviet money, as Comrade Stalin teaches, is primarily the mass of goods put into circulation at fixed prices. The provision of money and its essence are inextricably linked.

Under socialism, there are no contradictions between private and public labour.

[Therefore, gold as a measure of value here no longer acts as a separate, special product]. The measure of value for each individual commodity is the value of the aggregate commodity product, expressed as the sum of prices historically formed and systematically changed by the Soviet state. [This value of the aggregate commodity product plays the role of a universal equivalent in the socialist economy]^b. However, it does not follow from what has been said that

^a In the left margin, in pencil opposite the last two paragraphs, two short vertical lines, behind them with a pencil note: **NB**.

² Smith Adam (1723-1790), Scottish economist, one of the founders of modern economic theory.

^b According to the text in pencil from one highlighted sentence to another note: **NB**

gold plays an important role. The connection between Soviet money and gold is preserved for external economic relations. So, the textbook's treatment of the issues of value and money is the result of serious methodological flaws. It is an indicator of a deep break with practice. Therefore, this interpretation cannot be recognised as suitable.

Further, Comrade Kronrod says that the entire section 'Socialism' is descriptive character and must be radically redesigned [...]

RGASPI. F. 558. Op. 11.D. 1242.L. 40-46. Typescript.

7. ABRIGDED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK. November 14, 1951

Morning Session November 14

1. Tov, Arakelyan A. A.^{a1}

**Senior Researcher, Institute of Economics, USSR Academy
of Sciences**

The main disadvantage of the layout of the textbook in the part of the section ‘Political Economy of Socialism’ is that some economic laws and categories of socialist societies are considered outside the connection with public ownership of the means of production, while others—in extremely insufficient connection with it. Therefore, the laws and categories of socialist society look pale, anaemic, without the necessary logic and consistency in their presentation.

But when setting out the laws and categories of socialism, which are nothing otherwise, as an expression of production relations, the authors do not proceed from public property. The most unfortunate part of the textbook is devoted to the law of value. The authors of the textbook misrepresented the essence of the law of value under socialism. The textbook indicates [that the law of value in the USSR is not a spontaneous law. It does not lead to crises and unemployment. The law of value excludes the transformation of money into capital, does not lead to the formation of the average rate

^a In the left margin there is a check mark in front of it with a pencil.

¹ Sidorov Alexander Nikolaevich (?—?), Head of the Department of Political Economy of the Moscow Institute of International Relations during the discussion.

of profit]^b, etc. In other words, the textbook indicates what the law of value is not, but what it is, what it is about this is hardly said. It has only been said that the law of value [is subject to the plan, it is the instrument of the plan]. It is clear that if the law of value is a simple instrument and does not reflect the essence of the socialist economy, then it cannot be called a law. An economic law is an objective necessity; it is an expression of the most general, most essential aspects and connections of material reality. [That the law of value is subject to a plan], there is no doubt about it. But why it is the law of value in a transformed form, that is, it expresses the essence of the socialist economy and what is its essence, can be explained only proceeding from an analysis of the basis of production relations and an analysis of social ownership of the means of production.

The textbook talks first about the law of value, and then about the product. This contradicts the logic, the methodological position that Marx has in the field of cost studies. The analysis should begin with clarifying the essence of the product and its specific features under socialism. Only such a starting position can provide a disclosure of the nature of value under capitalism and under socialism.

Under the conditions of the social division of labour, private property inevitably leads to an antagonistic contradiction between private and public labour, over which raises the contradiction between concrete and abstract labour, and then between the value in use and the value of the commodity. In contrast to the commodity-capitalist economy, under socialism there is no antagonistic contradictions between the use value and the value of the goods. However, this does not exclude manifestations of non-antagonistic contradictions. As a result the presence of remnants of capitalism in the minds of individual production managers there may be the fact that when the plan is fulfilled in terms of cost indicators, fulfillment in use value^a is not given.

^b There are two vertical lines on the left margin in pencil. According to the text in pencil according to the marked note: **NB.**

^a In the text of the paragraph, in pencil, two slashes, under them in pencil: **NB.**

In a socialist economy, concrete and abstract labour is two sides of directly social labour. There is a complete correspondence between them, since there is a complete combination between the personal labour of each person and social labour. But this combination is the result of social ownership of the means of production. This is the logical connection between the form of ownership and the entire content of the commodity in general and value in particular. It shows that the analysis of value and the demonstration of its transformation cannot be clarified outside the connection with the social form of ownership of the means of production.

In the USSR, there are 2 forms of public ownership of the means of production: state (national property) and cooperative-collective farm. Accordingly, there are 2 types of enterprises, consistently socialist type and socialist type, between which there is an exchange of goods. Further, under socialism there is a special form of personal property in the form of the subsidiary farming of collective farmers. The products of this farm, bypassing public channels, go to the individual disposal of the collective farmers themselves. Some of these products are sold at market prices. Finally, there is also personal ownership of consumer goods, which is a form of realisation by the working people of their share in the social product. Small commodity farms should also be pointed out, which are not of decisive importance in the USSR, but they must be taken into account in a concrete analysis of the law of value. [In these conditions, the movement of products of labour is nothing more than moving them from one owner to another owner. It follows from this that the law of value operates under socialism not because labour is not homogeneous, but because the social division of labour exists on the basis of various forms of ownership]^b.

Thus, the explanation of the law of value in the USSR by the presence of heterogeneity of labour, as the authors of the textbook do, does not stand up to criticism, because it is isolated from the economic foundations of the law itself, from the form of ownership.

^b According to the text selected in pencil, note: **NB**. On the right margin, opposite the selected text in pencil, there are two short vertical lines.

The question of public ownership is a question of the starting point for clarifying all economic laws and categories of socialist society. On the basis of public ownership, numerous forms of the advantages of socialism over capitalism grow and manifest themselves. These benefits are discussed in the textbook, but not comprehensively enough. Thanks to public ownership of the means of production, which ensures the planned management of the economy, the rational use of social labour, the interest of workers in increasing social wealth, new attitudes towards labour—in the USSR there is a steady and rapid growth in labour productivity, both in the form of annual output and in the form of working out a worker. In modern bourgeois society, there are contradictions between the annual and hourly output of the worker. Here, with an increase in the hourly output of a worker, a drop in annual output takes place. For example, during the period from 1928 to 1937, hourly output in industry increased by 20.4%, while annual output during the same period decreased by 2.2%. Loss of a worker time as a result of crises, chronic underutilisation of the production apparatus, mass chronic unemployment, strikes,—all this leads to a reduction in output.

In socialist society there is a rapid growth in both the annual and the hourly output of the worker. During the first five-year plan, the annual output of workers in the Soviet industry increased by 41%, for the second—by 82%. At the same time the hourly output: for the first five-year plan—by 61%, for the second five-year plan—by 118.7%.

The tutorial does not talk about such a specific form of manifestation of advantage socialism over capitalism, as the best use of the production apparatus.

The textbook should have shown the possibility of extended reproduction in the USSR without accumulation. It occurs in our country: firstly, as a result of increased labour productivity and lower prices for equipment, building materials, assembly work; secondly, due to improved maintenance of equipment, the struggle for the safety of equipment and its better use; thirdly, thanks to the improvement of technology and, fourthly, at the expense of the depreciation fund, since depreciation deductions for each year are always greater than the amount required to replace worn-out means

of labour. True, the possibility of using part of the depreciation fund for expanded reproduction is also available at individual capitalist enterprises, but it is extremely limited and, most importantly, does not turn into reality.

It follows from what has been said that the third section of the textbook, devoted to the socialist mode of production, needs serious revision.

On page 286 of the textbook it says: ‘Consistent mechanisation and automation of production are unattainable in a capitalist economy, due to the presence of unemployment and cheap labour.’ The role of the monopoly price as a factor hindering mechanisation and automation. The most important thing has not been said about private ownership of the means of production.

On page 320, the first paragraph says that state cooperative forms of ownership exclude the possibility of exploitation of man by man. However, it does not speak of moral and political unity, friendship and cooperation of all workers in the USSR.

On page 326, as well as on page 267, it says ‘that the Soviet state concentrates in its hands the main means of production, directs the development of the economy.’

It should be said here that ‘that the Soviet state is concentrating in its hands not only fixed assets, but also circulating assets’.

The attention of the team of authors should be drawn to the inadmissibility of placing whole paragraphs from the works of Lenin and Stalin without reference to them, for example, pages 265, 278 and others. This, among other things, can educate readers, including students, a sense of irresponsibility.

It should be surprising that after Meiman’s speech, 12 people spoke and no one not a single phrase of them appreciated his performances. Only Comrade Makarova, who was the thirteenth speaker after Meiman, pointed out quite correctly that his ‘theory’ has nothing to do with science in general, with political economy in particular.

Comrade Yakovlev estimated the layout of the textbook incorrectly. In his opinion, this textbook cannot even be taken as a basis. Meanwhile, Comrade Yakovlev himself made serious mistakes. In his speech, he tried to restore the categories of fixed and

working capital. It is known that the means of labour in the USSR are not means of exploitation. Therefore, they cannot act as capital. They are instruments of socialist labour, excluding exploitative relations, instruments of direct social labour, organised on a planned basis. Another nature and objects of labour. Comrade Mikolenko² in his speech tried to restore even the category of variable capital, calling labour force in the USSR a commodity. He forgot that the working class is a class both working and owning the means of production. He forgot that, according to the definition of the classics of Marxism-Leninism, a specific feature of capitalism is that only in it labour power is a commodity.

Nor does his statement stand up to criticism that in the section 'Political Economy socialism' the category of surplus value should be introduced. It belongs to his characterisation of the laws of socialism as spontaneous laws, while the laws of socialist society are not arbitrary, invented, they are objectively acting. For example, if the law of socialist industrialisation were spontaneous, then we could not start industrialisation from development of heavy industry.

Comrade Katz's speech was methodologically erroneous. Essentially in his speech was about the automatic collapse of capitalism. He did not understand that expanded capitalist reproduction means the reproduction of capitalist production relations, the reproduction of the contradictions between the proletariat and the bourgeoisie on a broader basis, means a further deepening of these contradictions.

² Mikolenko Yakov Filippovich (1911-?), Soviet lawyer, Doctor of Law (1947), Professor, Chairman of the Department of Cooperative Legislation and Construction, Faculty of Soviet Construction and Law, Moscow State University (1930-1931). Research interests: legal problems of land and collective farm law. In a speech at the discussion, he argued that economic laws under socialism act with spontaneous inevitability and in this sense do not differ from the laws of capitalism. Since commodity-money relations exist in the Soviet economy, all the main categories of the bourgeois economy operate in a transformed form in the Soviet economy: the law of value, surplus value, capital, the price of labour power.

2. Comrade. Strumilin S. G.³ - Academy^a

The layout of the textbook should be recognised as a quite suitable basis for discussion and comradely business criticism. However, our main task is to improve it as much as possible, so all attention has to be focused not on the advantages, but on the disadvantages of the discussed layout.

The authors of the textbook give a too concise definition of the subject of political economy. From this definition, issues such as the reproduction of the working forces, the organisation of labour, social consumption and socialist accumulation. The definition of the subject could be stated as follows: political economy, as a social science, studies the economic structure of society and the laws of its development in the process of reproduction of material goods and social relations at various levels of the productive forces of society. This process embraces social production, distribution, circulation, consumption of material goods for their further reproduction on an expanded scale and in new production and labour proportions.

On page 4, the definition of means of production is given, in which the authors include only objects of labour and tools. Meanwhile, according to Marx, the means of production include working buildings, canals, roads, etc., which, not being a means of labour, can be part of the means of production. For example, we will undoubtedly include the Kuibyshev Dam, the Volga-Don, the Great Turkmen Canal, and forest protection plantations and other great construction projects of communism in the fixed assets of our country as means of production.

³ Strumilin (Strumillo-Petrashkevich) Stanislav Gustavovich (1877-1974), Soviet economist, statistician, sociologist, academician of the USSR Academy of Sciences (1931). He worked in the State Planning Committee of the USSR in 1921-1937 and 1943-1951. In 1948-1952. Head of the sector of the history of the national economy of the Institute of Economics of the Academy of Sciences of the USSR. Research interests: statistics, development of planning methods, research of problems of labour economics, labour resources, education, science.

^a In the left margin there is a check mark in front of it with a pencil.

On the same 4th page, to define the productive forces, the authors use the well-known formulation of Comrade Stalin. To this very succinct definition in the textbook does not provide the necessary explanations, which cannot be considered correct. The productive forces of society are characterised by polysyllabic circumstances, such as the degree of the worker's art, the level of development of science and the degree of their technical application, the commonality of the collective production process, the size and efficiency of the means of production, and natural conditions. This should have been mentioned in the layout.

In the section on feudalism in the layout of the textbook, a significant inaccuracy was made regarding land ownership and the exploitation of peasant labour, since it is said that all the land belongs to the feudal lords. Then the expropriation of the peasants during the reform of 1861 becomes incomprehensible. The authors forgot about the non-economic coercion of the peasants under feudalism.

On page 46, the authors of the textbook note that Peter I planted industrial enterprises in Russia, which were essentially serf manufactories, since on the widely used the labour of serfs. This statement hardly corresponds to historical reality. It is known, for example, that in the 1917 census^a, at the Ural factories of the Demidovs, there were at least 430 artisans and workers, of whom only 9 were serfs.

Analysing the capitalist character of manufacture, Marx convincingly substantiated that the manufacturing division of labour is a specific creation of the capitalist mode of production. This is also true of the factories in Russia, meanwhile, the authors of the textbook associate them with the feudal mode of production.

The textbook contains an incorrect and incomplete formulation of the law of value. This formulation emphasises only the exchange side and passes over in silence another feature of the law of value that regulates production processes. The function of the law of value was repeatedly emphasised by Marx. In our conditions the noted function of the law of value is of paramount importance for planning

^a So in the document.

the national economy and combating production imbalances. Due with this it is inappropriate to speak in the model of overcoming the law of value under communism. The transformed law of value, as a planning tool, is not an evil that should be discarded on the road to communism.

The textbook asserts that the deviation of prices from value is a way of implementing and manifesting this law, but this is true only for conditions of natural pricing in the capitalist market. In a planned economy, price deviation from the cost is not at all necessary. The only basis for target prices can be cost. Hence the practical conclusion: Soviet planning should calculate in its accounting not only the individual cost price, but also the social value of our commodity goods, and the theory should suggest to practice how this should be done.

Speaking of the industrial revolution, the textbook randomly dates it for different countries. In particular, in Russia it proceeded, according to the authors of the textbook, for three decades after the abolition of serfdom and ended by the beginning of 1890. This concept was expressed in print by Mendelssohn. It has received well-deserved criticism and should not be repeated in a textbook.

The textbook lacks sufficient clarity in defining the content of the concept [of necessary and surplus labour and products under socialism]. Under socialism not only the means of subsistence, [but also accumulation funds and reserves] would be correct [to be counted among the necessary labour]^b. In this regard, the required products of society is no longer in any case [cannot]^a be identified with the payroll workers of one production sphere, since with the elimination of capitalism the necessary product of society expands its boundaries. It becomes a measure of cash of the needs of the whole classless society^b.

Unfortunately, the authors of the textbook, in their definitions of the necessary and surplus product, resort to the old concepts that have already become obsolete in our conditions. Meanwhile, if the

^b According to the text highlighted in pencil, note: **NB**.

^a Strikethrough with a pencil.

^b According to the text above with a pencil of a note: **So**.

cultural funds of social consumption are drawn from the necessary product, then the labour that creates them should be recognised as [necessary labour].

Also, the authors of the textbook incorrectly include in the surplus product of a socialist society, along with accumulation funds, and those resources that are spent on managing the defence of the socialist state. In this case, the analogy with the bourgeois state [is harmful and hardly appropriate]^c.

The wording of the textbook is highly controversial, according to which not only profit, but the entire turnover tax in the USSR is considered as constituent elements of the surplus product. Obviously, it should be recognised that the turnover tax is mostly spent on current social needs and is in this [part an element of the necessary], not the [surplus] product^d.

In the interpretation of the concept of [social product]^e, the authors of the textbook adhere to three different opinions:

on page 432 they equate it with the sum [of the gross output];

on page 140 it includes the entire mass of goods produced in society;

on page 142, it appears as social capital in commodity form. While offering their readers as many as three solutions, the authors essentially give them none. Presumably, [that the social product in Marx's scheme did not include elements of internal circulation in any of its subdivisions]^f. This interpretation of the social product is the most acceptable for our time.

On page 329 of the textbook, an important generalisation of J. V. Stalin is given, according to which the growth of consumption in the USSR, the purchasing power of the masses, constantly outstrips the growth of production, pushing it forward. The authors of the textbook should reconcile this provision with the well-known statement of Marx, according to which [with the elimination of

^c In the text above with a pencil, the paragraph is marked with two vertical slashes. To the right of them litter: **Under**.

^d Along the left margin in pencil, the paragraph is marked with two short vertical lines, to the right of them on the text of the label: **Under**.

^e Drawn in a semicircle with a pencil.

^f Above the selected pencil according to the text of the note: **Under**.

capitalism, constant and relative overproduction] will be [a necessity]^g. The apparent contradiction is explained by the fact that the USSR is in a capitalist encirclement and that this encirclement forces the Soviet Union to rapidly industrialise the country. With the victory of communism, Marx's formula will be fully realised.

In the section 'On the transformation of differential rent under socialism,' the authors of the textbook proceed from the premise that state prices for agricultural products are set taking into account the profitability of cultivating certain crops under worse production conditions. In fact, the pricing of agricultural products proceeds from the general planned demand of the entire socialist society for land products, taking into account the average socially necessary labour input in all agriculture^a.

In conclusion, it should be noted that the textbook incorrectly defines the People's Republic of China as bourgeois-democratic with a pronounced anti-imperialist and national liberation character, while in China the leading role in the state belongs to the working class. This definition sounds like a reassessment of the role of the bourgeoisie in the Chinese revolution. Therefore, it would be more correct to regard the People's Republic of China as a democratic dictatorship of the proletariat and peasantry.

Considering the question of the People's Republic of China, the authors of the textbook unforgivably forget that in China a socialist sector in the national economy is already being formed and is taking shape.

3. Comrade. Khachaturov T.S.^{b4}

^g Above the selected pencil according to the text of the note: **Under**.

^a According to the text of the paragraph with a pencil of the note: **Think**.

^{b4} There is a check mark to the left of the number "3" with a pencil.

Khachaturov Tigran Sergeevich (1906-1989), Soviet economist, doctor of economic sciences, corresponding member of the USSR Academy of Sciences (1943), director of the All-Union Scientific Research Institute of Railway Transport (1945-1949). Research interests: theory of socialist reproduction, economic efficiency of capital investments, economics of capital construction, economics of transport, distribution of productive forces.

**Member of the Bureau of the Department of Economics and
Law of the USSR Academy of Sciences**

In general, the authors have done a great and valuable work, and the layout can certainly be used as the basis for the textbook. Its publication will be an event of great political and scientific significance. The book is a textbook, and therefore the authors did the right thing in general, considering only those questions that are more or less established in Marxist-Leninist literature. Those who believe that the authors should have taken risks and bold creative daring are completely wrong. That kind of risk and daring is good for economics research. The fact that not all questions of the political economy of socialism are resolved in the textbook is not only the fault of the authors, but also of other economists, the result of the general lag of economists behind the urgent tasks of communist construction. And therefore, one can only approve of the fact that the textbook contains more or less well-established questions. The disadvantages of the textbook are not so much in this, but in the fact that many questions, sufficiently researched, are covered in it incompletely and incorrectly.

The authors did not show what happened at certain stages of socialist construction with the development of various laws and categories of the socialist economy— planning, value, money, etc. But such an analysis would be very important, because these laws and categories that appeared again or were transformed under socialism, do not remain unchanged, but develop and change further all the way to the highest phase of communism. In general, I would like the authors in the section on socialism to fully follow the path of generalising the material of concrete Soviet reality, and not from speculative conclusions.

From this point of view, I would like to emphasise the question of the organisational forms of the national economy.

The organisation of state management of the national economy is of great importance as one of the important economic factors and it would be appropriate to devote an entire chapter in the textbook to this issue.

The layout poorly covers the organisation of management of the socialist national economy; its role in the development of the economy, in increasing labour productivity, the difference in organisational forms in different sectors of the national economy and at different stages of socialist construction.

It is very important in the textbook to show the role of the party and party organisations not only in the leadership of the state as a whole, but also in the leadership of sectors of the economy and enterprises, to show the economic role of the grass-roots party organisation at the plant, in the state farm, collective farm, in the region. The book should have covered more fully the questions of national economic planning; more emphasised the party character of our plans, their orientation towards achieving the goal of the earliest possible building of a communist society.

The scientific nature of planning is not sufficiently emphasised in the layout. The scientific character of our plans determines their pro-expression, contributes to the acceleration of the development of the productive forces. This should be shown in the layout.

Finally, planning methods are poorly covered. The planning of the national economy is one of the most important economic laws of socialism. Therefore, it is the task of the political economy of socialism to show the mechanism of operation of the law of planning.

The issues of the development of the productive forces under socialism are insufficiently covered in the book. In more detail, it would be necessary to consider the creation of the material and technical basis of socialism, which was a deep and comprehensive technical coup, taking place under the conditions of a new socialist social formation, and captured not only industry, but also agriculture, transport and all branches of the national economy.

The greatest construction projects of communism, the alteration of the climate, the irrigation of vast expanses of the earth, the arming of man with powerful technology—all this shows that the Stalin era is the era of the greatest technical revolution that history has ever known. Meanwhile, the authors do not call this greatest historical shift in the development of the productive forces of socialism a technical revolution and do not consider the very content of this

technical revolution, even with the same degree of detail with which they considered the industrial revolution of the 17th—19th centuries. The technical revolution in the era of socialism is not limited to the USSR, it has an international character and, following the USSR, takes place in a number of other countries—Poland, Romania, Hungary and other countries of people's democracy, and also captures China and has a progressive role for all mankind^a.

In the chapter on industrialisation, the authors say: about the main features of the industrial base of socialism, about the main lines of technical progress—mechanisation, electrification and chemicalisation. In fact, these lines of technical progress, characteristic of the pre-war five-year plans (although not exhaustive, for example, standardisation, dispatching were also of great importance), now must be supplemented by new major achievements in the development of Soviet science and technology. One should not lose sight of such newest lines of technical progress that increase production to a higher level, such as continuous production, high classes of processing accuracy, new areas of application of radio and high-frequency currents, the use of atomic energy for peaceful purposes, new achievements of Soviet Michurin agrobiology and soil science, and etc.

What are the reasons here to be limited only to mechanisation, electrification and chemicalisation?

It is clear that if the main lines of technical development in the era of the industrial revolution of the XVIII-XIX centuries, attention are paid in the book, then the main lines of the technical revolution in the era of socialism should be shown in a much more detailed way^b.

On page 77, the authors write that every developed machine consists of three parts—engine, transmission and working machine. It has already been said here that this passage is not translated correctly, that it is not a machine, but a system of machines. But not enough of this. It is necessary to emphasise the great changes in the

^a In the text of the paragraph, with a pencil at the bottom of the vertical lines. To the left of them, pencil note: **Under.**

^b Along the text of the paragraph, in pencil, two vertical lines. To the right of them with a pencil of a note: **Under.**

system of machines with steam and electrical equipment. With steam technology in the XVIII-XIX centuries really system machines in the factory consisted of an engine—a steam engine, a transmission to machine tools, that is, the transmission mechanism and the machine tools of the working machines. The situation is different at the modern level of technology development. The engine now represents how usually a central power station, from where factories and plants receive electricity, with the help of which machines are set in motion. There are no longer visible here parts of the machine system in the form as they existed before, unless we mean by the engine a power plant, and by the transmission mechanism—the wires and the electric motor available on each machine. All these changes had to be shown by the authors^a.

The definition of a machine should also be given. Otherwise, the question arises whether, for example, electric furnace machines, chemical apparatus, etc.

Further, there is a statement that in every working machine one can find in general the same tools that are used in manual labour (p. 77), correct also only for equipment of the XVIII-XIX centuries. Modern technology often uses completely new production methods that were not used in manual production, e.g. punching instead of turning, electric welding instead of riveting, current hardening high frequency, etc., and the tools used in this case have nothing to do with those tools that were used in manual labour. Why stay still so far at the level of the 18th-19th centuries?^b

It is also very important that the question of the effectiveness of the use of machines would be developed and made general conclusions about the methods for determining the efficiency of capital investments when choosing project options.

The book weakly reflects what was new in the Stakhanov movement that happened in the post-war years: the method of the engineer Kovalev, Chutkikh, Rossiyskiy, the emergence of

^a In the text of the paragraph, in pencil, two vertical lines. To the right of them with a pencil of a note: **Under.**

^b Vertical line in pencil along the text of the paragraph. To the left of her with a pencil of droppings: **Under.**

Stakhanov collectives, the struggle for surplus savings, etc.^c estimate. The most important questions of cost accounting are not given in the textbook layout in full. It would also be important to elucidate the question of the rate of circulation of goods in the entire national economy, the average the productivity of reproduction cycles and the effectiveness of accelerating these cycles.

The authors of the textbook briefly touch on the very topical issue of the speed of circulation of working capital. It would be necessary to dwell on what is the economic value of the rate of circulation of circulating assets and how to determine this rate^d.

Such an important branch of social production as transport is very poorly reflected in the layout of the textbook.

In the section 'Introduction' it would be better to dwell on the distinction between political economy and other economic sciences. This is desirable in order to avoid duplication and to better define the subjects of other economic sciences.

Speaking about the layout of the textbook, one cannot help but say a few words pi about our entire scientific work in the field of economics and, above all, on the work of the main economic centre—the Institute of Economics, which still works completely unsatisfactorily. The Institute of Economics has not yet become a well-coordinated team concentrating their attention on the main critical issues of the economy, on the leading most important topics necessary for our country.

Such an important work as 'History of Russian Economic Thought' is endlessly marinated. The plan of work on such an important book as 'The Economics of Socialist Industry' is not being fulfilled. The situation with the book 'Questions of organisational and economic strengthening of enlarged collective farms' is bad. The plan of scientific work of the institute does not provide for the concentration of forces on the most important topics, it contains a large number of minor topics. The subject matter of the institute is largely determined based on the availability of employees and their

^c Underlined with two lines in pencil.

^d According to the text of the paragraph, in pencil, note: **Think**.

desire to deal with a particular topic and subordinates the state interests to personal interests^a.

At the institute, scientific criticism and self-criticism are weak, there are few scientific discussions. Highly difficult, and the working conditions of the institute. The institute has a very small room, twice less than before the war. The vast majority of scientists work at home. Often there is nowhere to hold scientific meetings. The institute needs help with the premises so that it can gather all its employees within its walls; organise normal work^b [...]

RGASPI. F.558. Op. 11.D. 1242.L. 55-71. Typescript.

^a In the text of the paragraph, a vertical slash in pencil, to the right with a pencil of a mark: **Under.**

^b In the text of the paragraph with a pencil, a vertical slash, to the right with a pencil of a note: **Under.**

8. ABRIGDED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK. November 14, 1951

Evening Session 14 November

Comrade Sidorov A.N.¹

**Head Department of Political Economy, Moscow Institute of
International Relations**

[...] There are serious shortcomings in the presented layout of the textbook on political economy. The model does not provide enough factual material about the development of capitalism in Russia.

The chapter ‘Wages’ does not provide examples of wages in pre-revolutionary Russia, although there is a wealth of material on this issue. Here not talks about women’s and children’s labour and the strike struggle of the Russian proletariat, about the art of combining economic and political struggle in the labour movement, except for the most cursory remarks on page 121.

The chapter ‘Accumulation of capital and the impoverishment of the proletariat’ also does not contain data on the position of the proletariat in pre-revolutionary Russia, which is a significant omission.

The same should be said about the chapters: ‘Reproduction’, ‘Land rent’, etc.

In this regard, Comrade Sidorov offers the team of authors a statistical reference book on the economy of pre-revolutionary Russia compiled with the help of graduate students, in which all the best that was in the old pre-revolutionary statistics.

¹¹Sidorov Alexander Nikolaevich (?-?), Head of the Department of Political Economy of the Moscow Institute of International Relations during the discussion.

When revising the textbook, material on pre-revolutionary Russia should be included systematically, consistently. This material, firstly, will prepare the reader to understand the natural victory of socialism in Russia, and secondly, it will give the Soviet reader the most familiar and close examples illustrating the laws of development of capitalism, and the foreign reader acquaintance with the pre-revolutionary Russia, about which he also knows very little; and thirdly, prepare the reader for more deep understanding of the great socio-economic transformations that have taken place in our country on the basis of the victory of socialism, to see this gigantic step towards progress.

We know how the logic was formed by Marx in the process of writing 'Capital', how many different variants of construction there were, until logic was moulded into that iron system of consistently developed categories, in which not a single restructuring of chapters can be done, but in our country it is possible to do a restructuring, and we rearrange and rebuild the chapters from year to year.

The reason for this situation is the disregard for the logic of Marx's Capital.

At the same time, they think that the logic of 'Capital' is the logic of capitalism, and therefore it allegedly cannot be mechanically transferred to the political economy of socialism.

Meanwhile, the main provisions of the dialectical logic developed by Marx can and should be used in determining the structure of political economy socialism.

When constructing the section 'Socialism' after the chapter on the transition period, it is necessary to give a chapter on the political and economic basis of the socialist system.

In this chapter, describe socialism as the first stage of communism.

The question of planning in the USSR. All the richness of the teaching of Lenin and Stalin on planning is not reflected here. [I should have said that a) planning is an objective necessity of socialism; b) public ownership of the means of production determines the new role of the state and the new role of the superstructure in relation to the] basis, which allows the state, the

policy of the state and our party [to play a decisive, transformative, guiding role]^a.

The authors of the textbook did not use those conclusions about the development of the socialist economy, which are given in the writings of Comrade Stalin. It is no coincidence, therefore, that the main categories and laws of socialism are presented in the layout palely, without sufficient evidence.

The authors of the textbook failed to show the role of the socialist state in the development of the socialist economy.

It is not clear from the layout [that the main law of the development of our country is the planning of the national economy]^b.

We must finally and irrevocably put an end to the remnants of the idealistic interpretation of the plan, with the separation of politics from economics. I believe that comrade Mikolenko here correctly noticed a very serious flaw in the textbook—a plaque subjectivity, [insufficient deployment of the objective economic foundations of the policy of our] party and our state.

A number of provisions sound subjectivist, and this, in turn, gives rise to a reaction - the emergence of other, I would say, purely mechanistic views on the nature of our plans, on the basic law of the development of our economy. [There are some comrades who believe that the basic law is not a plan, but the law of value, and it will exist] from now on to a century and even in the kingdom of communism^c. It is necessary to overcome these remnants of idealistic and mechanistic perversions, and this overcoming can be done on the basis of showing that our state plan really is a law, moreover, a basic economic law. And in the model, on the contrary, two laws are given: the first law is the plan, and then comes the law of value.

^{aa} Above marked in the text of the paragraph at the left margin with a pencil of the note: NB. From the words “I should have said ...” an arrow on the top field, pencil mark: **With social production.**

^{bb} 11about the text of the paragraph at the left margin in pencil, note: NB. Along the right margin, the paragraph is marked with two vertical lines in pencil.

^{cc} There are two vertical lines in the left margin in pencil. According to the text next to the left margin above the marked pencil of the note: **NB.**

The main economic law is the state plan for the development of the national economy. The peculiarity of this law lies in the fact that at the socialist stage of development it is objectively necessary to use, for reasons known to us, commodity-money value relations. And there can be no plan without commodity-money value relations. This is a plan for a future communist society, but not a socialist one, but these value commodity-money relations are given within the boundaries of the plan^a.

One major question should be posed, the question not only of the qualitative side of value, but also of the quantitative side of value.

After all, it is a fact that both the material of the layout and all our current literature are occupied one problem—about the cost in terms of quality. What is expressed in it what social-production relations determine the value expression—all this is called in theory a qualitative expression. But the Marxist-Leninist theory of value also has a second side—the quantitative one. And what kind of qualitative expression can there be without its magnitude?

As you know, we have no value indicator in the system of the national economy.

There is a cost indicator, there is an indicator of labour productivity, but there is no cost indicator. Therefore, when the authors of the textbook write that in the definition, in price planning, we proceed from the law of value, we can say to them: you do not have of this law of value.

To proceed from the law of value, one must have a value indicator, and we are not.

There is a point of view that this is an insoluble problem, the cost cannot be calculated, you cannot apply it. It turns out that the cost is an unknowable thing, unattainable thing? Along with other economic indicators that we have, should be also a value indicator. It will give a criterion for the successful work of our enterprises. If the social value is given, its value and individual value for a given enterprise, it is immediately clear whether the enterprise is working poorly or well. And then at we have two indicators: a cost indicator

^{aa}According to the text of the paragraph with a pencil of a note: **Nonsense.**

and a performance labour indicator. Let's say the cost indicator is good, but the labour productivity indicator is bad.

This happens because there are different things, different circumstances. In one enterprise, labour productivity is good and production costs are poor. Let's say they traded and bargained, and the workers worked well. It can be the other way around: plan the cost price was not met, the financiers did not help, although the workers worked well, that's the bad individual cost. When the difference between public cost and individual cost—everything is clear and transparent.

The statement of this question boils down to the fact that we need to develop this quantitative aspect of the question [...].

RGASPI.F. 558.On. 11.D. 1242.L. 76-81. Typescript

9. ABRIGDED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK. November 15, 1951.

Morning Session November 15

**Aleksandrov G.F., Director of the Institute of Philosophy of
the USSR Academy of Sciences¹**

[...] The authors of the layout of the textbook have done a significant job of generalising the materials. Many chapters are written deeply, clearly, and make a good impression.

At the same time, a significant number of sections, mainly chapters on socialism and communism, cannot satisfy the reader.

There is often a harmful gap in teaching political economy presentation of issues of political economy from the presentation of the Marxist worldview in the whole and without specifying the place of political economy in Marxism. Unfortunately this is a serious flaw is noted in the political economy textbook.

Everyone is well aware of Lenin's brilliant instructions on the three constituent parts of Marxism. These instructions oblige the teaching of political economy and the presentation of the material in the textbook in such a way that the parts of Marxist science appear in complete unity. Comrade Stalin says that Marxism is the science of

¹¹Rubinshtein Modest Iosifovich (1894-1969), Soviet economist, Doctor of Economics (1935), professor (1954), worked at the Institute of Economics of the USSR LI from 1948 to 1956, research interests: capitalist economics, economic construction in the USSR, problems World labour movement, analysis of the development of science and technology in the USSR and capitalist countries. At the discussion, he spoke on the issues of imperialism and the current stage of the general crisis of capitalism, on the socio-economic foundations of the Soviet peace policy, on the need to develop questions of the theory of the existence of two systems.

the laws of the development of nature and society, of the revolution of the oppressed and exploited masses, the science of the victory of socialism in all countries, the science of building a communist society.

Questions of political economy in the model are not presented from the point of view of this definition of Marxism, the most important place among the social sciences of political economy, which reveals the laws of development of the economy of society, is not emphasised.

The authors of the textbook incorrectly approach criticism of modern bourgeois economic theories do not apply the method of Marx, Lenin, Stalin in this area.

It is known that this method is characterised by three features:

firstly, those views and theories that are currently being launched by the ideologists of the reactionary classes against the labour movement and against Marxism are taken under fire;

secondly, in each case the class background of views hostile to socialism is fully revealed;

thirdly, such indestructible and death-beating arguments against bourgeois economic ideology are being formed that its very foundation, the fundamental of its foundations. The entire bourgeois political economy feels the fatal conclusion of Marxism that the victory of the socialist revolution is inevitable. Concerning the impossibility of knowing the laws of the economic development of society is proved. It would be necessary to end the textbook with a conclusion in which to set out the conclusions arising from the laws of economic development, both capitalist and socialist mode of production.

The model does not show how the very economic development of the bourgeois mode of production brings the working class and the working masses of the capitalist countries and colonies to revolution. Marxist political economy must show that the very regularity of the economic development of capitalism leads to the awakening of the peoples of the colonial countries and intensifies the struggle against imperialism.

Comrade Stalin in his writings provides a wonderful economic justification of the inevitability of the revolution of the oppressed and exploited masses. These ingenious guidelines must be fully utilised.

Over the past 2-3 years, a whole stream of political and economic bourgeois literature, in which an attempt is made to impose on readers the idea that imperialism generates the economic community of nations. The United Kingdom, the countries of the Americas is cited as examples. An attempt is made prove that the policies of countries such as the United States and England are aimed at prosperity of the colonial peoples. The task of the authors of the textbook was to expose the indicated bourgeois theories and the predatory policy of the imperialist countries in the colonies on the basis of concrete facts.

The textbook does not sufficiently expose the bourgeois economic literature, which denies the possibility and regularity of the explosion of the capitalist system. Here it was necessary to use the Marxist teaching about the inevitability of the explosion of the capitalist system in the course of the revolution of the oppressed and exploited masses. The economic scientific substantiation of the inevitability of the victory of socialism in all countries arms the communist parties and the working class of all countries in their struggle for their liberation.

In modern America, a large amount of economic literature is published, in which the 'idea' of the gradual but necessary subordination of the economies of all countries to American capital is carried out in different versions. These corrupted theories should have been dealt a powerful blow, but this task was largely missed by the authors of the textbook.

A few comments on the construction of the section of the course on political economy devoted to socialism and communism. One of the first chapters of the division of socialism should be devoted to a complete description of communist society.

It is necessary to give a definition of communist society in something like this: communism is the highest socio-economic formation in world history of human society. Communist society is not built on private, but on public ownership of the means of production. With the elimination of the exploiting classes already at

the lowest stage of communism, the social character of production fully corresponds to the new production relations based on the principle of communist mutual assistance and the commonwealth of workers in industry and agriculture. The planning of the national economy is consciously directed in its development towards the organisation of the working people and is based on higher technology, the electrification of the entire country, and the mechanisation of agriculture. Here the distinction between the workers and the peasants, as well as between these classes and the intelligentsia, disappears completely, the remnants of the former [opposition] between town and country, between mental and physical labour^a disappear. In conditions when capitalism still exists in a number of large states, a state is strengthening in communist society, designed to help advance society and protect it from the attacks of enemies, from the aggression of the capitalist countries. With the abolition of capitalism in the last large capitalist countries, the state will wither away, and society will be an economically governed free organisation of workers. The Marxist-Leninist worldview becomes the worldview of the whole society as a whole and each worker individually. In a communist society, creatively free, joyful work becomes a person's primary need.

The layout of the textbook does not sufficiently emphasise the unity of the two phases of the development of communist society and their difference.

Considering the economic system of socialism, it should be emphasised that it naturally generates peace and peaceful relations between peoples, excludes wars between peoples. At the same time, it is necessary to show that the economic system of imperialism inevitably engenders contradiction, divides peoples, and leads to wars and crises.

There is no doubt that the discussion organised by the Central Committee of our Party, will lead our economists on the right path,

^a From the words "the difference between" disappears with a pencil arrow on the top margin to the sign:?: from the word "opposites" with a pencil arrow on the bottom margin to the mark: **Opposite and difference = two different things.**

help improve teaching political economy, will speed up the creation of a full-fledged textbook [...].

RGASPI. F. 558. Op. 11., D. 1242.L. 87-91. Typescript.

10. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE POLITICAL ECONOMY TEXTBOOK.

November 15, 1951

Evening Session 15 November

1. Comrade. Rubinshtein M. I.^{a1}

**Head Sector of the Institute of Economics of the USSR
Academy of Sciences**

Significant shortcomings occur in that section of the layout of the textbook on political economy, which covers the general crisis of capitalism and the new stage of the general crisis after the Second World War.

There is already an important gap in the very definition of the general crisis of capitalism and its distinctive features. The layout simply emphasises that the split of the world in two systems was the most vivid expression and decisive sign of the general crisis of capitalism. It also correctly shows the chronic underutilisation of the production apparatus, mass and constant unemployment. However, the characterisation of the general crisis of capitalism is still

^aAt the left margin, there are two check marks in pencil opposite the title.

¹ The Luxembourg theory of the productive forces was presented by Rosa Luxemburg (1870-1919) in the book *Capital Accumulation* (1913). According to this theory, the essence of imperialism is the spread of the domination of capital over non-capitalist social strata and countries, without which it is impossible to realise part of the surplus value, and hence the expanded reproduction of capital.

incomplete; there is not a single word in it about such an important feature of the general crisis of capitalism as the crisis of the colonial system. But it is known that [capitalism has no longer been able to manage the old way in the colonial and dependent countries], that imperialist wars and the victory of the socialist revolution in the USSR have shaken the very foundations of imperialism in these countries. Therefore, it is imperative to give a brief description of all the main economic signs of the general crisis of capitalism, cited by Comrade Stalin in his report at the XVI Party Congress, in order to then trace the aggravation of all these aspects of the general crisis of capitalism as a result of and after the Second World War.

In the indicated part of the model, the authors cite incorrect data on the number of those killed during the Second World War at the fronts and in the rear. It says (p. 243) that during the war 50 million people died on the fronts and in the rear, while it is known that the USSR published an official figure of 7 million people who died on the fronts and in the rear as a result of hostilities. But the Soviet Union withstood the brunt of the war, and it is unbelievable that the total human losses during the Second World War would have been greater [7 times] than the losses of the USSR.

The same applies to the ratio of military expenditures and economic losses in the USSR and in the capitalist countries.

Further, the textbook did not receive sufficient coverage of such a factor of the general crisis of capitalism, as an increase in parasitism and decay of the capitalist economy, as a militarisation of the economy of capitalist countries, especially in the United States.

The textbook should show the ever more complete concentration of US industrial production, foreign trade, capital export, trade and financial policy, as well as bourgeois science and technology on the development of the arms race.

It is also necessary to give a consolidated picture of the militarisation of the economies of other capitalist countries under pressure from the American imperialists and to show the detrimental effect of this militarisation on the living standards of the masses, on strengthening all the contradictions of capitalism. Of course, it's not just that false theory narrowed reproduction, which Katz develops here with such aplomb, giving her for a new and original and

forgetting to mention that this is only a new edition of the old Luxembourgian theory of productive forces and the automatic collapse of capitalism, defeated by Lenin².

Note that Comrade Katz's errors consist in the incorrect statement about the transformation in its opposite to the laws of capitalism in the period of its general crisis. This is inconsistent with Marxist-Leninist theory. Lenin repeatedly stressed that imperialism does not fundamentally change the fundamental laws that monopoly capitalism does not eliminate the exchange of markets, concentration, crises, but preserves and strengthens contradictions of capitalism.

Capitalism is heading towards ruin before our very eyes, and it will not perish as a result of narrowing industrial production, not as a result of a reduction in productive forces, but as a result of the fact that he cannot use this development due to contradictions in the development of productive forces and production relations that have reached the extreme limit and, in particular, because the entire development of the productive forces, science and technology is directed by modern imperialism primarily to prepare new wars of destruction, thus transforming, as Marx brilliantly predicted, productive forces into destructive forces.

The layout also does not (except for a cursory mention on page 248) show the US struggle for world domination, there is no exposure of the adventurism of this policy. This is a very significant gap.

In the final section 'On Capitalism' there is essentially nothing about the struggle of peoples for peace. The tremendous theoretical and practical significance of Comrade Stalin's position [on the possibility and ways of preventing a new world war] is not reflected at all.

² The Luxembour theory of productive forces was expounded by Rosa Luxemburg (1870-1919) in the book "Accumulation of Capital" (1913). According to this theory, the essence of imperialism is the spread of the domination of capital over non-capitalist social strata and countries, without which it is impossible to realize part of the surplus value, and hence the expanded reproduction of capital.

In the layout, there is no further attempt to analyse the socio-economic foundations of the Soviet Union's struggle for peace, which has become one of the greatest popular movements of our time.

As you know, the thesis about the inevitability of a new war is currently one of the foundations of the aggressive policy of the Anglo-American imperialists and ideology of their learned lackeys, primarily the bourgeois economists of the United States. The exposure of this thesis is the most important task of the fraternal Communist Parties; this was discussed in detail at the last congress of the American Communist Party, and was also spoken about by the leaders of the Communist Parties of European countries.

The layout contains nothing about the possibility of peaceful coexistence, economic competition between the two systems, about the economic foundations of the peaceful foreign policy of the USSR.

The earlier conclusion of Marxism-Leninism about the inevitability of wars was absolutely correct when the Soviet Union was a lone cliff among the capitalist peace, when sympathy for it, its support from the millions of working people colonial and capitalist countries was spontaneous, disorganised and systematically suppressed by the armed force of the bourgeois states and the enormous forces of deception and fooling the masses of the monopolists. And now, during the period of the general aggravation of the crisis of capitalism, this balance of forces in the international arena has radically changed.

The anti-imperialist camp already covers the system of states with a population about 1/3 of the world's population. The colonial world, embracing more than half of the world's population, has ceased to be the reliable rear of imperialism. Under these conditions, Comrade Stalin, developing his Marxist theory, teaches that war can be prevented and peace can be preserved and consolidated if it is possible to prevent the warmongers from entangling the masses with deception.

The textbook should dwell in detail on the question of the socio-economic foundations of the movement for peace, which were detailed by Comrade Stalin in an interview with a correspondent for

the newspaper Pravda. It is not clear how the authors of the textbook could ignore these important instructions of Comrade Stalin, which relate directly to economic science. Comrade Stalin exposed the slanderous statements of the former British Prime Minister Attlee³, who said that the Soviet Union was increasing its armament more and more. Joseph Vissarionovich pointed out that Attlee's statement has nothing to do with economic science, since economic science shows that no state, including the Soviet state, can simultaneously develop civilian industry with might and main, start great construction of hydroelectric power plants, requiring huge costs, continue the policy of systematically lowering the prices of consumer goods, etc., and at the same time multiply their armed forces. The experience of Britain and the United States shows that the multiplication of the armed forces and the arms race lead to the expansion of the military industry, to the suspension of civil construction projects, to higher taxes, and to higher prices for consumer goods.

American bourgeois economists go out of their way to convince the American population that Comrade Stalin's statement about the United States is incorrect, that the current militarisation of the US economy, unlike Hitler's Germany, provides both guns and oil at the same time.

Life at every step shows the correctness of the provisions of Comrade Stalin and his conclusion that if the Soviet Union does not reduce, but rather expands civilian industry, does not curtail, but on the contrary develops the construction of new grandiose hydroelectric power plants and irrigation systems, does not stop, but on the contrary continues the policy of lowering prices, it cannot simultaneously inflate the military industry and multiply your military without risking bankruptcy.

The textbook must show that the socio-economic basis of the peaceful policy of the USSR is the very essence of the socialist social

³ Attlee Clement (1883-1967), British politician, leader of the Labour Party, prime minister of Great Britain (1945-1951).

system, the Soviet state system [in which there are no classes or groups that profit from the war]^a.

The conscious struggle of the masses of the people striving for peace is becoming a force capable, under certain conditions, of overcoming the parasitic economic forces of capitalism leading to a world war, capable of curbing the warmongers.

The stronghold of the struggle for peace is currently the mighty Soviet Union and. a whole system of states of people's democracy in Europe and Asia.

It should be emphasised that if the American imperialists still manage to unleash a new world war, the masses will turn [it into the end of the entire capitalist system]^b.

There is some strange mixture in the layout regarding statistics.

On the one hand, the authors often take bourgeois statistics without any criticism, and on the other hand, they take some figures, often unfounded and leading to conflicting findings. For example, on page 248 it says that in 1949 [the volume of US exports was 7 times the volume of imports]^c.

The figure is fantastic, as US exports this year were less than double that of imports.

On page 252, it is noted that by 1950 the number of unemployed in the United States had reached 18 million persons. Here it is imperative to say: 'The number of fully and partially unemployed, working part-time'. Military spending data is outdated.

The demonstration of economic cooperation between the countries of the socialist camp is of great importance. However, it is described in the layout very faintly and is essentially limited to trade issues only. It does not highlight the assistance of the Soviet Union, which is of enormous fundamental and practical importance, to the countries of people's democracies in the transfer of experience in planning the national economy, scientific and technical experience,

^a But to the left margin there are two vertical lines in pencil, above them with a pencil of a note: **NB**. The words "No and cannot be" is underlined twice.

^b But to the left margin in pencil opposite the selected one there are two vertical lines, followed by a pencil mark: **NB**.

^c On the left zero with a pencil opposite the highlighted label:?

projects, drawings, inventions, and the use of the methods of Soviet Stakhanovites.

The role of the peasant delegations of the people's democracies in our collective farms, etc.

The layout of the textbook pays little attention to exposing the theories of modern bourgeois economists. Most bourgeois economists paint war and the arms race as the only way out of the contradictions and general crisis of capitalism. What is in the layout on this issue is written toothlessly, academically, not in the way that Marx, Engels and Lenin show.

It is necessary to dwell on the reasons for the unsatisfactory situation in economic science in our country. The only Institute of Economics of the Academy of Sciences has become a kind of scientific [centroprob]^d. It is not a matter of leadership, but of an organisational structure that does not correspond to the new tasks. The Institute cannot cover essentially the huge range of problems that he has to deal with. Here we are talking about innumerable theoretical and practical problems of all branches of the economy of the Soviet country, history, economy, and direct politics of foreign countries. Attempts to explain the inexplicable lead only to formal and bureaucratic leadership.

We have almost no creative discussions and at the same time in Moscow there is, perhaps, no institute with so many meetings and sessions, with such a stream of countless conversations that have acquired the character of a real disaster. For example, just yesterday the academic council of the institute considered the doctoral dissertation 'Arable lands of the Ilmen province of the early 17th and 18th centuries', and this is when the Central Committee is discussing the most important issues of economic science.

It is necessary to single out or spun off from the Institute of Economics 4-5 independent institutions: the Institute of Soviet Economy and History of the National Economy, the Institute of Agricultural Economics, the Institute for the Economics of Capital Construction, the Institute for the Study of People's Democracies,

^d In the left margin, there is a cross in front of the selected one with a pencil.

the Institute for the Study of American Imperialism and American Problems^a.

It is no coincidence that the American imperialists have more than a dozen institutes specially engaged in the study of the Soviet Union, some of which have dozens and hundreds of employees.

2. Comrade. Kuzminov I. I.^{b4}

Lecturer in Political Economy at the Academy of Social Sciences under the Central Committee of the All-Union Communist Party of Bolsheviks

The discussed layout of the textbook on political economy represents a significant step forward compared to the previous layout both in terms of ideological content, structure, and method of presentation.

Particularly noteworthy is the third section 'The Socialist Mode of Production'.

Comrade Stalin in [a conversation with economists in January 1941]^c gave the most important instructions about the laws of the socialist economic system. These indications that constituted a whole epoch in the development of Soviet economic science, were put in the basis of work on the textbook. Based on these guidelines in the current layout under 'Socialism' formulates the most important economic laws of socialism.

^a On the left margin, the paragraph is marked with two vertical lines in pencil, above them with a pencil notation: NB.

^b To the left of the number '2' there are two check marks in pencil.

⁴Kuzmiyov Ivan Ivanovich (1902-?), During the discussion, teacher of the Department of Political Economy Academy of Social Sciences under the Central Committee of the CPSU (B). He spoke at the discussion with criticism of the thesis about the narrowed character of modern capitalist reproduction.

^c The words 'in January 1941' are circled in pencil, opposite in the left margin with a pencil of the note: View; There is a cross under the marked with a pencil, on the right margin in a column opposite the marked with a pencil two crosses.

At the same time, the text of the textbook really suffers from a number of major shortcomings and needs serious improvement.

A number of issues in the section 'Imperialism' are not well presented and require serious revision. Along the way, I would like to make a couple of remarks regarding Comrade Katz.

Comrade Katz argues that in modern imperialism there is an absolute reduction in the number of employed workers, absolute contraction of markets; self-expansion of value, which is a feature of capitalist accumulation, transforms into its self-reduction, that is, there is a narrowing of reproduction and a return to natural economy. All of this is reminiscent of the Luxembourgian view of the automatic collapse of capitalism.

From these statements comrade Katz follows that since there is an absolute decrease the number of employed workers, there is dispersion and weakening of the working class. Marxism-Leninism teaches that as capitalism develops, the working class grows and strengthened in battles with the bourgeoisie. And now in the modern era of revolutionary battles, during the general crisis of capitalism, Comrade Katz presents a revision of this fundamental tenet of Marxism-Leninism. From this it follows further that since capitalism develops according to the scheme of narrowed reproduction, then the communist parties of capitalist and colonial countries can sit back and calmly wait until capitalism self-destructs. In addition, the number of employed workers, for example, in the United States is now higher than in the pre-war period. In 1948, the number of workers employed in industry, construction and transport in the United States was about 23 million people, compared to 15 million in 1939. Therefore, there is no reason to speak here of a systematic reduction in the number of employed workers and a narrowed reproduction of the social product.

This does not mean, however, that everything is all right in the textbook covering the issues of contemporary imperialism. The textbook does not provide a definition of the essence of state monopoly capitalism. But it is known that Lenin gave this definition.

The authors of the textbook did not give the main thing about state monopoly capitalism, and this determined their further vacillation in a number of issues of state monopoly capitalism. The

authors of the textbook did not show the merging of the monopoly apparatus with the state apparatus, limiting themselves to listing a number of measures of state regulation of the economy.

It is not surprising; therefore, that such an important and most general form of merger as a personal union between the financial oligarchy and the government of the bourgeois countries, about which Lenin writes in his work ‘Imperialism’, was bypassed in textbook. In the same way, the compilers of the textbook only in a declarative form note the role of the state budget of capitalist countries in the system of state monopoly capitalism. They say that the state budget is the most important tool in the hands of the bourgeoisie, that tax policy is a tool of lowering the living standards of workers, but did not show the very mechanism of robbery of working people through the enrichment of monopolies.

Speaking about the expenditure side of the budget, the authors of the textbook did not show the value of orders and contracts of the treasury. Meanwhile, during the First World War, Lenin devoted the issue of enormous attention; he specially dwelled on the issues of prices, on deliveries and contracts.

The textbook says very little about the so-called state property. There it is only dimly mentioned that sometimes bourgeois states turn individual industries into state monopolies.

At the present moment, when the issues of the so-called bourgeois nationalisation stand in the centre of attention of the big communist parties, more should be said about this issue in the spirit of Lenin’s instructions.

It is known that the Labourites carried out a profitable nationalisation [for the monopolies unprofitable branches of industry]^a and they made a noise about it as a socialist event, and with the other hand they carried out reprivatization—the transfer to the monopolies of enterprises built during the war at the expense of the state. And now in the newspapers there are reports that the conservatives intend to denationalise some industries, that is, to transfer these enterprises back to the ownership of the capitalists.

^aThe word “unprofitable” is circled in pencil.

In this regard, we could conclude that both nationalisation and re-privatisation are two sides of the same coin; they are two parts of the same mechanism for enriching monopolies at the expense of the state budget.

In this connection, it is necessary to consider the issues of capital construction, which is carried out in the capitalist countries at the expense of the budget. It is impossible, as it is done in the textbook, that the large scale of construction of new state factories in the USA and England during the war can only be explained by the fact that capitalism allegedly feared a post-war decline in weapons prices.

In *Imperialism*, Lenin cites savings banks as one of the examples of state monopoly. Lenin pointed to the close connection between savings banks and banks. He wrote that billions of dollars of capital in savings banks are controlled by the same magnates of bank capital.

The authors of the textbook put forward the valuable idea that in the absence of insurance [the cost of labour should include certain funds for savings for workers]. But to support their thoughts, the authors of the textbook write that in the United States of America there are 7 million small depositors during the economic crisis of 1929-1933 have completely used up all their savings and it seems that these 7 million depositors are American workers.

The textbook says in one sentence that capitalists evade taxes in every possible way, which gives the impression that the bourgeois states are one side that is advancing, and the capitalist is the other side that is defending itself.

The bourgeois state does indeed sometimes appear in modern conditions against individual capitalist strata of bourgeois society. But what layers and for what purposes? The bourgeois state opposes small and medium-sized capitalists, driving them forcibly into cartels and syndicates, the fact that Lenin called [forced syndication].

As for the section 'Socialism', there are indeed a number of shortcomings in it when covering the economic laws of socialism. The first drawback is that not all laws are even mentioned. Comrade Stalin, for example, considers socialist competition as the most

important [regularity]^a and driving force of economic development under socialism. The authors of the textbook do not recognise socialist competition either as a law or as a driving force.

In addition, in the textbook, the laws of socialism are not always justified and not the mechanism of their implementation is shown and in this connection the role of the Bolshevik Party and the Soviet state in the implementation of economic laws of socialism is not shown.

The most important drawback of the section ‘Socialism’ is that it does not show close connection between the laws, the instruction of Comrade Stalin about links between planning and social competition, between competition and production, etc.

When determining the structure of the textbook, we need to follow the methods by which the trace Marx in ‘Capital’, that is, the structure of the textbook should proceed from the system of the laws of socialism.

In the subsequent work, the authors of the textbook should take into account the following.

In view of their importance, the issues of labour productivity and social competition should be highlighted in a special chapter.

Give a full statement of the law of distribution according to work, including not only the rationale for the law, but also the issues of wages and salaries. It is impossible to break it up and give the wages of collective farmers in one place, wages in another and the substantiation of the law in the third.

It is quite expedient to give in the textbook a special chapter devoted to the steady rise in the well-being of the working people of the USSR.

3. Comrade. Prudensky G.A. Director of the Ural Polytechnic Institute⁵

^a From the word “regularity” with a pencil arrow on the top margin to the mark: **method of production**. On the left margin in pencil:?

⁵ Prudensky German Alexandrovich (1904-1967), Soviet economist, Doctor of Economics Sciences (1951), Professor (1951), Corresponding Member of the USSR Academy of Sciences (1958), Director of the Ural Industrial

Some argue that the layout is a step back, others say that the large step forward, still others talk about marking time. Comrade Sidorov made a number of interesting comments on the layout, and then he could not resist and went on to recognise his complete insolvency, turning to the secretaries of the Central Committee with a request to resolve the fundamental issues of political economy. The political economy textbook should put an end to this helplessness of our Soviet economists.

This textbook draft requires sharp criticism, it cannot satisfy requirements of the Soviet public and practical workers of the socialist economy, and also cannot serve as a full-fledged guide in teaching of Marxist-Leninist political economy. The layout does not summarise new phenomena occurring in the economic life of a socialist society. The essence and characteristics of the important processes taking place in modern production have been replaced by reasoning about socialism in general. The model does not equip party and economic cadres with the knowledge necessary to intensify the struggle for a further rise in the Soviet economy. It would be extremely necessary in the 'Introduction' to define, at least in general

(later Polytechnic) Institute (1951-1955). Research interests: development of problems of development of new enterprises and industries, regional features of development industrial production of large economic regions, issues of scientific organization labour. In his speech, he touched upon the issues of production time, working time and time circulation in a socialist economy. Made a proposal to highlight in the textbook the issue of mobilizing intra-production reserves for solving economic problems. G Atlas Zakhary Veniaminovich (1903-1978), Soviet economist, Doctor of Economics (1939), professor (1939), head of the department of monetary circulation and credit of the Moscow financial institution (1946-1963). Research interests: money circulation issues, finance, credit, pricing. At the discussion, he made critical remarks on the following issues: the essence and function of money under capitalism, cost accounting, surplus product, budget of the Soviet state, on the connection between Soviet money and gold and the laws of monetary circulation in the USSR. The metallistic theory of money was based on the ideas of mercantilists, identified money with gold and silver. It was popular in the XVI-XVII centuries in Europe.

terms, a number of such important concepts as an economic law, an economic category.

Such an important category as production time, labour time and others has completely dropped out of the section 'Socialism'. It is known how important and relevant this question for the mass movement that has developed in socialist industry for accelerating the turnover of circulating assets, for improving the use of production capacities, for the utmost use of internal production reserves. Speaking about the need to cover the issues of production time, labour time, and circulation time under the conditions of a socialist economy, it is undoubtedly necessary to touch upon such an important part of production time as the production cycle, which is extremely important in socialist planning and competition for a further rise in production.

Analysis of the production cycle allows you to identify real acceleration paths of turnover of funds, ensuring and greater validity of the planned production plans. Unsuccessfully, the textbook covers the issue of ways to increase labour productivity. Instead of a set of separate, sometimes secondary provisions on increasing labour productivity, it would be necessary to give a clear outline of the presentation, considering the entire set of factors [social and individual labour productivity], as well as the factors of extensive growth that determine the better use of working time, and factors of intensive increase in labour productivity, quite clearly expressed in the reduction of the labour intensity of production. Labour intensity of production is a new economic concept, the most important in the practice of socialist planning, is not even mentioned by the authors of the textbook, and this is one of the main indicators of labour productivity, which are now established for the most important types of products by the state plan of the national economy of the USSR.

It is necessary to give a systematic summary of the main ways of increasing labour productivity, which in turn will characterise the reserves in this area.

The question of the organisation of production under socialism has not been disclosed at all. The paths of increases in labour productivity can only be sufficiently delineated, when the content of

such important factors of labour saving as the development technology, organisation of production and labour in it.

The textbook contains such an important technical means as the intensification of the production process. It is enough to imagine the importance of high-speed methods of cutting metal, high-speed melting of metallurgists, high-speed methods of work in other branches of production to see how, along with mechanisation and automation; we have other ways of developing technology in socialist construction. It is surprising that the authors state that the planned rates for the use of machinery and equipment are set on the basis of production capacities. Typically in industry it is the other way around, with production capacity being set on the basis of progressive machine use rates^a.

Questions of technology, organisation of production need at least a brief summary looking deeper, following Lenin's instruction that the economist should look forward towards the progress of technology. It should be noted in passing that a number of economists some kind of fear to come into contact with the question of technology, to deeply investigate the processes of technical development and to comprehend them economically, while without this is difficult to understand those complex economic phenomena that occur in production.

In the textbook, it is necessary to find a general connection between political economy and other related economic disciplines, primarily the economics of socialist industry and the organisation of socialist production. This is extremely necessary and it will not belittle, but, on the contrary, increase the value of the textbook.

The greatest importance of mobilising internal production reserves for solving the economic tasks of communist construction, the emergence in industry of a number of new forms of socialist competition, puts forward serious tasks for economic science that contribute to the all-round mobilisation of reserves. Meanwhile, these major problems of the Soviet economy were not reflected in

^a On the right margin, in pencil opposite the words "Usually in industry it is the other way around ... " two short vertical lines.

any way in the layout of the textbook. This is a serious gap in the textbook and it must undoubtedly be filled.

The layout of the textbook is characterised by ignoring new phenomena in the development of the Soviet economy. The authors have shown that they live in yesterday and therefore, naturally, failed to cope with the most important task, did not demonstrate with all convincingsness the advantages of the socialist economic system.

The shortcomings of the layout require significant revision. It must be borne in mind that when a full-fledged textbook is created, it will by no means provide a solution to all issues of a decisive rise in economic science, improvement of economic education, and issues of great importance.

For the further development of the Soviet economy, a whole series of organised measures is needed, perhaps deserving special directives. It is necessary to instruct the relevant institutions, ministries and departments to develop [a full-fledged manual on national economic planning, on the economy and organisation of production of individual sectors of the national economy]. Secondly, to establish a definite system of economic training for all industrial cadres of workers, engineering and technical and economic workers. More thoroughly improve higher education in economics and develop an almost non-existent secondary economic Education. Thirdly, it is necessary to take a number of measures aimed at increasing the role of practitioners in production, to improve the qualifications of the existing composition of economic personnel, the overwhelming majority of which do not have special economic training. Fourth, take further action on the fundamental improving the work of the Institute of Economics of the Academy of Sciences of the USSR, so that it is an operational leading centre in the field of economic science. It is no secret that the economic forces working in this institute are scattered, do not work according to a single the plan for the development of economic science. This important institution is sterile in scientifically. In this institution, the basic principles of labour organisation are violated. There is no work, and the number of sectors and employed workers is growing. To make the Institute of Economics of the Academy of Sciences does not mark time, but

becomes a militant leading centre capable of leading the development of Soviet economic science.

4. Atlas Z. V.^{a6}

Head of the Department of the Moscow Financial Institute

The development of valuable and new problems not only will not stop with the release textbook on political economy, but, on the contrary, should be strengthened many times over and develop. If we do not make excessive and unrealistic requirements for the authors of the textbook and at the same time we will help them in a business-like manner, then on the basis of this layout a completely satisfactory and good textbook can and will be produced.

The following remarks should be made regarding the section on pre-capitalist formations. In chapter II ‘Slave-owning mode of production’ in the paragraph ‘The emergence of slavery’ they write: ‘There has been a separation of handicrafts from agriculture. This was the second major social division of labour’(p. 19). Meanwhile, in the next third chapter, devoted to feudalism, it is argued that for the feudal system of the combination of agriculture, as the main type of labour, with domestic handicrafts is characteristic.

Such a general characteristic of feudalism can confuse the reader, since it turns out that the feudal system is not more progressive than slavery. But the authors themselves further show the formation and development of feudal cities, where, as is known, artisans and handicraftsmen concentrated, wholly or to a large extent, already divorced from peasant labour.

^{aa} To the left of the number “4”, two ticks are placed in pencil.

⁶⁶ Atlas Zachary Veniaminovich (1903-1978), Soviet economist, Doctor of Economics (1939), Professor (1939), Head of the Department of Monetary Circulation and Credit of the Moscow Financial Institute (1946-1963). Research interests: issues of money circulation, finance, credit, pricing. During the discussion, he made critical remarks on the following issues: the essence and function of money under capitalism, self-financing, surplus product, the budget of the Soviet state, the connection of Soviet money with gold, and the laws of monetary circulation in the USSR.

There are a number of erroneous propositions in the ‘Capitalism’ section. It is allowed here [mix of paper] and [credit] money^b, unsatisfactory definition given devaluation; the definition of inflation, which in modern capitalism is of great economic and political importance, is given incorrectly. The authors’ mistake is that they identified inflation with the depreciation of money, while depreciation of money can take place without inflation, and inflation does not immediately lead to the depreciation of money.

The transition from a universal form of value to money is formulated in the textbook incorrectly, in the spirit of the metal theory of money⁷. Instead of emphasizing the general fusion of an equivalent form with a natural form, as in Marx, the authors emphasise gold as such. This convinces the reader that the monetary form of value arose only with the transformation of gold into a universal equivalent. Meanwhile, the authors themselves in the second chapter correctly write that various goods, especially livestock, served as money.

The characterisation of the function of money is given without regard to the contradictions of commodity production. It is not shown that the function of money as a [medium of circulation] and [means of payment] creates the possibility of economic crises^a. Without showing the connection between money and the contradictions of commodity production, it is impossible to understand the essence of money, its class content. After analysing the first two main functions of money, it is necessary to give an important for understanding money in socialist society, the definition of money, given by Marx, as the combination or unity of the measure of value and the means of circulation. It is necessary to present the theory of Marx so as not to omit the most essential points from it and to refine some points that Marx does not have, as a question of the theory of inflation.

^b The words “paper” and “credit” are circled in pencil.

⁷ The metallistic theory of money was based on the ideas of the mercantilists, identifying money with gold and silver. It was popular in the XVI-XVII centuries in Europe.

^a Before the beginning of the sentence, pencil two short slashes.

[Trade and credit] in the textbook is presented superficially, unsatisfactorily.

There is absolutely no definition of credit and a description of its role in capitalist production, in the development of capitalism and the aggravation of its contradictions. The important phenomena of the modern stage of the general crisis of capitalism in that parts of the textbook that covers imperialism. These include: [ugly international trade with clearing settlement, disruption of international credit, monetary and financial relations]^b. The textbook does not even name such phenomena of imperialist [policies such as currency blocs, currency restrictions, a plurality of exchange rates, the creation of such international bodies], which are powerful forces of the imperialist expansion of the United States, [such as the International Monetary Fund, the International Bank for Reconstruction and Development, the European Payments Union with its supposedly international settlement monetary units], which is only a pseudonym for the US dollar displacing the pound sterling [from international circulation.

The newest forms of manifestation of state capitalist tendencies, the merging of the financial oligarchy with the state are also not reflected in the textbook. No assessment is given of the [bourgeois nationalisation of not only the central emission bank], but [also the largest commercial banks]^c, carried out in France. This is a major change that requires a Marxist generalisation and textbook reflection.

Inflation has become a chronic, typical state of monetary circulation in modern capitalism. After the Second World War, France issued over 1.1 trillion francs in circulation, or 2 times more than in both world wars, and its currency lost 94% of its pre-war value in gold. Italy after the Second World War issued 811 billion lire, or 2.5 times more than in both world wars and the interwar period, and its currency lost 97% of its pre-war value in gold^d.

^b From the words “trade and credit” to “ugly international trade ...” on the text of the pencil flourish of the note: **NB**.

^c From the beginning of the paragraph with a pencil swinging across the text to the selected note: **NB**.

^d The paragraph is crossed out in pencil with two slashes, to the right with a pencil of the note: **NB**.

Inflation [on a gigantic scale in the absence of so-called] extraordinary circumstances, i.e. military operations, is a very characteristic and very important feature of the current stage of the general crisis of capitalism, imposing an imprint on its cyclical movement. [Inflation has become chronic] in the main imperialist countries—the USA and England^a.

Closely related to non-capitalist tendencies and inflation is the fantastic [swelling of public debt], which expresses a sharp increase in parasitism and decay of modern capitalism. The reader of the textbook should know and understand the essence of these latest phenomena in the economy of capitalism, and without a description and theoretical generalisation of these phenomena; the textbook will not be at the level of modern Marxist economic science. Meanwhile, all these phenomena are described in our economic literature, therefore it is possible to reproach the authors with insufficient use of materials on the indicated phenomena^b.

The chapters on the transition period from capitalism to socialism are predominantly historical and descriptive. They also contain errors, many factual inaccuracies; there is a well-known separation from practice, slipping onto the rails of bare description. The analysis of economic categories is mostly considered outside the context of the theory of socialist reproduction. For example, in the chapter on planning, the authors simply state that there are [material] and [summary] balances, and then list some of these balances. Meanwhile, here it was necessary to connect the problem of the balance planning method with the theory of reproduction, namely, with the dual form of this process— natural (material) and value (monetary). This dual form also corresponds to the dual form of planning accounting used in the balance method: on the one hand, various natural accounting units for constructing balances of use values, on the other hand, the monetary unit for accounting for the monetary value, that is, for drawing up such synthetic balances as the balance of income and expenditure of the population, the balance of national income and its distribution, the state budget.

^a On the text of the paragraph with a pencil sweep of the note: **NB**.

^b On the text of the paragraph with a pencil flourish of the note: **NB**.

Apart from the theory of reproduction, it is impossible at the proper scientific level to consider the questions of planning, cost accounting, trade, the state budget, etc. In this regard, it would be advisable to move the chapter on reproduction to the beginning of the section ‘socialist system of the national economy’, or give in the current chapter a separate paragraph.

It is also impossible to agree with the definition of self-financing as the principle of reimbursement of expenses incurred by an enterprise with its own income and obtaining monetary savings through the sale of products. It is known that neither the shop, nor the site, nor the team sell their products; this definition does not include the definition of self-financing of the site, shop, etc. The following definition can be proposed: [self-financing is the principle of planned economic management, based on accounting and control over the costs and results of production in monetary form,]^c and all possible incentives for systematic reduction of costs per unit of production in order to fulfill and exceed plans and use all the internal reserves of socialist accumulation. Next, it is necessary to characterise the main organisational forms of intra-factory self-financing. These forms are developed by our practice and are widely reflected in the literature.

The textbook does not cover the issue of accelerating turnover of funds. It should be shown that the acceleration of the turnover of funds allows the release of large masses of production assets, which can be directly used at other enterprises to expand the scale of socialist reproduction.

The layout says that the difference between [wholesale prices] and [production costs] represents socialist savings, which are the monetary expression of the surplus product. This is a completely incorrect definition, since the surplus product created in society is the source of socialist accumulations, but in no way can it be identified with the latter. Here a distinction should be made between real socialist accumulation and money accumulation.

^c On the selected text with a pencil sweep of the note: **NB**.

The part of the layout where the budget of the socialist state is covered, credit, banks is unsatisfactory. First, there is almost no theory here.

Secondly, the description is not what is needed. Neither the objects, nor the forms, nor the main methods of lending have been characterised, while the authors had the full opportunity to highlight this issue, because we have a fairly significant and fresh literature up to 1951. There is also a new charter of the State Bank, which could be used to write this part of the textbook.

In the presented layout of the textbook, it is incorrect to derive value from money, from the need to account for labour in an indirect form by means of money. The result is a vicious circle: value is derived from money, and money is derived from value. It is necessary to show that [the law of value exists in our country because products take the form of a commodity, of course, a kind of commodity, significantly different from the category of the same name in capitalist society, but still a commodity]^a.

Further, it is necessary to give an analysis of the nature of exchange and the essence of the Soviet commodity, and only from here can one pass to value as one of the two poles of the commodity. From the analysis of the forms of value — exchange value—one must pass to the monetary, to the universal form of value.

The goods, value and money are shown in the textbook not in the process of the development of the Soviet system of the economy, but statically, therefore, it is necessary when processing this part of the textbook to show exactly how commodity relations arose and developed, a new type socialist commodity relations, and they arose with the transition to NEP, when became the task of the broad development of exchange between industry and agriculture and small and medium-sized industries. At the same time, to show how important this process of development of the exchange of commodity value and money was for the development and strengthening the planning system of the national economy, for the organisation of social labour and all social production.

^a on the left margin of the pencil two vertical lines, above them in the text of the pencil note: **not that**.

A few words about the disagreements with Comrade Mikolenko.

Comrade Mikolenko asserts that spontaneous processes are the object of the study of political economy in a socialist society. [He does not understand the transformation of these laws, the planned and realised by people of their action, as a recognised necessity in]^b socialist society, and therefore divorces politics from economics and political economy from the economic policy of the party and the state. Both in my publications and here I noted that the policy of ensuring the stability of the currency in the USSR is an objective necessity, that is, an economic law.

Therefore, it is always necessary to show what the objective economic law is and how it is used through the planning mechanism. In some cases, the textbook layout does not sufficiently reveal the objective nature of economic laws, in particular, in the sphere of money circulation, pricing, trade, etc., and underestimates the importance of spontaneous tendencies that have not yet been overcome in our economy, which, however, are of subordinate significance.

In the textbook, it is necessary to expand, expand the analysis of the functions of money, show the laws of money circulation, which are deliberately used by the Soviet state. [It is wrong that Comrade. Kronrod flatly denies the connection between Soviet money and gold within the country]^a, overlooking the fact that if the gold content of the ruble is associated with its exchange rate, is the base of the exchange rate, then the exchange rate, in turn, is associated with the internal purchasing power of money. It is known that gold is bought from us not abroad, but inside the country, from our state gold industry and miners. An attempt to prove that the gold content has nothing to do with the intrinsic value of the ruble, that is, that the gold content has nothing to do with the ruble, is untenable both in essence and in the meaning of Soviet law. The Soviet ruble is a very special kind of money, namely socialist money. At the same time, the Soviet ruble is not a ruble in name only, [it is not a labour coupon], but is money that has a gold content and, therefore, has not only a

^b On the selected text with a pencil on top of the note: **Not that.**

^a To the Left of the text marked in pencil: **NB.**

commodity, but also a gold basis. There was no such money in world history; Marx did not know and could not know it^b.

The category of Soviet money does not fit either in the definition of capitalist money given by Marx, or [in the definition of labour certificates], since the ruble, both legally and in fact, has [gold content]. Our planning authorities, by equating the value of specific commodities with money, thereby indirectly express this [value in gold], which is [a measure of value]. Therefore, the textbook correctly says about the function [of money as a measure of value], but it is not sufficiently explained that Soviet money fulfills its function as a measure of value [through its connection with gold]^c. If Comrade. Kronrod says that the value of the aggregate commodity product, expressed in the sum of prices, is the universal equivalent, that is, in money, then this is wrong. It turns out that money is the value of a commodity, expressed in prices, but after all, the price is the monetary expression of value.

Consequently, Comrade Kronrod asserts that money is a monetary expression of value, or otherwise the whole mass of goods is the universal equivalent, but the universal equivalent is a measure of value. Hence, commodities measure themselves. This is a deeply erroneous statement by Comrade Kronrod^d.

RGASPI. F. 558. Op. 11.D. 1242.L. 99-122. Typescript.

^b Above the mark highlighted in the text: **NB.** To the left of the text with a pencil, two vertical slashes.

^c Along the selected text with a pencil on top of a sweeping note: **NB.**

^d Near the right margin in pencil, the last sentence of the paragraph is crossed out with two short slashes. Under them to the right with a pencil of the droppings: **NB.**

11. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 16, 1951

Morning session 16 November^a

**1. Comrade. Dyachenko V.P.
Deputy Director of the Institute of Economics of the USSR
Academy of Sciences¹**

The discussion of the textbook, as the presentations have already shown, will have great positive value in the development of scientific work in economics. Criticism of the work of the Institute of the Academy of Sciences of the USSR should also be considered useful. The need to downsize the Institute of Economics was correctly noted.

It is impossible to cover all questions of political economy in a short course. The range of issues presented in the layout is too wide, which, given the limited volume of the book, pushes for a dogmatically superficial presentation of the issues. The presented layout of the textbook suffers from this to a serious extent. In many cases, he does not prove, substantiate, explain, but simply assert. It is necessary, apparently, first of all, to narrow the range of issues

^a To the left of the title, there are two check marks in pencil.

¹ Dyachenko Vasily Petrovich (1902-1971), Soviet economist, Doctor of Economics (1943), Professor (1943), Corresponding Member of the USSR Academy of Sciences (1953), Deputy Director of the Institute of Economics of the USSR Academy of Sciences (1947-1953). Research interests: theoretical problems of the political economy of socialism, finance. At the discussion, he spoke on the reasons for the operation of the laws of value in the conditions of a socialist economy, on the functions of Soviet money and their connections with gold.

covered in the textbook, and select only those without which it is unthinkable, impossible to master the entire course. It should be borne in mind that in addition to the textbook and in its development, monographs on certain issues of political economy should be prepared and published. In the presented layout of the textbook, the coverage of various issues is very heterogeneous in depth; some of them are presented superficially or simply incorrectly.

The textbook should equip the reader, first of all, with knowledge of modern processes of economic and political life in order to help students become active participants in communist construction in the USSR and socialist construction in the countries of people's democracies. It is necessary at the beginning of the course to explain why the textbook begins with a presentation of the past tense, how this distant past is related to the present, why it is necessary to know it in order to study the present. The textbook contains what is called academicism. Here from the first lines need to mobilise attention to contemporary problems, to the modern economy. The pre-capitalist mode of production in the textbook is set out on limited material: the slave system—on the material of ancient Greece and Rome, the feudal system is based on the material of the West and, to a very small extent, of Russia. Here there is nothing about the countries of the East, first of all, about China and India. Also there is not represented material from the history of the peoples of Transcaucasia, Central Asia, etc. At present, there are many scientific workers studying the history of the peoples of the USSR, and corresponding works in this area appear. Undoubtedly, friends from the Chinese Communist Party^a could also help in this.

The textbook does not clearly and clearly express [the objectives and goals of coverage of the capitalist economy]. The internal vices of capitalism, the advantages of socialism, the possibility and inevitability of the destruction of capitalism throughout the world are not sufficiently shown here. In that part of the textbook, which covers pre-monopoly capitalism, it is not shown that we are talking

^a On top of the text in pencil droppings: **Nonsense. This would further expand the scope of the textbook. Meanwhile, you yourself demand its narrowing.**

about the past of capitalism that the progressive aspects characteristic of its early stages are now reduced to a minimum or have completely disappeared. For example, in the chapter ‘Capital and Surplus Value’ it is indicated that [capitalism brought with it a rapid development of technology], an unprecedented growth of productive forces, and that capitalists are again using a significant part of the money as additional capital. At the same time, it is not indicated here that today capitalism is a brake on the path of development of the productive forces, that the rates of development of technology and productive forces under socialism are much higher than at the first stages of the development of capitalism, that in the capitalist countries today most of the surplus value is not directed towards expansion of production, but for the plundering of public product^b.

In the chapter ‘Accumulation of Capital and the Impoverishment of the Proletariat’ it is indicated that for the capitalist mode of production is characterised by [expanded reproduction, interrupted by periodic crises]. This position is correct if you have in pre-monopoly capitalism, however, it would be necessary to indicate here what refers to pre-monopoly capitalism, but at present the situation is different, as evidenced by data for a number of capitalist countries. It would be advisable at the beginning of the section ‘Capitalist mode of production’ to give [a brief introduction about the two stages of development of capitalism]^a—pre-monopoly and imperialistic.

The textbook should, in each of its chapters, summarise each question for the reader to the conclusion about the need to abolish capitalism.

^b “...that the capitalists are putting a significant part of the money back into business as additional capital” is highlighted in pencil with a cross above the line, an arrow in the lower field, in pencil with a note: **NB**, to the right of the note: **Since this ‘is necessary’ increases the profits of the capitalists, because the goal of capitalism is not the development of production, but the increase of capital profits.**

^a The last sentence of the paragraph is highlighted in the left margin with two short vertical lines in pencil, above them with a pencil note: **NB**; in the selected text above with a note pencil: **So**.

On the issue of the law of value, different points of view emerged at the meeting. Makarova's point of view seems to me to be deeply mistaken. It disorganises business practices. In fact, if the law of value is only a survival or the result of the reflection of survivals that are not characteristic of socialist production relations themselves, then is it possible to raise the question of strengthening its use, of strengthening the tools based on the use of the law of value. After all, we are fighting the remnants of capitalism in order to eradicate and overcome them, and are not at all concerned with strengthening these remnants^b. This point of view is the opposite of that of Strumilin, who asserts that the law of value is a regulator distribution of social labour in all socio-economic formations, including under communism. Despite the difference between these two concepts, they completely coincide ideologically: it is both of them that derive the law of value not from the socialist economy, but from social relations [production in general].

The motivation for the need to preserve the law of value under socialism is given in the layout. The first three reasons lead to the statement that the law of value is eternal category. In fact, if you do not reduce the law of value to a simple means of facilitating accounting, to a kind of measuring instrument, then one thing remains from the motivation of the model: the necessity of the law of value is determined by the [heterogeneity] of labour—living and materialised. Only this can explain why in the textbook the question of the law of value is considered before the question of commodity value. Isn't the heterogeneity of labour only a sign of socialism? Everyone knows that under capitalism labour is also heterogeneous, and it is unlikely that it will be homogeneous under communism. Is the degree of mechanisation always the same? Nowhere in the writings of the classics of Marxism-Leninism do we find indications that under communism there will be a complete equalisation of working conditions according to the degree of mechanisation, according to the level of qualifications of workers, etc.

^{bb} According to the text on top of the pencil note: **NB**.

Undoubtedly, under communism there will be a social division of labour, specialisation of workers in different industries, that is, and then there will be heterogeneity of labour.

If we exclude the indicated reasons for the existence of the law of value, which ultimately boils down to the heterogeneity of labour, then in the layout of the textbook there will remain the concept that is shared by Comrade Arakelyan: the existence of the law of value under socialism is determined by the forms of property and the need for exchange between them. The weak point of this concept is that it either does not at all explain the operation of the law of value between [state enterprises and within them]^c, or explains it as imposed from the outside, and, therefore, is not inherent in the state economy. It is obvious that every law is an expression of objective necessity. Therefore, when considering the law of value, it is necessary, first of all, to establish what objective necessity it expresses under the conditions of socialism.

At the same time, the explanation should not be abstract, schematic, but closely linked to the practical needs of the communist society.

In conditions of simple commodity production [the law of value expresses the need to exchange equivalents]. This follows from private ownership of the means of production and the formal equality of commodity owners. [Under capitalism, the law of value expresses the need to equalise profits]. The principle of this law: for equal capital—equal share of surplus value^a.

It is quite another matter under socialism. In my opinion, the law of value under socialism expresses the need to reduce [the costs of living and materialised labour in every enterprise and workplace] to socially necessary costs. This means that in order to explain the meaning and content of the law of value under socialism, it is necessary to show why it is necessary and important to reduce labour costs to socially necessary ones and to reduce the socially necessary

^c Opposite on the left margin of the pencil note: ?; on the text of the paragraph pencil flourish note: **Nonsense**.

^a opposite on the left margin of the pencil litter: ?; on the text of the paragraph swinging pencil note: **NB**.

costs themselves^b. Some comrades believe that the need to reduce the costs of individual enterprises to socially necessary costs is due to the fact that these enterprises are separate, as self-supporting units, and there is exchange between them. At least the actions of the law of value in the sphere of the state economy are derived from cost accounting and exchange of goods between enterprises. What's wrong? The law of value cannot be regarded as the law of exchange. On the contrary, cost accounting is based on the use of the law of value. It is a socialist method of saving labour.

On page 345 of the model it is said that the socially necessary time is determined by the Soviet state in a planned manner. It turns out that the plan determines the cost of the item. Indeed, the plan establishes the cost rates of living and materialised labour, but these standards determine, at the same time, the level that must be achieved. Planned norms and tasks constitute only the starting point and organising force in the creative process, as a result of which costs are reduced to socially necessary costs and the latter are reduced. Planned norms and targets reflect the objective possibility of reducing the cost of living and materialised labour per unit of output, which must, however, be turned into reality^c. Cost accounting is a very effective lever in the struggle for the fulfillment and overfulfilment of plans, planned norms and targets, for a mode of economy. It increases the interest of each enterprise in reducing the cost of living and materialised labour per unit of output. At the same time, it provides each enterprise with ample opportunities to achieve this through the correct use of its resources, increasing economic initiative. This is ensured by the fact that cost accounting puts the income and expenditure of enterprises in direct dependence on the effective use of their resources, on the degree of fulfilment of the planned targets set for it.

The wording of the connection between Soviet money and gold, given on page 345 of the model, indicates that this question should

^b In front of the left field with a pencil of the note: **And what is this “mixing” for?**

^c In the text with a pencil with a flourish with a pencil of the note: **That's not an explanation.**

not be worked out. In fact, the authors of the layout limited themselves to unsubscribing. Comrade Atlas is trying to substantiate the internal connection between Soviet money and gold by referring to the fact that the ruble has a certain gold content. However, he did not show what significance this gold content of the ruble has for internal monetary circulation and for the performance of money as a measure of value. Comrade Kronrod's it turned out that the value of money is determined by the value of the mass of commodities, and the price of a commodity is expressed in money. None of these points of view can be included in the textbook. In the textbook of political economy, this issue should be presented as follows from the Soviet system, namely, that [from the calculations for foreign trade] the socialist state establishes a certain gold content of the ruble, that is, equates the ruble to a certain amount of pure gold. The stability and firmness of this gold content of the ruble is ensured by the planned organisation of trade operations and currency settlements on the basis of the monopoly of foreign trade and the currency monopoly.

Further, within the country, the Party and the Soviet government are pursuing a policy of systematic price reduction based on an increase in labour productivity and a decrease in production costs. The socialist state plans emission, taking into account the needs of economic turnover, has powerful economic means for influencing money circulation. [Marx's instructions regarding connections between state bourgeois money and banknotes are not applicable in the conditions of] the Soviet economy. This minimum of information must be given in the question of money, and the question of the relationship between money and gold due to insufficient elaboration from the layout [should be deleted]^a.

The chapter on the role of banks and the state budget is not covered at all. If you believe the model, then Soviet finance is only a collective concept that does not have real economic content. It turns out that finance is the state budget, plus state banks, plus long-term investment banks, plus savings banks, plus insurance agencies. At

^a On the left margin, in pencil, opposite to the mark highlighted in the text:
?

the same time, our literature already contains sufficient material that allows us to closely link the presentation of the question of the role of finance and credit with the circulation of funds.

The textbook should clearly and clearly define the difference between the contradictions of socialist society and the antagonistic contradictions of the capitalist mode of production [...].

3. Comrade. Sobol V. A.²

Head of the National Economy Balance Department of the Central Statistical Administration

[...] The most important and most successful part of the section on socialism is chapter 'On socialist reproduction'. The merit of this chapter lies in the fact that it gives a characteristic of the social product of national income, gives a definition of these concepts and phenomena of social life. Further, it is definitely said that the social product and national income are created in the sphere of material production, and thus a rebuff is given to those economists who propagandise the theory of the national income created in all sectors of the national economy, including in the service sector. However, this chapter has several disadvantages.

State socialist property can actually exist in the form of [property of state enterprises]^a. State ownership of the whole people can be exercised as [property of individual state enterprises]^b, and [property of individual state enterprises] can exist only in the form of use value and the value of means of production. In other words, from the nature of national state property in a socialist society follows the need for state self-supporting enterprises and the essence of self-

² Sobol Valerian Antonovich (1896-1968), Soviet economist, statistician. He headed the department of the balance of the national economy in the Central Department of the National Economy of the State Planning Committee of the USSR and the Central Statistical Administration of the USSR (1938-1965). Research interests: issues of the balance of the national economy, economic statistics, one of the founders of the theory and methodology of the balance of the national economy.

^a In the left field with a pencil opposite the note highlighted in the text: ?

^b In the left field with a pencil opposite the note highlighted in the text: ?; after the note underlined in pencil: ?

supporting^c. Thus, nationwide state ownership of the means of production can be carried out only through the planning of social production carried out at state self-supporting enterprises. Through cost accounting at state enterprises, the circulation of socialist property is carried out in the process of expanded socialist reproduction of the social product. The social product of socialist society acts as a product produced by individual enterprises on the basis of the social division of labour. The commodity exchange of these products must be coordinated with the distribution of social labour between the individual branches of production in such a way as to ensure the reimbursement of the funds allocated to each individual enterprise^a. The prices of goods, at which the ratio of the exchange of goods is established, must ensure the reimbursement of the material costs of individual enterprises and the payment of labour, thereby achieving the distribution of social labour between the branches of the national economy.

Consequently, the price of goods is an expression of the value of goods, an expression of the proportional distribution of goods between sectors of the national economy. Thus, [in view of the circulation of commodities]^b in the price of goods, the value of goods, reflecting the proportional distribution of social labour between the sectors of the economy, but the prices themselves [of goods are added up] not spontaneously, but are set by the state in the planning order.

Consequently, the law of value operates within the framework of planning and in the directions provided for by the plan. On the other hand, the planning of a socialist economy is not possible without commodity circulation.

As a result, the following conclusion can be drawn. Socialist property as state, and collective-farm-cooperative, can exist only on the basis of planning the national economy and the allocation of separate state self-supporting enterprises. Commodity circulation of

^c On the text With a pencil sweep of the note: **Not that.**

^a according to the text with a pencil, the droppings are sweeping: **Not that.**

^b From the words “due to commodity circulation”, an arrow in pencil on the lower field to the note: **Where did the goods come from?**

goods by individual state self-supporting enterprises, although it expresses the social division of labour, but in conditions of national ownership of the means of production and therefore a fundamental It differs in a way from the turnover of goods by private capitalist enterprises. This difference arises from the difference in the nature of socialist and capitalist property and consists in the fact that the socialist economic trade cannot be carried out without a national economic plan, and capitalist trade cannot be carried out on the basis of a plan. The transformed law of value enhances the socialist nature of our economy and can only act on the basis of a plan. Outside of the plan, the law of value in our economy would lead to anarchy of production, to the collapse of the national economy, because our enterprises cannot work and exist without a plan. On the other hand, planning of the national economy cannot be carried out without planning individual enterprises, that is, it cannot be carried out on the basis of the technical division of labour. Therefore, planning can be carried out only through the transformed law of value. In this direction, one should seek solutions to the question of the nature and significance of the law of value in the socialist economy and the relationship between planning and the law of value in a transformed form^c.

4. Comrade Lavrichenko M. V.³ Expert of the USSR Ministry of Trade

The preparation of a good-quality textbook on political economy is of great importance not only for our country, but also for the

^c The last sentence is crossed out with a pencil by two short vertical lines, to the right with a pencil of the note: **Nonsense.**

³ Lavrichenko Mikhail Vasilievich (?—?), Expert of the USSR Ministry of Trade during the discussion. Research interests: economic cooperation of the USSR with the countries of Asia, Africa and Latin America. In his speech, he criticized the structure of the textbook layout, analysed the essence of the concept of the general crisis of capitalism, the main features of the capitalist economy during the period of the crisis of capitalism and the role of the state in it.

countries of people's democracies and the communist parties of capitalist and colonial countries. This circumstance requires a careful approach to the presentation of questions of political economy, a Marxist analysis of economic processes in the capitalist countries and countries of the socialist camp. The first drawback of the layout of the textbook is that the specific weight of individual sections does not correspond to the importance of the questions. This applies to the chapters on the slave-owning, feudal mode of production, which are too cumbersome, and the chapters on the new stage of the general crisis of capitalism, which are allotted only 13 pages. Chapter 17, which outlines the general crisis of capitalism, has a number of serious flaws arising from the erroneous structure of this chapter. The authors try to analyse certain features of the general crisis of capitalism before revealing its essence. It would be more expedient, after characterising the general crisis of capitalism, to give a clear definition of its main features, proceeding from the classical definition of the essence of the general crisis of capitalism, given by Comrade Stalin at the XVI Congress of the CPSU (B). Further, it would be necessary to analyse the economic crises of the era of the general crisis of capitalism and analyse the main features of the bourgeois economy of this era in unity, and not in isolation from each other, as is the case in the model. The layout of the textbook does not clearly reveal the features of the economic crisis of 1937-1939. The reader may get the impression that this crisis differs for the better from the crisis of 1929-1933. In fact, as comrade Stalin noted, the first crisis differs from the second one not for the better, but for the worse. It is completely incomprehensible why the authors of the model throughout the chapter on the general crisis of capitalism do not mention [the militarisation of the economy, which is seen as a phenomenon characteristic of the era beginning] after the Second World War. [It is not emphasised that the militarisation of the economy of the capitalist] countries will inevitably lead in the future to new economic crises. 'The chapter 'A New Stage in the General Crisis of Capitalism' needs supplementation and development. Speaking about the formation of two camps—imperialist and anti-imperialist, it is necessary to analyse how this disintegration manifests itself in the main areas of the capitalist

economy, in particular, in foreign trade, foreign exchange, capital export, etc. multilateral trade relations were disrupted. It would be necessary to disclose the forms in which trade relations were disrupted, to point out [to the disintegration of the world market], to trade currency restrictions, etc. Monetary Fund], the International Agricultural Organisation and others, which are used by the United States as instruments of American aggression. On the issue of exporting capital, the only talk is about an increase in the export of capital from the United States. Meanwhile, during the period of deepening of the general crisis of capitalism, the export of private capital is reduced only to direct investment. The issuance⁴ of securities ceases, and credit is spreading serving aggressive purposes. The currency crisis in this era becomes chronic. A special place should be given to the last fact in the textbook.

The layout of the textbook does not clearly reveal the features of the economic crisis 1937-1939 the reader may get the impression that this crisis differs in the better side of the crisis of 1929-1933. In fact, as comrade Stalin noted, the first crisis differs from the second not for the better, but for the worse. Absolutely it is not clear why the authors of the model throughout the entire chapter on the general crisis of capitalism do not mention [the militarisation of the economy, which is seen as a phenomenon characteristic of the era beginning] after the Second World War. [It is not emphasised that the militarisation of the economy of the capitalist] countries inevitably leads in the future to new economic crises^a.

The chapter 'A New Stage in the General Crisis of Capitalism' needs supplementation and development. Speaking about the

⁴ The issue of securities has two meanings: 1. The issue of securities, that is, the totality of securities of one issuer (the issuer of securities is a legal entity, an executive body of local self-government that issues securities and bears on its own behalf obligations to the owners of securities to exercise the rights enshrined in securities) of this type, class, providing the same amount of rights to the owners and having the same conditions of initial placement. 2. Issue of securities into circulation, i.e., the sequence of actions of the issuer on the initial placement of securities established by the legislation.

^a On the right margin, two short vertical lines in pencil.

formation of two camps—imperialist and anti-imperialist, it is necessary to analyse how this disintegration manifests itself in the main areas of the capitalist economy, in particular, in foreign trade, foreign exchange, capital export, etc. multilateral trade relations were disrupted. It would be necessary to disclose the forms in which trade relations were disrupted, to point out [to the disintegration of the world market], to trade currency restrictions, etc. Monetary Fund], the International Agricultural Organisation and others, which are used by the United States as instruments of American aggression. On the issue of capital exports, the only talk is about an increase in the export of capital from the United States. Meanwhile, during the period of deepening of the general crisis of capitalism, the export of private capital is reduced only to direct investment. The issuance⁴ of securities ceases, and credit is spreading serving aggressive purposes. The currency crisis in this era becomes chronic. A special place should be given to the last fact in the textbook. In the layout of the textbook, the issue of currency devaluation is presented too succinctly⁵. It is not emphasised that the devaluation is one of the brightest examples of the economic aggression of American imperialism, the depreciation of the national currencies of the American^a partners, the intensification of the offensive of the American monopoly capital and its Western European partners on the living standards of the working masses. Parasitism and decay of capitalism is given a separate paragraph in the textbook, but it does not exhaust this issue. It points to the growth of military spending in capitalist countries, but does not emphasise in this regard the disorder of public finances, the growth of budget deficits, [decay of the banking system]^b. When considering the role of the bourgeois state, Stalin's brilliant work 'Marxism and Questions of Linguistics' is not sufficiently used, it is not sufficiently revealed that the policy

⁵ Currency devaluation—depreciation of the national currency, expressed in a decrease in its exchange rate against foreign currencies (previously—and against gold).

^a The last two sentences are marked in pencil on both sides with short vertical lines.

^b There are two vertical lines opposite the one highlighted in the right field with a pencil.

of imperialist states acts as a reactionary destructive force leading to a further exacerbation of the contradictions of imperialism, to the disruption of its economy.

A few comments on the paragraph 'Agricultural degradation capitalist countries and the ruin of the peasantry'. This paragraph notes that 'the second world war suspended the course of the pre-war agrarian crisis.' Such the wording can be perceived as an automatic termination of the crisis by the outbreak of war. As you know, the agrarian crisis was not suspended during the war years in a number of capitalist countries^c. The big drawback of the paragraph is that it does not show the increasing differentiation of the peasantry in the capitalist countries of Marshallised Europe. The active struggle of the working peasantry is also not spoken under the leadership of the working class and the communist party for land, peace, against foreign invaders. Further, in the paragraph there is information about the degradation of agriculture in the capitalist countries. Meanwhile, the reader will want to know about the degradation of agriculture in colonial and dependent countries, and nothing is said about this in the textbook. Interesting data could be cited for India, Pakistan and other dependent and colonial countries. The layout of the textbook needs to be updated with new, more up-to-date figures [...].

RGASPI. F.558. Op. 11.D. 1242.L. 123-139. Typescript.

***Sheets of the document were given not by contract,
but only with Stalin's marks.***

^c There are two short vertical lines in the right margin with a pencil.

12. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 16, 1951

Evening Session 16 November

1. Comrade. A. Nesterenko¹

**Director of the Institute of Social Sciences of the Lviv
Branch of the Academy of Sciences of the Ukrainian SSR**

The authors of the textbook have done significant work, laid the foundation for the future textbook. The presented draft of the textbook has its big advantages and its minuses.

In the fourth chapter, dedicated to commodity production, the authors of the layout reasons, the transformation of a subsistence economy into a commodity economy is considered to be the development of handicrafts and trade. This contradicts Lenin's instruction that the transformation of a subsistence economy into a commodity economy takes place due to the emergence of [the social

¹¹Nesterenko Aleksey Alekseevich (1904-1997), economist, doctor of economic sciences (?), Professor (?), Correspondent member of the Academy of Sciences of the Ukrainian SSR (1958), during a discussion director of the Institute of Social Spiders of the Academy of Sciences of the Ukrainian SSR in Lvov (1951-1953). Research interests: problems of industrial development of Ukraine, the sectoral structure of its economy, increasing labour productivity, the efficiency of using fixed assets of industrial enterprises, ways to reduce the cost of production. In his speech on the discussion he criticized the layout of the textbook for the inaccuracy of the wording and incomplete disclosure of such concepts as: the transformation of a natural economy into a commodity, consumer, exchange value of goods, abstract labour, etc. He also criticized the presentation of the concept of the general crisis of capitalism and its essence.

division of labour], the isolation of individual producers in various industries.

On page 55, which refers to the use-value of a product, it is indicated that the use-value is determined by the physical properties of the product. This explanation is not sufficient when it comes to a product and not a thing in general.

On page 56, the definition of exchange value is presented as the ability of a commodity to be exchanged for another commodity. Marx does not use this expression anywhere in determining exchange value.

On page 57, abstract labour is defined as the expenditure of human labour power in general, regardless of concrete forms. This definition in the textbook should be updated. After the words 'labour in general' should be added 'which can [to show oneself as a social labour only through commodities]^a, only through exchange.' It is necessary show the historicity of abstract labour, which is not in the chapter.

On page 58, the main contradiction of commodity production is formulated. It was formulated correctly, but its significance for the development of this production is not shown at all. There is only one definition left.

Page 59, shows the development of the forms of value. The form of value according to the model develops not as a result of the development of the basic contradiction of commodity production at different stages, but as a result of the simple growth of exchange.

In the chapter 'The accumulation of capital and the impoverishment of the proletariat,' the authors argue, that the relative impoverishment of the proletariat consists in the fact that the [share of the working] class in the national income of a bourgeois country is steadily decreasing, while at the same time the share of the exploiting classes is gradually increasing. But if the share of workers decreases relatively, it could grow absolutely. And students studying political economy, there is a completely false impression that the situation of the workers with relative impoverishment, it does not deteriorate.

^a The word "public" has been circled in pencil.

In Chapter XIII 'Land Rent' the question of two types of land monopolies was not found sufficient lighting. It is essentially omitted, and without it differential² and absolute³ rents become incomprehensible.

Pages 194 and 205 present the economic teachings of the era of pre-monopoly capitalism. However, Riccardo's teaching⁴ is given here without criticising the shortcomings and vicious sides of this teaching. One might get the impression that Riccardo's questions of political economy are mainly based on correct, completely scientific foundations.

The draft textbook in Chapter XVII does not indicate what the general crisis of capitalism is, what is its essence. Comrade Stalin has repeatedly stressed that the general crisis of capitalism is the era of the collapse of capitalism, the era of victorious proletarian revolutions in the countries of imperialism and the national liberation

² Differential rent: 1. One of the forms of land rates in the form of additional income received by the landowner due to the greater fertility of the land on his land plot and higher labour efficiency; 2. Additional income received through the use of more profitable resources with greater returns.

³³Net economic (absolute) rent: 1. Additional income generated in agricultural production due to the lower organic composition of capital here in comparison with the organic composition of capital in industry, which goes to the landowner. 2. Payment for the use of land and other natural resources, the supply of which strictly limited. 3. Income received by the owner of land, characterized by absolutely inelastic in price (demand) supply. K. Marx characterized the absolute land rent (net rent) as a part of the surplus value that the landowner takes for himself in view of the monopoly of private ownership of land. It is equal to the difference between the cost and the social price of agricultural production. Unlike differential rent, all large landowners receive absolute rent, regardless of the quality and the location of the land. The owners of small plots of land, cultivating it on their own, as a rule, do not receive absolute rent, since the level of production costs of agricultural products in their farms is higher than the socially normal level.

⁴ Riccardo David (1772-1823), English economist, representative of the classical school of political economy.

movement in the colonies. In the layout of the textbook, these basic provisions are stated, but their essence is not disclosed.

The authors of the textbook have expanded the third period of the general crisis of capitalism too much.

It would be more correct to single out the fourth period of the general crisis of capitalism, including in the content of this period not only the question of the further disintegration of capitalism, referring to the emergence of the people's democracies. This section should show that if the imperialists unleash a third world war, then as a result of this war they will no longer lose individual links of the imperialist chain, but the entire imperialist chain. This is how history now puts the question.

4. Comrade Shneierson A. I.⁵

Senior Researcher, Institute of Economics, USSR Academy of Sciences

[...] Despite the great positive work done by the authors of the layout, he still suffers from significant theoretical, political and educational-methodological deficiencies.

First, it lags behind the stage reached in the development of science, the practice of socialist construction. Secondly, it is shown to be apolitical when covering theoretical issues that are not associated with the tasks of political struggle. Thirdly, the layout is poorly edited; there are many unsaid, contrived and declarative passages in it.

The indicated shortcomings of the layout are visible on the material in the section 'Imperialism'. The theory of imperialism in the model is limited by the framework within which Lenin considers

⁵ ShiyersonAvraam Ilyich (1904-1964), Soviet economist, Doctor of Economics (?), Professor (?). During the discussion, senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: history of the international communist and workers' movement. In a speech at the discussion, he criticized the layout of the textbook for an insufficiently complete analysis of the modern stage of capitalism development.

imperialism. There is little data on the development of capitalism over the past 35 years. On page 223, the authors argue [that capitalism as a whole is growing immeasurably faster than before]. This position can hardly be considered correct. Capitalism has not experienced a general upswing since 1929. Comrade Stalin repeatedly pointed out that capitalism is developing unevenly, that now the development of some countries can only occur due to the decline of other countries, due to the robbery of colonies.

In recent years, capitalism as a whole has no prospects for a general recovery. More strong capitalist powers, one way or another, arrange their affairs by plundering other capitalist countries, at the expense of the brutal exploitation of the working people.

If before the First World War, the decay of individual countries could still occur with an increase in production in these countries, then after the First World War, decay, for example, in England, it was accompanied by an absolute decrease in production in the country. Some of the growth in production in the United States was achieved at the cost of economic decline in the countries dependent on the United States.

On page 209 of the textbook, the authors write that monopoly associations occupy commanding heights in the economies of capitalist countries. For the last decades this statement has been incorrect. Already in 1916, Lenin wrote that monopoly permeates all aspects of the economic and political life of capitalist countries. The monopolies in the main capitalist countries long ago occupied a dominant position and turned the mass of small traders into their dependent agents.

Exceptionally poorly covered in the layout is the question of the role of financial monopoly capital in agriculture, to which V. I. Lenin and Comrade V.I. Stalin in his writings attach great importance. In the article 'Towards the International Situation and the Tasks of the Communist Parties' (Soch., Vol. VII, p. 58) comrade, Stalin wrote that 'the exploitation of the peasants by omnipotent trusts and the bourgeois state plays a vital role in determining the tactics of the communist parties in the agrarian-peasant question.' The authors of the textbook bypass this important instruction of Comrade. Stalin. The exploitation of peasants by monopolies has been reduced to the

issue of mortgage debt and prices in trade. The growing concentration of the production of agricultural products and their processing by monopolies is not shown, especially in the United States and colonial countries. Nothing is said about the fact that the exploitation of both workers and peasants by capitalist monopolies broadens the basis of the alliance of workers and peasants in the struggle against imperialism and reaction.

Contrary to Lenin's direct instructions, the authors of the model believe that in almost all capitalist countries the peasantry for the most part runs a simple commodity economy (p. 221). Meanwhile, in volume 19 of the Collected Works of Lenin on page 364, it is noted that '... in modern agriculture, the owners who do not hire workers or do not hire others to work, constitute an insignificant minority.'

The averaging of the village occurs only after the agrarian reforms carried out after the overthrow of the rule of the bourgeoisie and landowners on the principle: 'the land must belong to those who process it.' Apolitical and toothlessly covered in the layout the issue of the export of capital. The textbook says that the export of capital takes place in two basic forms: in the form of loan capital and in the form of productive capital.

Nothing has been said about the parasitic role of the export of capital, especially loan capital, and about the export of capital is a means of acquiring military allies and satellites, a means of an arms race. Lenin's definition of the export of capital as 'parasitism squared' is not given.

Speaking of [a higher rate of return on the export of capital] to backward countries and about lower wages in these countries, the authors forgot to mention the expropriation of land, about slave forced labour, about the ruin of local industry and crafts, about the bones of tens of thousands of natives that underlie the profits from the export of capital to backward countries.

On page 225, the authors present incorrect, outdated data on the distribution of the national income in capitalist countries, from which it is clear that in the backward tsarist Russia, the exploiting classes appropriated 75% of the national income, and in USA in 1929—46%, and in Germany—45%.

It turns out that as capitalism develops the share of the exploiting classes in the national income decreases. According to the layout, it turns out that there is not even relative impoverishment. The theory and practice of right-wing socialists are completely insufficiently exposed⁶.

In particular, when covering the issue of state-monopoly capitalism, nothing is said about the right-wing socialist theories of organised capitalism, the growth of capitalism into socialism, or labour capitalist nationalisation⁷.

In a long phrase about the new role of banks on pp. 212-213, nothing is said about the decisive role of concentration of production, both in terms of the possibility of accumulating bank funds (depreciation funds and profits of capitalists), and in terms of creating the need for large capital investments, although the corresponding quotation from Lenin is quoted a page later, but it does not follow from the course of the exposition, in which the formation of finance capital is derived from the process of development of loan, bank capital, as decisive.

The section 'Capitalism' contains a number of declarative, one-sided and simplified formulations. In declarative and simplified formulations, the authors get off when covering such important issues as the crisis of the capitalist systems of the world economy and the crisis of the colonial system of imperialism.

Chapter XVIII 'The New Stage of the General Crisis of Capitalism' is descriptive in the layout and bypasses many of the most important questions that the international labour movement is waiting for the answer to.

⁶ Right-wing socialists are leaders of social democratic parties who denied the revolution and considered it possible to come to socialism through reforms, pursuing a policy aimed at social harmony.

⁷ Labour nationalisation—the nationalisation of the Bank of England, the coal and gas industry, power plants, part of the steel works, all domestic transport, civil aviation, telegraph and radio communications, carried out by the labour government (1945-1951), labour claimed to have created a mixed economy. In the Soviet spider, labour nationalisation was assessed as carried out in the interests of big capital and created state-monopoly capitalism.

First, the question of the nature of American predatory imperialism was bypassed, criticism of the theory of pacifist imperialism of the USA was not given, and internal contradictions of American imperialism was not analysed.

Secondly, the root causes of the militarisation of the capitalist economy, the arms race and the acceleration of preparations for war have not been revealed.

Thirdly, the layout does not raise the most important question for all mankind—about the struggle and coexistence of two opposite socio-economic systems, about their content and forms.

Fourth, the issue of imperialist contradictions in the post-war period, the development of contradictions within the Anglo-American imperialist bloc, has been overlooked.

Fifth, the issue of the absence of conditions for a new stabilisation has not been considered, capitalism, which is one of the characteristic features of the new stage of general crisis of capitalism.

Sixth, the textbook does not show how in capitalist reality itself militarisation, national enslavement by American imperialism and capital's campaign to the standard of living and democratic rights of the working people are combined and that therefore the slogan of the struggle for peace became the central link in all activities communist parties.

Seventh, the issue of the post-war cyclical development of capitalism, in particular the economic crisis of 1948-1949, has been completely bypassed in the USA^a.

Eighth, the further exacerbation of the economic crises of capitalism has not been revealed, which consists in the fact that if in 1937-1939, countries with military-inflationary market conditions (Germany, Japan, Italy) did not experience an economic crisis, then in 1948-1949 in the United States, the crisis took place in the presence of a military-inflationary conjuncture, and only the transition to an expanded military economy led to a temporary a

^a On the left margin, the paragraph is marked with two vertical lines in pencil.

slight increase in production in the United States. Hence the economic roots of the 'fear of peace' of the US ruling circles.

The last point concerns the chapter on People's Democracies.

Here, on page 463, there is the following phrase: 'The working people of the countries of Central and Southeastern Europe are moving towards socialism their own way - the way of people's democracy, which is one of the forms of the dictatorship of the proletariat.

It turns out that people's democracy has a kind of regional significance; its existence is limited to Central and South-Eastern Europe. Meanwhile, in terms of its significance, people's democracy is not regional, but international, as evidenced, for example, by such documents as the programmes of the communist parties of England and America.

The mistakes of the authors of the layout in covering many issues are due to the fact that they are in could not sufficiently rely on published works in individual sections course. Until now, we have no published monographs on such fundamental problems as general crisis of capitalism, impoverishment of the working class under imperialism, crisis the colonial system of imperialism, etc. Many valuable manuscripts, especially dissertations, are buried in the archives, while many other works are endlessly reviewed or they simply lie motionless, become obsolete, and therefore require endless refreshments and tweaks.

One of the reasons for this is arbitrariness and reinsurance, which are often found in publishing houses and the Institute of Economics of the Academy of Sciences. The Institute of Economics has become a kind of traffic jam for the promotion of scientific work. Before reaching the publishing house, the manuscript is checked in the sector of the institute, in the academic council, in the bureau of the department, in the so-called RISO, and is approved by the directorate. Each instance means several months or even six months of delay.

This order of passage of the manuscript cannot be considered normal. After all, if a manuscript lasts for two or three years, it often requires a radical alteration, after which the manuscript must first go through all the instances.

A bad service to the authors of the layout was rendered by the long absence of an exchange of opinions, the weak development of creative discussions, which hinders the development of science.

Thus, the authors of the layout, when compiling the textbook, could not sufficiently rely on published literature and creative discussions. However, it is necessary note that the authors have not sufficiently studied published works and their own method the work was not creative enough [...].

RGASPI; F.558.Op. 11.D. 1243. L. 2-4. L. 10-16. Typewriting.

13. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 17, 1951

Morning Session 17 November^a

1. Comrade. Nemchinov V. S.¹ Chairman of the Council for the Study of Productive Forces at the USSR Academy of Sciences

In the structure of the textbook, it is necessary to provide specially paragraphs on the state and level of productive forces and, first of all, this should be done in the section ‘Socialism’.

There is a fairly widespread opinion among Soviet economists that the provisions of political economy are mainly of a qualitative

^a In the left margin, there are two check marks in pencil opposite the heading.

¹ Nemchinov Vasily Sergeevich (1894-1964), Soviet economist, statistician, one of the founders of the economic and mathematical direction of Soviet economic science, Doctor of Economics (1935), Academician of the USSR Academy of Sciences (1946), Belarusian SSR (1940), VLSKHNIL (1948), Director of the Moscow Agricultural Academy. K. A. Timiryazeva (1940-1948), Chairman of the Council for the Study of Productive Forces (COPS) (1949-1963). At the same time, since 1947, Professor of the Department of Political Economy of the Academy of Social Sciences at the Central Committee of the CPSU (b). Research interests: theory and practice of statistics, problems of development of productive forces and the structure of social production, methodology for studying labour productivity, development of models of planned economy, theory of pricing. At the discussion, he spoke on the question of quantitative ratios characterizing the law of value in the conditions of the Soviet economy, as well as accounting for the cost of production in collective farms.

nature and that the language of measure and number is allegedly not peculiar to them.

In the textbook, a very important quantitative ratio is given that characterises the law of value in a transformed form. The authors of the textbook write: 'Throughout society, the sum of the prices of the mass of goods produced coincides with their value.' Is this position correct? It is, in any case, insufficiently and imprecisely formulated, for what prices are we talking about? There are no production prices in a socialist economy. There is the prices of enterprises, there are industrial prices, there are state procurement prices, there are consumption prices, retail prices. The question arises of what prices, what price system is referred to in this quantitative statement. Then it is said about the goods produced, but what is meant by the goods - this also remains unclear. One of the very important shortcomings of the textbook is that it does not reveal and does not characterise the conditions for the transformation of a socialist product into a commodity for the socialist mode of production. These terms are not disclosed and therefore this provision remains undefined. In our national economy, there are several categories of socialist product: the socialist product itself, which does not turn into a commodity and goods in the proper sense of the word. When we talk about a socialist product that does not turn into a commodity, we mean large branches of the national economy, the sphere of construction of buildings, structures, monumental equipment, and so on, which are not included in the concept of commodity, because in their production and circulation we do not have realisation of the surplus product. It is no coincidence that in our economy this area is allocated and serviced by special banks, and the transfer of this type of socialist product from one enterprise to another, from one department to another is carried out only by government decree and without monetary compensation. Then there is another area, namely: the production of means of production. Here we have entire enterprises, which provide for a commercial cost plus projected profit. This projected profit does not imply implementation at all full surplus product created in this area. [The greatest features of the product the socialist product is acquired in the sphere of the collective farm market]. Why is this so?

Because this is a sphere where personal ownership of consumer goods dominates. True, here, too, the Soviet commodity has a significant difference from commodities under capitalist conditions, since the money earned for the commodity is not converted into capital, because in the production of this commodity there is no exploitation of the working people.

How, then, do these special kinds of goods participate in this equality? They do not participate by themselves, but through the price of raw materials, auxiliary materials, fuel, electricity, which is involved in the calculation of the means of production circulating outside the state sphere and not participating in the production of consumer goods. Goods of a special kind are included in our calculation and the price of enterprises through the cost of raw materials and auxiliary materials, where the value added tax is taken into account in the sales bases. Therefore, on page 344 it should be formulated somewhat differently than in the layout, namely: in the whole society, the sum of consumption prices of the masses of goods produced coincides with their value, for there are no production prices. At the same time, a commodity is understood only as those products of socialist labour that entered the sphere of personal property as consumer goods, or, being means of production, turned into the sphere of cooperative property or the individual property^a.

The question of calculating value must be posed only on a national scale in order to be able to verify this very important quantitative equality. But there is no need at all to calculate the value in individual enterprises.

The textbook does not raise a very important fundamental question of whether there is whether as an economic category [a category of cost on collective farms]. It is necessary to raise this fundamental question because among agrarian economists There is a fairly widespread opinion that, allegedly, due to the fact that cost accounting has not been established in collective farms, the category

^a The word "property" is marked with a check mark in pencil, an arrow in pencil on the bottom margin of the label: **Rather: "collective farm" ownership of individual collective farms for the products of these collective farms.** On the right margin there is a cross in front of it with a pencil.

of cost price is alien [to the collective farm system and even to it] contradicts^b. In addition, since collective farms do not have guaranteed wages, there is no cost as a category either. Since on collective farms, collective farmers, through allegedly in-kind payment for a workday, are able to appropriate differential rent, therefore, it is as if there is no possibility of calculating, and, consequently, having this category. This statement is incorrect. The category of cost on collective farms exists in the same way as accumulations exist, but only on collective farms there is no cost accounting, but that is another matter. Objections to the existence of a cost category on collective farms do not stand up to scrutiny. Differential rent is indeed partially appropriated by collective farms, and in its other part it goes to the state through differentiated rates of payment in kind, MTS and through differentiated rates of supplies to the state. But the collective farmer, receiving payment in kind, does not appropriate differential rent because he is able to do so only when he sells part of the payment received in kind on the market at market prices. But the market operations of collective farmers have nothing to do with the category of the cost of collective farm products.

The second objection to this is that there is no guaranteed payment for labour on collective farms and that it contradicts the principles of collective farm development. But the question of the minimum guaranteed wages can be raised in another way. The Soviet state does not have to regulate wages through the prices of products and goods - it can regulate this in another way, for example, by means of insurance. In particular, the question of insuring a certain share of the yield achieved on collective farms can be raised. This is extremely important because at the present time regulation takes place at the expense of commodity funds that the state has, and all loans (natural, all kinds of seeds, food, fodder) and a decrease in supply rates, which often occurs in some cases, are made at the expense of commodity funds held by the state. In the interests of increasing marketability and in the interests of creating a certain

^b On the left margin, in pencil, opposite the mark highlighted in the text: **Ha-ha.**

guaranteed minimum wage, not through the price regulation system, but through the insurance system, this situation can be left out. This would make it possible to regulate other features of the collective farm economy, depending on unfavourable weather conditions, which reduce the level of labour productivity, since the output decreases. This decline is not compensated by our prices. It shouldn't be compensated. It should be compensated for in the form of a reform of collective farm insurance funds, which still exist in our practice in the form of old-style collective farm barns.

Cost accounting can be delivered at the present time, but in the form of accounting in two categories: money and workdays. This presents known difficulties and requires certain accounting reforms. Anyway, it opens up opportunities to the formulation of cost accounting on collective farms, which is very significant to combat waste of workdays and to save costs. In the future, cost accounting on collective farms can be set in one dimension—monetary.

One of the reasons economics lags behind is that economists are not have access to certain materials, as is done in the field of technology, physics, chemistry, geology, where the state has established an appropriate procedure, when through the special departments of the Council of Ministers, individuals have access to certain materials. The need has ripened to organise something similar in our economy, because it is impossible to work on economic issues without comparing the facts [...].

I. Tov. Cats V. I.^{a2}

Professor, Department of Political Economy, Institute of Foreign Trade

^a To the left, the title is marked with two check marks in pencil.

² Kats Vladimir Iosifovich (1899-?), Soviet economist, doctor of economic spider (1947), professor (1947), during the discussion, professor of the Department of Political Economy of the Institute of Foreign Trade. Research interests: methodology of national economic planning, optimal rates of development and proportions of reproduction, problems of national wealth.

[...] The discussed draft textbook on political economy contains both big and small flaws. However, this layout can be taken as a basis in order to bring it to the full-fledged textbook that we so need.

In the part of the textbook where the authors speak about two methods of exposing political economy (analytical and historical), the connection between them is not shown, it is not noted that the analytical method of exposing is the same historical one, but reproducing reality in its internal sequence, in self-movement from the lowest to the highest, from the simple to the complex.

On page 108, labour is characterised in such a way that it is the expenditure of a person's muscular, nervous, and cerebral energy. This definition does not make it possible to distinguish between the labour of people employed in material production from the labour of those employed in all other branches of activity. In other words, the textbook dropped the main characteristic of labour—the impact of man on nature with the help of tools of labour in order to obtain the necessary material benefits to meet the needs of life. Without this, labour is devoid of its economic characteristics.

The chapter 'Salary' on page 117 says nothing about national differences in the wages of capitalist countries. This unmotivated departure from Marx's *Capital* significantly impoverishes the theoretical content of the chapter on wages.

It is known that when covering this issue, Marx revealed the peculiarities of not only national differences in wages, but at the same time he revealed the question of the operation of the law of value on an international scale.

It is necessary to show more fully and in more detail [the class nature of the price of production].

The layout also vaguely clarifies the issue of loan capital under capitalism. Here it should be shown that credit itself is sometimes fraught with contradictions of capitalism, contradictions with capital as property and capital as a function.

When considering issues related to the nationalisation of land under capitalism, the authors did not show how the nationalisation of land in a bourgeois society affects the price formation. They bypassed this issue in the section 'Socialism', without showing how

the nationalisation of the land—such a conquest of our system—favourably affected the pricing in the USSR in relation to agricultural and industrial goods.

In the textbook layout, the authors cite three sources of monopoly profit: exploitation of the working class, exploitation of peasants, and taxation [tribute to non-monopolised capitalists]. This is correct, but they forget to mention a new fourth source of monopoly profit, which is very important in modern conditions—[on the state budget] of the capitalist countries. After all, this is an independent and new important source of the formation of monopoly profits, which creates a new channel for robbing the working people. It is known that monopoly profit is the source of the development of the corresponding contradictions of capitalism. The fact that a huge part of the state budget goes into the hands of monopolists cannot but create a colossal aggravation of the contradictions between the financial oligarchy and the broad working masses.

In the layout, the order of presentation of the question of the system of participation and formation of financial capital and financial oligarchy is incorrectly given. Here it is first set out the system of participation before setting out the categories of financial capital and financial oligarchy. However, the concept of a financial oligarchy cannot be economically disclosed without the concept of the domination of finance capital, which generates this financial oligarchy, and without disclosing the system of participation, which makes it possible for a small comparatively group of millionaires and billionaires control an enormous part of the total national capital of a given capitalist country.

Page 226 speaks of the law of uneven development of capitalism and gives an explanation for imperialist wars. Here it would be necessary to set forth more fully the law discovered by Lenin on the uneven development of capitalist countries in the era of imperialism.

The textbook does not expose Renner's apologetic work³. Hilferding⁴ is criticised, but there is no criticism of his incorrect

³ Renner Karl (1870-1950), theorist of Austro-Marxism, Austrian politician, chancellor and head of the Austrian State Council (1918-1920), the first president of Austria after the Second World War.

definition of finance capital, arising from the exchange concept and those counter-revolutionary conclusions that he made about socialisation through the sphere of circulation. Criticism of fascist views is poorly presented. Here, it is true, it is said about the demagogic theory of the corporate state⁵, but what the essence of this theory is not disclosed. The theory of four factors of production is very characteristic of fascism, where, along with the notorious three factors, criticised by Marx [(land, capital, labour)], is singled out as an independent factor—the Fuhrer in production, the organiser in production. Further, the authors do not point out that bourgeois political economy is completely confused in explaining the general crisis. This is evident at least from the fact that Hansen⁶ sees the reasons for the economic decline in the slow growth of population in capitalist countries, and Vogt, with his cannibalistic theory⁷ on absolute overpopulation, sees the reasons for all the ills of capitalism in overpopulation^a.

As for the section ‘Socialism’, here the main drawback is the prevalence of descriptive elements over theoretical ones.

⁴ Hilferding Rudolf (1877-1941), theorist of Austro-Marxism, politician in Germany, served as Minister of Finance of the Weimar Republic in 1923, then in 1928-1929.

⁵ The theory of the corporate state—the basis is the understanding of the state as a working corporation, where each part performs its own social function. In practice, the corporate state acts as a form of authoritarianism, in which the main collegial bodies are formed from representatives of professional corporations selected by the government. The principles of the corporate state were most fully embodied in states with a fascist regime, for example, the classical corporate state existed in Italy (1926-1943).

⁶ Hansen Alvin Harvey (1887-1975), American economist, representative of the neo-Keynesian trend in economics.

⁷ We are talking about the book “The Way to Salvation”, published in 1948, by the American geographer Ulyam Vogt, in which the ideas of neo-Malthusianism were developed.

^a But to the left margin the sentence is highlighted in pencil: “But the differences between individual and socially necessary labour will also take place in communist society” vertical line, according to the text in pencil marks: **NB**.

It is necessary to restructure the section on the transitional period, it is necessary to transfer everything theoretically important that contains the experience of the countries of people's democracies to this section, to give a theory of the transitional period, taking into account the great experience of building our country and the countries of people's democracies. Here [a justification should be given that in the countries of people's democracies there is no need to carry out the nationalisation of lands]^a.

Agrarian democratic reforms can lead to the elimination of the exploiting class even without the nationalisation of the land. In these countries, it is quite possible to imagine the victory of the socialist system in agriculture by replacing private ownership of land by a cooperative form of land ownership. Under these conditions, the issue of nationalisation of land [practically will not matter]^b, because with the establishment of a cooperative form of land ownership, state interests can be ensured. The countries of people's democracies can develop various branches of heavy industry in cooperation and mutual assistance, cooperating with them. In this regard, it is advisable to more fully illuminate the question of the significance of the Council for Mutual Economic Assistance. It should be borne in mind that the monopoly of foreign trade, as comrade. Mikoyan⁸, is now performing in relation to these countries not the old function of protecting our country, but a completely different function associated with the planned coordination of the economic development of the USSR and the countries of people's democracies.

When covering a transitional period, it is necessary to give a scientific definition of what is the way of life, in what relation it is to the economic formation, to show the relationship between the basis and the superstructure. You should also give a justification for the periodisation of the transition period.

^a in the right field in pencil opposite the bold short vertical line highlighted in the text.

^b a left margin in pencil opposite to the highlighted label: **NB**.

⁸ Mikoyan Anastasivanovich (1895-1978), Soviet statesman and party leader. During the discussion - deputy. Chairman of the Council of People's Commissars of the USSR (1937-1955).

There are also shortcomings in the coverage of socialist reproduction. A significant drawback of the part of the textbook under consideration is that it does not cover the problem of the reproduction of two forms of ownership in the USSR. [It is advisable to more fully illuminate the issue of merging two forms of ownership into a single property] under communism.

The authors dogmatically approached the issue of the reproduction of the social product. They took from the ‘Critique of the Gotha Programme’⁹⁹ the scheme that Marx gave for the distribution of the social product under socialism and transferred it to the textbook. Thus, the authors want to convince the reader that the process of socialist expanded reproduction in our country is proceeding exactly according to this scheme. When distributing the social product under socialism, Marx proceeded from the existence of [one form of property—state property], in this regard, major changes should be made to this scheme, since we have more than one form of property. Further, Marx formulated the position that defence spending would fall. But now there is a capitalist encirclement with which our country must reckon. [The scheme of reproduction under socialism] should be presented in the model, because it is impossible to depict the process of socialist reproduction, abstracting from the scheme.

At this meeting, many points of view were clarified on the issue of the law of value. Comrade Dyachenko criticised a number of concepts and at the same time he himself came to the conclusion that the law of value in a socialist society exists because there is a difference between individual labour and socially necessary. But the differences between individual and socially necessary labour will also exist in communist society. Therefore, according to Comrade Dyachenko’s logic, we owe] value [we will not], and this is the strength of our domination over the law of value^a.

⁹⁹ “Criticism of the Gotha Programme” is a work of K. Marx, written in 1875 and one of the most important works of Marxism.

^a That left margin opposite the short bold vertical line highlighted in the text in pencil.

It is not at all necessary to cut prices in half while reducing the cost of production in half.

A few words about the nature of economic laws in the USSR. Comrade Anchishkin argued that society dominates economic laws. It would be correct to say that socialist society dominates economic laws, [obeying them] [...].

RGASPI.F.558. Op. 11.D. 1243 L. 17-21.25-32. Typescript

14. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 17, 1951

Evening Session 17 November

2. Comrade. Notkin A. I.¹Senior Research Fellow, Institute of Economics, USSR Academy of Sciences

[...] Authors of the textbook layout in a number of places, forgetting about the need to consider production relations in interaction with productive forces, grossly violated the historicism of presentation. For example, in the section ‘Capitalism’, the analysis of the interaction of production relations with productive forces is replaced by an external description of the productive forces of a given society. And next to them, so to speak, in a good neighbourhood, production relations. This happened with simple cooperation, manufacturing and machine production in chapters 5 and 6.

The authors give the classical scheme of the emergence of capitalism, as it is given in ‘Capital’ by Marx. However, at present, one cannot be limited to this classical scheme. It is known that in a

¹ Notkin Alexander Ilyich (1901-1982), Soviet economist, Doctor of Economics (1944), professor (1931), corresponding member of the USSR Academy of Sciences (1976). Since 1938-at the Institute of Economics of the Academy of Sciences of the USSR (head of the reproduction department, head of the sector of rates and proportions). Research interests: problems of the methodology of political economy, reproduction of the structure and efficiency of social production. He criticized the model for insufficient elaboration of the problems of capitalist reproduction, raised the question of the need to include a chapter on the productive forces of socialism in the model, analysed the problem of the reasons for the operation of the transformed law of value under socialism.

number of countries of the Far, Middle and Near East capitalism develops in the depths of unreleased feudalism, on the basis of not only petty, but also large-scale machine production. This circumstance is of the greatest political importance for the national liberation movement in these countries, since they receive a leader in the person of the industrial proletariat.

The demonstration of the contradictions of capitalist reproduction without interconnection with productive forces and production relations, the lack of analysis of how the main contradiction of capitalism forms these contradictions, did not allow the project to reveal the true content and significance of Marx's schemes of capitalist reproduction. At the same time, it is impossible to explain capitalist crises if the interconnection of social production, productive forces and production relations of capitalism is not proved. Unfortunately, the richest content of the Marxist schemes developed by V. I. Lenin remained outside the project.

In the section on the socialist economic system, the draft pays completely insufficient attention to the question of the full correspondence of production relations to the nature of the productive forces. Including there is absolutely no characteristic of a new era, which is socialism in the development of the productive forces.

Without a special chapter on the technical revolution in the Soviet Union and on the further development of the material and technical basis of socialism, it is impossible to show the advantages of socialism. [The absence of a special chapter on the productive forces of socialism is a big gap in the textbook]^a.

A serious methodological flaw in the 'Socialism' section is that

In almost all the chapters devoted to the socialist economic system, the economic relations of socialism are either considered outside the connection with the development of the productive forces, or this connection is described very superficially, purely outwardly. It is not emphasised that all the economic laws of

^a On the bosom, a field in pencil opposite the mark highlighted in the text:
N.B.

socialism are the expression of social ownership of the means of production.

Comrade Stepanyan, who spoke here, was wrong when he reproached the authors of the textbook for the fact that the layout does not emphasise the commonality of the economic basis of socialism and communism. The disadvantage of a layout is that it weakly emphasises the difference of the ownership of the means of production in the first and second phases of communism, does not give deep characteristics of the essence of various types of property. The lack of development of the question of socialist property under socialism cuts off the path to understanding the objective necessity and inevitability of the operation of the transformed law of value under socialism. If under capitalism the operation of the law of value is explained by the social division of labour and private ownership of funds of production, then under socialism in place of private property in the textbook is put the need [to take into account heterogeneous labour.

The diversity of labour turns out to be so a powerful factor that makes the law of value in the transformed form. But never in the history of mankind has the heterogeneity of labour been able to cause life, no social laws.

Comrade Dyachenko, who spoke here, put forward his own version of the substantiation of the law of value in the USSR. This variant deduces the necessity of the law of value from [the distinction between individual and socially necessary labour time]. According to this theory, the law of value is needed in order to identify and take into account these differences, apparently through differences in cost or profitability, if we are talking about the enterprise as a whole, or the organisation of wages, if we are talking about an individual employee. Value is not an intra-industry, but an economic category, it is formed in a given industry only in such historical conditions when the labour of a given industry, a given enterprise must be compensated for through the labour of other enterprises, other industries, when the reproduction of each given enterprise is impossible without an equivalent, in one or to another extent, compensation for his labour.

The textbook does not provide a solution to the question of the ratio of natural and value proportions, which are inextricably linked with the law of value. On this issue, the point of view of Academician Strumilin, who spoke here, is correct, and in this connection, I consider it inappropriate to dwell on this issue. It should only be wished that the textbook would come closer to the practice of building communism, in particular to the practice of balance planning in the period cited below, to give an answer to the question about the proportions of the national economy created in the Soviet Union at different stages of our economic construction and showed on concrete material how these factors are used by the Party and the state in communist construction.

A deep analysis of specific forms of transformation of the law of value in the USSR could be of great importance for the practice of socialist construction. This is not in the tutorial. It only highlights the social side of the transformation of the law of value, shows [the elimination of its destructive consequences] and the subordination of the law of value to the socialist plan. However, this is not enough, since the transformation of the law of value is not limited to this. Additional facts must be cited to equip practitioners with the necessary theoretical premises.

In conclusion, it is necessary to dwell on the style of presentation of the textbook. The layout is written in simple words and short phrases. This is undoubtedly a virtue. However, not always in simple words and short phrases a clear thought and meaning of certain provisions is expressed. There are many examples where clear words and short phrases do not give the reader a complete picture of the issues being studied.

Clarity of terms is not always achieved in the textbook. So, the same items are designated by different terms: material and technical base, material and production base, production and technical base, material basis, although all these terms express different concepts.

Despite major flaws in the layout of the textbook, it is clear that the authors have done a lot of necessary work. On the basis of their work and the discussion taking place here, it will be possible to move forward in the creation of a full-fledged, ideologically rich textbook [...].

RGASPI. F.558. Op. 11.D. 1243.L. 36-40. Typescript.

15. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 19, 1951

Morning session 19 November

1. Comrade. Chulok B. I.¹

**Junior Research Fellow, Institute of Economics, USSR
Academy of Sciences**

A detailed analysis of the draft textbook shows that the prepared text of the textbook needs radical revision.

The main disadvantages of the tutorial are as follows:

First, it uses extremely insufficiently the enormous wealth of Marxist-Leninist economic theory contained in the writings of the classics of Marxism-Leninism.

Secondly, a number of key issues of political economy are presented in the textbook superficially, simplistically, and some of them are simply incorrect.

Third, the section on the political economy of socialism is completely unsatisfactory.

Fourth, the factual material presented in the textbook is often fragmentary and incidental, and often inaccurate.

Fifth, the textbook contains a large number of imprecise wording and definitions that distort and distort the well-known provisions of Marxist-Leninist political economy.

¹ Chulok Boris Ilyich (?-?), Soviet economist, during a discussion, junior researcher at the Institute of Economics of the USSR Academy of Sciences. In his speech, he criticized the layout of the textbook for its “simplistic” style, fragmentary nature of factual material, incorrect presentation of the foundations of Marxist theory. He emphasised that the section “Socialism” was written unsatisfactorily.

First of all, about the form of value, exchange value and use of money. The authors of the textbook deduce the origin of the monetary form of value or money from the external difficulties encountered by the expanding exchange trade. At the same time, the authors of the textbook do not show that these external difficulties themselves arise from the development of exchange value, therefore, from the development of social labour, which is contained in a private product, as universal labour. The draft textbook essentially takes us back from Marxist theory to the views of bourgeois economists on this issue².

The draft textbook asserts that simple cooperation is one of the characteristic stages in the development of capitalism in industry. This contradicts Marx's instruction that simple cooperation does not form any lasting form of development of the economy of capitalist production. Lenin believed that one of the three main stages in the development of capitalism in industry is small [commodity production], and not simple cooperation, as the authors of the draft textbook claim. The authors of the textbook close the way for a scientific understanding of the Marxist-Leninist teaching that the deepest roots of capitalism lie in small-scale commodity production.

The authors of the textbook write that the transaction for the sale and purchase of labour is only external form. In fact, the purchase and sale of labour power is the basis of the foundations of the capitalist mode of production. It is well known that without the

² Theories of the origin of money—before the XVIII century dominated by the theory of the origin of money as a result of an agreement between people, which established a special tool for comparing value in exchange. According to evolutionary theory, which became popular later, money is the result of the process of development of society, which, regardless of the wishes of people, led to the fact that some items have a special function. K. Marx, generalizing and developing the views of the classical school of political economy, explained the origin of money by an objective spontaneous process of development of a certain form of production relations. Money, according to Marxist theory, is a necessary product and a condition for the development of commodity production. They arise on the basis of the value commensurability of the products of labour and serve as an external form for expressing their value proportions.

purchase and sale of labour power as a commodity, there can be no capitalism. Further authors of the textbook, they write that the price of labour is only a conventional name, that the wage of a hired worker is not the price of his labour that wages only seem to be the price of labour.

Meanwhile, Marx clearly points out that on the surface of bourgeois society, payment of the worker is represented in the form of the price of labour, in the form of a certain amount of money, paid for a certain amount of labour, that the cost of labour is the same imaginary expression, such as the value of land. But such imaginary expressions arise from the relations of production themselves, as forms of manifestation of essential relations.

All legal concepts rest on this form of manifestation, which reveals a true attitude and creates the appearance of a directly opposite relationship both the worker and the capitalist, the whole mystification of the capitalist mode of production, all the illusions of freedom it engenders, all the apologetic evasions of vulgar economics. Consequently, wages or labour prices are by no means a conventional name or an apparent imaginary form, as it is presented in the draft textbook. On the contrary, it is a really existing form of manifestation of the essential relations of bourgeois society, representing these relations in a distorted form.

The authors of the textbook consider simple reproduction as a really existing type of capitalist reproduction. Meanwhile, it is generally known that capitalist simple reproduction does not really exist. Simple reproduction, as Marx and Lenin teach, is an abstraction, since under capitalism the absence of any accumulation or reproduction on an expanded scale is implausible. It is another matter that simple reproduction always constitutes a part of capitalist extended reproduction, and in this sense it represents a real factor of capitalist accumulation.

The main reason for the unsatisfactory nature of the draft textbook as a whole and its second section in particular consists in the wrong method of explaining socio-economic relations, in the substitution of Marxist-Leninist dialectics by mechanism and eclecticism. Instead of laying out the foundations of Marxist-Leninist

political economy, the textbook provides a mechanistic and eclectic explanation of socio-economic relations.

*On this form of manifestation, revealing the true attitude and creating the appearance of relations directly opposite, rests all the legal ideas of both the worker and the capitalist, the whole mystification of the capitalist mode of production, all the illusions of freedom that it generates, all the apologetic evasions of vulgar economics. Consequently, wages or labour prices are by no means a conventional name or an apparent imaginary form, as it is presented in the draft textbook. On the contrary, it is a really existing form of manifestation of the essential relations of bourgeois society, representing these relations in a distorted form.

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This, in particular, is evident from the fact that the authors of the textbook consider the social division of labour and private property as two special, independent conditions or prerequisites for private commodity production. In fact, these are identical concepts. The authors of the draft textbook do not use direct instructions and extremely clear definitions on this important issue, which are available in the works of the classics of Marxism-Leninism. On the contrary, contrary to these instructions, they take roughly, mechanically, the social division of labour and private property and

consider them as two special, independent conditions, prerequisites for private commodity production. Thus, the Marxist-Leninist dialectical method is replaced here by eclecticism.

For example, the authors of the textbook argue that in a socialist society, based on the domination of public property, completely eliminated economic categories such as [capital and surplus value], which express the relations of exploitation of workers by capitalists. Other economic the laws and categories of capitalism have undergone deep transformations (the law of value and related economic categories such as goods, money, price, wages, profit, interest, differential rent). Along with this, the socialist mode of production gave rise to completely new economic laws and categories: national economic planning, socialist competition, a steady rise in the material and cultural standard of living of the working people, etc.

Consequently, two types of economic laws coexist in a socialist society: completely new economic laws generated by socialism, and the economic laws of capitalism, which have undergone profound transformations in socialist society. The authors of the textbook break the economic laws of socialist society into two types of laws, with some of them - completely new economic laws and categories—the authors of the textbook put on one side, others—transformed economic laws and categories—on the other side. The matter is portrayed in such a way that the transformed laws and categories are subordinate, that is, secondary laws, and second-class laws. All this shows that the authors of the textbook regard the economic laws of socialist society as a simple mechanical aggregate of one or another economic law.

Dialectical materialism looks at society as a living organism, and requires considering economic laws, including socialist society, as a well-known system. This is exactly what the authors of the textbook should have done.

2. Comrade. Plotnikov K. N.³ Deputy Minister of Finance of the USSR

For all those serious shortcomings that take place in the textbook, of course, it can be taken as a basis. Our task is to reveal the shortcomings of the textbook and show the ways to fix them.

There are serious shortcomings in the chapters covering the issues of financial and monetary circulation and credit. The authors of the layout clearly underestimate the role and importance of finance in building a communist society and highlighted these issues from the technical point of view, without showing the depth of the economic essence and the active role of this very important instrument of our socialist state.

Lenin and Stalin repeatedly pointed out the enormous importance of finance in business of communist reorganisation of society. Comrade Stalin created the Soviet financial science, which is an integral part of the Marxist-Leninist economic theory, defined the importance of Soviet finance, money, credit for the communist reorganisation of society. Meanwhile, this exceptional role of Comrade Stalin in the layout of the textbook is not sufficiently shown.

The authors of the textbook showed in a simplified way the role of the Soviet budget. Essentially they reduced the role of the Soviet budget, mainly to the list of income and expenses, which are compiled for each year. Everyone is well aware of the exceptionally large role of the budget in increasing the profitability of the economy, in increasing labour productivity, in the better use of the productive forces of the socialist state. All these questions were not reflected in the layout. It should be noted that in programmes on

³Plotnikov Kirill Nikaorovich (1907-1994), Soviet economist, Doctor of Economics (1947), Professor (1948), Corresponding Member of the USSR Academy of Sciences (1960), Corresponding Member of the Russian Academy of Sciences (1991). During the discussion, he served as Deputy Minister of Finance of the USSR (1949-1953). Research interests: theory of the state budget, theory of money and monetary circulation, credit, self-financing. In his speech, he pointed out the shortcomings in covering the issues of financial circulation and credit in the layout of the textbook.

political economy, budget issues are not placed in the foreground, but are given at the end, after covering the issues of credit and the monetary system of our state. The authors of the layout did the same.

The textbook does not sufficiently show the control functions of the financial system. It says a few words about control in the field of circulation, but after all, financial control permeates all stages of production and circulation, starting with the presentation of the balances of national economic income and ending with their implementation. The authors of the textbook did not connect the budget with the national income, did not show that the budget [is one of the important factors in the distribution and redistribution of national income].

The layout does not provide an economic description of such important financial categories as turnover tax⁴, personal taxes⁵, what

⁴ Turnover tax - today this concept means one of the main types of indirect taxes, which is levied as a percentage of the chain produced domestically, and sometimes imported goods, levied to the state budget as these goods are sold. The Great Soviet encyclopaedia interprets the concept of turnover tax as follows: a form of mobilizing revenues to the state budget. Part of the money savings (net income) of socialist enterprises (associations), which is directly converted into income for the state. In terms of its economic content, it is not a tax, since it does not contain surcharges to the price of goods and does not constitute a deduction from the wages of workers and employees and other incomes of the working people. It is levied in the form of the difference between the retail and wholesale prices of the enterprise minus trade discounts, at fixed rates (in rubles) per unit of product volume. According to the legal dictionary, published in 1953, the turnover tax was the most important source of revenue for the budget. Pack, in 1952, with a total income of 509.9 billion rubles of revenue from turnover tax amounted to 260.7 billion rubles. It was also explained here that the main payers of turnover tax were state industrial enterprises, sales organizations of the main departments of individual industries, procurement organizations, trade and consumer cooperation. Turnover between enterprises of the same trust, main board or ministry, if the products were transferred for further processing or sale, were not subject to turnover tax. Taxation rates and exemption from turnover tax were established by the Council of Ministers of the USSR.

are their differences. But in these matters there is a lot of confusion not only among students, but also among economists. In his speech, Academician Strumilin argued that the turnover tax is not part of the value of the surplus product, but is part of the value of the required product. If we take this position, then we must say that the turnover tax is a deduction from the necessary product, a deduction from wages, therefore, value added tax is nothing more than an indirect tax, as it is in conditions of the capitalist economy.

Speaking about taxes from the population, the authors of the layout limited themselves to only indicating small share of taxes from the population in budget revenues. They showed that in a socialist society taxes on the population are only 8%, and in capitalist countries—over 90%. In fact, the difference lies not only in the fact that we have a smaller share in the budget are taxes from the population and in capitalist countries are larger. In the textbook, it was necessary to show that taxes with population in the USSR are not only a source of state income, but also one of the most important instruments in the implementation of the policy of the party and our Soviet state in the regulation of the income of the population. Taxes in our conditions have a returnable character, for they are returned to the working people in a different form, which is not the case in capitalist countries. It was necessary to show the essence of taxes in the conditions of capitalist economy, as a method of additional exploitation of workers, as the method of reducing the incomes of workers and peasants, increasing the relative and absolute impoverishment of the working class.

The chapter on Soviet credit also needs serious revision. Credit in the socialist economy is presented by the authors in an extremely schematic manner; it is weakly linked with the tasks of fulfilling

⁵ Taxes from the population—according to the legal dictionary published in 1953, the sources of taxes in the USSR were the accumulations of enterprises, the income of the population and the property of the taxpayer. The population was subject to income tax, agricultural tax and others (for example, there was a tax on bachelors, single citizens and small families). Personal taxes were considered returnable, since they entered the state budget, and the socialist state was supposed to help raise the material and cultural level of the working people.

national economic plans, as well as with carrying out cost accounting at enterprises. The basic principles of socialist credit are not linked to planning. Such an important principle of our credit as the need to secure the loan with material values, which is of great importance in the practice of credit work, has completely dropped out.

The main disadvantage of the presentation of the section on the loan is that the loan is not linked to the circulation of funds of socialist enterprises. It was in conjunction with the circulation of funds that it was possible to show the role of Soviet credit in the use of the law of value in a transformed form. The authors of the layout limited themselves to the statement that there was no commercial loan in the USSR, but a bank loan. They did not show the advantages of direct bank loans over commercial loans, did not show that only direct lending allows for correct state planning on a national scale.

On p. 348, the authors of the textbook completely incorrectly assert that in the field foreign trade means of international settlements is only gold. The reader may get the wrong impression that for every trade transaction the Soviet Union is settled in gold.

On page 346 it is mentioned that banknotes issued by the state bank of the USSR are backed by gold, precious metals and other assets of the state bank. In fact, the presence of gold and other assets in the state bank of the USSR does not matter at all for the issuance of banknotes and treasury notes.

On page 386, the authors of the textbook incorrectly define the structure of the wholesale price enterprises, including the value added tax. In fact, turnover tax is not included in the wholesale price of the enterprise, it is only included in the wholesale price of the industry.

On page 313 it is indicated that taxes and loans are the source of financing the war in the conditions of capitalist countries. Issue of paper money is not indicated as a channel for obtaining the necessary funds for the conduct of war, which gave in the conditions of the First World War in some countries up to 95% of all military expenditures.

On page 430, the wrong definition of the role of state insurance under capitalism is given. It says that state insurance under capitalism is a commercial enterprise, but the class essence of

insurance is not disclosed. Bourgeois insurance is subject to the general laws of capitalism. It is an instrument for obtaining surplus value, an instrument for exploiting the working people, and this had to be shown.

The authors of the textbook layout on page 423 incorrectly say that according to our loans are paid interest. As you know, with the end of the war, all loans issued by the Soviet state have a winning character.

3. Comrade. Aleksandrov I. K.⁶

Head of the Department of Economic Sciences of the Party School at the Leningrad Regional Committee of the All-Union Communist Party of Bolsheviks

The team of authors who worked on the draft textbook on political economy did a great job. Comrade Yakovlev is wrong, Comrade Katz is wrong, who simply groaned the textbook presented in their speeches. Comrades are also wrong. Chulok and Schneerson, who declared that the textbook lags behind the achieved level of modern science and practice of socialist construction.

In fact, the draft textbook was written from the standpoint of Marxist-Leninist theory and the main works of Marx, Engels, Lenin, Stalin. The textbook reveals the laws of the emergence, development and death of capitalism.

On the basis of the works of the classics of Marxism-Leninism, that part of the textbook was also written in which highlights the socialist mode of production. Here the struggle of the Soviet people under the leadership of the Lenin-Stalin party for the construction of socialist economy and the advantage of the socialist economic

⁶ Aleksandrov Ivan Konstantinovich (? -?), Soviet economist, during a discussion, head of the Department of Economic Sciences of the Party School under the Leningrad Regional Committee of the All-Union Communist Party of Bolsheviks. In his speech, he criticized the chapters of the textbook layout that covered the capitalist mode of production, proposed changes to the structure of the section "Victory of Socialism in the USSR", analysed the role and place of the law of value in the socialist economy.

system before the capitalist. However, there are some drawbacks in this textbook. The chapters dealing with the issues of the capitalist mode of production need serious improvement. In the chapter 'Commodity production. Commodity and money' it is necessary to reveal to a greater extent the main contradictions of commodity production, antagonistic contradictions between concrete and abstract labour, labour [private]^a and public.

In the chapter 'Average profit and the price of production' it is necessary to reveal more deeply the laws of capitalist production, to show the development of contradictions in connection [with the tendency of the average rate of profit to decrease].

In the part of the textbook that deals with imperialism, it is necessary to show more fully the Leninist position that the state monopoly under capitalism is the material preparation of socialism, the threshold for it, that there are no intermediate stages between it and socialism. The characterisation of the general crisis of capitalism is given correctly, but it would be more accurate to say about the beginning of the general crisis of capitalism, to show that the great October socialist revolution split the world into two camps and led to the general crisis of capitalism.

It is surprising that the authors of the textbook did not show the crisis of the colonial system of capitalism. In the chapter 'A New Stage in the General Crisis of Capitalism' to show that it is the result of the world historic victory of the Soviet Union over fascist Germany and imperialist Japan.

Thus, the chapters related to the characterisation of the general crisis of capitalism should be revised in the spirit of those critical remarks that make it possible to better and more correctly represent the general crisis of capitalism, of course, rejecting any so-called 'theories' of narrowed reproduction and self-destruction of capitalism as anti-Leninist.

Some changes should be made to the structure of the section of the textbook 'Victory of Socialism in the USSR'. The coverage of the development of the socialist economy during the Great Patriotic War and in the post-war period cannot be attributed to the

^a The word "private" is circled in pencil.

transitional period. The section ‘Development of the socialist economy during the Great Patriotic War and in the post-war period’ should be highlighted in the textbook, in which two chapters should be given: the first chapter—‘Economy during the Great Patriotic War’, the second chapter—‘The national economy in the USSR in the post-war period’ ... Only with such a presentation will the historical sequence be preserved.

The previous layouts of the textbook on the political economy of socialism and the programme suffered from major shortcomings: they did not have a historical and logical sequence, they did not provide a Marxist interpretation of the basic laws of socialism, and the schemes themselves were dogmatic and did not reflect the experience of socialist construction.

The old textbook schemes and programmes dominated the authors of the new textbook layout.

The authors applied the historical method to characterise the transition period from capitalism to socialism. It is right. But to characterise the socialist economic system, it is necessary to apply the analytical method. It is known that each socio-economic formation has its own economic laws of development. The socialist socio-economic formation also has general objective economic laws of development. They should be shown, first of all, as laws inherent in the socialist economic system.

In Chapter 23 ‘The Economic Foundations of Socialist Society’ (p. 325), in passing, only new economic laws and categories are listed. However, it is not shown here which of the laws are the most general. It also does not show what is law and what is a category.

When illuminating the issue of the need to use the law of value in a transformed form under socialism, it is necessary to resolutely reject the vicious, already condemned, so-called theory of Mikolenko that the law of value, as an objectively spontaneous law, is the basic, leading law of socialism. Comrade Mikolenko apparently forgot that the main feature of the socialist mode of production is the planned management of the national economy, that the Bolshevik Party and the Soviet government organise and direct the development of the Soviet economy according to the state national economic plan and [that the plan is a directive, not a forecast plan]. The law of value

cannot be made the eternal law of value. Comrade Strumilin is wrong when he declared that the law of value will also operate under communism. Acceptance of his statement would mean that commodity-money relations would be preserved under communism and there would be no direct product exchange.

In my opinion, the need to use the law of value under socialism is caused by the given level of development of the productive forces. Planned economic ties in the process of production, distribution and circulation are established by the socialist state with the help of such instruments as the law of value and money.

RGASPI. F. 558. Op. 11.D. 1243.L. 44-55. Typescript.

16. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 19, 1951

Evening Meeting 19 November^a

1. Comrade. Lokshin E. Yu.¹ Member of the Expert Council of the USSR Gosplan

The textbook definition of political economy is incorrect.

The authors write: [‘Political economy explores how the social order based on the exploitation of man by man is being destroyed’]. It turns out that the socialist mode of production, as not based on the exploitation of man by man is not at all a subject of political savings^b.

The section ‘Socialism’ requires radical revision for three reasons: first, the structure of the section itself is unsatisfactory; secondly, there is no lighting of the row the most important issues of political economy, without which the textbook cannot be published; thirdly, the theoretical level of presentation of a number of chapters in the section ‘Socialism’ cannot be considered satisfactory.

^aTo the left of the title, two checkboxes are placed in pencil.

¹ LokshinEfraimYudovich (1904-1967), Soviet economist, Doctor of Economics (1955), professor (1957), during the discussion, member of the Expert Council of the USSR State Committee for National Security, head of the department of the Moscow Economic Institute. Research interests: theoretical problems political economy of socialism, problems of industrial development in the USSR. At the discussion, he spoke on the mechanization and automation of processes in the industry of the USSR, on the balance method of planning the national economy of the USSR, on socialist reproduction; made a number of proposals to change the structure of the textbook layout.

^b In the left field with a pencil next to the selected note in the text: **NB**.

As a result of the adopted structure of presentation, the political economy of socialism was torn into two parts - [into the historical part and the problematic part. At the same time, the historical took an excessively large place, and this affected the quality and that other part]^c. The authors were forced to write the section on the transition period from capitalism to socialism without even mentioning the main economic categories and laws, the presentation of which is referred to the second part. Because of this, the section was not written at the proper theoretical level and was presented in a purely descriptive style.

It turned out to be something like a short course in the history of the national economy, and not a section of political economy, in which the theory of the transition period should have been expounded.

On the other hand, an exposition of the very problems of the socialist economic system, the laws of socialism—planning, wages, cost accounting, the nature of the goods—shown significantly depleted and given in statics. With the accepted structure of the presentation, the impression is created that the economic laws of socialism-planning, distribution according to work, socialist competition-have arisen and are operating only since 1936, that is, since the victory of socialism in the USSR.

In the structure of the section 'Socialism' there is no coherent system of presentation, one chapter is not follows from the previous one and does not necessitate the next.

The layout of the textbook lacks coverage of a number of the most important issues of the political economy of socialism. Under capitalism, where the main incentive for production is making a profit, there is an indifference to use value goods. It is necessary to indicate in the layout that in a socialist society indifference to the use value of a product and to those specific features disappears with which he is endowed. Hence, it is necessary in national economic plans to determine production not only in value terms, but also in physical terms, reflecting precisely the consumer properties of the goods.

^c In the left field with a pencil next to the selected note in the text: **NB**.

The authors' list mechanisation and automation of production, electrification of the national economy and chemicalisation as the main line of technical development of production. This is true, but far from determines the modern development of technology and does not reflect the development of this issue. Now to the directions listed above a number of others should be added that are extremely important. Such is, for example, [intensification of technological processes], which should include the introduction of high-speed cutting and grinding modes in mechanical engineering; in heat engineering, this includes the introduction of increased parameters of steam, pressure, temperature rise, etc.; in metallurgy—the use of oxygen blast. The next direction is the reduction of the technological cycle. An example of this: the reduction of iron from ore, bypassing the blast-furnace process, cast-free rolling instead of mechanical processing, etc. And, finally, the third direction is the organisation of new industries (jet technology, radar technology, television technology, technology for using intra-atomic energy). Of course, we should not develop these concepts, but we must give an idea of the directions in which modern industry in the USSR is moving and which will create the material and technical basis of communism.

When analysing socialist reproduction, it is necessary to emphasise that production belongs to the primacy and that it determines the nature of all the main moments of production. But this does not provide a basis for ignoring the problem of distribution and circulation, as is the case in the draft textbook.

The problem of planning production and planning the distribution of the means of production should have been covered in detail in the chapter 'Planning the National Economy', but this chapter does not even show this problem. Authors' list balance of equipment and balance of raw materials and food products, but such there are no balances in nature. There is no single balance of equipment; there is a balance of various types of machines and equipment. Only for equipment is drawn up and approved the government has more than 800 balances, but there is no single equipment balance in nature.

In the chapter on planning, the authors are obliged to show how the distribution of proportions is carried out with the help of

planning, the rates of development of individual industries are determined, and how the distribution of the means of production is carried out.

It is well known what great importance Comrade Stalin attached to the balance sheet of planning method and, in particular, material balance. The material balance compares the resources and needs of the national economy for certain types of products. In the process of this comparison, the lagging sectors in the development of the country's economy are revealed, which makes it possible to determine the necessary rates of development of individual industries.

The material balance determines the ratio between the first and second divisions of social production, between consumption and reserves, between the growth of production and the rise in the material well-being of the people. Resources allocated for production needs are subdivided in the balance sheets into production and operational needs and construction. Thus, through material balances, the Party and the government determine the necessary correlations between existing production and new construction. All this should be outlined in a textbook, without which the chapter on national economic planning becomes lean, anaemic, does not reveal the mechanism of action of the main laws of socialism.

The question of the circulation of the means of production under socialism completely dropped out of the draft textbook. The authors of the draft textbook have almost completely bypassed the questions of how the circulation of funds is carried out in a socialist society, whether we have Marx's formula:

$$D—T—T'—D'$$

If it acts, then how is reproduction carried out, what is the ratio between the first and second divisions. All these questions do not find their own lighting in the textbook.

Insufficient theoretical level of presentation of individual chapters of the section 'Socialism' makes an unattractive impression. First, at the theoretical level of the section of the textbook 'Political Economy of Socialism', the absence of a single end-to-end logic in

the structure of the presentation. Under the existing structure, the section 'Political Economy of Socialism' has turned into a collection of articles on specific issues of the political economy of socialism. Secondly, the authors of the textbook did not think deeply enough about the system of presentation of each individual problem. Problems are presented as if they were really articles, and not chapters from a textbook. At the same time, if we compare the chapters of the textbook with individual articles written by economists working specifically in certain areas of economics, then the comparison will turn out not in favour of the textbook.

A textbook should have a well-thought-out harmonious system of presenting problems, but this is not in the textbook. When describing each problem, the following scheme should be adhered to: first, a definition of the problem, a statement of the essence of the issue should be given, then the tasks of this problem should be given, then the principles for solving the problem and, finally, the method or method for solving the problem should be stated.

2. Comrade. Dvorkin I. N.²

Senior Researcher at the Institute of Economics of the USSR Academy of Sciences^a

The authors did not make ends meet on the crucial issue of the fundamental contradiction of capitalism.

On page 104 of the layout, we read: 'The contradiction between these two classes, i.e. between the proletariat and the bourgeoisie is the main contradiction of the capitalist society'. And then on page 106 it is written: 'The contradiction between the bourgeoisie and the proletariat is the main contradiction of capitalist society.' On pages 132, 133, the main contradiction of capitalism is formulated as a

² Dvorkin Israel Naumovich (1902-?), Soviet economist, Doctor of Economics (1954), senior researcher at the Institute of Economics of the USSR Academy of Sciences during a discussion. Research interests: analysis of Western economic theory and economic development of capitalist countries.

^a A check mark is placed to the left of the title in pencil.

contradiction between the social nature of production and private appropriation. Thus, in the layout, in different places, two completely equal basic contradictions of capitalist society are formulated. In this regard, it seems that the authors who wrote the various chapters did not bother to thoroughly delve into what is written in the other chapters.

When covering imperialism, it should be shown that the connection between class antagonism between the proletariat and the bourgeoisie, on the one hand, and the contradictions between the social nature of production and private appropriation, on the other hand, is one of the most important points of the Marxist-Leninist theory of crises. Without this connection, it is impossible to understand other contradictions that give rise to the crisis, in particular, the contradiction between production and consumption. The point is that class antagonism refers to relations of production. The contradiction between the social character of production and private appropriation is a specifically capitalist form of contradictions between productive forces and relations of production. Therefore, it is wrong to believe that there are two completely equal basic contradictions in capitalist society.

On page 185, the authors characterise the main contradiction of capitalism, that is, the contradiction between the social nature of production and private capitalist form of appropriation as the basis of crises. It is right. But they had to show, as Engels does, that the opposition between the proletariat and the bourgeoisie is an expression of a fundamental contradiction.

On page 185 we read: 'The main contradiction of capitalism is manifested in anarchy production, that is, in its planlessness, which makes it inevitable that the necessary proportions between the individual branches of the capitalist economy are violated, between production and consumption'. In the model, the anarchy of capitalist production as a whole and the organisation of production at a separate enterprise are not set in connection with each other, it is not shown that not only the anarchy of production itself, but the opposite of the organisation of production in a separate enterprise and the anarchy of capitalist production as a whole is a form of manifestation of one contradiction. The layout does not show the contradiction

between production and consumption, which is also a form of manifestation of the main contradiction.

Brief conclusions should not only mention the contradiction between production and consumption, but highlight this issue in the chapter considering the Marxist-Leninist theory of crises.

One of the important issues, almost bypassed in the textbook, is the problem of nationalisation. This problem has a place only in the criticism of the right-wing socialist theories. The authors of the model had to pose the problem of nationalisation not only in connection with labour nationalisation, as it was done on page 260, but in general, showing the variety of forms of nationalisation and defining its essence.

After the Second World War, nationalisation activities were based on the bankruptcy of entire industries and the desire to save the capitalists of these industries from bankruptcy. This is a new qualitative phenomenon. The nationalisation of individual industries after the Second World War is linked, as it had place in England, with the desire of monopoly capitalism to improve the position of all other industries, to reduce their costs due to cheap transport tariffs, cheap coal, and cheap electricity and thereby increase competitiveness in the global market. Nationalisation after World War II in bourgeois countries cannot be considered outside of existence and struggle two camps. Without this, as well as without analysing the class nature of the power that implements and nationalisation measures, it is impossible to understand the struggle around nationalisation and denationalisation that is taking place in different countries.

There is no indication in the criticism of labour nationalisation that it was carried out in order to save British capitalism, that workers in nationalised industries are subjected to double exploitation, etc.^a

It is necessary to highlight the consideration of the question of nationalisation in colonial and dependent countries. This is the nationalisation of the Iranian type. It is progressive in nature and

^a In the left field, the paragraph is marked with two vertical lines in pencil, to the right of the text of the paragraph of the note: **NB**.

undermines imperialist rule in the colonies. If the nationalisation of the labour type expresses the aggravation of the general crisis of capitalism in the imperialist countries, then the nationalisation of the Iranian type expresses the aggravation of the crisis of the colonial system. Its implementation undermines imperialist rule in the colony. Nationalisation of the Iranian type is thus a revolutionary undertaking. And this should be especially emphasised in the textbook in connection with the fact that the entire struggle for the nationalisation of the oil industry and oil pipelines, unfolding in the countries of the Near and Middle East, is accompanied by a tremendous increase in the activity of the masses in the struggle against imperialism for peace and democracy^b.

The textbook should show the pseudo-nationalisation to which the imperialists themselves in the colonies are beginning to resort. For example, in Burma, the alleged nationalisation of the oil industry was carried out with the aim of deceiving the masses and saving imperialist rule.

The analysis of capitalist nationalisation, as well as nationalisation in the colonies and dependent countries, there should be a special paragraph in the chapter: ['New stage of the general crisis of capitalism']^c.

Some special remarks should be noted. On page 218 it is stated that in England is home to 47 million people, in the British colonies 480 million people. Indeed, in England [live 50 million] people, and in its colonies [550 million people]. It is unacceptable that the population of the French colonies also includes the population of Vietnam. On page 244 it is said that England lost a quarter of its investment abroad and that she had gone from being a world banker to being a debtor to the United States. It is not entirely true. The capital exported from England after the Second World War increased by no less than 1/3. Having become a debtor to the United States, England did not cease to be a banker, but retained its role [banker of

^b In the left field, the paragraph is marked with two vertical lines in pencil, to the right of the text of the paragraph of the note: NB.

^c Along the left margin, a cross is placed in front of the paragraph with a pencil.

the sterling zone]. On page 202 one of the paragraphs is entitled: 'Development of the Foundations of the Marxist Political Economy of Capitalism by V. I. Lenin and J. V. Stalin.' Why the basics? Lenin and Stalin developed all aspects of the Marxist political economy of capitalism. Therefore, it is better to discard the word 'basics'.

The assessment of Keynes's theory given in the textbook on page 259 is unsuccessful: 'The theory of full employment of Keynes and his followers is completely untenable. She tries to solve the problem of unemployment by carefully avoiding its real causes. Keynes's theory ignores the decisive role of the processes occurring in the sphere of capitalist production, the laws of capitalist production and its contradictions. This theory is built on the false idea that the bourgeois state can overcome the economic laws of capitalism, eliminate crises and unemployment. This is [an objectivist assessment]. This assessment does not reveal the reactionary nature of Keynes's theory, the desire of the capitalists to get out of crises through a fierce attack on the living standards of the working people.

The textbook should show that Keynes, and especially his followers, see military training as the last [means of escape from crises]. This moment is needed now emphasise with all its might because both in the United States and in European countries the arms race policy is now carried out under the flag of full employment.

What has been written about the economic 'theories' of the right socialists? Here, in essence, there is no criticism of the economic theory [of democratic socialism], not a word is said about the cosmopolitan preaching of the right-wing socialists that imperialism has disappeared and capitalism is already peaceful and has lost its aggressiveness.

On page 260 it is said that the position of open defence of imperialism is taken by Labour in England, right-wing socialists in France, Italy, Austria, Western Germany and other capitalist countries, that they all renounced the Marxist doctrine, and preach the pseudoscientific theories of various vulgar economists. But it is known that one can renounce only what was previously recognised. The Labour Party arose and developed as an anti-Marxist party, in which it was even considered indecent to use Marxist terms.

It is time to raise the question of creating a textbook on the history of economic thought, which would be a necessary addition to a textbook on political economy.

3. Comrade. Pereslegin V. I.^{a3}
Head of Department of the USSR Ministry of Finance

The layout of the textbook contains a number of inaccurate and erroneous wording regarding categories of socialist production, such as: cost, price, profitability, turnover tax, etc.

On pp. 382-383, the authors of the layout define the category of cost price as follows: 'The cost price of a product is that part of its value that reimburses all cash costs of the enterprise associated with the production and sale of goods.' There are two inaccuracies here. First, it cannot be argued that the cost price reimburses the enterprise's cash costs associated with production and sales; secondly, the cost price is presented by the authors as a category that expresses the distribution of value, which is more related to the price, rather than to the cost price.

It would be more correct to define the cost as the cost of past and living labour in the production and sale of products, expressed in monetary terms.

If we understand by cost only the category of cost reimbursing costs, then the question arises, what practical conclusion can business executives and workers draw from this?

Obviously, the conclusion is this: if the cost is part of the cost reimbursing the costs, then the more reimbursing party, the better for the enterprise.

The structure of the cost price is interpreted confusingly in the textbook. The authors say that factory cost includes the following

^a To the left of the title, two ticks are placed in pencil.

³ Pereslegin Viktor Ignatievich (1902-1971), Soviet economist, during a discussion, head of the accounting and reporting department of the USSR Ministry of Finance, candidate of economic sciences. At the discussion, he spoke on the structure of production costs, prices, profits, turnover tax and profitability of socialist enterprises.

expenses of the enterprise, expressed in monetary terms: costs of basic materials, fuel and electricity, depreciation, wages with accruals, general shop and general plant costs.

In reality, there is no such cost structure. The authors mix elements of the cost structure and cost item.

Vaguely disclosing the content of the cost of goods, the authors did not fully demonstrate the need for a systematic reduction of the cost, planned guidance from the state of this process and the operation of the law of systematic cost reduction with us. They did not even formulate a law of systematic cost reduction in our national economy.

When the authors on page 336 list the indicators of the national economic plan, they give the volume, [gross and marketable] production, the cost of production, wages, the number of workers and employees, etc. In the indicators of the national economic plan, the reduction in cost, as a state task, is not indicated. But we have not yet had in practice that five-year or annual plans would be established without a task to reduce the cost.

In a speech at the V All-Union Conference of the Komsomol, Comrade Stalin linked the decline in value and the decline in prices with the need for the development of our industry, socialist industry. You cannot reduce prices without reducing costs. Reducing the cost and lowering prices, we correctly put the enterprises [not in greenhouses conditions], and in the conditions of the need to improve methods and forms of production. Here why our plans should not include the cost price, but rather the task for [cost reduction]. The authors do not have a firm position on the issue that such prices and what forms they take, what is the basis of the price of goods in the Soviet country. Price as an instrument of distribution and redistribution of national income and the value of the surplus product are neither shown nor disclosed. There is a straight line of the urgent need to show the effect of two prices: [enterprise prices without value added tax and industrial prices with value added tax]^a.

^a In the left field of the pencil selected in the text is marked with two crosses, followed by a note: **NB**.

The authors of the textbook define profit as the monetary form of that part of the surplus product, which basically remains at the immediate disposal enterprises.

Is it correct to assert that profit is a category of distribution order that characterises the direction of a part of the surplus product at the disposal of the enterprise? Wrong.

Objection is also raised by the authors' wording that most of the profits are spent on increasing the company's own working capital: for reconstruction, expansion of production and other activities. There is a confusion of concepts here. In fact, more than half of the surplus product in monetary form is withdrawn to the budget, 25% goes to a centralised fund through a special bank to finance capital investments. These data indicate an inaccuracy in the determination of profit. The authors of the textbook correctly characterise profit and turnover tax as two forms of part of the value of the surplus product. Here the following remark can be made: the value of the surplus product cannot be exhausted by only two categories—profit and turnover tax; we have other types as well; in addition to the value added tax, there is also rent, tax on spectacles, etc. It should be noted that the tax on turnover is the monetary expression of a part of the value of the surplus product created by the labour of workers in various sectors of the national economy, but accumulated, based on the interests of the state, in the price of the goods produced and sold by a given enterprise or a given organisation. Turnover tax is not related to the quality side of the enterprise, or at least has little to do with it, and thus, it is not associated with the category of the cost of goods. Profit is a part of the value of the surplus product, created mainly by the labour of the workers of the given enterprise, and expresses the financial, value result of the cost accounting [activity of the enterprise].

Comrade A. Nemchinov argued that in some sectors of our national economy no longer have goods, as an example he cited the construction industry. This means that the law of value does not apply there, even in a transformed form.

This assertion is erroneous, since the law of value operates in the entire sphere of economic activity of the Soviet Union. By lowering prices below the value of the means of production, we stimulate

technical progress in our country, we give the opportunity to develop the production of means of production, and we influence the reconstruction of agriculture.

The wrong theory was developed by Comrade Strumilin. It can be formulated as follows: give freedom to the law of value, do not force it with a plan, and structure the turnover tax in such a way that it really expresses the withdrawal of a part of the necessary product.

The authors of the textbook confuse the concepts of socialist accumulation and monetary accumulation when they assert that 'the difference between the wholesale price and the cost is socialist accumulation, which is a vague expression of the surplus product.' They indicate that money savings are the most important condition for expanded reproduction, although everyone knows that money accumulation is not a condition, but a source of expanded reproduction, a source of growth in the welfare of workers.

Page 376 gives the correct definition of profitability as the profitability of an enterprise. From the further presentation, we can conclude that the turnover tax serves as an indicator of the profitability of the enterprise. In practice, we do not have this, and this should be clarified. It is necessary to show that profitability is planned, that it is related to labour productivity and that in this part the authors will do a good job if they show the mechanics of calculating the level of profitability as the ratio of profit to the commercial value of a product.

The authors somewhat impoverish the category of the economy mode. The layout had to show that the economy mode is important for government organisations and budgetary institutions. The mode of economy consists in the real use of material and monetary resources, in a careful attitude towards socialist property.

Incompletely, the textbook covers the question of cost accounting. Cost accounting is reduced only to the socialist method of planned management of socialist enterprises. But self-financing applies not only to enterprises. We now have head offices, ministries, government agencies have self-supporting rights, receive self-supporting functions, so we need to show the entire mechanism of self-supporting, starting with the ministry and ending with the workplace.

When considering the issue of planning, very little attention is paid to finances, financial plans. Necessity, role and content of financial planning are not shown by the authors, not disclosed. The tutorial doesn't even mention that there are sectoral financial plans, i.e. income and expense balances, and not the necessary conclusions are drawn from this. Meanwhile, we will not reveal all the stages of expanded reproduction, if we do not turn to the help of finance. Bad luck in the layout of the textbook and such an element of the national economic plan as the technical industrial financial plan. The role of the technical financial plan is reduced to organisational and technical measures, the significance of the technical financial plan as the most important element of socialist planning in our country is not shown.

The authors of the textbook have forgotten the words of Comrade Molotov at the 17th Party Congress that the technical and financial plan is one of the best production forms of struggle for our pace.

Speaking at the discussion, Comrade Plotnikov correctly pointed out that the content of the chapter on the state budget is depleted in the textbook. The role of the budget is reduced only to financing the national economic plan, although the state budget is an integral, integral part of the state plan, which determines the tasks and proportions in the country. Erroneous definition of the role of the budget taken from the old reference books, it does not reveal the economic and political significance of the budget in the USSR.

On the issue of accounting and reporting, the authors correctly cite the instructions of the comrade Stalin on the role of accounting. But they forgot that at the Thirteenth Party Congress, in the report of Comrade Stalin it was said: "No economic work can proceed without accountability."

This needs to be said with a full voice to show the role and importance of accounting and reporting in our country.

The authors argue that the CSB is in charge of accounting. Of course this is correct. But, first of all, it is necessary to point out what is written in the Stalin Constitution, and there it is said that the organisation of a unified system of national economic accounting is subject to the conduct of the highest state bodies, that is, it is

concentrated in the hands of the state and the state directs and builds accounting as it is he needs.

The authors argue that statistics is the organising and leading principle of the entire accounting system. This fetishisation of statistics can cause certain bewilderment: who is the organiser of the accounting—the state or statistics regardless of the state?

It is necessary to better show the importance of accounting in a planned economy. The tutorial says that accounting is accounting for planned management of the economy. But this is not the only point. Accounting is needed for the purposes of cost accounting, for calculating the cost price, for managing enterprises. On the issue of enterprise management, it is said in the decisions of the XVIII All-Union Party Conference on the report of Comrade Malenkov: “Many people forget that enterprises cannot be managed without accounting”.

It is impossible to agree with the authors in the definition of money. They write that money serves as a tool for cost accounting, performs the function of a measure of value. On this they have put an end. And where are the other functions of money—money as a means [of payment] and [as a measure of accounting]. Doesn't money serve our state in this respect?

A few words about capital investments. On page 438, the authors state: “The difference between the amount of capital expenditures and the amount of depreciation for a certain period shows the amount of accumulation of fixed assets.” If we accept this formulation and practically calculate the amount of savings in fixed assets, we will underestimate the amount of growth in fixed assets, because there is a difference between the amounts of capital expenditures and deductions from it of the entire amount of depreciation.

One final note on the funds of the director's fund. The authors of the layout claim that the funds of the director's fund are spent, in particular, on the issuance of a one-time allowance to workers,

employees and engineers, on the purchase of vouchers to rest homes, etc.^a

If you insist on this wording, then the director of the enterprise will demand the right to issue a one-time benefit to workers and employees, which is prohibited by law.

4. Tov. Kovalevsky G. T.⁴

Head of the Department of Economic Sciences of the Party school under the Central Committee of the CP (b) of Belarus^a

The section of the political economy of socialism needs serious improvement. It is necessary to improve the outline of the section, to more specifically disclose action of the laws and categories of socialism, show them as the laws of building a communist society.

The presentation of the law of value under socialism in the layout is not entirely satisfactory. The presentation of the law of value has begun with the paragraph “The need to use the law of value in a socialist economy”, in which the causes and consequences of the operation of the law of value under socialism are dumped in one heap. Therefore, it is necessary to give in a separate paragraph a statement [of the reasons for the existence of the law of value] under socialism, and in a separate paragraph—[the use of this law] by the socialist state in the practice of communist construction.

What determines the preservation of the law of value under socialism? The existence of the law of value under socialism is an objective necessity that follows from those features of the socialist

^a The paragraph is crossed out in pencil with two vertical obliques, followed by a label: **NB**.

⁴ Kovalevsky Georgy Tikhonovich (1918-2008), Soviet economist, candidate of economic sciences (1950), professor (1986), Honoured Scientist of Belarus (1981). During the discussion, the head of the Department of Economic Sciences of the Party School under the Central Committee of the Communist Party (Bolsheviks) of Belarus. Research interests: problems of commodity-money relations under socialism. At the discussion, he spoke with the substantiation of the reasons for the preservation of the law of value under socialism.

^a A check mark is placed to the left of the title in pencil.

mode of production that are inherent in it in the first phase of communist society. The socialist method is based on public ownership of the means of production, on the absence of exploitation of man by man. The relations of production are characterised here as relations of comradely cooperation and socialist mutual assistance of workers free from exploitation. Consequently, people are in the same relationship to the means of production. They are equal in this respect.

But people, working under the domination of socialist relations of production, still do not create an abundance of products sufficient to satisfy all human needs, due to the still insufficient level of productive forces.

At the same time, work itself has not yet become the first vital need for them. In the presence of such objective conditions, production should be organised so that socialism can give higher labour standards, higher labour productivity than the capitalist economic system, so that socialism can make society richer than the capitalist economic system.

It is obvious that production can be organised, firstly, on the basis of a plan rationally using all human and material resources and, secondly, on the basis of material interest, the strictest accounting of labour and consumption each member of society, that is, each member of society should receive from society as much as he gives him minus the surplus product, that is, as you can see, the disclosure of production relations should take place on the basis of an analysis of the state or level of productive forces. It is impossible to consider production relations in isolation from the study of the productive forces.

At its first stage, communism cannot yet be economically fully mature, completely free of the traditions and traces of capitalism. Production relations during the period of socialism include the fact that the position of people in society is determined by how much labour they give to society. This is precisely the criterion of what position a person occupies in society. The whole point is that they work equally, correctly observe the measure of work. Naturally, this presupposes a commensuration of various specific types of labour. The natural measure of labour is working time, but the specific

labour of different workers is not the same and cannot be directly measured in working hours. Equality of types of labour, Marx points out, in all respects different from each other, can only consist in abstraction from their actual differences and reduction to the common denominator in which they enter as expenditures of labour power, as abstract human labour. In other words, directly social labour under socialism is expressed both in the form of concrete and in the form of abstract labour. The commensuration of abstract labour cannot take place otherwise than by comparing [the products of labour, their exchange], and this latter means that the product of labour takes the form of a commodity. And the socially necessary amount of abstract labour contained in a commodity determines its value.

Thus, the conclusion is that the law of value has not been overcome under socialism, has not been overcome to the same extent as the narrow horizon of bourgeois law has not been overcome under socialism.

But this law is socialist, just like the principle of distribution according to work, although it expresses the preservation of the narrow horizon of bourgeois law. Old laws operate in new conditions and express new socialist relations and nothing to seek their existence in the old capitalist society, as suggested by Comrade Aleksandrov and Comrade Makarova.

Academician Strumilin is not right when he claims that under communism the law of value will exist. The law of value is a historical category and under communism it will not operate, because then there will be no need to reduce various concrete types of labour to the abstract, since there will be a direct exchange of products, without taking into account how much labour was expended on the production of a particular product.

In the textbook there is no clear presentation of the issue of procurement prices. It must be clearly indicated that the procurement price is one of the instruments for the distribution of the national income.

RGASPI. F. 558. Op. 11.D. 1243.L. 57-76. Typescript.

17. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 20, 1951

Morning Session 20 November

1. Comrade. Trakhtenberg I. A.¹ Senior Researcher, Institute of Economics, API USSR

A number of critical remarks should be made regarding the section on capitalism, a section that is generally quite satisfactory but has major shortcomings. In this section, it was necessary to analyse the two main processes of the development of capitalism. First, it must show the exploitative nature of capitalist society, reveal the secret of capitalist exploitation, and show the contradictions of the capitalist mode of production. Secondly, it was necessary to show how economic development shapes the working class and its revolutionary consciousness, how the working class becomes the gravedigger of capitalism and the creator of a new socialist system.

If you turn to this section later and see how these two processes are outlined, mutually related, equally important for the characteristics of capitalism, it turns out that the first process, that is, the process of transformation of the relations of production of capitalism into a brake on the development of the productive forces,

¹¹ Iosif Adolfovich Trachtenberg (1883-1960), Soviet economist, academician of the USSR Academy of Sciences (1939), worked at the Institute of Economics of the USSR Academy of Sciences (1947-1957), during the discussion a senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: money circulation, credit, theory of economic crises. At the discussion, he made critical remarks on the formation of the working class, reproduction and crises, on the military-inflationary conjuncture and inflation in capitalist countries.

has been outlined quite satisfactorily. This is shown convincingly and this premise of the collapse of capitalism is well founded.

If we take the second process, the process of the formation of the working class, its transformation into a revolutionary force, and consequently, the creation of the gravedigger of capitalism, then this process has hardly found its reflection in the work. In this section of the work, the working class is present, characterised as an object of capitalist exploitation, but the work does not characterise the working class as a subject of the class struggle, leading both defensive and offensive struggles. It should also be said that the analysis of capitalism uses data from a hundred years ago, which reduces the quality of the analysis.

The textbook misrepresents the problem of reproduction and crises. The whole problem of crises has not received bright light due to the wrong structure. So, for example, in Chapter IX, the concept of the content of simple and extended reproduction is given and there is also given a characteristic of the general law of capitalist accumulation. The next chapter, where reproduction as such is defined, begins with a description of the circulation of capital, after which the schemes of simple and extended reproduction are outlined. The chapter ends with a short paragraph on the contradictions of the reproduction process. It would seem that further the problem of crises should be presented, if not to break off the logic of reasoning. However, Chapter XI is devoted to the problem of average profit and production processes. Then the next chapter is devoted to trade and credit, land rent, and only then does it talk about economic crises. This structure is not acceptable for the textbook, as it negatively affects the entire presentation. To improve the quality of the structure of the second section, it should have included a separate chapter "Reproduction", and the next chapter should have analysed the economic crises. In addition, the reproduction process should also be covered in the section "The General Crisis of Capitalism".

It would be entirely justified if in the chapters devoted to the general crisis of capitalism there was a special section or large paragraph that would characterise the processes of reproduction and crises during the period of the general crisis of capitalism, and also reveal the impact of wars on reproduction.

It is generally accepted that the textbook does not tolerate oversimplification. Any simplification of any ambiguity sounds false in the textbook, and yet the authors sometimes allow both.

For example, the sphere of circulation is characterised by an unacceptably superficial and sloppy character. The chapter on trading provides a characterisation [of the commodity exchange], to which three a quarter of a page. It says that a commodity exchange is a special kind of market where there is a trade in mass homogeneous goods. Transactions are usually made on the condition that the seller undertakes to deliver to the buyer a certain amount of a given product within a specified time frame. Transactions are usually made in such a way that the seller does not have a product, and the buyer does not really need this product, the transaction is made for a non-existent product, say, for grain that has not yet ripened. Prices are the result of random pricing, shoppers' struggles. In a word, a game is taking place, as a result of which a speculative profit is obtained. The analysis of the economic function of the exchange is not given, it is not shown, in general, what the exchange exists for. In this regard, the reader receives an erroneous idea on this issue. Somewhat better has been said [about the stock exchange], however, in general, it has been said about it very superficially. Another example of a superficial presentation. On page 65 it says that the monetary reforms carried out in the capitalist countries are carried out at the expense of the working masses by increasing taxes and reducing the wages of workers and employees. Here the thought is correct, but it does not reveal the essence of the process.

Currently, under conditions of inflation, there is a colossal rise in prices in capitalist countries, and usually the rise in prices is explained by inflation. There is no doubt that inflation is one of the most important factors in price increases, but inflation is not the only factor. The policy of monopolies, aimed at increasing prices for weapons, has a huge influence. The rise in prices for weapons and other products is accompanied, as a rule, by embezzlement and other parasitic expenditures, which largely determines the high prices.

The language of the textbook is very rational, very dry. In such a popular textbook, designed for the broad masses of the population, one must appeal not only to a cold mind, but also to a hot heart.

Thus, the claims to the textbook boil down to the following: first, it is necessary to include in the analysis of capitalism the process of creating the gravedigger of capitalism, which will strengthen the political content of the textbook; secondly, to give a complete description of modern capitalism, which will increase the relevance of the book and, thirdly, to improve the language of the textbook, which will make the book more accessible, more intelligible for the general reader for whom this textbook is intended.

2. Comrade. Gerashchenko V. S.²
Deputy Chairman of the Board of the State Bank of the
USSR^a

The prepared textbook is extremely necessary for both scientific and practical workers. Its release will allow increasing the level of economic knowledge, both in our country and abroad.

Of particular importance is the elaboration of the laws of the socialist mode of production. The experience of our country of victorious socialism is being carefully studied in foreign countries and, first of all, in the countries of people's democracies that have embarked on the path of socialist construction. The study of our experience would be more fruitful if statesmen and public figures of the countries of the people's democracies were armed with a Marxist-Leninist understanding of the fundamental laws of the socialist mode of production. After these general remarks, consider disadvantages of the third section of the textbook layout. First of all, about the transition period from capitalism to socialism. This part of the textbook layout is dominated by historical method of presentation. Meanwhile, it should be shown what the basic transformations in the economy are carried out after the victory of

² Gerashchenko Vladimir Sergeevich (1905-1995), Soviet economist, Doctor of Economic Sciences, Professor. In 1940-1944 and in 1948-1958 he was Deputy Chairman of the Board of the State Bank of the USSR. Research interests: money, the financial and credit system in a socialist society.

^a To the left of the title, there are two ticks in pencil.

the proletarian revolution and the establishment dictatorship of the proletariat.

The experience of the countries of people's democracies in building a socialist economy should be presented not in [a separate chapter, as it is done in the textbook, but in a chapter characterising the main features of the transition period from capitalism to] socialism^b. Further, in Chapter 19, it is necessary to give a complete characterisation of Lenin's teaching on the nationalisation of banks, the nationalisation of industry, and on the significance of these measures for building a socialist economy.

A few comments on the following issues: the law of value under socialism, the connection between Soviet money and gold, credit and banks of the socialist state and the financial system of the socialist state. The layout of the textbook sets out various points of view on the need to use the law of value in the socialist economy, and no attempt is made to highlight the main reasons that force the socialist state to use the law of value. It can be understood that the authors of the textbook explain the existence of the law of value in the USSR by the need to find some common denominator that would make it possible to measure different types of social labour.

Based on this, we can conclude that in the second phase of the communist society must preserve the law of value in order to be able to have a common denominator with the heterogeneity of different types of social labour. This explanation leads us to the fact that the law of value turns into an eternal law of human society, which is preserved at all stages of its development. Neither can the necessity of the law of value be deduced from the form of management of state enterprises, which has come to be known in our country as cost accounting. Reality shows that it is not economic accounting that is the reason for the operation of the law of value in a socialist economy, namely, the preservation of this law leads to the need for the development and strengthening of cost accounting. In fact, the need to preserve the law of value in the socialist economy follows

^b In the left field, in pencil, next to the note highlighted in the text: **NB**.

from how the plan manifests itself at one stage or another of our economic development [as the basic economic law of socialism]^a.

The textbook correctly notes that the basis for planning the national economy constitutes socialist ownership of the means of production. Only in the presence of socialist ownership of the means of production can the plan manifest itself as the economic law of socialism. [Since individual state and cooperative enterprises] produce [goods], they must ensure public recognition for the goods they produce, as well as recognition at the modern stage of planning and, therefore, at the stage of manifestation of the plan as the economic law of socialism, it is possible only by [exchange of goods]^b. The plan determines the socially necessary time spent for the production of agricultural and industrial goods. The recognition of these goods of their social significance is possible only if the law of value is preserved in socialist society, which makes it possible to carry out the exchange of goods between industry and agriculture. Hence the first reason for the existence of the law of value in the USSR^c.

The second reason for the preservation of the law of value in a socialist society lies in those foreign economic relations that have existed from the first days of the existence of the USSR to the present day. Exercising foreign policy ties with capitalist states, conducting trade with them, the Soviet state, therefore, uses the law of value as the basis for the exchange of goods^d.

Chapter XXIV of the textbook layout unsuccessfully expounds the section on the entity and the functions of money in a socialist society. After reading the section, the reader does not get an idea of the essence of money, he only becomes aware that money are an instrument of the socialist economy and that they represent a complete opposite of the money of bourgeois society. This section of the textbook should have shown that Soviet money [is

^a In the left field, in pencil, opposite the litter highlighted in the text: **Not that.**

^b In the left field, in pencil, next to the check mark selected in the text.

^c In the text of the paragraph with a pencil swinging note: T o-t ...

^d In the left field with a pencil opposite the paragraph is ticked, on top of the text with a pencil swinging note: Tack-s...

credit money]^e. After all, it is because Soviet money has a credit basis, its release into circulation is entrusted to the State Bank. If Soviet money had no connection with credit operations carried out by the State Bank, it would be possible to instruct any state institution to issue money into circulation and regulate monetary treatment.

It is not clear in the textbook that the question of the links between Soviet money and gold is presented. This issue was discussed at this meeting, and various points of view were clarified. Speakers here comrade Kronrod and a number of other comrades argue that Soviet money has no connection with gold and only expresses the aggregate value of the social product. One cannot agree with this attitude. Soviet money has a connection with gold, and we can be convinced of this only if we carefully analyse the foreign trade relations of the Soviet Union. In the first years of its existence, the Soviet state began to intensively develop trade relations with the capitalist countries. At that time, these connections were necessary in order to obtain machines, equipment and use them for the implementation of the socialist industrialisation of the country. At present, significant changes have taken place in the trade relations of the Soviet state. If earlier, mainly raw materials were exported and machinery and equipment were imported, now our export has become industrial, the share of machinery, machine tools and equipment is increasing every year, and at the same time we start to import more and more goods every year general consumption. The transformation of the Soviet state into a major exporter of machinery and equipment raises a number of difficult questions related to the use of Soviet money in international trade.

The further development of trade in the USSR, primarily trade with the countries of people's democracies, obliges economists working in the field of foreign trade to work out the question of the possibility of transferring trade to internal wholesale prices.

^e In the left field with a pencil opposite the selected litter in the text: t; to the right of the litter are two short vertical lines. On the text of the paragraph with a flourish of a pencil note: **Not that.**

The further development of trade in the USSR, primarily trade with the countries of people's democracy, obliges economists working in the field of foreign trade to develop the question of the possibility of converting trade to domestic wholesale prices of the Soviet Union. The transition to domestic wholesale prices of the Soviet Union will oblige the foreign trade authorities and the planning authorities of the Soviet State to constantly compare the applied domestic wholesale prices with the prices of goods operating on world markets. The Soviet Union, carrying out expanding foreign trade operations every year, should establish the connection of Soviet money with gold [as a universal equivalent]. The transfer of our ruble to the gold base carried out in 1950 testified not only to the further growth of the purchasing power of the Soviet ruble, but also to the existence of a connection between Soviet money and gold. The connection of Soviet money with gold allows it to be used as a means of accumulation not only within the country, but also outside of our country, since only money associated with gold and representing gold can be used [as a means of accumulation]. The time will come when the Soviet ruble will displace the American dollar and take its place as a [means of accumulation].

In the present discussion, the comrades who spoke out on the questions of Soviet money circulation allowed the two concepts to be confused. So, for example, when talking about that our money is not associated with gold, as evidence they cite considerations that that our money does not have to be backed by gold. Meanwhile, the security of money with gold and the connection between Soviet money and gold are not identical concepts and cannot be substituted for one another. Soviet money is backed partly by gold and [for the most part by commodities]. However, the collateral [of Soviet money] should not be confused with the question of the relationship between Soviet money and gold. Facts cited leave no doubt that Soviet money is associated with gold^a.

^a In front of the first sentence of the paragraph, a check mark is placed in the left field with a pencil. From words **“So, for example, speaking about the fact that our money is not connected with gold....”** before **“Soviet money is provided partly by gold and mostly by Soviet goods”**, the text is

Chapter 13 of the layout of the textbook sets out issues related to credit and finance of the socialist economy. The disadvantage of this chapter of the tutorial is the fact that it is predominantly descriptive. The chapter indicates that credit is one of the important economic instruments of the socialist economy, that Soviet credit serves the economic turnover of an enterprise at all stages of production and circulation of goods, that the State Bank of the USSR plays a leading role in the banking system of socialist society. The reader does not get an idea of the main reasons that force the socialist state to use credit as one of the important economic instruments. The authors of the textbook would have to show that the necessity of the existence of credit relations in a socialist state follows from the presence of the law of value, acting in a transformed form, from the presence of a commodity circulation and money in a socialist economy. Availability of self-financing and allotment state-owned enterprises with working capital leads to the economic need to separate working capital into own and borrowed. The economic necessity of differentiating working capital is the main origin and development of credit relations in a socialist state.

Speaking about non-cash payments in the national economy of the USSR, it would be appropriate to show that the socialist state has much greater opportunities for the development of non-cash payments in comparison with capitalist countries.

In 1941, Comrade Stalin paid special attention to the available opportunity further development of cashless payments and pointed out that clearing settlements should be considered the main method of settlements of the socialist state.

When characterising the role of the State Bank, the authors of the textbook indicate that The State Bank is a nationwide apparatus for accounting for the production and distribution of products. It should be noted that the authors of the textbook issue wishful thinking. In fact, it cannot be said that the State Bank has already turned into such an accounting apparatus. A significant period of

crossed out in pencil with a slash vertical line, to the left of the line in the text with a pencil mark: **NB**.

development is still needed credit and settlement transactions before the bank becomes a nationwide accounting apparatus.

When considering questions about the finances of the socialist state, the authors' layout combine in one chapter issues related to credit and the budget of the socialist state. It would be more expedient to devote a separate chapter of the textbook to the financial system of the socialist state, while the characteristics of the financial system should be given after the questions related to socialist reproduction, the national income of a socialist society and the distribution of national income have been outlined. The chapter needs to show how the distribution of national income is carried out with the help of the financial system, how socialist savings are used in the interests of further development socialist economy.

The discussion on the layout of the textbook of political economy will help not only the authors of the textbook, but also all economists, both scientists and practical workers, to raise the level of economic science to an even greater height.

3. Comrade. Pankratova A. M.³

**Senior Research Fellow at the Institute of History of the
USSR Academy of Sciences**

The contents of the sections of the textbook, which provide excursions from the economic stories, in general, have a one-sided direction to the West. Significantly less the authors of the textbook pay attention to what happened in economic history east of the Elbe. It is necessary to show the connection and commonality of the laws

³ Pankratova Apia Mikhailovna (1897-1957), Soviet historian, party and public figure, corresponding member of the AP of the USSR (1939), the Academy of Sciences of the BSSR (1940), the APN of the RSFSR (1944), academician of the Academy of Sciences of the USSR (1953). During the discussion, Senior researcher at the Institute of History of the USSR Academy of Sciences (1936-1957). She taught at the Lomonosov Moscow State University (193/1-1954), at the Academy of Social Sciences under the Central Committee of the CPSU (1946-1957). Research interests: history of the labour movement.

of the development of capitalism in Russia and in other countries of Western Europe, America, the East, etc. Further, it is necessary, along with the commonality of laws, to note the originality in the manifestation of these new general laws, to show the economic conditions and laws that led our country to the dictatorship of the proletariat and to the victory of socialism.

The sections of the textbook devoted to the economic history of Russia have the following shortcomings. In the chapter on the primitive communal mode of production, not a single word is said about the peculiarities of the development of the primitive communal system on the territory of our country. The tribal system is described entirely according to Morgan⁴, although the achievements and discoveries of Soviet archaeology provide newer and more valuable materials that help find out the features of the emergence of private property in the East. Transfer from

The primitive communal system to the slave-owning mode of production not only in Russia, but also in the countries of the East had its own peculiarity—this peculiarity is not mentioned in the textbook^a. The entire second chapter on the slave-owning mode of production is also written on the examples of the history of Greece and Rome. There is not the slightest mention of the role of the Slavs who participated in the campaigns and attacks on the Roman and Byzantine slave owners and contributed to the fall of the slave system of Rome. There is not a word about the uprisings against slave-owning exploitation that took place on the territory of our country. It must be emphasised that the transition from a primitive society to a slave-owning one and from a slave-owning system to feudalism took place in the East earlier than in the West, and we have in this matter the richest material that has been collected by our historians and economists.

The layout of the textbook contains three provisions that are refuted by modern Soviet historical science. First, the provision on

⁴ Morgan Lewis Henry (1818-1881), American ethnographer, sociologist, and historian. The creator of the scientific theory of primitive society, one of the founders of evolutionism in the social sciences.

^a According to the text in pencil, sweeping droppings: **Not that. This is political economy, not history.**

the artificiality of planting industrial production in Russia; secondly, the inaccurate formulation of the economic essence of manufactories; and, thirdly, the inaccuracy and incorrectness of the thesis about the emergence of capitalist manufactories.

The theory of the artificial emergence of large-scale production under Peter has long figured in the works of populists and bourgeois historians. This theory has long been refuted by our Soviet historical science and there is no point in restoring it in the textbook of political economy in 1951, since this can lead to a complete disorientation of Soviet historians. It must be replaced with the historically correct provision that manufactories in Russia in the 18th century had deep prerequisites. Manufactories under Peter were not created from scratch, they were the result of the further development of local craft, craft and manufacture of the 17th century, that is, the entire preceding economic development. The authors of the textbook are wrong, unconditionally qualifying manufactories of the 18th century as serf manufactories.

And Academician Strumilin is wrong, who unconditionally characterises the manufactories as capitalist. The original feature of the industrial development in Russia was the presence of large-scale production with forced labour and the presence of really serf manufactories, or serf enterprises with forced labour, which developed alongside and in the fight against manufacture capitalist type, growing out of peasant manufactories and merchant institutions. This struggle between the two principles in the contradictory economy of Russia must be emphasised.

The sections that talk about the initial accumulation in Russia and the industrial revolution require clarification in the textbook. Our economists should take into account the results of the research of Soviet historians, which show that the process of so-called initial accumulation in Russia, which preceded the development of serf production, developed already at the end of the 18th century, perhaps somewhat earlier. The reform of 1861 was only a huge mass robbery of the peasants, and the process of the so-called initial accumulation arose and made itself felt much earlier.

Both the tone, somewhat dispassionate, and the method must be drastically changed the presentation, especially in that part of the

textbook, which deals with the role of the worker mass in general and the role of the working class in Russia in particular. Formation of the proletariat in the textbook shows it from the point of view of its position as an object of exploitation and completely insufficiently emphasises the role of the proletariat as the gravedigger of capitalism. This must be very sharply emphasised in those sections of the textbook that deal with the formation of the industrial proletariat in Russia. The peculiarity of the formation of the industrial proletariat in Russia, its deep connection with the peasantry, is not emphasised, it is not shown that in Russia the proletariat was concentrated on enterprises that contributed to the extremely rapid revolutionisation of the working class. The textbook says inadmissibly dryly about the Russian proletariat, about the historical and economic conditions of its origin, development and struggle. The question of the formation of the industrial proletariat must be presented in the light of substantiating the leading role of the proletariat as the hegemon of the bourgeois-democratic revolution in further socialist revolution.

The revolutionary role of the proletariat in Russia in the era of imperialism is extremely poorly reflected. The law of uneven economic and political development under imperialism could best be characterised in terms of economic material concerning Russia in the era of imperialism, where the front of capitalism was weaker, where there was an average level of development of capitalism, but on the whole Russia remained a semi-dependent country in relation to the countries of imperialism. It is necessary to show the operation of the law of unevenness in a much more concrete way and to emphasise the special role of the Russian working class. Then the conclusions of the section “Victory of the Great October Socialist Revolution and the Splitting of the World into Two Systems - Capitalist and Socialist” would have been much more justified. Then it would be clear why Russia turned out to be a weak link in the world system of imperialism, why the centre of the revolutionary movement moved to Russia, why the Russian proletariat became the leading force in the world historical process.

The authors of the textbook on political economy would have done the right thing if they had involved Soviet historians in the final edition of the textbook.

4. Varga E. S.⁵

Member of the Presidium of the USSR Academy of Sciences^a

The presented textbook still needs a lot of revision. It contains a lot of unnecessary repetition and verbal propaganda without sufficient argumentation. The tutorial is not also devoid of political shortcomings.

Following the example of bourgeois textbooks, all pre-socialist modes of production illustrated exclusively by the examples of Europe: Greece, Rome, Western Europe, Russia. The authors forgot about Asia or only mention Asian countries at the end books (China is mentioned for the first time on 172 pages in the chapter “Land rent under capitalism”). It is known that Marx only in Volume 1 of *Capital* mentions twenty times India, 12 times—China, although then Asia for the labour movement, for the world revolution did not play the big role that it plays today. China, for example, has a much longer history of pre-capitalist formations than Europe. Feudalism was there millennia earlier than in Western Europe. In this regard, it

⁵ Varga Evgeny Samuilovich (1879-1964), Soviet economist, leader of the world communist movement, Doctor of Economics (1909), Professor (1918), Academician of the USSR Academy of Sciences (1939). He headed the Institute of World Economy and World Politics (1927-1947), during the discussion a member of the Presidium of the USSR Academy of Sciences. Research interests: analysis of the main trends in the development of the world economy, the theory of money, economic cycles and crises. In his speech, he took revenge, that the model exaggerates the impoverishment of the working class in the capitalist countries and incorrectly defines the time of the beginning of the general crisis of capitalism. He also addressed the issues of the crisis of the colonial system, economic crises and inflation in capitalist countries.

^a There is a check mark in pencil to the left of the title.

is unforgivable that no Asian author^a is mentioned in the presentation of the economic views of pre-capitalist modes of production.

It is a political mistake that the colonial question and the crisis of the colonial system are poorly stated. The methods of exploitation of colonies by imperialists are not given; figures of income received by England and France from their colonies are not given; the difference between the national income of empires and colonies is not shown. According to the United Nations in 1949, for example, the national income for the capita was 33 times more in the United States than in the Philippines; in England—16 times more than in India; in Holland—20 times more than in Indonesia. Not shown alliance between imperialists, feudal lords and the big bourgeoisie against the working people colonies, the role of the ruling classes in the colonies themselves is not highlighted^b.

The chapter “Economic Crises” cannot be recognised as satisfactory either. The authors failed to show the disasters and the hopelessness that cause the crisis of overproduction in the broadest circles of the population of the capitalist countries.

Take this example: small people have been saving small sums for old age all their lives. If the local bank in which they invested their savings goes bankrupt, then they lose all their small fortune.

Workers buy furniture in instalments. The crisis makes them unemployed. They cannot pay the next instalment. Furniture is taken away from them, although almost all of it has already been paid for. Small people buy houses from builders-speculators in instalments. The speculator went bankrupt at the onset of the crisis; the bank that financed it takes from people half of the already paid houses. Workers often fail to find work, lose their qualifications; after the end of the crisis, they are already too old to get a job again^c.

It is useful for our youth to know such facts.

^a In the left margin, the paragraph is marked with two vertical lines in pencil, in the text with a pencil notation: **True**.

^b Along the left margin the paragraph is marked with two vertical lines in pencil, along the text with a pencil notation: **NB**.

^c In the text of the paragraph in pencil, note: **NB**.

In the chapter [about the crisis: stock market crash], the collapse of credit relations, an acute lack of cash for payments—in general, a crisis in the field of money and credit.

There is not a single word here about intermediate crises, which in the era of the general crisis of capitalism are often repeated in the course of the cycle. Further, it is not clear why the authors on p. 249 state that US production showed signs of brewing of a new economic crisis. Is it possible that a sharp drop in production in US 22 percent—are these just signs of a crisis impending? After all, the fall was faster than at the beginning of the crisis in 1929-1933.

The interpretation of inflation is unsatisfactory. During the period of the general crisis of capitalism—and especially after the Second World War—inflation became a universal and constant phenomenon in capitalist countries. It takes away from the majority of the population of the capitalist countries an increasing part of their real income. It is necessary to clearly show—in numbers and arguments—the truth that modern general inflation is a consequence of the Second World War and preparations for a new world war. It is also necessary to show that [with huge military expenditures, the stabilisation of currencies is impossible]^d.

The political drawback is the absence in the layout [of a serious analysis of the war economy of the capitalist countries], therefore, a clear and complete analysis of the war economy of the capitalist countries should be given; a huge share [of the production of weapons, which finally falls out of the circulation of social capital in its natural form and does not constitute a part of either the constant or the variable capital of society]. This leads to a decrease in the production of civilian items of consumption, to a decrease in the standard of living of workers with the enrichment of monopolies—suppliers of military materials, to a decrease in the people's wealth in its natural form^a.

The chapters on the general crisis of capitalism are also unsatisfactory. The reader, for example, cannot grasp in any way when the general crisis of capitalism began. On page 234 it says:

^d In the text of the paragraph in pencil, note: **NB**.

^a According to the text of the paragraph in pencil, note: **NB**.

“The beginning of the general crisis of capitalism was laid by the First World imperialist war and the victory of the Great October Socialist Revolution in Russia”. On page 235, the authors write: “As a reflection of the general crisis of capitalism, the war has exacerbated this crisis.”

If the war was a reflection of the general crisis of capitalism, then the crisis existed before the war, and the war could not start a crisis, as the model says. We can offer the following wording on this issue. The internal laws of capitalism inevitably lead to its death, as Marx has already proved. The revolutionary drilling of the capitalist system by the proletariat takes place in the era of the general crisis of capitalism. Elements of the general crisis of capitalism accumulated on the basis of the growth of the contradictions of capitalism in the era of imperialism. Therefore, the exact date of the beginning of the general crisis of capitalism cannot be given. The First World War was already a reflection of the general crisis of capitalism. The victory of the Great October Socialist Revolution revealed to the whole world the existence of a general crisis of the capitalist system and further deepened it.

There is a lot of confusion in the layout on the issue of agrarian crises. For example, on page 191 it says: “Every industrial crisis gives rise to a partial or general overproduction in the field of agriculture.” The reader should, on this basis, think that agrarian crises are part of cyclical crises.

One of the political flaws of the layout is the misinterpretation of the Marshall Plan. The authors on 3 pages talk about the Marshall Plan, although its action will end in mid-1952, that is, before the textbook is published. The authors correctly argue that the military spending of the Marshallised countries far exceeds the American loans, but the authors do not answer the crucial political question: how can it be that the peoples of the Marshallised countries did not gain anything from the fact that their countries received on credit a large amount of grain, flour, canned food, etc. from the United States. But it is known that the money received from the sale of goods (received under the Marshall plan), the government is obliged to deposit into a special bank account.

The government has no right to spend a single penny from this account without the permission of the US Commissioner for the Marshall Plan^b.

Other shortcomings include the fact that the authors did not disclose (on page 117) two important factors that reduce the real wages of workers: a) the costs of workers for travel from the apartment to their place of work, and b) the cost of additional wear and tear of clothes and shoes for work.

I'm afraid the authors sometimes exaggerate too much the impoverishment of the workers in capitalist countries. This can damage the credibility of the textbook. Abroad, the working people of Germany, Italy, Poland, etc., from the letters of millions of compatriots living in the United States, receive other information that seems reliable to them.

The situation with statistical data is bad in the textbook. They are not on time coinciding with the period described in one or another chapter. For example, in separate chapters on capitalism, data are given that belong to the era of general crisis of capitalism.

The layout indicates that the share of the United States in the industrial production of the entire capitalist world was 63.9% in 1947. This figure can hardly be found to be correct^a.

By the beginning of 1950, US investments abroad were \$33 billion, up from \$11.8 billion in 1938. The textbook says that these investments abroad bring American monopolies about twice the average rate of return than in the United States itself. [There is a lot of confusion here]. Monopoly capital investment [does not bring in either the US or overseas average rate of return]. Monopolies receive monopoly profits that are significantly higher than the average rate of return. This is the essence of monopolies. Further, more than half of the \$33 billion in foreign investments of the United States are government loans of a military-political nature: loans from England, Chiang Kai-shek⁶, Marshallised countries, etc. This part of the US

^b The text of the paragraph is crossed out with a pencil with two slashes.

^a According to the text of the paragraph in pencil, note: **NB**.

⁶ Chap Kai-shek (1887-1975), military and political figure, Marshal and Generalissimo, President Republic of China (Taiwan) in 1948-1975.

capital investment does not bring either double or ordinary profit. Here it is necessary to emphasise the importance of these loans as levers of political subordination of the debtor countries, and not as sources of income, which they are not^b.

While the authors are busy correcting the layout, I consider it expedient to send out 30-40 copies of the textbook to students, advanced workers, scientists in natural science. Let them carefully read the layout and write which chapters and which places they didn't understand. Compilers need to know this.

I think it is necessary to give all the examples in the textbook on the metric system.

RGASPI. F.558. Op. 11.D. 1243. JI. 77-96. Typescript.

^b The text of the paragraph is crossed out with a pencil with two slashes.

**18. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 20, 1951**

Evening Session 20 November

**1. Comrade. Lifii M. M.¹
Head Department of the Moscow Institute of National
Economy. G. V. Plekhanov^a**

Chapters devoted to the issues of commodity circulation under capitalism and in conditions of socialist society have a number of significant shortcomings. Capitalist trade is considered by the authors of the textbook in Chapter XII. The disadvantage of this chapter is the poor coverage of the question of the nature of capitalist trade. The authors did not show the exploitative nature of capitalist trade, did not reveal, that capitalist trade serves as a means of disseminating and establishing capitalist production relations, since realised through its surplus value enriches the capitalist classes and enables expand capitalist forms of production.

In isolation from the modern conditions of developed capitalism, the issue of circulation costs is highlighted. The authors limited themselves to an exposition of Marx's classification of distribution costs, but did not show that the overwhelming majority of capitalist distribution costs are pure distribution costs; a significant part of the additional distribution costs, costs caused by the transportation of goods, their storage, etc., turns into net distribution costs.

¹ Lifits Moisey Mondeleevich (1903-1960), during the discussion head of the Department of the Moscow Institute of National Economy, G.V. Plekhanov, research interests: Soviet trade.

^a To the left of the title, there are two check marks in pencil.

The paragraph of Chapter XII on the forms of capitalist trade is written superficially. Instead of vividly showing the enormous wastefulness in the field of trade, the curvature of the path of movement of goods, the presence of oncoming and repeated shipments, the authors argue in the layout that only some goods, especially personal consumption items, pass through many hands before they reach the consumer.

The apolitical characterisation of the forms of capitalist trade, which is given in the layout and is reduced to the distinction between general and specialised stores, is also puzzling. The authors do not disclose individual monopolistic forms of trade caused by competitive struggle. Meanwhile, only by analysing the monopolistic forms of trade could the class essence of this economic institution be revealed.

While giving an excessively detailed exposition of the question of commodity payments, the textbook, at the same time, does not dwell on the hypertrophy of the trading apparatus, on exploitation, on the deterioration of the position of commercial employees, on the growing waste of capitalist trade. The textbook does not emphasise the growth in the level of distribution costs, which is characteristic of capitalist trade.

Chapter 29, on Soviet trade, also has major shortcomings. The chapter does not sufficiently show the features of the circulation of individual parts social product.

It has not been explained to the reader that Soviet trade is a form of exchange and distribution inherent in the socialist mode of production. The main features of Soviet trade as a trade of a special kind, developing in conditions other than capitalist trade, are not set forth in detail. The role of Soviet trade in socialist reproduction is shown very poorly; the role of trade in the implementation of the economic exchange of goods between regions of the country and branches of the national economy is not disclosed. The textbook does not reveal the role of trade in raising the level of national consumption.

The theoretical analysis of the peculiarities of the circulation of that part of the social product that is created in agriculture is replaced by the enumeration of the forms of procurement of agricultural

products. Meanwhile, it would be necessary to show those forms of economic exchange of goods that develop between industry and agriculture. The textbook should characterise agricultural procurements as a form of commodity circulation, due to the presence in the country's economy of cooperative collective farm property and personal subsidiary farming of collective farmers.

One cannot agree with that restrictive interpretation of the organised market, which is given in the tutorial layout. On page 408, the authors write that state and co-operative trade is an organised market that has decisive in the country's trade.

From the above definition of the organised market, it is clear that the authors do not refer to the organised market either the circulation of the means of production between socialist enterprises, or the centralised procurement of agricultural products, which in their volume significantly exceed the decentralised procurement.

The limitation of the concept of an organised market to the circulation of the products of the second subdivision indicates that the products of the first subdivision of social production in their circulation do not take a commodity form. Meanwhile, the point of view of the comrades who spoke here and denied the existence of trade between socialist enterprises contradicts the Stalinist definition of expanded trade.

The authors described the question of the forms of Soviet trade in a descriptive manner, and the textbook layout explained the forms of trade only in relation to the collective farm market, which cannot be considered sufficient. Further, when characterising state trade, the authors should indicate that it represents [the highest stage of trade and expresses itself] a higher law of social relations in the economy. Broader and deeper it was necessary to expound the issues of planning trade turnover^a.

^a In the bottom margin in pencil: **Sovetskayatrade=trade without intermediaries, without speculation and speculators, without monopoly prices with a constant decline in prices, = that is, the cheapest, conscientious quality** [word written above the line] **and acceptable for the consumer trade.**

Such important categories of commodity circulation as commodity stocks, circulation time turned out to be uncovered in the textbook.

These categories, the nature of which has radically changed under the conditions of the socialist mode of production, are of great importance in the development of the socialist economy. Reducing the time of commodity circulation accelerates the turnover of the social product and thereby contributes to an increase in the rate of socialist reproduction. This has been repeatedly emphasised in a number of party decisions. [...]

RGASPI. F. 558. Op. 11.D. 1243.L. 98-101. Typescript.

**19. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 21, 1951**

Morning Session November 21

2. Comrade Lyapin A. P.¹

**Lecturer at the Department of Political Economy
Academy of Social Sciences under the Central Committee of
the CPSU (B)**

[...] The model we are considering for a textbook on political economy undoubtedly compares favourably with the previous model. At the same time, it suffers from serious shortcomings, both of a structural nature and in the sense of presenting a number of important theoretical problems, especially the political economy of socialism. The structure of the textbook on the section “Socialism” lacks a strict logical and historical sequence in the presentation of the main problems of the political economy of socialism. So, for example, it would be advisable to consider the features of the transition period of countries of People’s Democracy in Chapter 19 on Transition Theory. This in the tutorial was not done.

Another significant drawback of the structure of the section “Socialism” is that in it, in the structure, the primacy of production is not sufficiently reflected. The themes particularly suffer in this respect—the organisation of social labour, economic calculation and the paths of a gradual transition from socialism to communism. Speaking about the need to increase attention to production, one

¹ Lyapin Andrei Pavlovich (?—?), Soviet scientist, during a discussion, lecturer at the Department of Political Economy at the Academy of Social Sciences under the Central Committee of the All-Union Communist Party of Bolsheviks.

cannot, however, agree with the proposal to introduce the doctrine of the enterprise into the textbook of political economy. The so-called doctrine of the enterprise is the bourgeois theory most widespread at one time in Germany; it aims to dissolve economic laws in general reasoning about production in general. In connection with the serious shortcomings of the textbook scheme, it becomes necessary in the near future to discuss this issue at a narrow meeting of a group of economists.

In the section “Socialism”, the development of a number of topics has not reached the level required from a full-fledged textbook. The weakest in theoretical terms are precisely the main central problems of the section “Socialism”, such as the transition period from capitalism to socialism, the economic basis of a socialist society, economic planning, goods and money, and the socialist organisation of social labour. An example is the chapter on the socialist organisation of labour. This chapter is not complete enough of the socialist nature of labour and labour force is revealed, socialist cooperation and division of labour, the socialist nature of the use of machines are not shown, the issues of labour productivity, socialist competition and specific forms of organisation of labour at state enterprises and collective farms are poorly covered. The chapter does not emphasise that the most important feature of social labour is that it is systematically organised on a social scale and that socialist cooperation of labour is planned cooperation based on the division of labour and excluding the enslavement of labour.

It has not been shown at all that socialist competition is a special regularity in the development of the productive forces of socialist society, expressing socialist relations of production as relations of cooperation and mutual assistance.

The chapter does not provide a definition of labour productivity and does not explain the main provisions of Lenin and Stalin on the importance of labour productivity as the most important condition for the victory of the new social system.

It is impossible to agree with the proposals of a number of comrades that instead of the head on wages, give a general topic of distribution according to work, or even more general the theme is the

basic principle of socialism: from each according to his ability, to each according to his work.

It must be admitted that the textbook in its current form correctly reflects the importance of the need for a topic on wages. Wages are one of the most important categories of the political economy of socialism. Lenin repeatedly stressed that wages are a means of increasing production.

The topic of the textbook “From Socialism to Communism” requires serious changes and improvements. In this topic, it is necessary to give the economic foundations of a gradual transition from socialism to communism. It should set out approximately the following circle of questions: 1. Teachings of Comrade Stalin on the possibility of building communism in the USSR; 2. The main economic task of the USSR and the creation of a material and technical base of communism. The creation of the material and technical base of communism and an abundance of products is one of the important laws of the socialist mode of production; 3. The role of the Soviet state in building a communist society; 4. Development and strengthening of socialist production relations, socialist property, planning; 5. Ways to eliminate [differences] between town and country; 6. The growth of the cultural and technical level of the working class and the elimination of the differences between mental and physical labour^a.

All these questions in the textbook are disclosed with unequal completeness, and sometimes they are bypassed in complete silence.

Many comrades who spoke here dwelt mainly on the shortcomings of the textbook. These shortcomings objectively reflect the general state of affairs in our economic front. They testify to the fact that Soviet economists are all they are still poorly developing topical theoretical questions and do not give the country the necessary work on the socialist economy, on the issues of socialist property, planning, reproduction, on specific ways and methods of construction of communist society. Papers on economic issues prepared for publication often lie idle for a number of years at the

^a From the arrow highlighted in pencil in neither the text nor the bottom margin to the note: **Opposites.**

Institute of Economics of the Academy of Sciences and in other scientific institutions, which indicates a problem in organisation of publishing. In addition, Soviet economists sometimes work on handicraft, randomly. There is no single unifying centre that would coordinate and direct the work of all scientific institutions and departments of higher educational institutions. It is time to think about the forms of organisation and planning of scientific work in the field of economics on a national scale.

3. Comrade. Tikhonov I. A.²

Lecturer at the Department of Political Economy, Leningrad Finance Academy^a

The draft textbook does not give the necessary, detailed concept of production, the productive forces of society and the elements of their components. The authors of the textbook pass on the solution of these questions to the readers, even if, they say, each of them decides in his own way, thereby introducing confusion and inconsistency in the coverage of important issues of economic theory.

Comrade Paltsev's speech clearly outlined two different points of view on the sources of differential rent. Therefore, it is necessary to exchange views in order to understand this issue deeper and more thoroughly. You cannot act as Comrade Spiridonova did, who so decisively subverted Paltsev's position and said absolutely nothing in her speech.

Differential rent under capitalism should be considered in direct connection with the source of excess surplus value. In industries, due to differences in the conditions of production at individual best and worst enterprises, the deviation of individual value from the market, social value is inevitable. Because of this, one extracts of surplus value, while the other accordingly realises only part of the surplus value. This circumstance gives reason to believe that the excess

² Tikhonov Ivan Artemievich (?—?), Soviet scientist, lecturer at the Department of Political Economy at the Leningrad Finance Academy during a discussion.

^a To the left of the title, there are two check marks in pencil.

surplus value at individual enterprises in a given industry is extracted as a result of equalisation, redistribution of all surplus value produced there, in the course of a fierce competition. It follows from this that the capitalist, who extracts surplus value, exploits not only the workers of the given enterprise, but also the workers of other enterprises of these industries^b.

As far as differential rent is concerned, we know Marx's indication that its nature is the same as that of excess surplus value.

A feature of agriculture is that here [the surplus is not temporary, but permanent], because the market value is set on the average, [but under the worst conditions of production]^a. All this speaks of the need, first, for a deeper and more comprehensive study of this issue, drawing on for this purpose all the relevant instructions of the classics of Marxism-Leninism, and in particular, Marx's manuscript "On the commodity as a product of capital"; secondly, it requires strengthening the argumentation or even clarifying and correcting the paragraph on excess surplus value; thirdly, this requires strengthening the argumentation and the necessary correction of the paragraph on differential rent under capitalism; fourthly, it requires a corresponding clarification of the provision on differential rent under socialism.

In the textbook on political economy, the question of the progressive sewing up of the economic basis of modern capitalism and strengthening in this connection the reactionary role of the superstructure. What is the essence of what is happening changes in the economic basis of modern capitalism, which has entered a period of general crisis? It consists in the fact that the economic basis of modern capitalism turns out to be less and less capable of fulfilling its official role in relation to society, that is, of economically serving it. This means that the existing system of production relations, acting in the form of a merciless and constantly increasing exploitation of

^b In the left margin, there is a cross in front of the last sentence of the paragraph in pencil.

^a In the left margin there is a cross in front of the one highlighted in the text in pencil.

labour by capital, literally stifles it and does not allow the basis of society to develop.

Of course, this statement has nothing in common with the notorious theory of [narrowed reproduction], which has been thoroughly and deservedly criticised here.

It is known that individual branches of capitalist production, and especially branches that are directly related to the production of power steering, are developing incomparably faster than before. Suffice it to say two examples that the general index of industrial production in [the USA in comparison] with 1937, taken as 100%, rose to 156% in 1949 and up to 176-177% in 1950, a characteristic start military aggression in Korea^b.

However, this development, first, is extremely uneven and contradictory, when the rise of production in some countries of the imperialist camp is accompanied by its decline in others. First, the development of production within the bourgeois countries themselves is becoming increasingly ugly under the present conditions, when, with a strong reversal of the military industry, civilian production is inexorably curtailed. Third, the general tendency to stagnation and decay is increasing, and the slowdown in economic development is increasing. Hence, along with the growth of conflicts and contradictions within the capitalist camp, the main contradiction of capitalism, i.e., the contradiction between the productive forces and the relations of production, the totality of which constitutes the economic basis of society, is increasingly growing and revealing itself^c.

By revealing all the specific forms of the progressive decay of the economic building modern capitalism, the textbook should show how, in connection with this and on the basis of this, the capitalist superstructure is increasingly decaying. At the same time, special attention should be paid to showing the growing decay of the

^b From the arrow marked in pencil on the bottom of the mark: **This is only in the USA, but as in the rest of the capitalist countries of the world (including Japan, Germany, Italy)?**

^c According to the text of the paragraph in pencil with a sweeping note: **Chatter.**

political superstructure, revealing a sharp increase in its reactionary role.

As a final conclusion when considering the topic of the historical place of imperialism, it is necessary to emphasise the necessity and inevitability of the revolutionary replacement of capitalism with socialism, pointing out in the words of Comrade Stalin that the socialist system will follow the capitalist system as inevitably as the day follows the night. So, the third section of the textbook on imperialism and especially its historical place needs a thorough revision. When illuminating the historical place of imperialism, it is necessary to show the progressive growth of decay of the economic system of capitalism and the associated intensification of the reactionary destructive role of the superstructure.

The authors of the layout bypass the question of what economic basis existed in transition period and what is the essence of transitional relations of production. It is necessary in the textbook to refer to the well-known instruction of Comrade Stalin at the 14th Congress of our Party, where he pointed out that our economic system in the transition period cannot be called either capitalist or socialist. This allows us to assert that during the transition period there was a process of revolutionary destruction of the old economic basis of capitalism and, at the same time, the formation and consolidation of the new economic basis of socialism.

Comrade Gerashchenko said in his speech that our Soviet money will not only be used, but is already partially used as a means of accumulation on the world market in foreign countries. To confirm this position cited a letter from an American priest. This provision and reference does not stand up to severe test and criticism. In fact, it is known, firstly, that the Soviet ruble, according to the law of 1926-1928, is a currency that is limited to the territory of our country, that is, its export outside our Soviet borders prohibited. Secondly, it is known that our foreign trade with the countries of the imperialist camp is increasingly shrinking, developing mainly along the line of strengthening the economic ties of our country and planned coordination with the economies of the countries of people's democracy. Third, in the implementation of foreign trade, the Soviet

ruble is used as a unit of account in the clearing system, providing equivalent, equal-value exchange of goods. Fourth, when deploying foreign trade with the countries of people's democracies is not likely to occur there either the formation of savings in the form of Soviet currency, for not they, but we are crediting them, thereby helping to build a new socialist economy.

We cannot agree with the speech of Comrade V. Kats, who allegedly made a deeper and more thorough study that would enable him to clarify the great Lenin on the question of calculating the national income. From this high rostrum, he invites us to give preference to his statistical research in comparison with the scientific works of V. I. Lenin. It is obvious to everyone that such claims are at least naive.

4. Comrade Lyubimov H. N.³
Head of the Department of the Moscow Institute of Foreign Trade^a

On page 160, the terms “balance of payments” and “balance of payments” are linked together by the union “or” in the sense of their meaning. It is not right. The settlement balance is not the balance of payments. The settlement balance expresses the ratio of claims and obligations, including the commodity credit of a given country with the world overseas as a whole. The balance of payments gives the ratio of monetary receipts to cash expenditures. Its drafting became possible only in the USSR and in those countries of the democratic camp, the legislation of which in the area under consideration was built on the model of the legislation of the USSR.

³ Lyubimov Nikolai Nikolaevich (1894-1975), Soviet scientist, economist, doctor of economic spider (1944), research interests: international economic relations, finance, credit, foreign trade of the USSR and foreign countries. During the discussion, Head of the Department of Monetary and Financial Disciplines of the Institute of Foreign Trade. At the discussion, he spoke on the crisis of public finances in capitalist countries and criticized modern bourgeois economists, and made a number of proposals on these issues.

^a To the left of the title, a check mark is put in pencil.

On page 236 we read: “According to available calculations, the devastation caused 4 years of economic crisis of 1929-1933, in terms of their volume, are not inferior to the destruction caused by the 4-year war of 1914-1918. “ We have before us an unconvincing and ill-considered comparison, in which the death of millions of people in a flourishing age during the war is “forgotten”. Such a text could be used as a direct justification for a war that is supposedly cheaper for mankind than the most powerful destructive economic crises^a.

On page 177 is a sample [of an uncritical use of American bourgeois statistics]. It says here that in the United States of America, according to 1945, only 34.2% of all farms have tractors and 22.2% have trucks.

It is not necessary to provide these purely indicative data in the textbook. In reality, the so-called mechanisation of cotton in the United States applies only to large capitalist farms, which account for 1.1% of the total number of farms, and to kulak farms, which make up 11.5% of all farms. The total is 12.6% and not 34.2%^b.

On page 284 it is said that in 1937 the Soviet Union not only stopped importing a number of important goods from the capitalist countries, such as cars, tractors, agricultural and other machines, but also organised their export abroad. Meanwhile, it is known that in 1946 the USSR signed a loan agreement with Sweden for the purchase of equipment, machinery and other goods. Note that the one billion kronor industrial loan to the Soviet Union was the largest loan that Sweden has ever granted to a foreign state. At the end of 1947, an agreement was signed with England, which provided for the placement of orders for equipment manufactured by British firms. If we keep the text of the textbook on this issue in its current form, then the idea of peaceful coexistence and economic cooperation and competition between the USSR and foreign, including capitalist, states will be obscured.

^a Along the left margin, in pencil, two vertical lines, in the text of the paragraph with a pencil notation: **Not that**.

^b In the text of the paragraph in pencil, mark: **NB**.

The layout clearly underestimates the financial exploitation of the working class and other workers. It is necessary here to reveal the reasons for the unprecedented growth of militarism, not limiting itself to listing individual facts and trends without disclosing the essence of the financial exploitation of workers in imperialist countries, colonies and dependent countries. Academician Trachtenberg said here that the militarisation of the economy leads to an increase in the power of the financial oligarchy. No, the militarisation of the economy leads to a new enrichment of Morgan⁴ and Dupont⁵, the Vickers⁶ and Schneider⁷ concerns, etc., to an increase in the number of billions in individual monopolies and monopolists, and not to the strengthening of monopoly capitalism as a system. In fact, the militarisation of the economy, which finds its expression in the one-sided development of the military industry, undermines monopoly capitalism and strikes^c the powerful forces of social resistance, a putrid and thoroughly parasitic system of the economic and social system.

In a textbook on political economy, it should be brought in a systematic form of those indicators that testify to a deep crisis in the state finances of the capitalist countries. You can put forward, for example, the following system indicators. The first indicator is the chronic imbalance of state in local budgets, which has taken on the character of a real epidemic and hit the financial systems of all bourgeois countries; in the area of costs the most characteristic is a huge increase in appropriations for preparing new wars, armed interventions, for waging wars and financing other unproductive parasitic spending—on the apparatus of oppression, intelligence, etc. Chronic scarcity of state and local finances is an inevitable

⁴ A dynasty of oligarchs, founder Junius Spencer Morgan (1813-1890) created Morgan & Co., which became one of the largest financial corporations in the world.

⁵ A dynasty of oligarchs who own DuPont, an American chemical company founded in 1802 as a gunpowder business.

⁶ British military-industrial concern.

⁷ French military-industrial concern.

^c Pencil arrow on the top margin to the mark: **Generates?**

consequence of militarisation economies of the main imperialist states and their satellites.

The second indicator is the huge increase in indirect consumption taxes, in including “universal excise”, which is the capitalist turnover tax, and direct taxation of small and medium incomes due to the reduction of the non-taxable minimum, the abolition or reduction of marital status benefits, etc. In England, the number of taxpayers of [income] tax increased in the Second World War and after its end from 3.8 million people to 14.5 million people; in the United States—from 4 million to 54 million. In mid-1949, the taxation of corporations in the United States was increased by one and a half to two times in comparison with the pre-war 1939, and taxes on the wages of workers with average earnings increased by 7 times. For a better understanding of these figures, it can be noted that, according to the US Bureau of Labour Statistics, the subsistence minimum for a family of 4 people was determined at \$3535 per year, and in fact, the average annual income of such a family was \$2,652^a.

The third indicator of the crisis of capitalist public finances is the huge increase in public debt and interest payments on them.

In the field of lending to foreign borrowers at the forefront of international credit was put forward as one of the instruments of imperialist expansion of the state (represented by the US government, [Export-Import Bank] and other American or Americanised seemingly “international” bodies that replaced the former banking syndicates for the placement of loans). Export capital in large amounts goes through interstate channels (“aid” to backward countries according to point 4 of the Truman programme⁸, part of the

^a On the left zero in pencil there are two vertical lines, according to the text of the paragraph in pencil, notation: **NB**

⁸ The Truman Programme is a foreign policy doctrine voiced by US President Gary Truman in March 1947. It revised the policy pursued under Roosevelt and included the principle of “containment” towards the USSR around the world by putting pressure on the Soviet Union and the People’s Democracies. Under this programme, the United States provided aid to Turkey and Greece.

“aid” according to the Marshall plan⁹, formalised in the form of loans from an export-import bank, and others). The imperialist states—the United States and Britain—are enslaving economically and financially weaker countries, Marshallised states and colonies. The question of markets for the export of capital, following the definition of Comrade J. V. Stalin, is a most characteristic feature of the imperialist stage.

The fourth sign is the strongest growth in government budgets. This growth is caused by huge expenditures on the militarisation of the economy, on the financing of exports at dumping prices, on the supply of weapons under the aggressive North Atlantic pact¹⁰, etc.

Keynes, a faithful servant and defender of the British monopolies, in his General Theory of Employment, Interest and Money, openly expressed the following monstrous wish: “Even wars can serve to increase wealth if the education of our statesmen on the principles of classical economy closes the path to something better”. Rejecting the hypocritical “if” in this phrase, we see the direct defence of war as a sure means of enriching the monopolies^a.

The financial oligarchy and its ideologists do not even think about the stabilisation of budgets, on the contrary, the instability and shattered financial and monetary systems are in its direct interests. In order to enrich the monopolists, the emission tax is widely used, that is, a mechanism for deliberate inflationary reduction of real wages and a reduction in the consumption of workers and other workers.

The insatiable military dispute between states distributing fat orders to monopoly suppliers is the root of astronomical war debts, unparalleled tax increases, rising inflation and a general disruption of the financial and monetary systems of capitalist countries. [This

⁹ The Marshall Plan is a programme to help Europe recover from World War II, launched in 1947 by US Secretary of State George 1C. Marshall.

¹⁰¹⁰ North Atlantic Pact—the North Atlantic Treaty signed on April 4, 1949 in Washington by the USA, Great Britain, France, Belgium, the Netherlands, Luxembourg, Canada, Italy, Portugal, Norway, Denmark, Iceland and formed the basis of the military-political alliance NATO (North Atlantic Treaty Organization).

^a The paragraph is crossed out in pencil with two vertical slashes, according to the text with a pencil notation: **NB**.

“legalised system of embezzlement”] (Lenin) means a systematic [pumping of folk funds through the channels of state budgets] into the pockets of monopolists. The capitalist working for the war does not work at all for the market, but at the order of the treasury, all the time, on the money he received as a loan from the treasury. The time has come to speak about this in a textbook on political economy. Then the increasingly reactionary [role of the state-monopoly superstructure], including the financial policy pursued by the imperialist states, will become clearer and more obvious. The tutorial should expose common concepts about active intervention of the state in the economy, on the “treatment” of the economy by conducting huge inflationary spending programmes—to multiply the armed forces, race weapons; on the levelling of individual income and wealth by direct taxes and the bourgeois nationalisation of certain industries and banks; on the possibility of further expediency of astronomical government debts, about the so-called “budget” (seven-year) cycles, within which the balance of government revenues and expenditures supposedly takes place^b.

Back in the 1923 Treatise on Monetary Reform and in later books and articles, Keynes recommended moderate regulated inflation as a means of stimulating the development of production and at the same time reducing real wages.

In fact, the monopolies pursue a policy of inflation on a huge scale, and not in moderate doses. In a brochure under the loud title “How to Pay for the War” in 1940, Keynes proposed placing the financial burden of war on the working people. It considered it necessary to deduct from 10 to 40% from the current wages of workers. The Labour “theorist” on finance Kohl dared, without any shame that taxes in England have already contributed to the fragmentation of large property and capital the elimination of sharp gradations in individual income. During 1945-51, Kohl argued that there were no longer rich people in England, due to high taxes on large incomes and property. However, the exceptionally high profits

^b On the left margin, opposite the first sentence of the paragraph, in pencil, two vertical lines, each text in pencil note: **NB**.

of the British monopolies daily refute the inventions of Kohl and other bourgeois financiers^c.

In the textbook on political economy, it is also necessary to pay more attention to exposing the false concept about the possibility and necessity of economic planning.

One last remark. In the layout, 11 lines are given to Radishchev in petite form, the Decembrists—2 lines, Herzen— 7 lines, Chernyshevsky—28 lines, Plekhanov—4 lines. Truth, as a consolation, we are promised the publication of the first volume on the history of Russian economic thought, but if the authors of the layout think that such disregard for the Russian revolutionary democratic tradition of the late 18th century and 19th century they help to assert the priority of Russian science in our country and abroad, then they, of course they are deeply mistaken. This layout gap should be removed.

RGASPI. F.558. Op. 11.D. 1243.L. 109-123. Typescript.

^c From the words “he considered it necessary to subtract ...” to the end of the paragraph, the text is crossed out in pencil with two vertical slashes, to the right of the text with a pencil of a note: **NB**.

**20. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 21, 1951**

Evening Session 21 November

1. Comrade. Mitin M. B.^a

**Editor of the newspaper “For a Lasting Peace, for People’s
Democracy!”**

Questions about economic laws, about the relationship between the laws discovered by science and reality itself, about the economic laws of socialism are the most important theoretical problems, the correct solution of which is capable of to provide a sound basis for a political economy textbook.

Comrade Mikolenko put forward the position that in general, neither in nature nor in society there are laws that do not act spontaneously. He [identified objectivity with spontaneity] and came to the conclusion that under socialism, economic laws, being objective, are thus and spontaneously acting, there is no need to speak of economic laws under socialism. To prove of his provisions, he quoted the well-known work of Comrade Stalin “On the question of strategy of Russian communists “, which says that an objective, spontaneous element is that group of processes that occur independently of the conscious and the regulatory role of the proletariat.

Comrade Mikolenko puts an end to this and moves on to his arbitrary interpretations of this place. Meanwhile, Comrade Stalin explains exactly in the next phrase what processes are being discussed in this case. Comrade Stalin writes that the economic development of the country, the development of capitalism, the

^a Two check marks in pencil, above them in pencil: **By istor. Mate.**

collapse of the old regime, the spontaneous movement of the proletariat and the classes surrounding it, the clash of classes, etc., are all phenomena whose development does not depend on the will of the proletariat, this is the objective side of the movement. And further, in the same work, Comrade Stalin points out that the theory of Marxism, studying the objective processes of capitalism in their development and withering away, comes to the conclusion about the inevitability of the fall of the bourgeoisie and the seizure of power by the proletariat, about the inevitability of replacing capitalism with socialism.

Comrade Mikolenko extended the characterisation of the objective and spontaneous relations that take place under the capitalist system to socialism, and transferred all this to the relations developing in socialist society.

It is known that as a result of the coming to power of the proletariat and the victory of socialism, the objective laws of the development of society have radically changed. It has become completely different from what it was under capitalism. Under socialism, a new pattern of social development has taken shape. In a socialist society, a planned economy, there is no anarchy of production, no elements of the market, no domination of spontaneous economic laws, no economic crises, unemployment, etc.

Comrade Mikolenko spoke here about social life and social consciousness. Of course, under socialism, social being is determined by social consciousness^{aa}. This starting point of the materialist understanding of history operates in socialist society, and it will also operate under communism. However, in socialist society, the starting point of the materialist understanding of history about social life and social consciousness requires [some addition].

In addition, this is that [the creative role of the leading social theory is that the Communist Party, relying on the known laws of] socialist life, on the known regularity of economic life, using, in the words of Comrade Stalin, to the bottom of the creative nature of

^{aa} In the sentence "Of course, social existence even under socialism ..." is corrected in pencil: "is determined" into "determines"; "Public" to "public"; "Consciousness" to "consciousness". On the left margin, pencil litter:?

Marxist theory and scientific foresight, builds the entire economic life of our country on the basis of scientifically developed plans^b.

We know very well that our Bolshevik Party is not acting out of intuition and according to the will of the senses, and in all its activities relies on a scientific foundation, on knowledge of the laws of life, including knowledge of economic laws. By mastering these laws, our party controls social events, economic development in our country, puts the laws of economics at the service of socialism. Without this, socialism would not be socialism, and the theory of Marxism would not be a scientific theory. Consequently, the peculiarity of economic [laws of socialism] is [that they are in no way spontaneous laws]^a. The economic laws of socialism are the objective laws of our reality. They are an objective necessity and are based in a socialist society on a completely different foundations of life than under capitalism.

It seems to me that it is necessary to expand the chapter on the nature of the economic laws of socialism, to explain them better and more fully. While in the tutorial layout on page 324 it is correct the question of the economic laws of socialism is raised, but they are set out too in short and general form.

The layout of the textbook contains material characterising the super-structural relations, but all this is very succinct and dry. So, in the textbook, after characterising the entity and function of money under capitalism on page 67 it says: “Under the bourgeois system, money is a huge force that gives power over people. Money can buy everything: land, factories, labour, etc. With the general corruption prevailing among the bourgeoisie and honour, glory, love, conscience, etc., become the subject of purchase and sale of its hangers-on. “All this, of course, is correct, but dry. So it is asked in this place to use the immortal provision of the “Manifesto of the

^{bb} On the left margin, pencil mark:?:; below in pencil the litter: **Stupidity**. From the selected paragraph to the end of the paragraph, the text is crossed out with a pencil with two vertical slashes. On the bottom margin in pencil mark: “**Addition**” = **stupidity**.

^{aa} In the left margin, in pencil, opposite the highlighted label: **Stupidity**. In the upper field, in pencil, mark: **Objective, spontaneous = that is, independent** [insert top: process] from the will of people.

Communist Party” that how the bourgeoisie turned into exchange value and personal dignity of a person, how it replaced countless freedoms with one shameless freedom of trade, how the bourgeoisie tore off family relations their touchingly sentimental veil and reduced them to purely monetary relations, etc.^b. With the introduction of such even small additions will take into account and express Lenin’s idea of what the textbook should be on political economy^c.

Or take, for example, such a question as the question of crimes in the bourgeois society. Lenin says that it is necessary to give a capitalist social formation with some of its everyday aspects. It is known that in “Capital” and in “Theories of Surplus Value”, analysing the capitalist system, he gives the deepest consideration of the issue of crime in the bourgeois world, noting that crimes are intrinsically related to capitalism. Capitalism was born, committing the most brutal crimes. Criminals violate, said Marx, the monotony of bourgeois life and thus protect it from stagnation, generate that unceasing tension without which the sting of competition would have dulled.

I am far from suggesting that the authors of the textbook insert, say, a few pages or a whole chapter on crimes in bourgeois society. However, when characterising the bourgeois system, its predatory essence, it would be very useful and further necessary a paragraph on this topic, especially since this issue found such a large place in the works of Marx when characterising capitalism.

The richest material of the classics of Marxism-Leninism in an exposition of contradictions and antagonisms in capitalist society. It’s possible to do and must do not by expanding the volume of the textbook, but by means of a sparing, more prudent selection of material.

At this meeting, in the speeches of a number of comrades, the question was raised about the chapter devoted to the construction of a socialist economy in European countries and people’s democracies,

^b According to the text in pencil, sweeping droppings: **Ha-ha-ha**.

^c In the left margin, in pencil opposite the last sentence of the paragraph, two short vertical lines and a label: **Ha ha ha**.

and its place in this textbook. There were suggestions to give this chapter to the characteristics of the socialist system of the national economy.

The structure of people's democracy in a number of Central European countries arose after how socialism was built in the USSR, after the victory of the Soviet Union over the German fascism and therefore give the chapter on the countries of people's democracies to the characteristics the socialist mode of production is wrong.

The transition period from capitalism to socialism experienced by these countries, special, it has its own peculiarity and differs somewhat from the transitional period characteristic of Soviet society. As you know, the Soviet Union in the transitional period developed in an atmosphere of complete capitalist encirclement, isolated, like an island, as the only country on the globe with the dictatorship of the proletariat. This determined the characteristics of our transition period, increased our difficulties, made it difficult our path, our struggle for socialism. The Soviet Union was the first country to develop along unknown paths, a country blazing new paths to socialism. The picture is different in the countries of people's democracies. Their transition period from capitalism to socialism is developing in different, incomparably more favourable historical conditions for them and is therefore characterised by a number of new, very significant factors. First of all, it should be emphasised that the transitional period in these countries takes place in the presence of a great country of socialism.

The countries of people's democracies are developing under conditions of a further aggravation of the crisis of the entire capitalist system, and the growth and strengthening of the forces of the international labour movement. The USSR played a decisive role not only in the victory of the people's democratic revolution in these countries, but thanks to the USSR they were actually saved both from foreign intervention and from such a form of class struggle as outright civil war. Therefore, Bierut¹ spoke quite correctly in his

¹ Bierut Boleslav (1892-1956), Polish party and statesman, President and Chairman of the State Council of the Polish People's Republic (1947-1952),

report on the ideological foundations of the Polish United Workers' Party, that people's democracies are a direct result of the historical victory won by the socialist state over the Nazi invaders in the Second World War. I believe that what is said in the textbook on this issue is clearly insufficient. It says that the people's democratic revolution opened up for these countries the possibility of preserving their state independence. At the same time, it is silent that such an opportunity for these countries first of all became real precisely thanks to the Soviet Union.

The question of the stages of development of countries in their native democracy, of the economic and political content of the transformations taking place there, also did not receive a proper and clear presentation. There is a lot of confusion on this issue. First of all, it should be noted that the position of Comrade Stalin, which he expressed at the Plenum of the Central Committee in June 1928 in his speech on the programme of the Comintern, was fully and completely confirmed.

Comrade Stalin pointed out then that in Europe there are still countries that are underdeveloped capitalistically, with feudal overlaps, with a special agrarian question of an anti-feudal type (Poland, Romania, etc.), countries where the victory of the revolution in order to lead to a proletarian dictatorship, may and will certainly require some intermediate stages in the form of the dictatorship of the proletariat and the peasantry.

Countries of people's democracies, with a certain originality that exists in each of them went through two stages in their development. The first stage is the solution of the agrarian question. This is an anti-imperialist, anti-feudal stage. The political system of people's democracies in this period was something like a democratic dictatorship of the proletariat and peasantry, with the leading role in it of the proletariat. Thanks to the prevailing internal and external conditions in these countries, and primarily thanks to the assistance of the Soviet Union, this stage was passed very quickly. The People's Republic of China goes through this first stage with

everything the peculiarity inherent in this country is the stage of the agrarian revolution. This stage is here in China will be longer than in European People's Democracies.

The second stage is the stage of people's democracy as [a form of proletarian dictatorship]. The growth of people's democracy as a dictatorship of the proletariat and peasantry into native democracy as a form of proletarian dictatorship took place faster, albeit under conditions of fierce class struggle in these countries, but relatively painlessly. And here the decisive condition and factor of such an outgrowth is Soviet Union.

Although the layout of the textbook on the countries of people's democracies correctly speaks of the significance of the agrarian revolution, there is no clear provision on the two stages, a clear analysis of the political and economic content of these two stages. Without this, the chapter is incomplete.

Comrade Stalin back in 1929 in his work "On the issues of agrarian policy in USSR" noted that the successful course of the socialist reorganisation of agriculture in our country was facilitated by the fact that we did not have a private ownership of land that we have carried out the nationalisation of land, which radically facilitated the transition of the peasantry to collectivism.

Another thing is in the countries of people's democracies.

Due to the lack of nationalisation of land in these countries, from the presence of private ownership of land, the following two conclusions follow, which are guided by the communist parties in their political activities.

The first is not to run ahead, not to rush to collectivisation, to put this matter based on the full and unconditional application of the Leninist-Stalinist principle of voluntariness.

The second is the need to establish transitional forms to agricultural artels, such that we actually did not have.

In this respect, there is a certain peculiarity in a number of countries of popular democracy. There are different types of agricultural production cooperation, different stages in the development of the cooperative movement. For example, in Czechoslovakia, there are cooperatives in which, in the presence of joint sowing plans and field work, with the public use of machines,

shoals are saved, and each member of the cooperative receives a crop from his individual plot. There are also such cooperatives, in which, in the joint cultivation of the land, in the absence of inter-land, it is divided into parts corresponding to the size of the former land plots, etc.

Naturally, in these conditions, a number of important practical and theoretical questions arise. First, how will the problem of the nationalisation of the land finally be solved, what is the nature of the cooperatives, how is the class struggle going on there, and so on?

The peculiarity in the implementation of the transition of the peasantry in the countries of people's democracies to the socialist form of production will apparently consist in the fact that the nationalisation of the land, without which it is impossible to finally establish the socialist mode of production in the countryside, will be resolved as the cooperative movement grows and becomes stronger, as and strengthening the regime of people's democracy.

A textbook on political economy should highlight in more detail the role of V. I. Lenin and J. V. Stalin in the development of Marxist economic science. What is said on this issue in the provided layout is clearly not enough [...].

3. Comrade. Vlasov N.S.²

Head of the Department of the Moscow Institute of Mechanisation and Electrification of Agriculture named after V.M. Molotov

...] The textbook does not define a link to sectoral economies and other related disciplines. Correct delimitation of the economy by political economy and a sectoral economy would eliminate many of the disadvantages of the textbook. I fundamentally disagree with Comrade. Kronrod, who, speaking here, assigned the sectoral economy the role of descriptive science. This is a delusion. Sectoral economics as a science is called upon to develop, deepen and

² Nikolai Stepanovich Vlasov (?—?), Soviet scientist, during a discussion, head of a department at the VM Molotov Moscow Institute of Agricultural Mechanisation and Electrification.

concretise the problems of political economy, mainly in its own branch, as well as to develop and indicate the most realistic methods of using the laws of political economy in the practice of socialist agriculture.

Having established the line of communication of the course of political economy with related economic disciplines, it will not be difficult to identify specific issues to be studied by each scientific discipline. To avoid duplication of political economy with the sectoral economy, it would be advisable to replace the sectoral principle of building section of political economy "Socialism" by another principle of problem statement material.

This will be one of the first tasks in creating a full-fledged textbook on political economy.

On the question of the profitability of socialist enterprises. The authors of the textbook did not disclose a very important theoretical position of Comrade Stalin that profitability cannot be viewed as a tradesman, from the point of view of a given moment; rent should be taken from the point of view of the general national economy in the context of several years. The authors did not reveal the relationship of the problem of profitability with cost, with self-financing, with finance and with cost. They do not provide a system of economic indicators of profitability in accordance with the concept of profitability established by Comrade Stalin.

The question of differential indicators of profitability for various forms of socialist enterprises: industrial enterprises, state farms, collective farms and machine-tractor stations are not at all touched upon. The question of the profitability of machine and tractor stations, which, as you know, are on the state budget, and not on self-financing, is very difficult.

In addition to profitability, problems remained undeveloped: a decrease in production costs and labour productivity. The relationship between cost reduction and labour productivity has not been revealed, their indicators have not been established, and the nature of the features of labour productivity on the collective farm and MTS and the cost reduction has not been revealed. The problems of intensity in general and in relation to agricultural production in particular have not been worked out.

Consequently, some of the problems of the political economy of socialism, which could serve as the starting point for the development of economic knowledge in the branches of the national economy, remained undisclosed. There is still a lot of work to be done by political economists, agricultural economists, economists of other branches on the theoretical elaboration of a whole range of economic problems.

The issues of the sectoral economy are presented in the textbook with serious flaws. This applies primarily to the section on the social economy of collective farms. On the page 394 gives an inaccurate definition of a work day. It says that there is a workday a measure of the labour costs of a collective farmer. But the measure of labour costs is not the workday, but the norm development. What is a workday? A workday is an assessment of the work performed according to the quantity and quality of labour, which determines the share of collective farmers in the social income of the collective farm.

The authors did not give a concept of production rates either, but replaced it with an indication of the conditions and problems of rate setting. It would be necessary to give the following definition of the production rate: the rate is a planned measure of labour, a measure of the participation of workers in social production, measured by the amount of work due to quality.

When considering the question of the relationship between the MTS and the collective farms, the leading and leading role of the machine-tractor station is not indicated as levers of state influence on collective farm production.

The chapter “The Economic Foundations of Socialist Society” contains the following inaccuracies:

1. Not said about all those forms of property that is predetermined by the Constitution of the USSR. It is not said that, along with the socialist economic system, which is the dominant form of economy in the USSR, small farms of individual peasants and handicraftsmen, based on personal labour and excluding the exploitation of other people’s labour, are allowed by law.

2. An exhaustive concept of the formation of value in the sphere of collective farm ownership is not given. This question is not really solved at all.

3. The authors incorrectly replaced the Stalinist expression: “Forms of a socialist economy” with their expression “types of socialist economy.” For such there is no methodological basis for replacement.

4. Differences between state and collective farm-cooperative enterprises are given not quite correctly. It is known that the social type and form of the economy are determined by production relations, that is, the relations of people in the production process. These relations are characterised primarily by the attitude towards the means of production, the attitude towards labour, the attitude towards income.

In the chapter “Wages under Socialism,” it is incorrect to state that differentiation of wages is carried out depending on the qualifications of the employee, the productivity of his labour, the quality of his products, etc.

Labour productivity and product quality are not factors in the differentiation of wages, they are only effective indicators of the actual performance of an employee.

In the chapter “Cost accounting” the definition of fixed and circulating assets is incorrectly given. On page 378 it says about fixed assets that “Their value is transferred to the commodity gradually, in parts, as they wear out in the process of industrial consumption.” In reality, the value of the means of production is not transferred to commodities, but to products. A similar definition is given to revolving funds. They write: “These means of production are wholly consumed in every production process and completely transfer their value to the manufactured product.” In some branches of production, some types of industrial products do not enter circulation at all and remain as raw materials or in the form of consumer products within the economy. In agriculture, a significant part of the production remains for production purposes, for example, fodder, grain, hay, seeds, straw, milk for calves, and others that do not go into circulation at all. Therefore, the definition given in the textbook is incorrect.

It is necessary to note the insufficient use of the works of Lenin and Stalin in the layout of the textbook.

The works of Lenin and Stalin should be the guiding star and the main content of all the fundamental problems of the political economy of socialism; therefore, some questions could be presented in the textbook by the genuine works of Lenin and Stalin and given for each chapter a recommendatory list of the works of V. I. Lenin and J. V. Stalin.

In future work, political economists must change their attitude towards sectoral disciplines. Some comrades should give up arrogance and stop to consider sectoral economic sciences as descriptive sciences of secondary importance.

It is necessary to restore the Institute of Agricultural Economics that worked in the pre-war period. The largest and most mechanised socialist agriculture in the world should have its own scientific centre of economic thought in our country^a [...].

RGASPI, F. 558. Op. 11.D. 1243.L. 125-132, 137-141.
Typescript.

^a On the left margin, the paragraph is marked with two vertical lines in pencil, followed by a pencil notation: **NB**.

21. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 22, 1951

Evening Session on November 2.2

1. Comrade Tsagolov N. A.¹ Senior Researcher at the Institute of Economics of the USSR Academy of Sciences

The draft textbook is the basis on which a full-fledged textbook can be compiled. At the same time, the textbook should be subjected to the most comprehensive and deepest criticism.

In the textbook layout, the presentation and analysis of the main industrial relations of capitalist society, as well as such decisive categories as capital and surplus value, are given after characterising the manufacture and machine period of capitalism. It seems that capital and surplus value were the result of the development of machine production, and not vice versa. In fact, it was precisely the development of the production of surplus value that led to the victory of machine production. It is necessary to place the chapter on capital and surplus value after the chapter on commodity production. This will in no way violate the historical principle, for the characterisation of the general form of commodity production will be followed by the

¹¹ Tsagolov Nikolai Aleksandrovich (1904-1985), Soviet economist, Doctor of Economics (1949), professor (1938). During the discussion—senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: political economy of capitalism and socialism, questions of the methodology of political economy, history of economic doctrines, criticism of bourgeois economic theory. In 1964 he received a prize to them. M. V. Lomonosov for leadership of the team of authors of the textbook “The Course of Political Economy: in 2 Volumes” (1963).

characterisation of the general, most basic production relations of capitalism. Then the historical stages that were passed on the basis of the development of these relations of production will be shown.

The question of the emergence and development of the main contradiction of capitalism should be considered at the end of the chapter on machine industry, and not at the end of the chapter on the accumulation of capital, as is done in the textbook. The mistake made in the tutorial has principled character. The textbook believes that the victory of the machine industry marks the beginning of establishing a correspondence between the relations of production of capitalism and its productive forces, as evidenced by the text of the chapter about capital and surplus value. Meanwhile, Comrade Stalin teaches that as a result of victories of large machine industry and the development of productive forces on its basis of capitalist relations of production have ceased to correspond to the state of the productive forces.

The authors of the draft textbook incorrectly applied the historical method of presentation, dividing the chapter on the capitalist mode of production into two subsections: “Pre-monopoly capitalism” and “Monopoly capitalism, imperialism.” Such a division may give rise to the interpretation of imperialism as a new social system replacing capitalism and to compose various theories of “organised capitalism” and “ultra-imperialism”. We shouldn’t give food for this kind of interpretation.

The relationship between the landlord and the serf peasant is depicted in the textbook in the form of contractual lease relations. On page 34 of the textbook it is said: “For the right to use the land, the peasant was obliged to work for the landowner, to cultivate the landowner’s land with the help of his tools and draft animals, or to give his surplus product in kind or in cash.” Meanwhile, the peasant did not work for the landlord’s allotment, but he used the allotment in order to be able to work for the landowner. These are two different things. The exploitation of the serf peasant was not due to the fact that he did not have land, but due to the fact that he was personally dependent. Lenin repeatedly pointed out that the condition of the corvée system of economy is the personal dependence of the peasant on the landowner.

The textbook does not attempt to analyse the conditions of the process of reproduction of the feudal economy. In the XXI chapter of the first volume of *Capital*, Marx, analysing the peculiarity of capitalist reproduction shows the profound difference and peculiarity of reproduction in the serf economy. He draws a parallel between the worker and the serf, and shows what differences there are in the process of production. Marx points out that the serf peasant, unlike the worker, leaves the process of production in such a state that he is able to start the process of production again, without resorting to the help of the feudal lord, without having to enter into any relationship with him. Therefore, the feudal lord's stick is needed to force him to work for the landowner or to give him the surplus product. The worker leaves the production process in such a state that in order to repeat the process of production, it must re-enter into a certain relationship with the capitalist. Therefore, the capitalist does not need a stick to re-establish the relations of exploitation in order to prolong the process of reproduction. How inaccurate the characteristics of feudal relations are can be judged by the fact that the corvée is further called a semi-feudal economy (p. 75). But if the corvée is a semi-feudal economy, then, the question is, what is feudalism?

The most important drawback of the textbook is the fact that it does not draw the necessary dividing line between different types of private ownership of land and therefore does not sufficiently reveal the parasitic role of landowners property and does not reveal a completely theoretical basis of that agrarian policy, which was and is being carried out in the countries of people's democracies, in Europe and Asia.

The authors of the textbook attribute all the contradictions of capitalism in agriculture to only private ownership of land. On page 88 they write: "Due to the presence of private land ownership, agriculture lags behind industry in its development". It is well known that the existence of private ownership of land is really is a powerful factor inhibiting the development of the productive forces of rural economy and leading to the lag of agriculture behind industry. But it is not known why the blame for the lag in agriculture is removed from the capitalist relations of production in agriculture.

During the discussion, two points of view on the source of the differential rent. The authors of the textbook are on the right positions [considering that the source of differential rent is the labour of agricultural workers on average and better plots of land]. Therefore, Comrade Paltsev's assumption that the source of differential rent is the surplus value created in all sectors of the national economy, including industry, cannot be accepted [...].

RGASPI. F. 558. Op. 11.D. 1244.L. 2-5. Typescript.

**22 ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 23, 1951**

Evening Session 23 November

**3. Comrade. Fedoseev P.N.
Inspector of the Central Committee of the All-Union
Communist Party (B)^a**

[...] In the draft model it is well said that political economy studies social production, that is, economic relations of people. This demanded from the compilers of the textbook such an exposition, from which it would be clear that all economic phenomena are an expression of developing and changing production relations.

The authors of the draft textbook do not always remember this main task and in some sections and chapters they get lost in the description of economic phenomena, without their mutual connection and development, without disclosing the underlying production relations of people.

Particularly sinning in this sense is the chapter on the general crisis of capitalism in section III, dedicated to the socialist mode of production.

For example, the model correctly states that under the primitive communal system, the basis of production relations is public ownership of the means of production. In the further development, the productive forces of society came across the narrow framework of production relations of the primitive communal system.

But the reader is left wondering how public ownership of the means of production became a brake on the development of productive forces, which is why the system of private property

^{aa} To the left of the title, there are three check marks in pencil.

turned out to be more progressive than a system based on social property. This bewilderment stems from the fact that the authors of the layout [did not show the features of primitive communal property]^a.

The chapters of the model devoted to capitalism have the methodological disadvantage that the presentation of the economic problems of capitalism is given without any connection with specific manifestations of contradictions between productive forces and production relations in our time. It is absolutely clear that without analysing this contradiction of modern capitalism, it is impossible to understand the causes of the crises of the capitalist economic system and wars, the exacerbation of the class struggle and the rise of the national liberation movement. The struggle of the imperialists for world domination and the preaching of cosmopolitanism is just an indicator of the fact that the imperialist framework has become incompatible with the current level of development of the productive forces.

Lenin and Stalin revealed the most important feature of imperialism, consisting in singling out [a handful of the richest imperialist countries parasitically plundering colonies and weak nations]^b. This feature of imperialism should be analysed from the point of view that it facilitates the development of a deep revolutionary movement in countries that are subject to imperialist plunder.

When considering the issue of monopolies, the authors of the textbook do not sufficiently emphasise that monopolies deepen the contradictions between productive forces and production relations. The transition to monopolies once again testifies to the fact that private property relations constitute a form that no longer corresponds to the content. The fact that capitalism was unable to resolve contradictions on the basis of capitalist monopolies, as well as on the basis of the [state-monopoly form of economy], proves that

^{aa} On the right margin, in pencil opposite the one highlighted in the text, there are two short vertical lines.

^{bb} There are two check marks in the left margin in pencil opposite the one highlighted in the text. On the right ole there are two short vertical lines in pencil. According to the text of the paragraph in pencil, note: **NB**.

capitalist society has exhausted all the possibilities of its development^c.

Comrade Rubinstein, who spoke here, assured that in a conversation with a Pravda correspondent Comrade Stalin had cancelled the previous position of Leninism about wars under imperialism. Such a free interpretation of the statements of Comrade Stalin is erroneous, since the old Marxist-Leninist proposition about the inevitability [of wars under imperialism remains correct at the present time]. In a conversation with a Pravda correspondent, Comrade Stalin emphasised the aggressiveness of the imperialists and at the same time developed and concretised the position of Leninism on the role of the masses in the defence of peace, concluded that peace will be preserved and consolidated if the peoples take the matter of preserving peace into their own hands^a.

In the discussion, an important place was taken by the question of the structure of the textbook, especially in the section "Socialism". The main gap in the structure of the textbook is that it does not place was found for a holistic analysis of socialism as a new social formation, in connection with which the impression is not created that the entire past development of society was only prehistory, and the true history of society begins with socialism. From the chapters we see socialism in the so-called disassembled form, and not as an integral living organism, standing at an immeasurably higher level of social progress than bourgeois society^b.

The main methodological flaw in the section on socialism is that it lacks a proper theoretical analysis of socialist production relations. One might expect that the drafters would devote a whole chapter to socialist production relations, in view of the particular importance of the issue, but for some reason they did not even give a paragraph on the production relations of socialism, at least to the extent that it was done in relation to the previous social relations, formations.

^{cc} Above marked with a pencil in the text of the paragraph of the label: **NB**.

^{aa} Below the paragraph of the note marked in pencil in the text: **NB**. Along the right zero with a pencil from the selection in the text to the end of the paragraph, two vertical lines.

^{bb} In the text of the paragraph, closer to the right margin with a pencil mark: **NB**, behind the mark with a pencil there are two vertical lines.

It is necessary to reveal in a textbook what concretely manifest production relations in socialist society, to show their fundamental difference from the production relations of capitalism. In a textbook it would be especially important to show the embodiment of socialist relations of production in the basic principle of socialism—"from each according to his ability, to each according to his work." Oddly enough, in the section "The Political Economy of Socialism" [this basic principle of socialism]^c is completely incomplete. When illuminating this principle, it would be necessary, [firstly], to dwell on the fact that, in contrast to capitalism, where people cannot find a worthy use of their abilities due to unemployment, crises, predatory attitude to the labour force, under socialism all citizens are provided with the opportunity to work according to their abilities; secondly, [emphasise that socialism]^d ensures the development of manifestations of people's creative abilities through free access to education, to advanced training, as well as through the development of socialist competition^e; third, to clarify that the basic principle of socialism requires all citizens to work to the fullest [of their abilities], and then show [the significance of this principle] for distribution^f.

The comrades disputed the position of the model that the commune would become widespread only under communism. One cannot agree with the position of the critics either, since they argued that the transition from an artel to a commune would take place before communism.

The commune in its full form means the socialisation of not only all production, but also distribution, that is, [abolishes distribution according to work]. To think that such a commune will establish itself as the predominant form before full communism is to proceed from that the work of realising communism will begin in the

^{cc} In the text, vertical line of the label: **NB**.

^{dd} Below the mark highlighted in pencil: **NB**, two vertical lines behind the mark on the right margin in pencil.

^{ee} After the words "... ensures the development of manifestations of creativity ..." on the pencil test of the litter: **NB**.

^{ff} Below the mark highlighted in pencil in the text: **NB**.

countryside that the countryside will come to communism before the city.

However, one cannot unconditionally accept the interpretation of this issue, which is also given in layout. The proposition that the commune will become widespread only under communism requires clarification, otherwise it will create confusion. It would be more correct to say that in the process of a gradual transition from socialism to communism, socialist agriculture, following the grain problem, will solve the problem of animal husbandry, ensure an abundance of food in the country and will be able to supply collective farmers not only with bread, but also in sufficient quantities of meat, milk, vegetables and other products.

In this regard, the need for subsidiary farming will increasingly disappear; collective farmers and the gradual development of the artel into a commune will begin as the collective farmers become convinced of the need for such an outgrowth. Only under communism will the process of the development of the artel into a commune be completed, that is, the generalisation of distribution will take place and instead of distribution according to work will be carried out distribution according to needs.

In conclusion, it should be said that the compilers of the textbook on political economy have worked hard and have worked fruitfully, but undoubtedly there is a lot to consider in order to publish a full-fledged textbook on political economy.

4. Comrade Maslova N.S.¹

**Senior Researcher at the Institute of Economics of the USSR
Academy of Sciences^a**

The authors did the wrong thing in not attracting a wide range of economists, historians for the preparation and discussion of individual sections, worked extremely handicraft.

¹¹ Maslova Nadezhda Semyonovna (?-?), Soviet scientist, during the discussion-senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research **interests**—**labour** economics.

^{aa} To the left of the title, there are two check marks in pencil.

In the section “Economic laws” it is required to find out what an economic law is, to more clearly formulate the question of the relationship between politics and economics, on the objective and subjective in the economy under socialism.

The paragraph on contradictions under socialism cannot be limited to listing those contradictions that are mentioned in the textbook. We know that in the development of economic life, under socialism, there are many more contradictions, they must be elucidated. Thus, for example, the contradictions between the level of technology and the production experience and skills of workers, which are overcome in the development of the Stakhanov movement, as well as the contradictions between the level of technology and the level of organisation of production, and a whole series of others. Overcoming contradictions in the Soviet economy especially clearly emphasises the organising and guiding role socialist states, which is important not in the general setting, as it is done in the textbook, but specifically in the analysis of certain economic phenomena.

It is expedient to single out labour issues in the section “Socialism” in three independent chapters: “Labour productivity”, “Socialist organisation of social labour”, “Material welfare of workers”.

The model does not justify the law of saving time. It must be shown that saving time is the essence of the process of growth in labour productivity, that saving consists in saving working time; this saving is identical with development of labour productivity. The law of saving time under capitalism is subject to the law of obtaining surplus value, profit, and therefore has no independent significance. Under the conditions of public ownership of the means of production, the law of saving time is not subordinate, but has an independent meaning, because our entire socialist society is vitally interested in saving time. Saving working time leads to an increase in free time for the development of the individual, inversely affects the productive force of labour. This saving can be viewed as the production of fixed capital. This main capital is a person.

Saving time under socialism is carried out, on the one hand, directly through planning, through socialist competition, and on the other hand, through value relations.

Some economists here identify the law of value in a transformed form with the law of saving time, and therefore it turns out that the law of value in a transformed form will also exist under communism.

Saving time will undoubtedly take place under communism, but it will be carried out directly during working hours, and not appear in value form, as is the case under socialism. This important shade needs to be reflected in the textbook. Having given the right place to the law of saving time in the general interdependence of the economic laws of socialism, we will thereby be able to determine correctly the growth of the law of value in a transformed form.

The sources and factors of labour productivity growth under socialism are determined primarily by the advantages of the socialist economic system. Meanwhile, the textbook layout does not talk about the sources and factors of labour productivity growth, but only about the methods.

Very carelessly and incorrectly formulated in the textbook the question of ways to increase labour productivity, completely released [reducing labour intensity]. The textbook requires the chapter “Socialist organisation of social labour”. It would be wrong to attribute it to the socialist co-operation of labour, as some comrades have suggested. [The socialist co-operation of labour is a more narrow concept than the socialist organisation of social labour.] The socialist co-operation of labour does not reveal the totality of the relations of production expressed in the social organisation of socialist labour^{aa}.

The question of necessary and surplus labour is more appropriately addressed in the section on the socialist principle of payment for labour, but not independently, since necessary labour is a part of the social product, which is distributed according to the quantity and quality of labour. The question of necessary and surplus labour is very unclear and is not resolved by the layout of the textbook. [It is not clear in the layout why the state’s expenditures on

^{aa} In the left margin in pencil opposite the words “... socialist cooperation of labour ...” of the note: **NB**.

social and cultural activities are included in surplus labour, although they relate to necessary labour]^{bb}.

In the chapter on reproduction, the question of the relationship between accumulation and consumption is unclear. The chapter on wages does not cover the question of the connection between the socialist principle of pay according to work and the law of value.

The chapter on wages should not be placed on its own because fundamental questions, the general theoretical formulation of the question of the tariff system, of technical regulation should be reflected in the section on the socialist principle of payment according to work. The question of real wages should be reflected in the chapter on the material well-being of workers. [The authors confuse real wages with the living standards of workers].

It is wrong when they write in the layout that the automation of production replaces unskilled labour with skilled labour. It must be said that the automation of production raises in a new way the question of the direction in the development of the cultural and technical level of the working class and that this is an objective economic necessity in the USSR during the transition from socialism to communism.

The state of affairs at the Institute of Economics is characterised by handicraft methods of work, a low level of organisation of research work, which do not correspond to the tasks in the field of economic science. The low level of organisational work lies in the fact that the Institute of Economics works without the necessary materials, without established communication with industry institutes. It would be advisable to introduce the staff of the institute into scientific councils under the ministries so that they would be associated with a group of certain enterprises on the development of the Soviet economy.

RGASPI. F. 558. Op. 11.D. 1244. JI. 38-46. Typescript.

^{bb} On the left margin in pencil opposite the highlighted mark: **Not right.**

**23. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 24, 1951**

Morning Session 24 November

**1. Comrade. P. V. Kriven¹
Director of the Kiev Institute of Finance and Economics^{aa}**

Along with the positive sides, the layout of the textbook also has major shortcomings that need to be eliminated. The textbook contains an extremely brief description of the Marxist-Leninist theory of imperialism.

In his speech, Comrade Varga, along with valuable instructions, made mistakes.

He believes that the general crisis of capitalism began with the transition of capitalism to its highest stage - imperialism and that the war of 1914-1918 and the Great October Revolution only intensified and deepened the phenomena of the general crisis of capitalism. This denies that the general crisis of capitalism is a period of the collapse of the entire capitalist system.

The section "Socialist mode of production" is presented by the authors without strict internal logical connection and consistency. The authors of the layout did not give a clear, clear explanation and presentation of the economic laws of the socialist mode of production. They did not reveal the internal connection of phenomena and did not prove their objective necessity, that is, they did not give a theory of the question. They did not take into account

¹¹ Pavel Kriven (?-?), Soviet economist, Rector of the Kiev Institute of Finance and Economics (1951-1965).

^{aa} There are two check marks in pencil to the left of the title.

that economic laws arose and developed as a result of the conscious, planned revolutionary activity of millions of working people, led by the party of Lenin-Stalin and the Soviet state.

Comrade Mikolenko, obviously, did not understand the relationship between the objective and subjective activities of millions of Soviet people. He identified the objective with the subjective, and presented everything objective as spontaneous.

But the fact is that, having learned the objective laws, our society subordinates them, knowingly uses them to build communism.

The authors of the textbook have not sufficiently substantiated the objectivity of economic laws. They did not give a definition to the economic law, moreover, the laws were mixed with categories.

It should be considered that [the main economic law is the planning of the national economy]. It expresses the creative revolutionary activity of our people, led and directed by the Communist Party. As for the law of value, it does not exist as an economic law generated by the socialist mode of production, but as an old law, the law of bourgeois economics, which is used by the Soviet state through a plan and which acts in a transformed form under social ownership in the absence of exploitation^a.

The statement of Comrade. Kronrod that the law of value follows from the deviation of individual labour in individual enterprises from socially necessary. It turns out that our government plans these deviations in order to preserve the law of value.

On pages 365-357, the authors of the model regard the socialist principle of distribution according to work as the economic law of the socialist mode of production. It is not entirely clear what the authors wanted to say here. Therefore, this place requires clarification. From the model it can be understood that the socialist principle of distribution is the economic law of production. In reality,

^{aa} In the left margin, in pencil, opposite the mark highlighted in the text: Stupidity. In the right margin, the paragraph is marked with a wavy vertical line in pencil. According to the text of the paragraph with a pencil of a note: **Stupidity.**

the principle of distribution according to work belongs to the sphere of distribution.

The textbook says that the growth of the technical equipment of collective farm production, the creation of qualified personnel who have accumulated rich experience in managing the collective farm collective, prepared the conditions for the unification of small collective farms into large ones. However, it does not explain why the increase in armament necessitated the unification of small artels, what significance is the consolidation of artels in the development of collective farm production.

On page 400, the authors of the layout write that for the normal development of collective farms it is necessary that commercial products are sold for money. But why is it necessary to sell commercial products for money, nothing is said about this.

On page 318, the authors argue that state ownership arose through the expropriation of capitalists and landlords. It does not show the results of the work of our people for decades.

For some reason, the textbook layout divides the socialist mode of production into three sections: a) the transition period from capitalism to socialism; b) the socialist system of the national economy; and c) the economy of the countries of people's democracies. This division can hardly be recognised as correct. One gets the impression that the socialist mode of production consists of three parts, which, of course, does not correspond to reality.

2. Tov, Sidorov D., L.²

Head Department of History of the USSR, Moscow State University

²² Alexander Sidorov (1900-1966), Soviet historian, Doctor of Historical Sciences (1943), Professor (1946). During the discussion - Professor, Head of the Department of History of the USSR (1949-1953), Vice-rector for Academic and Scientific Work of the Humanities Faculties of Lomonosov Moscow State University (1948-1952). Research interests: economic history of Russia at the turn of the XIX-XX centuries, source studies.

Basically, the layout is built historically. The correct arrangement of socio-economic formations predetermines the decisive historical understanding of socio-economic phenomena. The chapter on European People's Democracies and the People's Republic of China reinforces the historical moments in the narrative textbook. At the same time, there are serious shortcomings in the layout of the textbook.

The communal system and slavery are given without any connection with the history of our homeland. When considering feudalism, the authors talk about Russia, but omitted Asia and the East. Such exposition deprives the doctrine of socio-economic formations of their worldwide historical significance. To connect the first stage of human history with the history of our homeland, the authors should have used the most valuable works of Soviet archaeologists.

Historians have done a great deal of work on the study of the Black Sea region, the peoples of Transcaucasia, Central Asia, and it is simply unforgivable that this great work was not used in any way and was not reflected in the layout of the textbook.

How feudalism was formed in the East is not disclosed. Meanwhile the same is in the East, and in Russia the process of feudalisation took place in different ways. The Russian type of feudalisation based on the disintegration of the tribal system is typical for all countries where there was no slavery, as the dominant socio-economic formation.

The textbook describes well the question of a European city, of workshops, of craft, but as was the case in Russia, in the East, the reader will not know anything. And Russian cities were at the same time centres of crafts, they also knew [the guild organisation]^a. The remarkable archaeological discoveries of Professor Artsikhovsky in Novgorod in 1951 show a high level of literacy among ordinary citizens.

The authors of the textbook should be aware that in historical bourgeois literature until the beginning of the 20th century, the

^{aa} In the left margin, in pencil, opposite the mark highlighted in the text: **Not quite like that.**

dominant point of view was that there was no feudalism in Russia. Under the influence of V. I. Lenin's work "Development of Capitalism in Russia" Pavlov-Selvansky³³ started talking about feudalism in ancient and appanage Russia, reducing it to a feudal political hierarchy, to a political institution. This point of view was largely shared by the Pokrovsky school⁴⁴. Plekhanov⁵⁵, as you know, did not understand the class structure of feudal society and spoke about enslaving the peasants by the landlords, and the landowners by the state.

We must do away with these concepts. It is necessary to finish off the look, as if the Slavs, the Russians have a medieval city, workshop, guild, craft—phenomena, in principle, different from Western European ones.

The authors of the textbook carry out the correct idea in the sense that the peasant feudal lords turned property on land into their feudal property. However, they naively think that the loss of land by the peasants occurred as a result of purely economic measures. The picture drawn by the authors of the textbook has little in common with the explanations of the classics of Marxism-Leninism, who attach decisive importance in the process of depriving peasants of land ownership to non-economic coercion. The authors of the textbook regard the role of non-economic coercion—the seizure of communal lands, robberies and violence—as a separate exception. It is necessary not in such peaceful tones, but in the way Marx wrote about the initial accumulation, to show a picture of the creation of

³³ Pavlov-Selvaitsky Nikolai Pavlovich (1869-1908), Russian historian, archivist, statesman and politician. Author of works on the history of Russia in the time of Peter the Great, public movements of the XVII-XIX centuries, as well as on historiography. He proved the existence in Russia of the XII-XVI centuries.

⁴⁴ A feudal society identical to the feudal system of Western Europe. And the School of Pokrovsky—students and followers of Pokrovsky Mikhail Nikolaevich (1868-1932), one of the first Marxist historians, a Soviet political figure. Convicted in the middle 30s of the XX century, the main representatives were repressed.

⁵⁵ Plekhanov Georgy Valentinovich (1857-1918), Russian historian, public figure, philosopher.

feudal land tenure, the basis of which is the complete ownership of the feudal lord to the land and partial ownership of the worker. It must be shown that the feudal lord could force a dependent or serf peasant to work for the landlord, to serve his duties only through non-economic coercion, with the help of the feudal state.

Academician Strumilin objected in his speech to the fundamental idea of the mathematician that the owner of the peasant land is the feudal lord, and not the peasant, but his objection shows that he did not understand the economic basis of the feudal society. In this issue, the authors of the layout, although inconsistently, still go behind the classics of Marxism and Academician Strumilin moves back.

In the speech of Comrade Grekov made many correct remarks about the shortcomings of the layout, but his position on the issues of feudal land tenure was not clearly stated. The example he gave about the landlord's allotment of land to the peasants also does not prove anything, because it indicates that all the peasant land was "cured" by the burghers, appropriated, and at the expense of these former peasant lands the feudal lord could now allot the peasants with land that became dependent.

The textbook does not fully explain what is to be understood by peasant property. In my opinion, the private economy of the peasant consisted of instruments of labour, live tax, while the land was only in his use. The main contradiction of feudal society consisted in the fact that the feudal lord was the full owner of the land and, on the basis of non-economic coercion, turned the peasant into his labour force. If the peasant was the owner of the land, then feudalism would cease to be feudalism.

The point of view of Academician Strumilin on the issue of serf manufactory in Russia is well known to historians. He proclaimed a capitalist character of Petrovsky manufactories. Over the past 1.5-2 years, several historians have passed discussions on the genesis of capitalism, and the issues that were raised by Academician Strumilin were widely discussed. The proponents of Academician Strumilin's point of view go even further. Among their ranks is Professor

Kafengauz⁶⁶, who speaks of the existence of capitalist industry already in the 17th century.

The authors of the model are right in defining the Russian manufactory under Peter. However, the wording about the planting of large-scale industry by Peter must be corrected, pointing out that Peter widely promoted the organisation of large enterprises, both with money and by attaching peasants to factories. It is also necessary to clarify the part of the model where the question of the industrial revolution in Russia is being considered. Here it should be said that the industrial revolution in Russia began in the textile, more precisely, in the cotton industry, in the 40s, and stretched out for 2-3 decades after the reform. It ended faster in the textile industry and later in the heavy industry—coal and metallurgy.

On the eve of the peasant reform, out of 805 large establishments in the Moscow province, steam engines were in only 121 factories, and in St. Petersburg in 1862, from 314 large industrial enterprises had steam engines only in 103.

In metallurgy, for a long time and after the reform, the water wheel prevailed, and not the steam engine. In the coal industry, the transition from manufacturing to machine mining took place in the 60-70s. The change of manufactory by the factory was noted by Lenin. He said that in the 90s pre-capitalist antiquity reigned in the Urals, and in the South there was a technical revolution and the rapid growth of a purely capitalist machine industry.

The textbook omits the question of bourgeois revolutions and their driving forces. Not the point of view of Marx about bourgeois revolutions is given. The Stalinist description of the socialist revolution is not given.

On page 105 it is said only that the capitalist state appeared as a result of the bourgeois revolution. The authors declined to talk about

⁶⁶ Kafenhauz Bernhard Borisovich (1894-1969), Soviet historian, Doctor of Historical Sciences (1947), Professor of the Faculty of History of the Lomonosov Moscow State University (since 1948), Senior research associate of the Institute of History of the USSR Academy of Sciences (1940-1965). Research interests: social and economic history of Russia in the xvi11th century, history of social thought, history of Pskov, source studies.

the revolutionary role of the bourgeoisie in the early bourgeois revolutions of the 17-18 centuries. The reader will never know whether the bourgeoisie was a revolutionary class in the bourgeois revolution, whether it took part in the overthrow of absolutism and the establishment of the bourgeois system. Marx, Engels, Lenin and Stalin were not afraid to recognise the revolutionary nature of the bourgeoisie at the early stage of capitalist society. The authors, apparently, decided on this point to correct the classics of Marxism-Leninism and reduced the historical role of the bourgeoisie in bourgeois revolutions to the fact that it used the peasant masses in the struggle against absolutism. If we say that bourgeoisie in the 18th century was a revolutionary class, we will not pay any compliment to it, we will not distort history, we will record only completely correct historical facts that can clearly reveal the contradictory nature of capitalism in the future and evaluate the counter-revolutionary role of the bourgeoisie.

The textbook also contains shortcomings in the coverage of the role of the proletariat in society. No digital material given by Lenin on the size of the Russian proletariat on the eve of the 1905 revolution is not given. The formation of the working class as a class in capitalist society is viewed without any connection with the development of Marxism. The emergence of Marxism and the creation of social democratic parties are not mentioned. The role of Marx and Engels, the First International is not noted. Nothing is said about the relocation of the centre of the revolutionary movement at the end of the 19th century to Russia. I think that the entire section on the class structure of bourgeois society should be corrected, keeping the correct definitions that are there, but it is necessary to develop and replenish the presentation with new ideas and facts^{aa}.

Outlining the transition to imperialism, the authors did not reveal the originality of this process in different countries. In fact, the authors retell the half-heartedness of Lenin and Stalin, not figuring out when the transition to monopoly capitalism was outlined, for

^{aa} According to the text of the paragraph with a pencil sweeping note:
Chudak.

example in Russia. The largest monopolies that already existed in the 20th century are not shown here.

It is completely unacceptable that factual material on concentration and monopolies given in petite form. If you do not show concentration and monopoly, then the whole presentation will be unproven.

The textbook incorrectly shows the essence of financial capital and banks. Authors believe that banks became co-owners of industrial and commercial enterprises.

In reality, banking capital is taking over industry, the banking and financial oligarchy begins to dominate. Many industrial monopolies are in fact banking monopolies.

The authors very dryly, dogmatically outlined the issue of the export of capital, without showing of all its meaning. Not a word was said about the two imperialist coalitions that emerged in the era of imperialism and the struggle between which caused the First World War [...].

RGASPI. F. 558. Op. 11.D. 1244.L. 47-55. Typescript.

**24 ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 24, 1951**

Evening Session 24 November

**1. Comrade Vygodsky S. L.¹
Lecturer in Political Economy
Academy of Social Sciences under the Central Committee of
the CPSU (B)**

Academician Varga in his speech identified imperialism as dying capitalism, with a general crisis of capitalism. This statement obscures the role of the Great October Socialist Revolution. Comrade Stalin points out that the October Revolution is remarkable primarily in that it broke through the front of world imperialism, overthrew the imperialist bourgeoisie in one of the largest capitalist countries and put the socialist proletariat in power.

It is in this world-historical fact that the decisive feature of the general crisis of capitalism. Comrade Stalin, in his definition of the general crisis of capitalism, emphasises that the imperialist war and its consequences have intensified the decay of capitalism and undermined its equilibrium. Underestimating the war in the emergence and development of the general crisis of capitalism, all the more underestimating the world-historical role of the USSR

¹¹ Vygodsky Solomon Lvovich (1899-1979), Doctor of Economics (1939), Professor (1938). During the discussion - lecturer at the Academy of Social Sciences under the Central Committee of the All-Union Communist Party (Bolsheviks). Research interests: problems of the economy of capitalism, the theory of monopoly prices and monopoly profits, issues of capitalist reproduction in the period of the scientific and technological revolution.

falling away from the imperialist system as a decisive distinguishing feature of the general crisis of capitalism, is a serious political mistake.

The authors of the textbook did not reveal the essence of the crises of the capitalist system of world economy. Stalin's provision on crises of the capitalist system world economy provides a generalising formula that reveals the real reasons for the emergence of both the first and second world wars. At the same time, it is of great importance for substantiating the possibility of peaceful coexistence of the two systems, and, consequently, for substantiating the possibilities of preventing a third world war.

Dividing the chapter on the capitalist mode of production into two subsections:

“A. Pre-monopoly capitalism” and “B. Monopoly capitalism” cannot be considered correct. When Comrade Stalin, in his work “On the dialectical and historical materialism” wrote that the most acute class struggle between the exploiters and the exploited is the main feature of the capitalist system, he meant modern, not just pre-monopoly capitalism. It is impossible to brick up such categories as surplus value, profit, crises of overproduction, value in the subsection “pre-monopoly capitalism”, as it is done in the textbook^a.

The layout does not show convincingly enough that the export of capital is an expression of parasitism, the decay of capitalism. The authors of the textbook needed to show that the export of capital is the privilege of a small handful of states, that the circle of countries—world creditors, narrowed between the two wars, and even more narrowed after the Second World War. In the period between the two wars, the United States was almost the only country exporting capital on a significant scale. The figures show that only the private foreign capital of the United States abroad exceeds the foreign capital of all other countries of the capitalist world.

The authors of the model characterise the decay of capitalism by comparing the export of capital with national wealth, and they cite countries such as Switzerland, Belgium, Holland and they say nothing about the main capitalist country of the USA.

^{aa} According to the text of the paragraph with a pencil mark: **Not that.**

The compilers of the textbook did not find enough vivid data to reveal the degree of parasitism and decay of American capitalism, which are vividly expressed in the export of capital.

The layout does not emphasise that the struggle for national independence in the colonies and dependent countries merges with the struggle of the peoples of European countries, relegated to the shameful role of satellites of American instigators of a new world war. The bankruptcy of bourgeois society in resolving the national question has come to light in the present post-war period with unprecedented force. [England], France, Italy, Holland, Belgium, while continuing to oppress their colonies, themselves became the object of the expansion of American imperialism, whose struggle for world domination threatened their national existence and independence. The struggle of American imperialism for world domination has exacerbated the national question to the extreme, provoking the most ardent hatred of the peoples of all countries for the American colonialists and the instigators of a new world war^a.

Comrade Katz in his speech said that in the capitalist countries there is now a narrowed reproduction that the production of means of production is developing more slowly than the production of consumer goods. However, this does not correspond to reality. Compare the data on the development of steel production and other branches of heavy industry with data on the production of footwear, textiles and food items and you will see that the development of production of means of production is faster than the development of production of consumer goods^b.

On page 244, the expansion of American imperialism, the increase in the share of the USA in the world capitalist economy is portrayed not quite correctly. It is portrayed in such a way that America is crowding out all other countries and that it comes very easily to it. American expansion meets strong competition from other

^a Along the left margin, in pencil, from the selection in the text, two vertical lines.

^b In the left margin, in pencil, opposite the paragraph of the note: **And in other Cape countries?**

countries, and it does not develop as smoothly as it appears in the textbook.

On page 259, the authors of the textbook incorrectly criticise Keynes. Keynes talks about too high a rate of interest, not because capitalism is sick with this now, as it is portrayed by the authors, but because he wants to cover up the true disease of capitalism. Keynes directs public opinion on the wrong track, and the authors of the layout follow this trail and say that supposedly the profit is really going down, and the percentage is going up.

On page 128, referring to the industrial reserve army, the authors of the textbook say that the demand for labour power decreases relatively as technological progress develops. It seems that the reason for the formation of the industrial reserve army is technical progress, and not the capitalist system.

The chapter on the People's Democracies must be preserved. It is necessary to give a historical analysis of the peculiarities of the transition period in the countries of people's democracies in order to wrest the trump card from the hands of those who, under the guise of specifics, are dragging in a revision of the most important Leninist thesis that Bolshevism is a tactic for everyone [...]

4. Comrade Ivanov P.S.²

Head of the Capital Construction Department of the USSR State Planning Committee

[...] The last section of the textbook "The Socialist Mode of Production" contains major shortcomings and defects and needs serious revision. This section is still a kind of collection of articles on individual problems of political economy, not related to each other and different in content and form of presentation.

A serious drawback of this section is that the theoretical provisions and categories are not developed in it during the

² Ivanov Pavel Sergeevich (1906-1971), Doctor of Economics, during the discussion headed the Department of Capital Construction of the USSR State Planning Committee.

presentation, are not formed as a result of generalisation of practice. These categories are largely unsubstantiated.

In Chapter XXIII, “The Economic Foundations of Socialist Society,” the authors of the layout limit themselves to listing economic laws and categories. Everything these laws and categories are set out in fifty lines. This includes, firstly, those laws and categories that are generated by the socialist mode of production (national economic planning, socialist competition, a steady rise in the material and cultural standard of living of working people, socialist population law, cost accounting, workday and others). The following sets out laws and categories that are taken from the capitalist economy and are used in a transformed form for the development of the Soviet economy (the law of value, commodity, money, price, wages, profit, interest, differential rent).

The reader himself must figure out what these laws, patterns and categories are, how they were formed, developed, changed. Such an exposition of the laws of socialism also diminished the theoretical level of this section of the textbook.

So, for example, an unclear relationship between the plan and the law of value is given, without taking into account their historical development. Meanwhile, when the Leninist question of “who won whom,” decided the question of whether to dominate the planned economy or the law of value as the basic law of the capitalist economy. Price scissors related to the same period, were also a manifestation of the capitalist features of the law of value.

In the course of the further development of our economy, the law of value more and more [obeys the plan], since under socialism the law of value represents itself such a [category], which the socialist state gradually and increasingly takes over and uses in the interests of the socialist society^a.

A new trend in planning should be noted in the textbook, expressed in strengthening the balance planning method, integrated planning of production, construction and material and technical

^a On the left margin in pencil opposite the words “obeys the plan” of the note: ?; after the word “category” with a pencil of a note: ?

supply, planning work on a schedule with a continuously increasing production cycle. At the same time, it should be emphasised that the plan is not frozen and unchanging, the plan is a process, it must be considered in change, in development.

Of the greatest importance for the fate of socialist construction is the policy pursued by the Party through state plans for the distribution of capital investments among the branches of the national economy. Direction of investments by districts the state determines, not proceeding from a narrow concept and interests of the effectiveness of these investments at the moment, and counting on later prospects. In this case, the role cost indicators of the plan, and, consequently, the value of the law of value acquires paramount importance.

With the help of the plan, not only is the manifestation of the negative features of the law of value limited, but its categories, commodity, money, price, profit, are effectively used as categories of the plan itself.

They are wrong as those comrades who assert that the law of value is perfect a category that is alien and opposed to our economy, as well as those who claim the opposite, that this law has 100% socialist, even communist nature. A correct assessment of these categories can only be made taking into account their historical development.

Comrade Sobol, who spoke here, explained the existence of the law of value in the USSR based on the forms of ownership. The essence of Comrade Sobol's concept is that, first, state ownership of the means of production is an abstract category; concretely it manifests itself in the form of ownership of individual enterprises. Secondly, the plan can really be an instrument of economic management only in relation to individual enterprises. In relation to the entire economy, it loses its strength if the law of value is not brought to its aid. This concept is dubious and hardly correct.

Comrade Strumilin assigned the role of regulator to the law of value under communism production proportions. This thesis is not only incorrect in relation to the communist society, but also to modern conditions. It is well known that a planned economy currently makes it possible to establish and regulate production

proportions in an economy without the help of value categories, without services of the law of value. The law of value itself can regulate production proportions only through imbalances. Planned economy cannot afford the luxury of such regulation. In establishing production proportions in the socialist economy, the law of value plays an auxiliary role, and this must be emphasised.

Practice shows that the development of our socialist economy is proceeding in the direction of a continuous strengthening of the planning principle in the economy and an ever fuller mastery of the law of value.

Incomplete coverage was given in the layout to the question of a simple and extended reproduction of fixed assets in our economy. First of all, the wrong questions of reproduction of fixed assets are excluded from the topic of reproduction and joined to the topic "Cost accounting, price and profit". The topic "Socialist reproduction" turned out to be bloodless, and the problem of reproduction of fixed assets received coverage mainly not from the economic, but from the narrowly financial, from the accounting side. It would be more expedient to consider all questions of the reproduction of fixed assets as an organic part of the general problem of socialist reproduction, highlighting the entire cycle of fixed and circulating assets.

It is impossible to pass over in silence the speech on this issue at our meeting Comrades Arakelyan and Chernomordik, who presented us with a new theory of extended reproduction without accumulation. Listening to them, one might think; that such will come soon happy times when for the implementation of expanded reproduction at all no accumulation is required, amortisation alone will be sufficient.

In reality, in our economy the situation is quite different from what Comrade Arakelyan and Comrade Chernomordik imagine.

First, by citing Marx's thesis that the restoration fund can to be partly a fund for expansion, it is imperative to say what this means only a certain expansion of the use value of fixed assets.

Secondly, in reality, due to a number of circumstances in a number of industries, the depreciation rates in our country until recently were such that they did not provided not only expanded, but also simple reproduction.

RGASPI. F.558. Op. 11.D. 124-4. JI. 61-64, 70-74. Typescript.

**25. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 26, 1951**

Morning Session November 26

2. Comrade. Chuistov V. M.¹

**Researcher at the Institute of Economics of the Academy of
Sciences of the Ukrainian SSR**

[...] When defining political economy as a science, it is necessary to proceed from the ultimate goal of political economy—the disclosure of the laws of economic development at various stages of development of society, from the primitive communal system to the socialist one. The following definition of political economy could be proposed: political economy is the science of the development of social production, that is, economic relations of people. She clarifies the laws governing production, exchange and distribution of material goods for different stages of development of society. It is the science of economic laws of building socialism and communism. The system of conditions for the material life of society includes: the geographic environment surrounding the society, population and the mode of production of material goods. Moreover, the mode of production is the main force in this system. The mode of production is a set of productive forces and production relations. The most mobile and revolutionary element of production is the productive forces, depending on the change and development of which the relations of production also change. The productive forces, as a social

¹ Chuistov Vladimir Mikhailovich (?—?), Soviet scientist, during the discussion—Senior researcher at the Institute of Economics of the Academy of Sciences of the Ukrainian SSR.

phenomenon, together with the basis, superstructure, science, serve society.

Much of the confusion made by the authors of the draft textbook in explaining a number of economic laws and phenomena stems from the fact that they sometimes forget the important and decisive role played by the productive forces.

Under the conditions of the socialist mode of production, instruments [of production] should include both natural resources used in complex and in interaction with mechanical instruments of production, and instruments of production through which a person influences the object of labour or which are a necessary condition for this impact. Natural resources such as solar and wind energy, water, soil, flora and fauna, mineral resources, being elements of the geographic environment and universal objects of labour, they are transformed in our conditions into the most important factors of production. They act as instruments of production given by nature itself.^a

In the broad sense of the word, all fuel and energy resources, various structures and devices, power and transmission installations, tools, inventory, as well as buildings as production facilities, and cultural and household purposes, serving material production. These should include means of transport and communications, all equipment serving the continuation and completion of production processes in the field of commodity circulation (storage, sorting, revision, packaging). The elements of the productive forces should include raw materials, materials, fuels and semi-finished products^a.

The guiding force in the socialist production process is a person, his workforce, intelligence, qualifications, production skills, craftsmanship, honour, valour, heroism. Workers, collective farmers and all workers of socialist society consciously use, use the means of production in their production activities.

^a In the left margin, in pencil, opposite the last sentence of the paragraph of the label: ?

^a In the left margin, in pencil, opposite the first sentence of the paragraph of the label: ?; under a marked with a pencil across the text of the paragraph in a sweeping oblique direction, from the left margin to the top of the litter: **Ha-ha-ha.**

Thus, productive forces should be understood as means of production and people who carry out the production process, of which the leading decisive role belongs to the instruments of production, in particular, the most technically perfect high-performance instruments of production, the most qualified, advanced workers—Stakhanovites, innovators of production.

The essence of the Marxist-Leninist doctrine of communism and the two phases of its development in the textbook is highlighted schematically. It does not provide an exhaustive understanding of the main features of socialism and communism, their similarities and differences. The questions about the driving forces of society, about the social division of labour, specialisation, about a systematic increase in material well-being and cultural, when praying and zero will gradually move from distribution according to work, to distribution according to needs, did not find their full reflection. Unfortunately, the textbook will not touch upon the question of how this transition will be carried out, whether at once for all consumer goods or in some order, for certain types of consumption. At the same time, it is known that this issue arouses the most keen interest among Soviet people, for whom communism is not a distant place, but a close reality^b.

It seems to me that we have every opportunity to, along with the release of this a short course of the textbook to start compiling appropriate monographs on all problems of political economy [...].

4. Comrade Glezerman G. E.²

^b On the top margin with a pencil of a note: **It is necessary to put on a scientific footing the statistics of the needs** [underlined by a wavy line] **of the generality**. On the left margin, in pencil opposite the last two sentences of the paragraph, two vertical lines are crossed out by two short horizontal lines.

² Grigory Erukhimovich Glezerman (1907-1980), Soviet philosopher, Doctor of Philosophy (1948), Professor. During the discussion, he worked at the Institute of Philosophy of the USSR LI (1945-1955). Research interests: historical materialism, the theory of scientific communism. During the discussion, he spoke on the nature of economic laws under socialism, on the development of two forms of socialist property during the transition

Research Fellow at the Institute of Philosophy USSR Academy of Sciences ^c

[...] On the nature of the economic laws of socialism during the discussion two opposing points of view were expressed. One point of view was presented in the speech of Comrade Mikolenko, who stated that [laws that do not act spontaneously do not exist at all. Under capitalism, the country's economic development is indeed a spontaneous process]. The ratio of the subjective and objective factors changes significantly [after the proletariat gains political power and seizes the main levers of economic development]. Comrade Stalin speaks about this repeatedly in his writings. Under the conditions of the Soviet system [the country's economic development is not a spontaneous process. While continuing to bear an objective character], it is guided by the [conscious] activity of millions of working people, led by the Party. The Soviet state, the Communist Party, as the leading force of our state, govern the development of the entire national economy ^a.

The peculiarity of the laws [of social development, in contrast to the laws of nature], is that social laws express the connection between social phenomena that are the result of the activities of the people themselves. Therefore, they are realised only through the activity of people. But this activity is of a different nature in the socio-economic formations that preceded socialism and under socialism. In a pre-socialist society, where people are separated by private ownership of the means of production, [class contradictions], economic development develops as a resultant set of conflicting interests and aspirations. Hence the discrepancy between the goals of people and the objective results of their activities, which in most cases are not at all consistent with their intentions. [This means that development is spontaneous character here], and economic laws act like a blind force. Economic development takes on a different

from socialism to communism, and on overcoming the contradictions between mental and physical labour.

^c To the left of the heading, two checkmarks are made with a pencil.

^a a In the left margin, in pencil opposite to the mark highlighted in the text:
NB.

character under socialism. Here public ownership of the means of production unites the tasks and aspirations of people. The absence of class antagonisms and the establishment of moral and political unity give rise to a common goal of millions of producers of material goods. Hence the coincidence of the goals and aspirations of people with the achieved results of their activities. This means that development loses its spontaneous character, and [economic laws], being cognised, are consciously used by people. In accordance with this change in the nature of economic development, the relationship between economic laws and state policy changes. Thanks to the conscious mastery of the laws of economic development, socialist society subdued the spontaneous forces. And in this sense, we can say that socialist society [dominates] the laws of its development^c.

Soviet people do not adapt passively to existing conditions, but actively transform them with their policy^d, and since the laws of economic development operate under certain historical conditions, then, changing these conditions, we can also eliminate the action^e of this or that law. If social ownership of the means of production is given as the basis of socialist production relations, then this, with objective necessity, requires the planned management of the national economy and, at a given level of development of productive forces, distribution according to work, etc. At the beginning of the development of the collective farm movement, when there was no found and discovered such a measure of labour and consumption as a workday, when in some collective farms an equalising distribution was used that did not correspond to the economic nature of socialism, this entailed a drop in labour productivity, prevented the

^c On the left margin in pencil from the words “the peculiarity of the laws of social development, in contrast to the laws of nature ...” two long vertical lines, behind them on the field in pencil: **NB**. The word “set” has been changed to “sets” Along the left margin in pencil from the words “this means that development is spontaneous here ...” “two long vertical lines to the end of the paragraph, followed by a pencil mark on the margin: **NB**.

^d After the word “politics” a check mark is put in pencil, an arrow on the bottom margin to a pencil mark: **based on the laws of development**.

^e Before the word “action” there is a cross in pencil, an arrow in the bottom margin to the mark in a circle: **destructive**.

strengthening of labour discipline. If the party and Comrade Stalin had not discovered the most expedient form of distribution in collective farms, objectively corresponding to the nature of cooperative-collective farm property, then the collective farms could not have got on their feet. Modern agricultural production, equipped with powerful machinery, also requires an appropriate organisation of labour, which is an objective necessity for us. Some of our comrades, not understanding this need, began to plant links in grain farming that hindered the complete use of tractors, combines and other complex machines. This entailed undesirable consequences that give rise to a lag in agriculture in these areas.

On page 429 the authors of the textbook write: “One of the fundamental features and one of the decisive advantages of socialist reproduction over capitalist reproduction is the continuity of the process of production of a social product”. This formulation contradicts the well-known thesis of historical materialism about the fact that production is always a vital condition for the existence of society and occurs continuously. The compilers of the textbook mixed different things—the continuity of the production process, which takes place in all social formations and [continuous rise, continuous growth of the productive forces, which] are one of the most important economic laws of socialism^a.

Thus, the objective nature of the economic laws of socialism is not in any conflict with the fact that they [are implemented through economic policy of the socialist state]. And this obliged the authors of the textbook to reveal more fully both of these inextricably linked sides of the issue. Only in this case would the ground be removed for both voluntaristic interpretations of the economic laws of socialism, and for ideas that originate from the sad memory of the theory of spontaneous flow^b.

The chapter on the economic basis of socialist society shows well common features of the two forms of ownership and differences

^a In the left margin, in pencil opposite to the selection in the text, a short vertical line and a label: **NB**.

^b On the left margin, in pencil, from the selection in the text to the end of the paragraph, there are two vertical lines, followed by a field in pencil, marking: **NB**.

between them, but the connection is not shown between them. Meanwhile, Lenin and Stalin teach us that cooperative enterprises should be viewed not as existing on their own, but in connection with the entire economic structure of a socialist society, due to the fact that they function on earth, owned by the state, in a country where the decisive means of production are state property. It was necessary to emphasise in the textbook that the collective farm economy as a socialist enterprise is associated not only with cooperative-collective farm [property]^c, but also with state property, in view of which the expanded reproduction of the most important productive forces of collective farms is carried out on the basis of state property through^a our industry supplying rural economy by machines and other means of production. This omission also affected the chapter “From socialism to communism”. Considering on pages 454-455 the prospects and ways of bringing the two forms of socialist property closer together, the authors of the textbook do not even mention such an important regularity as the increase in the proportion of state means of production used in collective farms.

The textbook says that the opposition between mental and physical labour in the USSR has already been destroyed, but it is not shown how to understand this. This is true only in the sense that the class basis of this opposition has been destroyed in our country, that mental and physical labour do not oppose each other in our country, as is the case in antagonistic class societies. Comrade Stalin teaches us that the elimination of the opposition between mental labour and physical labour can be achieved only on the basis of raising the cultural and technical level of the working class to the level of workers in engineering and technical labour. The authors of the textbook turn out that the task of raising the cultural and technical level of the working class to the level of workers in engineering and

^c From the arrow highlighted in the text in pencil on the upper iole to the mark circled in a pencil in a circle: **For products.**

^a After the words “on the basis of state ownership through ...” there is a check mark in pencil, an arrow in the lower margin to a note circled in pencil: **Through MTS.** Below in the left margin the paragraph is marked with two vertical lines in pencil, behind them on the margin with a pencil notation: **NB.**

technical labour has not yet been solved, and the opposition between mental and physical labour does not exist. The authors of the textbook have replaced the Marxist [...].

RGASPI. F. 558. Op. 11.D. 1244.L. 78-81, 83-87. Typescript.

**26. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 26, 1951.**

Evening Session 26 November

2. Comrade. Kuznetsov A. N.¹

**Head of the Propaganda and Agitation Department of the
Central Committee of the Communist Party (B) of Lithuania^b**

[...] On the question of understanding the basis in our press, there are significant ambiguities. Over the past year, in the circles of our philosophers and in the journal *Voprosy Filosofii*, there has been a lot of debate about what a base is, what superstructures are, what are the relationships between the base and superstructures. In these debates, along with some interesting and witty considerations, valuable and fruitful from a scientific point of view, rather dubious ones were expressed. Among some philosophical workers there is a point of view according to which only production relations should be attributed to the basis, and the concept of the basis should not be confused with the concept of the mode of production. The author who most clearly expressed this point of view is Comrade Chesnokov. In his article “Marxism-Leninism on the basis and superstructure” he writes: “The basis cannot be identified with the mode of production, which is the unity of productive forces and production relations,” because the basis is supposedly one side of the social mode of production, which also includes other aspects—material and productive forces.

¹ Kuznetsov Alexander Nikolaevich (?—?), Soviet scientist, during the discussion was the head of the Department of Propaganda and Agitation of the Central Committee of the Communist Party (Bolsheviks) of Lithuania.

^b To the left of the title, there are two check marks in pencil, circled in blue.

The assertion that only one side of the production method is production relations is the basis of society and that the productive forces—the other side of the mode of production—have no relation to the basis, [represents a voluntary or involuntary slide to metaphysical, idealistic positions, leads to the separation of production relations], as a form of development of productive forces, from content, from the real process of [social] production^a.

On the other hand, this point of view reduces the category of productive [forces] to technological category, [ignoring] the most important provision that the main productive force of society is the working class^b. The supporters of the point of view of comrade Chesnokov², a kind of triad is obtained: the mode of production—the basis—the superstructure^c. Whether they like it or not, their basis is torn away from the concrete historical, real economic content and is reduced to an abstract, purely logical concept of production relations, to their abstract interpretation as forms without content^d. In this case, the productive forces are reduced to a material and technical concept, are considered not as a social phenomenon, but as a technical phenomenon. This understanding of the basis and mode of production contradicts both the letter and the spirit of Marxism-Leninism^e.

^a Along the left margin with a blue pencil, the paragraph is marked with two short vertical lines, below with a blue pencil the mark: **Not that**.

^{bb} In the left margin with a blue pencil opposite to the mark highlighted in the text: Underlined in blue pencil.

² Chesnokov Dmitry Ivanovich (1910-1973), Soviet scientist, Doctor of Philosophy (1951), professor (1952), academician of the USSR Academy of Pedagogical Sciences (1968). During the discussion - Professor of the Department of Dialectical and Historical Materialism, Moscow State University. M.V. Lomonosov (1948-1960). Sphere of scientific interests: general problems of historical materialism.

^c In the left margin in blue pencil opposite the litter sentence:?

^d On the left margin in blue pencil opposite the litter sentence: **Stupid!**

^e In the left margin in blue pencil opposite the last two sentences of the paragraph of the litter: **Freak!** Below the blue pencil markings are two short vertical lines.

The textbook should clearly show that the concept of basis and mode of production [express the same relations, the same social phenomena]^f.

In the section “Socialist system of the national economy” it is necessary to find out the economic role of the Soviet state in connection with the two phases of its development.

The question of the economic role of the Soviet state is central point and focus of all ideas of the political economy of socialism, its axis.

From a certain point of view, the political economy of socialism can be considered as a science of how the Soviet state, the proletarian dictatorship builds, consolidates and develops the socialist mode of production. The Soviet state is playing a decisive role in building the socialist mode of production and in the all-round restructuring of social life on a new economic basis.

Understanding the economic laws in force in a socialist popular economy of the USSR, their nature and character is impossible without understanding the decisive, active role of the Soviet state and the Bolshevik Party in the economic building socialism. The main, decisive question of the role of the Soviet socialist state, acting on behalf of socialist society and acting in its interests, cannot be ignored. The Soviet state is the owner of the predominant and decisive share of the social means of production and therefore it stands at the centre of the leadership of the national economy of the Soviet Union. The direction of the economic development of a socialist society depends on the determination of the Soviet state to build and build communism, on its economic and organisational activities, on its economic policy, on the work to mobilise tens of millions of workers, including the plan of national economic development, in which the policy of the state finds its concrete expression. The plan is a means and instrument of economic leadership in the hands of the Soviet state, all the more so if it is understood not simply as a summary of figures and economic targets.

^f In the left margin with a blue pencil opposite to the mark highlighted in the text: Underlined in blue pencil.

Attempts to look for a certain abstract law of the movement of the Soviet economy, scholastically abstracting from the analysis of the economic and organisational activities of the state, took place in our discussion. This suffers from the point of view of comrade Anchishkina. He interpreted the plan too formally, as the highest [economic law]^a of the movement of socialism, imposed, as it were, from the outside on the Soviet state. The Soviet state, with its economic policy, with its polysyllabic economic and organisational activities in comrade. Anchishkina is in second place: there is a certain abstract law of the plan, and our state grasps at it.

Find out and understand the historical role of the Soviet state in the creation of a new the mode of production as a great economic force—this will mean [clarification of the basic law of the development of the socialist economy]^b.

Some say, “This is voluntarism.” Nothing like this. If our state acted according to the principle: “I turn what I want”—then it would be voluntarism and adventurism. But that’s not how it works. It is based on the cognised objective, historical laws of development, on real economic conditions. The laws of the construction and development of the socialist mode of production are objectively historical in nature, they are not the fruit of “administrative discretion”, not the result of arbitrary, subjective desires and purely volitional motives. But at the same time, they are not the result of spontaneously emerging behind the backs of the producers of social relations, they do not act automatically, not with the blind force of the laws of nature, and the Soviet state acts not as a tailor and opportunist, but as an active creative force.

Examining the role of the Soviet state in building the socialist economy, tracing how this role manifested itself and developed at various stages of socialist construction, from the first days of the Great October Revolution to the present day, we see that the organisational, leading role of the socialist state in economy is increasing more and more, and the importance of the spontaneous

^a Underlined in blue pencil.

^b In the left field with a blue pencil opposite the litter highlighted in the text:
p. Underlined with a blue pencil.

economic forces of development weakens and falls. The role of public, socialist ownership of the means of production is increasing, and at the same time, the role of the centralised planned state management of the national economy.

The process of economic life under socialism requires society to fulfil complex economic functions—such as the organisation of management and planning of the national economy on the scale of a huge country, the creation and development of correct economic ties between town and country, ties between various national economic sectors, organisation and management of trade, money circulation, etc., etc. No other public body under socialism, except for the socialist state, it cannot take on these functions and ensure their implementation. And these functions cannot be performed spontaneously.

The economic laws of socialism arise, act and develop in the course of active, creative activity of a socialist society, organised into a socialist state.

The state is building a new mode of production and in the course of this building it discovers, learns and uses economically necessary laws, making them the levers and instruments of its economic and organisational activity.

Thus, it is in no way to be distracted from the will and determination of the Soviet state to fight for the building of communism. This phenomenon is quite objective. And in this struggle for communism, economic laws play the role of levers and instruments in the hands of society, in the hands of the Soviet state, and not the role of some kind of spontaneous rulers.

It is necessary that the textbook gives a clear and concise understanding of the economic role of the Soviet state, about its economic and organisational functions and would show the economic laws of the socialist system of the national economy in connection with these functions.

The textbook does not reveal the creative activity of the state, the economic laws of the socialist system of the national economy are given declaratively and dogmatically. Their internal organic logic and interdependence are not visible. If we consistently carry out the idea of the economic and organisational role of the Soviet state from

beginning to end and show various economic categories in connection with the economic functions and tasks of our state and party and at the same time show it historically in the context of the main stages, then a clear internal logic will be given. categories of political economy of socialism.

These categories should not be developed as an expression of any compulsory laws in force, independent of society, but as a concrete expression of the economic and organisational function of the socialist state. It is necessary to illuminate more fully the system of management of the national economy of the USSR.

The textbook does not show the historical process of the emergence of money. The entire theory of value is presented schematically, abstractly and simplified. In the chapter on the theory of value, not a word is mentioned which unscientific theories are refuted by Marx's doctrine of the commodity. The doctrine of commodity fetishism has been reduced to two squalid pieces.

3. Comrade. Ivanov L. N.³

Member of the Bureau of Economics and Law of the Institute of Economics of the USSR Academy of Sciences

It is necessary to make comments on two chapters (XVII and XVIII) of the textbook layout discussed here, which are devoted to the general crisis of capitalism.

Giving a brief history of the crisis of the capitalist system of the world economy, on the whole, the authors correctly characterise the aggressive goals of the participants in their usual permafrost coalitions of the First World War. They say that France has set out to reclaim Alsace-Lorraine and seize the Saar Basin. This, of course, is true, but I must say that this was the minimum programme of the

³ Ivanov Lev Nikolaevich (1903-1957), Soviet historian and economist, Doctor of Historical Sciences (1937), Academician of the USSR Academy of Sciences (1949). During the discussion - the head of the sector of the countries of the British empire of the Institute of Economics of the Academy of Sciences of the USSR. Research interests: international relations of modern times.

French imperialists, the maximum programme consisted, as you know, in the establishment of the borders along the Rhine and the capture of the Ruhr.

The layout does not say about the [Versailles-Washington system]⁴ of the post-war regime, which was a concentration of contradictions between the imperialists and very an important factor in the aggravation of the general crisis of capitalism. It is absolutely unacceptable to hush up such a factor in this chapter. It is also unacceptable to hush up the fact that the young Soviet state from the first days of its existence has been waging a tireless struggle for peace against the warmongers.

When describing the development of the general crisis of capitalism on page 235, the authors of the textbook mentions the economic expansion of American imperialism after World War I in Europe in only one general phrase. It was necessary to say, at least [briefly, about the Dawes plan⁵ —the first American plan to enslave Europe], about that golden rain of American banks, which fertilised German industry and helped to restore the military-economic potential of German imperialism.

Talking about the consequences of the world economic crisis of 1929-1933 and about depressions of a special kind, the authors do not talk about the intensification of rivalry between the imperialist countries for world markets, about the beginning of a new struggle for the re-division of the world, on the creation as a result of this two hotbeds of war. The authors essentially say nothing on the active role of the United States and Great Britain in the revival of German imperialism for anti-Soviet purposes and on the specific contradictions of German imperialism with English and French on the basis of the Versailles system. Without an analysis of these factors, it is impossible to understand at all how the Second World War originated.

⁴ The Versailles-Washington system is a system of international relations that has been formed after the First World War on the basis of the Versailles Peace Treaty (1919), treaties with Germany's yuzniki, the Washington Conference (1921-1922).

⁵ The Dawes Plan (1924) established a new procedure for the payment of reparations by Germany, while providing her with an international loan.

The characterisation of the capitalist economy, its role in the life of capitalist states, is completely inadequate. The authors do not emphasise the fact that the monopoly capital of the USA, Britain, France and other capitalist states reigns supreme in the political life of these states.

The textbook should emphasise that the growth of the military industry and the general militarisation of the US economy was associated not only and not so much with the conduct of the second world war, how much with the preparation of the third. American imperialism pursued the same goal, seizing strategic bridgeheads during the last war and creating military bases on them designed to support its military expansion and to prepare for war against the Soviet Union.

At the end of Chapter XVII, the authors talk about the decisive role of the Soviet Union in the war regarding the liberation of the peoples of Europe. But to this it would be necessary to add about his decisive role in the liberation of the peoples of Asia, China, Korea from the yoke of Japanese imperialism.

In chapter XVIII of the model, the part devoted to the economic expansion of American imperialism is poorly written. All this expansion is reduced by the authors to one only the Marshall plan. In reality, this plan is far from exhausting the post-war expansion of American monopolies. The aggressive nature of the Marshall Plan, its military side, has not been revealed.

For some reason, the authors of the model do not say anything about the American programme of armaments of foreign states. Suffice it to say that \$6½ billion has been allocated for US military supplies to show how much money the United States spends to equip its satellites.

When finalising the layout, it is necessary to say specifically about the deployment of military production in the United States of America and other countries of the Atlantic Pact⁶ by curtailing

⁶ Atlantic Pact countries—countries whose governments signed the North Atlantic Pact on April 4, 1949 in Washington, the treaty that laid the foundation for the creation of NATO: USA, Great Britain, France, Belgium, Netherlands, Luxembourg, Canada, Italy, Portugal, Norway, Denmark, Iceland.

peaceful industries. It is also impossible to pass over in silence such facts as the calculations of the American monopolists on atomic weapons, as the construction of American military, naval and air bases on foreign territories, etc. It is necessary at least briefly to describe the military mobilisation measures of the United States of America carried out over the past a year and a half under the pretext of the Korean War⁷.

The paragraph “Falling wages and increasing impoverishment of the working class in capitalist countries” suffers from incompleteness and ambiguity. It would be necessary to reveal more concretely the factors causing the fall in real wages, to show the role of inflation and artificial inflation of prices as a means of robbing the working masses by capitalist monopolies.

The question of the deepening crisis of the colonial system is covered only superficially.

Suffice it to say that the heroic struggle of the peoples of the Philippines against American imperialism, as well as the struggle of the peoples of Indonesia for their national liberation, is not mentioned at all. Nothing is said about the national liberation struggle of the peoples of the countries of the Middle East, etc.

In the concluding part of Chapter XVIII, the authors say nothing about the role of the Soviet Union as a bulwark and support of all peoples in their struggle for peace. The Leninist-Stalinist policy of preventing war and preserving peace, pursued by the Soviet Union, is now the greatest factor in all world politics and, therefore, cannot be ignored in a full-fledged textbook on political economy.

The comrades who spoke here spoke of the shortcomings in the work of the Institute of Economics of the USSR Academy of Sciences. These disadvantages are mainly due to the fact that the institute is not provided with the necessary premises, which are badly needed for fruitful work. However, the lack of space cannot explain the poor quality works prepared by the institute. The quality of the

⁷ The Korean War is a conflict between North and South Korea. Military operations have been going on since June 1950 to July 1953 (the end of the war was not officially announced). North Korea was held by the PRC and the USSR, South—by the United States and Great Britain.

products will be improved only as a result of creative discussions and strengthening control over the work of employees by the management [...].

RGASPI. F.558. Op. 11.D. 1244.L. 91-100. Typescript.

**27. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 27, 1951**

Evening session 27 November

**3. Comrade. Konstantinov F. V.¹
Deputy Director of the Institute of Philosophy of the USSR
Academy of Sciences^a**

[...] The lack of sufficient clarity in understanding the nature of the economic laws of socialism is one of the reasons that the third section of the textbook layout turned out to be the least successful, it was subjected to the most thorough and fair criticism.

When posing and deciding the question of the nature of the economic laws of socialism, one should bear in mind the fact that is decisive for Marxists, that we are talking about the laws that determine the activities of tens and even hundreds of millions of people. These laws cannot be invented in the office or even in any institution, they must and can only be discovered in life itself, which is what our party is doing. Economic laws are objective in nature, they exist outside of our consciousness, they determine the activities of tens of millions of people, they control the nature and rate of

¹ Fyodor V. Konstantinov (1901-1991), Soviet philosopher, Doctor of Philosophy, Professor (1935), Academician of the USSR Academy of Sciences (1964). In 1945-1951, he worked at the Institute of Philosophy of the USSR Academy of Sciences: senior researcher, head of the sector, Deputy director. During the discussion —Deputy Director of the Institute of Philosophy of the USSR Academy of Sciences. Research interests: problems of dialectical and historical materialism.

^a To the left of the title, two ticks are placed in pencil.

development of socialist production, and through production and development of the entire socialist society. These economic laws follow from the intrinsic nature of socialist production relations and the nature of socialist ownership of the means of production.

The nature of the action, the manifestation of economic laws depends on their social nature. [The economic laws of capitalism^b can only act spontaneously]^c, they act in relation to people as an outwardly alien, hostile force that subordinates them to power. The reasons and sources of the spontaneity of these economic laws of capitalism are rooted in private property, separating people, in the antagonistic nature of the capitalist mode of production, in the antagonism of the classes of capitalist society^d.

In contrast to the economic laws of capitalism, the economic [laws of socialism]^e act and can act only under the conscious control of socialist society, as laws of the conscious activity of the masses. The laws of the socialist economy find their expression and implementation in the planning leadership of the socialist state, acting [as a representative of the whole society, as an exponent of its common interests]. Those who spoke [here comrades and who believe] that our economic laws are formed by the conscious policy of our party [retreat from materialism, since they question] the objective operation of these laws. The objective nature of the economic and other laws of socialism stems from the fact that every new generation of people, Comrade Stalin teaches, finds ready-made, not created by him, productive forces and production relations. In this regard, it is necessary to point out in the textbook that [the third feature of production], formulated by Comrade Stalin, partially, in a modified form, applies to socialism as well^a.

On page 267 of the textbook, the authors write that the state acts as the creator of a new mode of production. This is not a completely

^b The word “capitalism” is circled in pencil.

^c Underlined in blue pencil.

^d Under the highlighted pencil next to the left margin for the text of the litter paragraph: **NB**.

^e e is circled in pencil.

^a In the text of the first sentence of the paragraph, next to the left field, write in pencil: **NB**.

materialistic position. The socialist mode of production is created by the working class and the peasantry, led by the communist party, the socialist state. In this regard, new productive forces and production relations can be created only by the people, the working people, led by the Marxist party.

Before the publication of Comrade Stalin's work, "Marxism and Questions of Linguistics," among some economists and philosophers, there was a [erroneous opinion that Marxist law on the predetermining]^b role and primacy of the basis in relation to the socialist superstructure, it seems, has lost its strength. Comrade Staliya put an end to this erroneous idealistic view. The textbook should take into account more fully this provision on the basis and superstructure.

During the present discussion, the significance and role of the law of value under socialism has been somewhat exaggerated. It is unlikely that he plays the main role in our economy that was assigned to him in a number of speeches. Under socialism, the law of value plays only a subordinate role in relation to other basic laws of socialism, arising from the internal nature of the socialist mode of production. The law of value is something inherited by socialism from the previous capitalist formation.

The existence of the law of value under socialism in a transformed form follows from the fact that socialism is a society that originates from capitalism, historically develops from capitalism. Socialism is a society that is not yet developing on its own basis. The level of productive forces is low. Therefore, socialism is forced to use forms and instruments that historically took shape before socialism, such as the market, money, wages and the law of value^c.

The law of value changes its nature, for it expresses a different production relationship between people than under capitalism. It expresses one of the parties, one of the forms of manifestation of socialist relations, comradely cooperation and mutual assistance.

^b In the text of the selected sentence, closer to the left field, with a pencil mark: **NB**.

^c In the text of the paragraph closer to the left field with a pencil mark: **NB**.

In the third section of the textbook, devoted to socialism, there is no integrity, consistency, the harmony of the presentation of the subject. The reader cannot grasp the main axis, the core that permeates the presentation. The central axis of the presentation of this part of the textbook should be analysis, demonstration of socialist relations of production as a form of development of productive forces. An analysis of the categories of the political economy of socialism should reveal various aspects, diverse forms of manifestation of socialist relations of production, relations of cooperation and mutual assistance^d.

The [deepest sources for the development of socialist production have been laid in full accordance with the socialist production relations character and the level of productive forces], in their unity. If the main guiding thread in the study and presentation of the problems of the political economy of capitalism is disclosure of its growing contradictions and antagonism, in the political economy of socialism, one of the central, leading ideas should [consist in the analysis, demonstration of the developing and deepening unity of the socialist mode of production], socialist economy, socialist society as a whole, the process of overcoming antagonistic contradictions by society on the basis of this growing unity.

With this presentation, the section “The Political Economy of Socialism” will acquire inner integrity and purposefulness^a.

Comrade A. Gatovsky was right when he said that when analysing each category of the political economy of socialism, one must bear in mind how it is connected with the movement of society

^d From the words “The central focus of the presentation of this part of the textbook should be the analysis...” the text of the paragraph is crossed out in pencil with four short oblique lines, opposite in the left field with a pencil litter: **A set of words.**

^a In the text of the first sentence of the paragraph with a pencil mark: **NB**; before the next highlighted sentence, two vertical lines are drawn in the left field with a pencil. From the words “one of the central, leading ideas should be to analyse, to show the developing and deepening unity of the socialist mode of production...” in the left field, two vertical lines are drawn in pencil to the end of the paragraph, followed by a pencil mark: **So.**

towards communism. This guiding thread must permeate this branch of political economy. If Marx set his main task, his main goal, to trace the process of the death of capitalism, then there must be another opposite idea, the idea of the triumph of communism^b.

It is necessary to make a comment about the formulation in the textbook of the question regarding physical and mental labour^c. The authors of the layout on page 445 argue that under communism, the distinction between mental and physical labour will finally be erased. This position is incorrect. [Communism presupposes the abolition of the distinction between people of mental and physical^d labour. But theoretically it is wrong^e, from the point of view of materialism it is wrong that it is possible to eliminate [the difference between mental and physical]^f [labour]^g. Just as it is impossible to eliminate the difference between the production of ideas and the production of things, the difference between material production and spiritual production, it is impossible to destroy this difference either. The production of ideas will always be determined by the production of things, spiritual production [will always be determined by material production]^h.

In the introduction, the authors give a precise, clear definition of the subject of political economy as a science of the development of social production, economic theories. In the third section, the authors

^b In the left field with a pencil opposite the second sentence of the paragraph of the litter: **So**. From the mark to the end of the paragraph, two short vertical lines are drawn in pencil.

^c In the left margin, in pencil, opposite the first sentence of the paragraph of the litter: **So**.

^d After the word “physical”, a check mark is placed in pencil and an arrow is placed in the upper field k according to the meta: **No**.

^e Above the word “wrong” a pencil tick is placed, from it a pencil arrow on the upper field, the arrow is circled in red pencil. In the upper field, in red pencil, write: **So**.

^f Underlined in pencil and red pencil.

^g Underlined in pencil.

^h In the left margin, in pencil, opposite the last two sentences of the paragraph of the litter: **Mind for mind**.

push the boundaries of this definition of political economy, get lost in places on the history of the CPSU (B), on Marxism in general, in connection with which the subject of the political economy of socialism becomes vague.

In the introduction, written generally well, it is necessary to give a Stalinist definition of Marxism from Comrade Stalin's work "Marxism and Questions of Linguistics" and in connection with this to determine the place of political economy as one of the constituent parts of Marxism.

In conclusion, it should be noted that the second section of the textbook suffers from dryness. The lack of a fighting tone and a touch of dogmatism. The authors made a mistake by not using a whole series of images, comparisons, examples that Marx gives in *Capital*. In addition, the authors of the layout had the opportunity to use new examples, borrowing them from modern reality^a.

RGASPI. F. 558. Op. 11, file 1244, L. 111-115. Typescript.

^a In the left margin, in pencil, opposite the last two paragraphs of the litter:
Incorrect. The textbook is not the same as Volume 1 of *Capital*.

28. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. November 28, 1951

Evening Session 28 November

1. Comrade. Gusakov A. D.¹

**Head sector of the Institute of Economics of the USSR
Academy of Sciences**

The task of creating full-fledged chapters covering the political economy of pre-capitalist formations cannot be successfully solved at present, if the enormous new factual material accumulated over the past decade by the efforts of workers in a number of branches of knowledge engaged in the study of certain aspects of the economy and life of mankind in the most ancient period of its development. The authors of the model did not use the achievements of historical science—archaeology, ethnography, as a result of which the textbook lags behind the level of development of related disciplines that study the development of humanity in pre-capitalist formations. In recent years, Soviet historians have produced a significant number of publications of monuments of ancient writing and law, monuments that make it possible for a fairly wide circle of researchers to study the economic relations of pre-capitalist formations from primary sources. Much is being done to familiarise the general public with the achievements of progressive scientists working abroad.

All these materials were not used by the authors of the layout. This was negatively reflected on the quality of the layout and did not

¹ Gusakov Alexander Dmitrievich (?-?), Soviet scientist, during the discussion was the acting head of the sector of the Institute of Economics of the Academy of Sciences of the USSR. Research interests: credit and money circulation.

allow its authors to correctly and comprehensively solve the problem posed to them.

Comrade Stalin in his brilliant work “Marxism and Questions of Linguistics” indicates that the development of languages proceeded “from the tribal languages to the tribal languages, from the tribal languages to the languages of the nationalities and from the languages of the nationalities to the languages of the nationalities.”

Meanwhile, the model does not answer the question of what the tribal organisation was. Was it a simple aggregate of patriarchal tribal communities [or was it a new stage in the development of society in the conditions of a primitive tribal system]^a. Obviously, the latter assumption is correct and scientifically sound. However, in the layout of the textbook, the reader will in vain look for the answer to this question.

In Chapter II, devoted to the description of the slave system, the reader will in vain look for material characterising the existence of slavery in the states of the Ancient East, although there is a lot of factual material about the slave system in ancient Egypt, Assyria, Babylon, India, China, Armenia, Khorezm and other states of the ancient the world. One has to wonder why these materials remained unused.

In the third chapter, which sets out the questions that characterise the feudal system, the same line is continued on the use of material relating only to the countries of Western Europe. Coverage of the history of human development only on the facts of the history of Western Europe objectively pours water on the mill of the apologists of the bourgeois West, who proclaim that only countries that inherited the “culture” of ancient Rome can be considered civilised.

It should be concluded that the entire section devoted to the pre-capitalist formation needs thorough revision, saturation with new material, mainly from the history of the countries of the East, Russia and others. It is correct to call this section not “Pre-capitalist modes

^a In the left field, in pencil, opposite the litter highlighted in the text: **So**; below the litters in the margins, in pencil, until the end of the paragraph, two short vertical lines.

of production”, but as Comrade Stalin does in his last work “Marxism and Questions of Linguistics”—Primitive communal clan system, “Slave-owning system”, “Feudal system”.

The main drawback of the section “Socialism” is a simplified description

phenomena, without deep, thoughtful penetration into the essence of things. Chapters such as “Wages under Socialism”, “Soviet Trade”, “Credit and Banks, the Budget of the Socialist State” contain very few theoretical generalisations and definitions and, in terms of their theoretical level, are much lower than the individual monographs and special textbooks available on these issues....

One of the reasons for the poor development of these issues is unwillingness or fear of the authors of the textbook to give a solution to large theoretical questions, to take a new path, to break away from the existing scheme, to abandon the old positions.

Formula—the law of value operates under socialism in a transformed form—in the text of the draft textbook is presented in a simplified, primitive and, therefore, incorrect way.

It is not clear from the text of the model in what concretely the actions of the law of value in a socialist economy can manifest itself, and why it has not yet been overcome. A correct understanding of the operation of the law of value in a socialist economy would oblige the authors to raise and resolve controversial and unclear questions of the political economy of socialism, and not to abandon them. These questions, in particular, include the following: what determines the need for the commodity form of the products of labour, is Soviet money a universal equivalent, how does the Soviet currency perform the function of a measure of value, what is the relationship of the Soviet currency with gold and its relation to gold, does Soviet money perform the functions world money, as carried out in the process socialist reproduction, the movement and replacement of value and natural elements and what is the role of abstract and concrete labour here, what is the nature of the internal contradiction of the goods produced at socialist enterprises, what is the nature of differential rent in the USSR, and how and by whom it should be used, what should be the form of realisation of intra-industrial accumulation and differential rent, what should be the

correct definition of fixed and circulating assets and what is their difference from fixed and circulating assets.

The authors of the textbook did not answer these controversial and unclear questions. And the reason for this is that the question of the very operation of the law of value in the draft textbook was posed and resolved incorrectly. Thus, a correct understanding of the essence of the operation of the law of value in a socialist economy is of great theoretical and practical importance.

In our conditions, the law of value operates in the socialist economy alongside the plan, alongside the plan, and sometimes apart from the plan, contrary to the plan. At the same time, the main law of the development of the Soviet economy is its movement towards communism. This movement is directed by the Soviet state, led by the communist party, and is carried out in the form of fulfilment and overfulfilment of the Stalinist five-year plans. Therefore, the law of development of the socialist economy are not the plan and the law of value, but the planned development of the national economy, in the process of which the action of the law of value is overcome by it when it is directed against this duality, or, on the contrary, is used by the Soviet state in the interests of communist construction. This should be said in the textbook with all persuasiveness.

The comrades who spoke here correctly pointed out major shortcomings in the work of the Institute of Economics of the USSR Academy of Sciences. The Institute continues to produce an insignificant amount of scientific products. Guilty of such a situation, first, are the employees of certain publishing houses, who, for the sake of reinsurance, delay the publication of books; secondly, the management of the institute, which does not show courage in posing new important problems of national economic importance, and does not take all necessary measures to ensure the timely release of the Institute's products to the public.

There is a need to radically improve the work of the Institute of Economics Academy of Sciences of the USSR [...].

RGASPI. F.558. Op. 11.D. 1244.L. 117-120. Typescript.

**29. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
November 29, 1951**

STENOGRAM^a

**MEETINGS OF THE DISCUSSION PARTICIPANTS ON
THE LAYOUT OF A POLITICAL ECONOMY TEXTBOOK
PREPARED BY THE GROUP SOVIET ECONOMISTS**

**(Comrades I. Laptev¹, L. A. Leontiev, K. V. Ostrovityanov,
A. I. Pashkov², Shepilov D.T., Yudin P.F.)**

There are 223 participants in the meeting, including 163 from Moscow, from republics, territories and regions—60.

Seventeenth Meeting 29 November 1951.

^a On the cover of the red pencil droppings: **Yaroshenko.**

¹ Lyashev and Van Danilovich (1900-1979), Soviet economist, Candidate of Economic Sciences (1945), Professor (1936), academician of VASKhNIL (1948-1965). During the discussion, the deputy chairman of the All-Union Society “Knowledge”. Research interests: issues of agrarian theory and economics of agriculture of the USSR.

² Pashkov Anatoly Ignatievich (1900-1988), Soviet economist, Doctor of Economics (1947), Professor (1948), Corresponding Member of the USSR Academy of Sciences (1953), Head of the Department of Political Economy of the Faculty of Economics of the Lomonosov Moscow State University (1948-1957). Scope of scientific research interests: political economy of socialism, problems of communist construction, development of the theoretical heritage of V. I. Lenin in the field of political economy, history of Russian and Soviet economic thought. Member of the author’s team for the layout of the textbook of political economy.

Comrade M. A. SUSLOV

CHAIRMAN. I give the floor to Comrade Yaroshenko, Sector Head of the Moscow Regional Statistical Office.

YAROSHENKO L.D.³ My remarks refer only to the section “Socialist mode of production”.

The [main drawback] of the textbook is that it seems to me [the subject and purpose of the political] economy of socialism in a socialist society is [incorrectly defined]. In this regard, let me bring to your attention a point of view on some basic questions of the political economy of socialism, different from the point of view set forth in the textbook.

First, a few words about the title of the book. There is political economy of social science, it studies the mode of social production, the economic laws that underlie this mode of production.

The economic laws underlying the socialist mode of production and the economic laws underlying the capitalist mode of production are fundamentally different and have nothing in common. There is no need to prove it here.

Moreover, revolutionary Marxism proceeds from the premise that before the victory of the proletarian revolution and the organisation of the socialist mode of production, mankind was outliving its prehistory. This period of development of human society is prehistory primarily because society during this period does not own its productive forces, they develop spontaneously. The conscious history of human society begins only after society takes possession of its productive forces and consciously organises them into social production according to a plan.

The irreconcilable struggle of classes is the basis for the development of all antagonistic social formations. The struggle of a society consisting of friendly classes with nature is the basis for the development of a socialist society. Therefore, [it is impossible for

³ Luka Danilovich Yaroshenko (1896-1995), Soviet economist, employee of the State Planning Committee of the USSR. During the discussion, the head of the sector of the Moscow Regional Statistical Office.

him to under the general name “Political Economy” study]^a capitalist and socialist modes of production, the study of these fundamentally different formations and underlying economic laws of their development.

There is political economy, which studies antagonistic class formations, including the capitalist mode of production, and there is political economy, which studies the socialist mode of production. These sciences, like these modes of social production, are fundamentally different from one another, they cannot be [combined into one science]—”Political Economy”^b.

The political economy of socialism differs from political economy, which studies the capitalist mode of production, in its task and the essence of its subject. The transition to socialism means a new era in the life of society. The laws of the development of socialism are fundamentally different from the laws of the development of antagonistic class formations.

The subject of the political economy of socialism. The definition of the subject of political [economy is given]^c in the textbook in its introductory part. The definition is as follows: “Political economy studies the social structure of production, social production, that is, the economic relations of people” (p. 4). The section “The Socialist Mode of Production” does not provide a definition of the subject of the political economy of socialism. This definition refers, therefore, to all modes of social production covered in the textbook: [pre-capitalist]^d, capitalist and socialist, i.e., modes of production, both antagonistic social formations and socialist^e.

Such a definition of the subject of science of the political economy of socialism cannot be recognised as correct and

^a In the left margin, in pencil, from the selected paragraph to the end of the paragraph, there are two vertical lines. There is a cross in the right margin opposite in red pencil.

^b In the left margin, the paragraph is marked with two vertical lines in pencil.

^c Underlined with blue pencil.

^d Underlined in blue pencil.

^e The first and third sentences of the paragraph are marked with parentheses and crossed out with sharp lines.

scientifically substantiated. It does not meet the tasks of the science of political economy under socialism, under the conditions of building communism^f.

The elimination of private ownership of the instruments and means of production, the transition of the mode of production from capitalist to socialist changes the attitude of man to social production, radically changes the laws governing social production and exchange, changes the goal and purpose of political economy as a science, changes the nature of the very subject of this science.

The conscious organisation of social production proceeds from others, not characteristic of the spontaneous development of social production, the laws of development of the productive forces of society.

Under capitalism, “production is based on the antagonism of estates, states, classes, and finally, the antagonism of accumulated labour and living labour” (Marx, Engels, vol. V, p. 364).

The value of a product produced under capitalist conditions contains in itself the well-known contradictions, which consist in the fact that the cost of the product ($c + v + m$) c and m belong to capitalism, v belongs to the worker. The struggle of classes to change parts of the value of the product (an increase in m at the expense of v and vice versa— v at the expense of m) is the essence of the contradictions in the production relations of people in capitalist society.

Therefore, it is impossible to study in capitalist society the laws governing production and exchange [without studying the relations of production of people]^a.

We have something completely different in the conditions of socialist production. Let us conditionally express the value of the social product of socialist society by the formula $c + v + m$. But the difference here is that all these items belong to the class that produces this item. (Here I am deliberately inaccurate to facilitate the

^f In the right margin with a blue pencil, the paragraph is marked with two short vertical lines.

^a In the right margin with a blue pencil, the paragraph is marked with two short vertical lines. Underlined in blue pencil.

solution of the problem.) The struggle of classes to increase the individual component parts of the value of the product by reducing other parts is removed, and therefore the division into $c + v + m$ loses its acuteness and the significance that this division has in capitalist conditions. The question is no longer so that it is necessary to increase m at the expense of v or v at the expense of m . These contradictions have been removed. And from here the meaning in social production [of production relations of people] changes. They [no longer contradict the development of the productive] forces. The main problem of the development of social production is no longer to eliminate the contradictions in the relations of production of people, the contradictions between the productive [forces and relations of production].

What is the main task (problem) of the socialist social production?^b

The task of socialist social production is to provide, as much as possible, rapid growth of both c , and v , etc. That is, to increase the production of a social product and increase it in certain proportions.

How can this be achieved?

This can be achieved only through the correct organisation of productive forces for the most rational use of them in social production.

The organisation of the productive forces in social production is carried out by the Soviet state according to a plan. The challenge, therefore, is to make this plan more and more scientifically perfect. [The main problem of the political economy of socialism is therefore not to study the production relations of people in socialist society, but to develop and develop a scientific theory of the organisation of productive forces]^c in social production, the theory of planning the development of the national economy.

^b On the back of a sheet with a pencil mark: Subject gender. savings (F. 558. On. 11.D. 1245. L. 7v.).

^c Underlined in red pencil. The sentence is bracketed in blue pencil. According to the text in blue pencil Litter: NB. On the left and right margins with a blue pencil opposite the highlighted text with two long vertical lines and two short ones. On the left margin, in red pencil, from the highlighted sentence, there is a wavy line to the bottom margin.

The capitalist mode of production is the last stage in the prehistory of human society. He denies the scientific organisation of the productive forces in social production.

Socialism is the conscious organisation of the productive forces in the social production. It creates conditions for the science of political economy that allow it to study the organisation of the productive forces in social production. But the socialist mode of production not only allows political economy to develop a theory of the organisation of productive forces in social production, it requires political economy to develop this theory, determines the existence and development of the science of political economy of socialism by developing this theory. [Without the development of a theory of the organisation of productive forces] in socialist social production, the development of a scientific theory of planning the development of the national economy, there can be no political economy of socialism.

The political economy of socialism at the first stage of the study of socialist social production must clarify and give a scientific solution to the following basic questions of the socialist economy.

1. Are there economic laws under socialism that stipulate a certain division of [net production]^a into accumulation and consumption funds? What are these laws and what values and ratios of these funds do they determine. Or these laws do not exist and the ratio of these funds is established according to our will only.

2. Are there economic laws that stipulate a certain division of the accumulation fund into a fund intended for the development of the first division, and a fund intended for the development of the second division. What are these laws, and what values and ratios of these funds, they determine. The political economy of socialism must provide a theoretical substantiation of the relationship in the development of the first and second divisions under socialism, or it must be reasonably said that these laws do not exist.

[Economic, objectively operating laws that stipulate the specified the division of net production and the determining sizes and

^a Is underlined in red pencil.

ratios of reproduction funds exist under socialism. I will tell about them below]^b.

3. The task of the political economy of socialism is to develop a theory of drawing up [prospective balances of labour and material balances of socialist production]^c.

4. Scientific substantiation of the values of parts of the consumption fund under socialism.

These are the main theoretical questions of the science of political economy under socialism.

The elaboration of these questions raises political economy as a science to the highest stage of historical development.

The purpose of the political economy of socialism as a science is not, therefore, to explain the socialist mode of production, but to reveal the economic laws of socialism and, on the basis of knowledge of them, suggest to practice how to organise the productive forces in social production in order for them to develop towards communism at the fastest pace, actively, creatively to fight for the improvement of the organisation of productive forces in social production.

The leap of mankind from [the kingdom of necessity to the kingdom of freedom] lies precisely in the fact that society takes possession of its productive forces and consciously organises them according to a plan into social production. With the acquisition of the right of society in relation to its productive forces to organise them in social production according to the plan, another side of the law arises—the obligation of society to correctly, scientifically organise the productive forces into social production. The fulfilment of this obligation by society confirms and proves the legitimacy of its right

^b The words “I will tell you about them below” are circled in red pencil, the arrow on the lower field is red pencil to the litter: **Where? But you didn’t say anything.**

^c Underlined in red pencil. In the left and right margins, the paragraph is marked with two vertical lines in blue pencil.

in relation to the productive forces. The political economy of socialism must help society fulfil this basic responsibility^d.

In a socialist society “The matter is reduced to the fact that society must calculate in advance how much labour, means of production and means of subsistence it can spend on individual branches of production” (Marx, “Capital”, vol. II, ch. XVI. P. 221) ...

“The distribution of working [time in various branches of production remains the first economic law based on] collective production. It becomes even to a much higher degree a law. “ Marx. ([“Truth”]^a, 1933, no. 71).

The conscious, active struggle of the people for communism requires the development and widespread promoting the theoretical scientific foundations of these calculations and distributions, about which says Marx.

The question of the organisation of productive forces in social production, the organisation of social production, as Lenin says, “for scientific reasons” - is the main question of the life and development of socialist society and the socialist mode of production. The elaboration and development of the theory of the scientific organisation of productive forces, the theory of planning the national economy determines the content of the science of political economy, is its subject.

The textbook assigns the science of political economy a passive role in socialist social production. The state plans and organises public production, and political economy observes and explains what happened in result.

The task of science, as you know, is to give the true slogan of the struggle—how to change the world. What slogan of struggle is given to the people by the description of socialist social production, which is given in the textbook? In my opinion, none.

Why should the science of political economy not set itself the task of developing a scientific theory of the organisation and

^d In the right field, a check mark is placed in pencil next to the selected text. Next to the blue pencil is a short wavy line.

^a Underlined in red pencil, in the upper margin in red pencil of the litter: **Get.**

planning of socialist social production? This attitude of political economy to socialist social production is contrary to the spirit of Marxist-Leninist science.

The scientific organisation of the productive [forces in social production] is a new and complex task that first faced humanity under socialism. This is the objective necessity of socialism, [this is the objective law of its development]^b.

The party, the Soviet state and all of our people are faced with gigantic scale for the first time in history, the challenge facing mankind is rational, scientifically organise the productive forces in social production. Such organisation cannot be carried out without the help of science. This science is political economy of socialism. To develop and improve the scientific theory of organising and planning the development of the national economy is the task of the political economy of socialism, this is the purpose and meaning of its existence^c.

The organisation of the productive forces in socialist social production is improving with the development of this production, the development of the political economy of socialism, which, on the basis of knowledge of the economic laws of socialism, must develop the scientific principles of this organisation.

As this organisation improves, the productive forces will be used more and more rationally in social production, and to the extent that socialist society will approach communism. [Communism is the

^b Is circled with a pencil in a circle, on the lower field with a pencil there are several horizontal lines, a check mark, an ellipsis. On the left and right margins, the paragraph is marked with two vertical lines on both sides. In the fawn field, two vertical lines and two short slashes are drawn in red pencil, crossing them out. In the right field, two crosses are placed in red pencil.

^c In the left margin, in pencil, opposite the last sentence of the paragraph, two vertical lines. Circled in blue pencil. On the right field, two vertical lines are drawn in pencil, and two more vertical lines are drawn next to the blue pencil.

highest scientific organisation of the productive forces in social production]^a.

The political economy of socialism studies the production relations of people of socialist society as a problem subordinate to the main one - the organisation of productive forces in social production, their rational use in the interests of building communism^b. [The production relations of people enter the organisation of productive forces as a means, as a moment of this organisation and is expressed through this organisation]^c.

Let's look at this question from the other side. Marx, studying in his work "Capital" the relations of production of people of capitalist society, throughout all three volumes, examining the most diverse processes of social production and the circulation of capital, everywhere shows precisely the relations of people, the relations of classes, hidden behind these processes ... What do the authors of the textbook do? Having made a statement in the water section that political economy studies the relations of production of people, they completely forgot about it when they went over to the coverage of the socialist mode of production. Not one chapter, not one by example, they do not show the relationship of people, say, workers and collective farmers, or workers and employees. And rightly so, they don't. Why? Because not this is the main thing in socialist social production. This is not the crux of the matter.

Considering the socialist mode of production, the authors of the textbook haphazardly and superficially, I would say, described, in

^a the highlighted sentence in blue pencil is taken in brackets and crossed out with a short slash. In the left field, two vertical lines are drawn in blue pencil opposite the selected text. On the right margin, draw three short vertical lines with a pencil.

^b The text of the sentence is marked with a pencil mark.

^c Underlined in red pencil. What is highlighted in the text with a blue pencil is taken in brackets, crossed out with a vertical slash. On the left margin of the pencil mark: **Heh-heh**. From the mark to the end of the paragraph, two short vertical lines are drawn in pencil. Under them, in blue pencil, are two slashes. In the right field, there are two vertical lines in blue pencil, followed by two slashes, followed by a red cross in pencil, and a vertical line in pencil.

fact, the organisation of the socialist social production, and then covered it from above with the definition of political economy, which Marx gave to political economy, which studies the capitalist mode of production. The title of the subject, therefore, does not correspond to the content of the book (the section of socialism).

So, political economy studies [the laws of production and distribution on all stages of development of human society]. In antagonistic class formations, these laws follow from the production relations of people and are conditioned by them. Therefore, in all antagonistic class formations, where the product of labour is alienated from the producer and goes into the hands of the exploiter class, political economy studies, considers the production relations of people as its subject^d.

Under socialism, the laws of production and exchange are economic laws that determine the development of the productive forces towards communism. They dictate the need for scientific organisation and rational use of productive forces in social production. Therefore, in socialist society, political economy studies the organisation of the productive forces in social production. And not only studies, but develops and develops the scientific theory of this organisation, the scientific theory of planning the development of the national economy.

The method of studying the political economy of socialism. On the question of the method of study of political economy in the introductory part of the textbook says the following: “There is two methods of studying political economy: analytical and historical. Analytical - the presentation begins with the general theoretical provisions of political economy, and historical material is used for illustration. It is designed for a more prepared reader. Historical consistently illuminates the stages of economic development of society. It is more affordable. This method is adopted in the textbook.”

^d Is underlined in blue pencil, and two vertical lines are drawn in blue pencil along the left and right margins from the selected paragraph to the end.

In connection with this statement of the authors of the textbook, it is necessary to make the following remark. The following question arises. As is known, Marx used a different method of study in *Capital*. Well, in the period of Marx the reader was more prepared than in our time the Soviet reader, or did Marx not understand and underestimate the importance of the method in his teaching? Neither one nor the other is, of course, wrong. The essence of the matter, it seems to us, is that Marx set himself the task of revealing and analysing the economic laws of the capitalist mode of production, while the authors of the textbook did not set themselves the task of revealing and analysing the economic laws of the socialist mode of production. They set themselves the task of describing the socialist mode of production on the basis of the existing statements of the classics of Marxism. They say that there is no logical connection between the chapters of the textbook. And it is right. The reason lies in the absence in the textbook of a logical analysis of economic laws and categories of socialist social production. The authors of the textbook applied the historical method in a peculiar way, tore it away from the logical method. The historical method was applied without theoretical generalisation and analysis. The result was not a scientific examination of the issues, but a simple description of the facts. The reference to the unpreparedness of the reader is incorrect.

Our Soviet reader is accustomed to and understands complex scientific issues. He also wants to understand the theoretical questions of the political economy of socialism. He wants to understand the economic laws of the development of socialist social production.

Unfortunately, the tutorial does not provide answers to these questions. The authors of the textbook did not try to reveal and scientifically substantiate any economic law of the socialist social production, did not try to give a theoretical analysis of any stage, hand, moment of socialist social production. Referring to the historical method and the unpreparedness of the reader, the authors of the textbook brought their labour to a superficial description of the existing.

The method of studying socialist social production should be such that with its help it would be possible to reveal and give a

scientific analysis of the economic laws of socialist social production. The method used in the textbook did not give these results, and therefore, it seems to us that it is unacceptable.

The primary task of the political economy of socialism is the need to reveal and give a comprehensive analysis of the economic laws of socialist social production, economic laws that determine the size and relationship of funds of social production and reproduction are most important.

Socialist social production is a complex organic a whole, where the influence of a mass of various secondary phenomena is intertwined with the main, main phenomena that determine development. Dialectical materialism teaches that when considering complex social phenomena, one should seek and take the simplest, basic, defining and identify the laws of its development, not taking into account at the same time the influence that secondary factors have on the development of the whole, that is, apply the method of abstraction. When studying socialist social production, revealing the economic laws of its development, the method of abstraction must therefore be applied. What is the most important [is the main determining factor in socialist social production and at that time the simplest?] The main determining factor in socialist social production and at that time the simplest is labour force, man and the instruments of its production. Applying the method of abstraction, we assume that only the elements we have indicated exist in social production. No other factors have any impact on the public production. Under these conditions, we find out the reasons that determine the values and proportions of funds of social production and reproduction, that is, we identify the economic laws that determine the values and proportions of these funds.

Applying this method of analysing socialist social production, we come to the conclusion that the values and ratios of material assets social production and reproduction are determined by the presence and growth prospects of the labour force involved in social production. This is the main economic law of socialist society, which

determines the structure of socialist social production and reproduction^a.

Labour power, means and instruments of production are not only the main thing in social production, but also the primary one historically, and therefore the simplest. Starting the study of socialist social production with the study of the organisation in social production of this main thing, we do not depart from the concrete, but penetrate deeper into it. The abstraction we have admitted is therefore a scientific abstraction, for it takes the simplest and at the same time the main thing that determines the phenomenon, and reflects the historical in the logical.

[Next step]^b studying socialist social production should show on specific material the development of the national economy, development of branches of the first and second subdivisions, the development of the economy of individual economic regions, the manifestation in the socialist economy of the identified in abstract conditions of economic laws^c. Show how the application of these laws affects capitalist encirclement. Here the general scientific principles of planning the development of the national economy, which correspond to economic laws, should be set forth socialism and determining the rational use of productive forces in social production.

The political economy of socialism should, it seems to us, apply precisely this method of studying socialist social production.

On the relationship between I and II divisions under socialism^d.

The transfer of the scheme of reproduction of Marx, developed by him for the capitalist economy, to socialist social production is a

^a The underlined text in pencil is taken in parentheses. In the text, in red pencil, swiping at the meta: **Basic Law**. In the right field, there are two vertical lines in red pencil, with two checkmarks below them. Under the check marks in pencil in the right field is a cross.

^b Is circled in pencil.

^c In the upper margin of the pencil mark: **B**.

^d There is a blue cross in the left margin.

product of the dogmatic understanding of Marx's teaching and contradicts the essence of his teaching^a.

The relationship between the first and second subdivisions is not determined in socialist society by Marx's formula B + M of the first subdivision and C of the second subdivision. Under socialism, the specified relationship in development between the first and second subdivisions should not take place^b. [Reproduction scheme]^c Marx does not correspond to the economic laws of socialist society and does not serve as a basis for the study of socialist reproduction.^d The indicated relationship between the first and second subdivisions was given by Marx for a private capitalist economy, where the law of value reigns, due to which material values passing from one subdivision to another can meet a reverse flow of other consumer values equal in value to the counter flow ... Otherwise, the exchange will not take place, since these values are the private property of individual capitalists or groups of capitalists^e.

These relations are determined not by the laws of social production, but by the laws of private appropriation. And this is precisely where the contradictions between social production and private appropriation are manifested, which lead to crises^f.

Transferring the scheme of Marx, developed by him for the capitalist economy, in the conditions of socialism do not correspond to the interests of the development of truly scientific knowledge about socialist reproduction.

The relationship between I and II subdivisions is determined in the socialist society [the need for the production of means of

^a The sentence in pencil is taken in parentheses, crossed out with a blue pencil slash. A cross is placed on the left field in blue pencil.

^b The sentence in blue pencil is placed in parentheses and crossed out with a slash.

^c Underlined in red pencil.

^d The sentence in pencil is taken in parentheses.

^e In the left margin, the paragraph is marked with two vertical lines in blue pencil.

^f In the left and right margins, two vertical lines mark the paragraph with a blue pencil.

production in the amounts necessary to involve^g in social production of the entire working population.

The basic economic law of socialism]^h and at the same time it is a requirement of our Constitution arising from the right [to the work of Soviet] peopleⁱ. The right of Soviet people to work must be ensured by production in the required amount of [instruments and means]^j of production, otherwise this right cannot be realised. The production of instruments and means of production in the amounts necessary for the involvement and rational use of the able-bodied population in social production is an objective necessity and an economic law of socialism. This law is generated by the socialist mode of production. It determines the division of net production into accumulation and consumption. His actions are objective and aimed at developing the productive forces of society towards communism.

Some comrades—Sobol, Nemchinov and others—here argued, as if Lenin was saying that the ratios of B + M I divisions established by Marx to C II, subdivisions are retained even under communism. But this is not true. Lenin is not so said.

Criticising [Bukharin's]^a thesis that the end of capitalism will also be the end of [political economy]^b, Lenin wrote: "It is not true, even in pure communism, at least the I B + MKIIC relationship and accumulation". Consequently, Lenin says that these relations will be the subject of science even under communism, that political economy will not be liquidated, but will study these relations^c. But

^g The words "the need for the production of the means of production in the amount necessary for the involvement" are underlined in red pencil.

^h The words "this is the basic economic law of socialism" are circled in blue pencil.

ⁱ In the text, closer to the right field, with a blue pencil of the litter: Second main econ. law. The first two sentences in pencil are placed in parentheses. In the right field, two vertical lines are drawn in blue pencil opposite the text you have drawn.

^j Underlined in red pencil.

^a Is underlined in red pencil.

^b Underlined in red pencil.

^c A cross is placed in the lower margin with a pencil.

he does not say that these relations are preserved under communism in the form in which Marx gives them for capitalist society^d.

It is also said that the entire amount of wages must correspond to the value of the production of Division II. But, firstly, this is not exactly what Marx says, and, secondly, this is not what decides the question of the ratio of the I and II subdivisions in the conditions of socialism.

Issuing a section on the plan. It seems to me that he was basically right about him.

Comrade Glezerman. I will only say that the task of political economy is not to declare the plan an economic law, but to reveal and learn the economic laws of socialist social production, on the basis of which and in accordance with the requirements of which, it is necessary to draw up a plan.

The section of the textbook “The Nature of the Economic Laws of Socialism” lists some of the economic laws generated by the socialist mode of production. These include national economic planning, socialist competition, etc.

Socialist social production is organised on the basis of a plan. There are repeated instructions on this from Marx, Engels, Lenin and Stalin. A task of science, as you can see, not only in repeating this truth, but in turning this truth into an effective instrument of the people’s struggle for communism. The plan organises the country’s productive forces in social production. The direction and rate of development of social production depend on its quality.

Political economy must work to perfect the theory planning the national economy, and not just asserting that planning is the economic law of socialism.

To abandon the elaboration and development of a scientific theory of planning the national economy, from solving this fundamental question of the life of socialist society means avoiding science, avoiding the difficulties of building communism, underestimating the role of the people’s conscious activity in this construction.

^d In the right field, the sentence is marked with two vertical lines in a blue pencil.

The textbook repeatedly, in various versions, says that under socialism the distribution of products is made according to work, but there is not the slightest attempt to show, using concrete material, how this fundamental law of socialism is implemented in our country.

The authors of the textbook seem to have forgotten the famous instruction of Marx that “at the entrance to science, like at the entrance to hell, a demand must be made”—[you know which]^e.

In the section on the economic role of the socialist state, the following is said about the tasks of planned economic management:

“... to correctly distribute the means of production and labour power among the sectors of the socialist economy, avoiding disproportions” ... “Socialist planning must ensure the correct relationship between sectors and enterprises on the scale of the entire national economy” (p. 334).

You need to plan correctly. Does the Soviet public expect such statements from science? The business of the science of political economy is not to claim that planning is right. Of course, no one needs such statements. The task of the science of political economy is to say scientifically how to plan so that this planning is correct.

The textbook further says: “the constant occurrence and at the same time the constant resolving contradictions is the basis for moving forward” (p. 328).

But this is the law of the development of everything that exists, including nature.

What is the specific feature of the manifestation of this law in the socialist social production, due to what reasons and how these contradictions and how they are resolved, what is the role of political science in this matter economy—to scientifically certify this truth, or to fight for such a solution of these contradictions, which meets the interests of the fastest development of the socialist social production.

The tutorial completely bypassed the question of what purpose it has, and whether it has science—political economy—in socialist construction, what goal it sets for itself. To reduce its role to

^e Underlined in red pencil.

declarations of well-known truths and further to a description of what exists is still unworthy of science.

There is no attempt in the textbook to give even an elementary scientific analysis to the questions of socialist economics.

As a result of the incorrect definition of the subject of the science of political economy

socialism and its method, the authors of the textbook could not show the science itself. In the tutorial

socialist social production is not analysed, not studied, but described, "outlined". (Animation in the hall.)

Conclusions.

The book should be fundamentally revised based on the following principles:

1. The political economy of socialism is a separate science. It has its own subject, different from the subject of political economy, which studies the capitalist mode of production. The subject of the science of the political economy of socialism is the organisation of productive forces in social production, the development and development of the theory of this organisation, the theory of planning the national economy^a.

2. The study of the socialist mode of production should begin with the clarification of the general economic laws that determine the rational organisation of productive forces in social production^b.

These laws are:

a) the law stipulating [the division of net production] into accumulation funds and

consumption, which determines the size of the accumulation fund, the length of the [working] day^c;

^a in the left field, the paragraph is marked with two vertical lines in pencil. The text of the paragraph is highlighted in pencil with brackets and crossed out with a slash. In the text closer to the left field with a red pencil of the litter: 4). In the right field, a short vertical line is drawn in red pencil. For pei on the field with a pencil, three crosses are placed under each other, united by a bracket.

^b In the text with a red pencil closer to the left zero of the litter: 2).

^c Underlined with a red pencil.

b) the law stipulating the division of the accumulation into funds used for the development of the first unit [and the development of the second unit]^a;

c) the law stipulating the division of the consumption fund, the size and wages of workers.

3. After clarifying the general laws of the socialist mode of production and the basic principles of the scientific organisation of productive forces in social production, the political economy of socialism develops and improves on the basis of these laws and principles, the scientific theory of planning the development of the national economy. The leading links in the country's economy are clarified, the interdependence of their harmonious development is shown, which corresponds and contributes to the rational use of productive forces in social production and the fastest development of social production.

Such an approach of political economy to the study of the socialist method of production will lead this science on a broad creative path, turning it into an effective weapon in the people's struggle for communism.

In a socialist society, a person has the right not only to work and pay for labour, but he has the right and duty to ensure his work and the work of his generations in the future the most productive means in the given historical conditions and the tools of production that ensure a steady increase in productivity social labour.

The political economy of socialism as a science bears historical responsibility for the organisation of the productive forces in the socialist social production.

[Under socialism, the main struggle for building a communist society is reduced to the struggle for the correct organisation of the productive forces and their rational use in] social production, and hence the growth of the productivity of social labour^b.

^a Is underlined in red pencil.

^b The text from the beginning of the sentence to the words "their rational use in public speech" is taken in pencil in brackets and crossed out with a slash in pencil. On the left and right margins, two short vertical lines are drawn in pencil. Above the sentence in the upper margin, closer to the right, a pencil mark: **Ha-ha**.

The scientific organisation [of the productive forces in social production is the essence of the socialist transformation of society]^c.

The guiding principle of socialism is the organisation of social production on such a scientific basis, where each person would use his ability to work, for the benefit of the most rational and productive society. All available tools and means of production would be used in the most rational and productive way. This is the greatest historical difficulty of socialism, but this is also its great strength, for in the struggle for the scientific organisation of social production many millions of people are drawn into the struggle. Therefore, the theory of the scientific, rational organisation of social production should become the property of the broad masses of the people, and the internal mechanism of socialist social reproduction should be revealed to them. The question of how the net production is distributed, what share of it society has the right to demand and how much it is obliged to accumulate, transform it into new instruments and means of production. Why should the share of net production used for the development of production (accumulation fund) increase, as a rule, from year to year at a faster rate than the share used to increase the consumption fund? In what proportions should the production of means of production develop for Division I and for Division II? What is the relationship and interdependence between accumulation and the size of the labour force?

These are just some of the basic questions that must be theoretically solved in a textbook on the political economy of socialism. Not to give answers to these questions means not to say the main thing, to turn the book into an unscientific work.

The economic thought of our people and other peoples has risen to a fairly high level. The textbook should give a summary and direction of development of the economic

thoughts of the people. The book under discussion does not meet this challenge. It is far from the demands of our people in this area of knowledge and the tasks of building communism.

^c In the left and right margins, the paragraph is marked with two vertical lines. In the right field, the paragraph is also marked with three slashes in blue pencil.

THE PRESIDENT: I give the floor to Comrade Chesnokov, editor-in-chief of the journal *Voprosy filosofii*.

D.I. CHESNOKOV In the ensuing discussion, to one degree or another, all the features and main disadvantages of the model offered to our attention were touched upon.

It seems to me that the discussion has established that the mock-up represents an acceptable basis for the creation of the textbook and provided the necessary material for its further improvement. Of course, the team of authors still has a lot of work to do, and a number of chapters have to be revised, especially those related to the section “Socialism”.

In connection with the discussion, it became clear that there are significant differences between economists and not only economists on a number of important issues of political economy. I would like to dwell on some of these important questions of direct methodological significance.

I take three questions for consideration: first, the question of the subject of political economy and, in connection with this, briefly about the economic role of the socialist state; secondly, the question about the method of presentation adopted in the textbook, and in this connection about the structure of the textbook. And finally, thirdly, the question of the mode of production and the basis.

The textbook must, first of all, correctly define the subject of science and consistently adhere to this definition throughout the book. It seems to me that in the introduction, the authors completely correctly define the subject of Marxist political economy and basically adhere to this definition in the proposed model.

In this regard, I cannot agree with the criticism and those additions that by many authors they were introduced sometimes in an open, sometimes in a disguised form.

One direction in which the additions are proposed is to expand the subject of political economy, to include certain aspects of the superstructure in the subject of political economy. One of the comrades who spoke directly expressed this, but many comrades supported this proposal with their additions, although they said that

they agreed with the definition of the subject matter of political economy.

Indeed, if we count the most varied proposals that have been introduced here: give a special chapter on the dictatorship of the proletariat and a chapter on the proletarian revolution at the beginning of the section “Socialism”, give a section or chapter on the national-colonial question, give a special section or special analysis subject to the problem of the basis and the superstructure—it is not difficult to understand that all these proposals go along the line of expanding the subject of political economy, go along the line of inclusion in this the subject of one or another side of the superstructure.

The comrade who had just spoken in front of me went in a different direction. He proposes to shift the centre of gravity in the study of economic science, since it comes to socialist society [to the productive forces].

It is easy to understand that this proposal is wholly based in him [on the separation of production relations from the productive forces], because, in his opinion, in antagonistic socio-economic formations we are talking about the study of economic relations without regard to productive forces, and in socialist society, he proposes to study the productive forces, almost without dealing with production relations. The methodological flaw of his entire conception consists in this separation of the relations of production from the productive forces.

It seems to me that the second direction, the second concept, largely goes beyond the discussion, since its incorrectness is obvious.

As for the first direction, which was expressed in one form or another many comrades, then we should dwell on it. Undoubtedly, since speech comes to socialist society, here we are dealing with new qualitative moments of the relationship between the base and the superstructure, new moments associated with the relationship between economics and politics. This relationship is due to the fact that the nature of economic laws is radically changing and the role of super-structural forms is increasing to a colossal degree, since economic laws are implemented through the activities of the socialist state. To the extent of this, it is natural that economists in the course

of political economy cannot but touch upon certain aspects of superstructures. But this does not mean that superstructures become the subject of their study. It seems to me that in the main, in the proposed model, the correct path has been chosen: when it comes to the state, the economic role of the state is analysed; when it comes to revolution, the economic analysis of capitalism reveals the inevitability socialist revolution— analyses the economic transformations carried out by the socialist revolution, etc.

It seems to me that only in such a plan and with this approach, the subject will not be violated of political economy. The authors of the layout follow this path. But that doesn't mean that the authors of the model consistently everywhere adhere to the definition of political economy, the subject of political economy. It seems to me that at times they too stray from this subject, take the path of its expansion.

If we take, for example, such a section as the period of transition from capitalism to socialism, it is not difficult to see that in this section the authors give quite good essays on the industrialisation of the country and the collectivisation of peasant farms, but it is also not difficult to notice that these sketches can be given in almost the same form and in research that is not economic research proper, and in a book on historical materialism and in historical research. As for the very laws of the struggle between the born, but not yet strengthened socialism and defeated, but not yet completely destroyed by capitalism, which concerns the very analysis of how new patterns are born and how old patterns are eliminated in economic terms - this chapter almost does not give. Therefore, in the next section on socialism, the economic laws of socialism are given as the laws of the established socialist society. Their formation in the course of the struggle against liquidated capitalism has not been sufficiently shown. Meanwhile it is this that has tremendous not only theoretical but also practical significance for the European countries of people's democracies that have embarked on the socialist path of development, have entered the period of transition from capitalism to socialism.

As for the coverage of the economic role of the state, which is given in the section "Socialism", it seems to me that this paragraph is

executed completely unsatisfactorily. I join those comrades who criticised this section.

Strictly speaking, the economic role of the state, the rationale for this economic role is given only in the first paragraph of this paragraph, and in this place it is almost exclusively reduced to a statement of the fact that socialist ownership of the means of production and the main economic levers, and socialist property itself for the most part belongs to socialist state.

There is no doubt that this is a defining moment, but not the only moment that should be noted and disclosed.

It seems to me that the authors, they really talk about this in passing in many sections, and here, when it comes to the economic role of the state, the authors, along with the first moment, should have noted at least two more.

First, they had here to point out with all their might the fact that the socialist state is an instrument of the people, that the socialist state is an instrument in the hands of the main productive force of society - the working people classes of our country.

The socialist state not only relies on socialist property, but it expresses the will and activity of the millions who constitute the main productive force of our society.

Secondly, it seems to me that here it would be necessary to note and reveal in all its meaning, the fact that the Soviet socialist state is pursuing a scientifically grounded policy that expresses the urgent needs of the conditions of the material forces of society.

Precisely because the policy of the socialist state and the Bolshevik party expresses the urgent needs of social development, the economic laws of society, which is why the socialist state controls these laws. I completely disagree with Comrade Doroshev, who believes that managing economic laws means that these laws no longer exist objectively. Strictly speaking, in the words of Comrade. Doroshev recognised the objective nature of the economic laws of socialism, but he said that objectivity consists in the fact that laws are formed depending on the will and consciousness of people. But what kind is it objectivity that depends on the will and consciousness of people?

The socialist state must reckon with the objective laws of the socialist mode of production. It cannot neither violate nor skip these laws and its colossal role is determined precisely by the fact that it consistently implements these laws, that it is a force that observes these laws and, thereby organising their action.

In this regard, I would like to draw your attention to another incorrectness, which, in my opinion, sounded in the speech of Comrade Kuznetsov. Comrade Kuznetsov stated that the socialist state is the fundamental law of the socialist economy.

We have to assume that the socialist state, according to Comrade Kuznetsov, or “sinks” into the basis, does not constitute the most important element of the superstructure, or, being part of the superstructure of a socialist society, constitutes the basic law of socialist economics. The superstructure is declared the economic law of socialism.

It seems to me that both assumptions are wrong, as well as the conclusion that rests on them is wrong. Comrade Kuznetsov confuses the question of the enormous and, it must be said, the decisive role of the state with the question of the economic laws of socialism. Historical materialism— this is Comrade Stalin brilliantly shown— teaches that new ideas and new institutions play an enormous role and moreover, that without their organising, mobilising role the victory of the new progressive forces is impossible. And not only, therefore, without a socialist state, but also without a socialist Marxist-Leninist ideology, the development of socialism to communism is impossible, it is impossible to use the laws of socialist society, their very action is impossible. But who would think of calling the Marxist-Leninist theory the basic law of the economic development of society? It is impossible to explain the enormous role of the superstructure forms and, it must be said, in the conditions of socialism the indecisive role (without them, the development of the socialist economy is impossible), the provision according to which the superstructure becomes the basis of the basis. This leads to a break with the materialistic understanding of history.

The second question I wanted to dwell on is the question of the mode of presentation adopted in the textbook of political economy. It seems to me that the historical method of presentation for the

textbook is very fortunate, and not because this textbook is intended for the widest masses, as some of the comrades said, but one comrade, considering the chapter on collectivisation, even agreed to the point that he demanded that all collective farmers study this book. This is, of course, an exaggeration. Political economy should be studied mainly by our cadres. This book will be addressed, like Stalin's "Short Course in the History of the CPSU (b)", to our cadres, to the intelligentsia.

But it goes without saying that political economy is a complex theoretical subject—requires that you present it for comrades who begin to study political economy is as clear as possible.

I believe that the historical method, to the extent of this, is completely justified and purposefully brave. But it seems to me that in the layout when implementing this method, at times, in some cases, two mistakes are made. On the one hand, sometimes the historical method of presenting theoretical science, which presupposes the obligatory introduction to theoretical conclusions and a theoretical solution of the issue, is replaced by a historical-descriptive presentation, when events are described without further conclusions and theoretical analysis. Numerous examples of this have been cited in our discussion. I will not repeat them.

And, secondly, in some cases, this historical mode of presentation enters in contradiction with the historical method of research, in violation of the spirit of historicism.

In this regard, I also want to make critical comments on the third section of the layout.

I subscribe to the opinion of those comrades who recommended giving a characterisation of the people's democracies after analysing the regularities of the transition period. I think this will be in the spirit of the historical approach.

The period of transition from capitalism to socialism, which countries are going through in their native democracy, historically precedes socialism. Socialism is the most highest stage of development of society, which has now been achieved. A book on political economy, characterising the progressive development of society from lower to higher, should precede the characterisation of

the laws of transition from capitalism to the socialism of the period, the characteristics of the socialist mode of production.

This is dictated by the spirit, the essence of the historical approach. Here it is not necessary to adhere to the letter of the historical method of presentation, to adhere only because historically, the countries of people's democracies arose even when in our country defeated socialism. The book should not give a history of the construction and victory of socialism in individual countries, but analyse the patterns of development and change in the modes of production.

The comrades defending the structure of the model on this point put forward the following reasoning: they say that the countries of people's democracies, using the experience of the Soviet Union, are also using the experience of communist construction in our country.

There are well-known reasons for this consideration. Indeed, in the countries of the people

democracy uses much of our today's experience, in particular, for example, the experience of the Stakhanov movement, which was born in our country under the conditions of victorious socialism. In this respect, a certain inconvenience undoubtedly exists. But I must say that this inconvenience can be overcome even with the mode of presentation that I advocate.

It can be overcome in two ways. First, the countries of people's democracies will be presented in special chapters following the transition period, which show not only how the process of building socialism went, but also characterise the victory of socialism in the USSR. Secondly, it seems to me that one of the comrades was right when he suggested ending the book with the chapter "The victory of two camps in the international arena" (noise in the hall), sorry, I made a reservation "The struggle of two camps in the international arena." And here, where we will show the role of the Soviet Union, the guiding force of the democratic and anti-imperialist camp, its world-historical role, here questions related to the use of the experience of communist construction in the USSR could well be highlighted.

I pass on to the last question that I have outlined for consideration, this is the question of the basis and mode of

production, the question that was raised here by Comrade Kuznetsov. I think that this issue should be considered here on its merits. It would be immodest to draw the attention of this authoritative conference to my article and to whether Comrade Kuznetsov. But he posed a certain theoretical question, and this theoretical question must be answered because the answer given by Comrade. Kuznetsov, in my opinion, is wrong.

If you think about the argumentation of Comrade. Kuznetsov and to reveal the essential that he gives in this argumentation, this essential, in my opinion, comes down to the following. He cites a number of quotations or refers to other quotations from the classics of Marxism-Leninism, in which the founders of Marxism-Leninism, as one-order, use categories such as “mode of production”, “economics”, etc.

Indeed, such statements exist among the classics of Marxism-Leninism, and the list of quotations that he cited or referred to can be much longer. Comrade Kuznetsov. This is natural, because the concept of basis as a set of production relations corresponding to a certain level in the development of productive ones, the concept of mode of production is one-order concepts, insofar as they relate to the conditions of material life and in this respect are opposed to all phenomena of the superstructure order. And in all those cases when the classics of Marxism-Leninism do not specifically analyse the mechanism of origin of ideas and institutions, when they do not specifically dwell on which side—productive forces or production relations, the mode of production directly determines the superstructure forms, they use these categories next, as one-order categories. This is the meaning and content of those quotations that were cited and referred to by Comrade. Kuznetsov. In the work of Comrade Stalin “On Dialectical and Historical Materialism”, to which Comrade. Kuznetsov referred to the role of the conditions of the material life of society in such a broad sense.

In his work devoted to questions of linguistics, Comrade Stalin specially dwells on the mechanism of origin of ideas and institutions. He shows which side of the mode of production directly determines the emerging super-structured forms and, in this connection, uses the

category of basis. In this respect, Comrade Stalin directly continues the traditions of Marx and Lenin.

Let me refer, in this case, to the direct statements of Marx, Lenin and Comrade Stalin, devoted to revealing the mechanism of the origin of ideas and institutions.

The very category of the basis was given by Marx in his famous preface “To the Critique of Political Economy”. In this preface (he was referred to by Comrade Kuznetsov, who said that we know this preface, but did not quote it because it beats his point of view) Marx declares: “In the social production of their lives, people enter into certain necessary, independent of their will, production relations that correspond to a certain stage of development of their material productive forces. The totality of these relations of production constitutes the economic structure of society, the real basis on which the legal and political superstructure rises and to which certain forms of social consciousness correspond ...”

This means, according to Marx, according to the literal meaning of his words, the basis is the economic structure of society, these are production relations corresponding to a certain degree in the development of productive forces.

Lenin, in his polemic with Mikhailovsky⁴, gives a special commentary, a detailed analysis of this classical definition made by Marx. And in full accordance with the positions of Marx and developing these positions, Lenin points here to the following: first of all, he, like Marx, calls production relations economic relations, calls them the economic structure of society.

Secondly, Lenin here directly says that material social relations are the foundation over which the superstructure rises. Lenin writes: “Their main idea, quite definitely expressed, at least in the above quotation from Marx, is that social relations are divided into material and ideological social relations. The latter, that is, ideological, represent only a superstructure over the first, which is formed apart from the will and consciousness of a person, as (result) of a form of human activity aimed at maintaining his existence.”

⁴ Nikolai Konstantinovich Mikhailovsky (1842-1904), sociologist, publicist, literary critic, and populist theorist.

Lenin here literally, only in other words, repeats Marx's idea that material relations are based on superstructure relations and that these very material relations are formed apart from the will and consciousness of people, as a form of human activity aimed at maintaining his existence, i.e. . as a form of development of productive forces.

Comrade Stalin in his work "Marxism and Questions of Linguistics" adheres exactly to the definitions given by Marx and Lenin. I will recall only two statements from the work of Comrade Stalin.

Comrade Krasheninikova asked a question: your article convincingly shows that the language is neither a base nor a superstructure. Will it be right to consider that language is a phenomenon inherent in both the base and the superstructure, or will it be correct to consider language as an intermediate phenomenon? Comrade Stalin answers this question and in this connection gives an ingenious characterisation of the specificity of social phenomena, including the specificity of the basis. Summarising the whole course of the argumentation, Comrade Stalin writes: "In short, language cannot be ranked either as a basis or as a superstructure. It cannot also be counted among the intermediate phenomena with bases and superstructures, since such intermediate phenomena do not exist. " And after that, Comrade Stalin himself poses the question: —But, perhaps, it was possible to classify language as part of the productive forces, to the category, say, of instruments of production? And then he gives the answer to this question as well. From the point of view of Comrade. Kuznetsov will hardly understand how Comrade Stalin specifically showed that the language does not correspond to the basis either. And then he again raises the question, is not language related to productive forces?

But from the point of view of the formulations given by Marx, Lenin and Stalin, this is quite understandable, because the basis, as a set of production relations, as the economic structure of society, corresponds to a certain level in the development of the productive forces, but does not include them. It cannot be understood by divorcing it from the productive forces, but by itself it does not include the productive forces.

I will remind you of another statement of Comrade Stalin, it has already been quoted here,

it directly states that “the superstructure reflects a change in the level of productive forces not immediately and not directly, but after changes in the basis, through the refraction of changes in production, in changes in the basis.”

Thus, the classics of Marxism-Leninism do not include the productive forces in the basis. The basis, from their point of view, is the totality of material production relations, the economic structure of society at a certain stage of its development. The mode of production, as you know, includes both productive forces and production relations.

Comrades! The discussion that unfolded here gave us all, including philosophers, very much instructive.

I did not like the notes in the speeches of some comrades, maybe they were random, if they are random, then all the better when, arguing with this or another philosopher, they begin to talk about philosophers and their points of view, which seem to would be different from the point of view of economists. I think there is no monopoly on truth or mistakes made by employees of one specialty. I could point out Comrade. Kuznetsov philosophers who share his point of view, or economists who are not with him agree. Therefore, the opposition of philosophers to economists, which he made, cannot be considered justified.

It seems to me that in our discussion, which is based on the cooperation of workers different specialties, one of the most important positive aspects is the fact that we had the opportunity to exchange views and joint efforts to find the truth. And it seems to me that this cooperation that has developed here will be continue and will give new successes in our work [...].

RGASPI. F. 558. Op. 11.D. 1245. JI. 4-38. Typescript.

30. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. December 3, 1951

Evening Session 3 December

2. Comrade. Ostrovityanov K. V.^a Director of the Institute of Economics of the USSR Academy of Sciences

[...] The free discussion on the draft textbook on political economy, organised by the Central Committee of our party, is an outstanding historical event on the economic front. It will be a turning point, both in the development of economics and in the teaching of political economy and general economic disciplines.

Criticism of the layout of the textbook by the overwhelming majority of participants was principled, partisan, testifying to the ideological and theoretical growth of Soviet economists. The discussion showed the need for essential elaboration of all sections of the textbook and a radical revision of the section of the textbook devoted to the political economy of socialism.

The main drawback of the draft textbook on political economy in terms of the political economy of socialism is [unsatisfactory elaboration of the question of the economic laws of socialism]. The draft textbook does not sufficiently show the objective nature of the economic laws of socialism, does not properly disclose the determining role of the economic basis in relation to the political superstructure, simplifies but highlights the role of the state in using the economic laws of socialism, does not reveal the difficulties and contradictions that are overcome in the course of planning leadership of the national economy. Such a simplified presentation of the economic laws of socialism interferes with the correct scientific

^a On the cover, in pencil, of the litter: **Islanders.**

coverage of the issue of the huge, reverse active influence of the Soviet state on the economic basis of socialist society.

The indicated shortcomings of the draft textbook layout in the presentation of the economic laws of socialism had a striking effect on the elaboration of the question [of the law of value and money under socialism]. The explanation of the necessity of the law of value given in the draft textbook, contrary to the wishes of the authors, gives reason to think that goods are derived from value, and value is derived from money, the mechanism of action of the [transformed law of value] is not revealed and its national economic significance is poorly shown.

Here there was a great disagreement among Soviet economists in the explanation reasons for the existence of the law of value in the USSR.

The speech has nothing to do with economics [ie. Meiman, who tried to deduce the necessity of the law of value] from the capitalist environment and considers it as a smokescreen designed to hide from our enemies the transparently clear nature of the relations of production of socialism.

The attempt of comrades Kronrod, Dyachenko, Gerashchenko and others to deduce the law of value [from the contradiction between individual and socially necessary labour] is erroneous. Comrade Mikolenko's attempts to interpret the law of value as [a spontaneous law dominating the will of the people], as well as attempts to transfer the categories of capitalist economy to the Soviet economy, must be rejected as incompatible with the nature of the socialist planned economy. In Comrade Strumilin's interpretation, the law of value looks like a brother of the notorious eternal law of labour costs, dictating with irresistible force the laws of nature the definition of proportionality in the distribution of labour, which has long been criticised in our press.

Despite the presence of a large number of points of view on the law of value, we have no reason to fall into pessimism and give in to the presentation of the problem of the law of value under socialism. In the debate, many valuable proposals were expressed, which indicate in which direction the correct solution to the question of the law of value in the Soviet economy should be sought. The latter

include those that go, above all, along the line [of the historical approach to explaining the commodity], value and money as categories that have passed [to socialist society from capitalism and have undergone a major transformation, as well as proposals on how to consider the commodity, precede the consideration of the issue and analysis of the law of value].

When substantiating the necessity [of using the law of] value in a socialist economy, one must proceed from the nature of social labour at the stage of socialism, which in turn is conditioned by socialist ownership of the means of production in its two forms and the achieved level of productive forces. At the same time, the explanation of the necessity of goods and value in a socialist economy cannot be reduced to the presence of two forms of ownership, but one cannot ignore the existence of two forms of ownership, as Comrade Kronrod. It is necessary to proceed from the nature of social labour, conditioned by the presence of socialist forms of property in its two forms and the achieved level of productive forces.

In a socialist society, labour bears a directly social character, but at the stage of socialism there remain significant [differences] between different types of labour: between the labour of workers and collective farmers, mental and physical labour, between skilled and simple labour, which [can disappear] only [at the highest phase of communism]. The goods produced in socialist enterprises are created by heterogeneous types of labour. By virtue of this, and the commensuration of the costs of social labour is carried out in monetary form based on the use of the law of value^a.

Those comrades were right when they pointed out the need to take into account the factor of material interest when substantiating the law of value. Labour at the stage of socialism has not yet become

^a from the words “but at the stage of socialism, there are still significant differences ...” to the upper field with a pencil arrow to the litter:” **there will always be a difference**”. **You have to say, “ opposites.”** In the right field, in pencil, next to the words “which can only disappear in the highest phase of communism” by meta: ? In the left margin, the paragraph is marked with two short vertical lines in pencil.

the first vital need for all members of society and therefore needs material incentives^b.

Derivation of the need to use the law of value, both in wages and in the organisation of production from the nature of social labour, due to socialist ownership of the means of production in its two forms and the achievement of the level of productive forces, will eliminate [eclecticism]^c and ensure monism in the development of this most complex problem of the political economy of socialism.

One of the most important and least poorly covered questions in our literature is the question of what serves as a measure of value in a socialist economy. The layout declares the correct idea of the connection between Soviet money and gold. But this correct idea is completely unfounded.

The opposite point of view on this question was developed here by Comrade Kronrod, and to some extent he was supported by Comrade Mikolenko and Comrade Plotnikov. Comrade Kronrod argued that Soviet money had no connection with gold, and that gold in our country did not function as a measure of value. In his opinion, the measure of value for each individual commodity in the USSR is the value of the total commodity product, expressed in the sum of prices.

This position, contrary to the subjective intentions of the authors, inevitably leads to the way of denying money, the way of replacing them with receipts or labour coupons. She is close to the reactionary theory of Hilferding^{a1}.

Opponents of the Soviet money-gold connection confuse the issue of sustainability of Soviet money with the question of the measure of value. Comrade Gerashchenko has shown the harmfulness of such a mixture.

^b On the left zero, the paragraph is marked with a long and short vertical line in pencil.

^c From the word “eclecticism” with a pencil arrow on the bottom field to the litter: “**eclecticism**”.

^a in the left field, the paragraph is marked with two vertical lines in pencil.

¹ Rudolf Hilferding’s theory—the theory of “organized capital”.

The Soviet state sets the price of goods, including monetary commodity—gold in a planned manner^b and deliberately allows prices to deviate from value, based on national economic considerations. The connection between Soviet money and gold is not direct, but indirect. The Soviet state, determining the price of gold for state-owned enterprises that extract gold, thereby establishes certain equivalent ratios of gold to all commodities, and commodities acquired by the gold industry are expressed in gold as their universal equivalent. By comparing the value of specific goods and money, the Soviet state thereby indirectly expresses this value in gold, which is a measure of value.

The section of the textbook layout was subjected to sharp and fair criticism in the discussion, dedicated to imperialism and the general crisis of capitalism. It was pointed out correctly here that the authors failed to subject the new phenomena of the general crisis of capitalism to a deep theoretical analysis. At the same time, one cannot agree with the erroneous interpretation of this issue by Adolf Katz. The concept of narrowed reproduction comrade. Katz, as the comrades who spoke correctly described it, is a variant of the theory of the automatic collapse of capitalism, which our party defeated long ago^c.

Comrade Paltsev here very convincingly substantiated the need to include in the textbook a special chapter on national income and its distribution. The authors of the textbook should say, in self-criticism, that they did not pay attention to this proposal and did not think carefully about how, where to include such a chapter. But it is in no way possible to agree with the proposal of Comrade. Paltsev and his concept in the question of [differential rent]. Comrades have already performed here. Tsagolov, Sokolov and others, who convincingly showed that this concept is nothing more than a rehash

^b From the words “planned order...”, an arrow is drawn in pencil on the same field, and a cross is placed above the line. In the lower field, in pencil, write: **“Accounting for the law of value.”**

^c On the left margin of the pencil, two short vertical lines and a litter: ?

of Bulgakov's theory², long defeated by V.I. Lenin. In this connection, there is no need to dwell on this issue.

The discussion went beyond the discussion of the layout of the textbook, for the shortcomings of the layout reflect the shortcomings of research work in the field of economics. Therefore, the discussion rightfully raised the question of the situation on the economic front and, in particular, about the work of the Institute of Economics and the journal "Voprosy Ekonomiki".

After the decree of the Central Committee of our party on the Institute of Economics, some changes took place in its work. However, these shifts must be recognised as extremely insufficient. The manuscripts accumulated at the institute did not become the property of the Soviet public. The bottleneck in the work of the institute is currently the publication of prepared works. In the presence of a large number of manuscripts, the publication of scientific products is extremely small. Published books often suffer from serious flaws and errors. The institute is deeply indebted to the party and the Soviet public.

The main reason for the unsatisfactory state of the institute's work is that the leadership of the institute did not understand the full depth of the meaning of Comrade Stalin's words that science cannot develop and succeed without a struggle of opinions, without freedom of criticism. We have not drawn from this position all the conclusions that follow for a radical restructuring of the methods of directing scientific work.

The discussion revealed a large number of complex theoretical issues that have caused disagreements and disputes among economists and require scientific development and correct solutions. However, all these issues have found extremely weak reflection in the economic literature and on the pages of the economic journal.

² Sergey Bulgakov (1871-1944), Russian philosopher, economist. In 1900, in the monograph "Capitalism and agriculture", he tried to create a theory of the development of the agrarian economy in connection with the general evolution of the capitalist economy. V. I. Lenin criticised this theory in a number of works, the most important of which was "The Agrarian question and the critics of Marx" (1901).

This applies primarily to the publications of the Institute of Economics and the journal Voprosy Ekonomiki.

When discussing scientific works and preparing them for publication, everything more or less controversial was eliminated from them. [The interests of reinsurance] gave rise to a highly bureaucratic system for organising the management of scientific work at the USSR Academy of Sciences in general and at the Institute of Economics in particular^a.

Each manuscript, before reaching the press, goes through 7-8 instances. This system, built on the principle of reinsurance, generates irresponsibility, delays the publication of scientific works to the extreme, and at the same time, as practice shows, does not guarantee against errors.

This vicious system of preparing and promoting manuscripts explains why cork, which was formed at the institute for the release of scientific papers. Need to break the bureaucratic system for promoting manuscripts to print, which exists in the USSR Academy of Sciences, and give full independence to the Institute of Economics and all institutes in the issue of publishing works, while simplifying the system for preparing manuscripts within the institutes, which is also rich in all sorts of reinsurance elements.

The publication of planned scientific works in the system of the Academy of Sciences is not financially stimulated at all. There is a provision prohibiting publishers and editorial offices journals to issue royalties for books and articles written in the order of fulfillment of the academic plan by researchers of the Academy of Sciences. It is allowed to pay a fee only for unscheduled work. Such an order pushes the staff of the institute on the path of disrupting the planned targets and performing unscheduled work due to this.

The situation at the Institute of Economics is very bad with materials for scientific work. The Institute does not have any data for the study of synthetic national economic problems, such as the national income, the balance of the national economy.

It must be said frankly that the lack of materials greatly complicates the presentation of the processes and new phenomena

^a In the right field with a pencil next to the selected litter: **What is this?**

occurring in the Soviet economy, and makes it difficult to pose urgent national economic problems to decision-makers, which is one of the most important, if not the most important task of the Institute of Economics.

The Institute grew into a bulky scientific institution, forced to deal with literally all areas of science: the Soviet economy, the economy of the people's democracies, the economy of the capitalist countries. Such a wide scope, such cumbersomeness undoubtedly complicate the management of scientific work. There is a need for some the downsizing of the institution and the creation of a number of departmental economic institutions.

The journal "Voprosy Ekonomiki" was justly criticised for the fact that in its work the editorial board had a fear of raising controversial issues, the presence of elements of reinsurance. Discussion questions were rarely raised on the pages of the magazine, no analysis was given of new phenomena that arose in the practice of communist construction in the USSR and in the development of the economy of modern capitalism.

It should be considered inadmissible to combine in one person the director of the Institute of Economics and the editor-in-chief of the journal Voprosy Ekonomiki. This does not contribute to the development of criticism and self-criticism in scientific work^a.

The discussion is clear evidence of the exceptional attention and the enormous importance that the Central Committee of our Party and Comrade Stalin personally attach to economic science, the arming of economic theory [our]^b frames. It infuses cheerfulness and gives us a deep confidence that with the help and guidance of the Central Committee of our party, we liquidate as unacceptable the protracted lag of scientific work in the field of economics from the practice of communist construction, with the joint efforts of economists, we will create a full-fledged textbook on political economy.

RGASPI. F. 558. Op. 11. D. 1245. L. 111-119. Typescript.

^a In the left field, the paragraph is marked with a vertical line in pencil, followed by a litter pencil: **That's how! Who is to blame for this?**

^b From the underlined arrow down, under the text in pencil of the litter: **Not only "our", but also foreign.**

31. ABRIDGED TRANSCRIPT OF THE SPEECHES OF THE PARTICIPANTS IN THE DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. 6 December 1951

Evening Session 6 December

1. Comrade. Leontiev L. A.^C

**Head of the Department of Political Economy of the
Academy of Social Sciences under the Central Committee of the
All-Union Communist Party (B)**

The presented model of the textbook was subjected to sharp and principled Bolshevik criticism. This criticism convincingly and concretely exposed numerous errors.

Significant shortcomings of the layout showed the need for its most serious improvement and thorough restructuring. Not consistently conducted in the layout the historical method in the construction of the textbook and in the presentation of the material.

We are now obliged to present political economy differently from the way it was given.

Marx in “Capital”, and with full consideration of its deep gigantic development in the writings of Lenin and Stalin.

In the layout, the question of the form of value is presented unsuccessfully and the criticism in this regard was fair.

But is it possible to agree with those comrades who demand that the forms of value be stated verbatim according to Marx, in the order of revealing the internal contradictions of the commodity, its use value and value, abstract and concrete labour^a.

^C On the cover of the pencil litter: **Leontiev**.

^a in the left field, the paragraph is marked with two vertical lines in pencil, followed by a litter pencil: **Meth**.

Here they made a proposal that the form of value should be considered in the section on socialism. What the author meant by proposing this remains unclear to me.

The presentation of the form of value as a historical stage in the development of exchange—these comrades call the analysis of the external contradictions of exchange and depict it as a return to Adam Smith.

The consistent implementation of the historical method of presentation obliges us to go much further along the path of distributing material not according to the “Capital” scheme, [but] according to the principle of historical sequence. Here several suggestions were made to give reproduction and crises in one chapter, or in two adjacent chapters. Such a construction will correspond to the transition from the analytical method to the historical one and is prompted by the works of Lenin and Stalin, where the problems of capitalist reproduction and crises are closely linked.

For the same reasons, it seems appropriate to give a chapter on national income, its production, distribution and redistribution. Comrade’s proposal Paltsev undoubtedly deserves support in this respect, although he should not have portrayed the matter in such a way that the Central Committee supposedly suggested that the authors of the textbook give such a chapter, but for some reason they arbitrarily threw it out.

Historians, as well as some economists, quite rightly said that materials on the history of Russia, Asia, China, India are not involved. This obliges us to significantly expand and deepen in the textbook the coverage of the question of agriculture, the position of the peasantry under capitalism, to more evenly distribute the material on industry and agriculture, about the city and the countryside.

Those comrades who sharply criticised the absence in the model of any analysis of the foundations of the colonial system of imperialism were absolutely right.

A serious violation of historicism, as the discussion has shown, was admitted in the model in highlighting the general crisis of capitalism. There is a need to draw a clear distinction between the two periods of the general crisis of capitalism: the first period following the first crisis of the capitalist system of the world

economy and the First World War, and the second period following the second crisis of the capitalist system of the world economy and the Second World War.

Some comrades demanded to construct the law of the socialist economy with reference to the iron logic of Capital, seeking in an abstract the basic law of socialist economy, which was proclaimed as either the plan or the socialist state.

The historical method serves as a guarantee of a correct approach to the very nature of the economic laws of socialism, the laws of objectively existing, historically conditioned, representing an expression of objective economic necessity at every stage of the development of socialist society. The transition to abstract scholastic lines inevitably leads to a distortion of the very nature of the historical laws of socialism in the spirit of the theory of spontaneous flow. The historical method is inextricably linked with the process of the primacy of production. In the section on socialism, the most flagrant violation of this principle was expressed in the neglect of the topic of the material and production base of socialism.

Those comrades are right who pointed out that the most important one is blurred and crumpled in the layout of the economic law of socialism as a guiding principle of social life under socialism: "From each according to his ability, to each according to his work."

The historicism of political economy is irreconcilably hostile to all scholasticism, and in this connection it is impossible to ignore the question of the law of value under socialism discussed here. During the discussion, many interesting and undoubtedly useful remarks and statements were made about certain forms and actions of the law of value in a socialist economy. On issues such as the system and policy of prices, the question, cost, the question of the necessary surplus labour, the nature of our profits and turnover taxes, the question of cost accounting, Soviet trade, the financial system, credit, etc., many valuable and interesting considerations were expressed. ...

Critics have shown that the presentation of the question of the law of value under socialism in the layout suffers from confusion, eclecticism and that elementary logical error, which is known as a vicious circle.

The confusion lies in the fact that first it is said about the law of value, and then only about the commodity. Meanwhile, it is obvious that the sequence should be reversed.

The eclecticism lies in the fact that instead of a monistic explanation, four different interpretations of the issue are put side by side.

The vicious circle consists in the fact that the law of value is derived from money, from cost accounting, from commodities and even from trade, while it is obvious that all these categories are based on the law of value.

Wanting to assert the primacy of production, some comrades are trying to prove that the law of value follows, they say, from socialist production, from socialist property. This, of course, is true, but it is completely meaningless, for everything that happens in the socialist economic system and in socialist society flows from socialist production. The challenge is to find the intermediaries. Since we are talking about the fact that the products of labour under socialism are transformed into goods, the answer to this question must be sought in the nature of socialist labour and the recognition of this circumstance.

The question is as follows: as a result of [what exactly of its properties and qualities does socialist labour produce products that take the form of commodities]. To answer this question correctly, we must, of course, first agree on whether we consider the law of value to be historically transient, or, conversely, to be an eternal law that will operate even in the highest phase of communism.

As you can see, the latter point of view has only a few supporters. In other words, it can be considered universally recognised [that the law of value operates in a transformed form under socialism] and during the entire period of transition from socialism to communism], but at the highest phase of communism this law must cease to operate.

But in this case, we must highlight those qualities, distinctive features and features of socialist labour that distinguish it from labour in the highest phase of communism. It is necessary to find the specific difference between socialist labour and labour in the highest

phase of communism, to find what Marx in “Capital” repeatedly calls “differentiation specificity.”

It is highly indicative that a number of practitioners who spoke here have shown just such an approach to the question of the law of value. Comrade Ivanov from the State Planning Commission correctly noted that such categories as commodity, money, value, price are historically [determined by the level of development of productive forces and the nature of production relations]. They give way to each other or radically change only at a higher level of development of the productive forces, when the basic principle of socialism, the principle of distributing the products of labour according to the quantity and quality of labour, gives way to the principle of distributing products according to needs. Then there is no need to use the law of value.

Historicism in building a course in political economy requires certain methodological principles and a certain style in the presentation of the textbook. The question of style and language is not a secondary issue. We must admit, in self-criticism, that we have often replaced the correct methodological principles with unsuccessful, overly straightforward ones.

Historicism is incompatible with running ahead, as a result, from a number of chapters in Section III, we have excluded any mention of the gradual transition to communism, so as not to combine these last two chapters. As a result, chapters of section III turned out to be turned back, as already mentioned here.

The textbook contains excessive popularisation, leading to simplification, to primitivism. But in an effort to avoid this, we often fell into a declaration, a postulation.

We completely missed a number of political moments, without which there could be a full-fledged economic textbook. In particular, they overlooked the issue of the struggle of the working class as the gravedigger of capitalism. The team of authors worked in isolation, without involving other specialists.

Historians, philosophers, many economists spoke here and offered help. However organised further work on the textbook, this assistance will be extremely useful.

It would be useful to strengthen the team of authors by attracting new comrades from among those who so meaningfully and in detail participated in this discussion.

A sense of moral responsibility for blatant trouble on the economic front is imposed on each of us, wherever we work.

In the 1950 report of the chief scientific secretary of the Academy of the Institute of Economy was spoken in the most rosy tones: the backlog was eliminated, the turning point was made, and the plan was fulfilled either by 95%, or by 97%, and the organisation of scientific work was strengthened, etc. The only dark spot on this bright background was the mention of the fact that the journal “Voprosy Ekonomiki” was seized by three employees, and it remained unclear how these “malefactors” could seize the whole magazine in broad daylight. Obviously, such a frivolous assessment of the state of affairs at the Institute of Economics then corresponded to the opinion of the Institute’s management. Here a different, much less pleasant picture unfolded before us, and the speeches of the heads of the Institute of Economics sounded differently. It was justly said about the biggest shortcomings in his work, about the absence of living creative thought, about the substitution of empty hype for genuine scientific discussions, about the negligible output of scientific works, about the lack of due attention to young personnel, about the cumbersomeness of the institute, which must study the whole world and its surroundings. , about difficulties in obtaining materials, etc., and most importantly about the vicious method of managing scientific work, built on the principle of reinsurance, on the principle of “whatever happens,” as a result of which nothing good ever comes out.

And now a legitimate question arises—how are such vicious methods of work could not open such qualified, strong, efficient in business and in politically comrades.

Apparently, there are still such reasons for the trouble on the economic front, which should have been discussed here by those comrades who are in the know of the affairs.

The discussion showed that the cadre of scientific workers-economists is immeasurable have grown in recent years, and this is

undoubtedly one of the most significant and joyful outcomes of our discussion [...].

RGASPI. F.558. Op. 11.D. 1245.L. 122-128. Typescript

**32. ABRIDGED TRANSCRIPT OF THE
SPEECHES OF THE PARTICIPANTS IN THE
DISCUSSION ON THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY. ^a
December 11, 1951**

Fifth Meeting 11 December 1951

[...]

**YAROSHENKO L. D.—[Head. Sector of the Moscow
Regional Statistical Control]^b**

Yesterday Comrade Sidorov gave a good answer here. Leontiev in terms of application in a mock-up of a historical method textbook. I will not dwell on this, considering this answer to be quite correct. I would like to make one small proposal regarding the interpretation of the issue of labour productivity.

It seems to me that in the section of the textbook “Socialism” it is necessary to give a concept of labour productivity different from that which is generally accepted in our country. Socialism, as Lenin said, creates a new, higher productivity of labour. And here, it seems to me, I mean not only the labour productivity of workers in individual branches of production, but labour productivity in its broader concept.

Labour productivity, as you know, is calculated in relation to workers employed in production, therefore it reflects and characterises the level of development of workers, their technical equipment, labour intensity and the level of organisation of workers’ labour in a given enterprise, industry and the whole national economy, but it does not express and does not characterise the level of social organisation of labour. It does not show how rationally and productively society uses its productive forces, which is

^a Issue No. 3. V session of the section.

^b Underlined in blue pencil.

extremely necessary in determining the progressiveness of this mode of social production. To determine the progressiveness of a given mode of social production, one should calculate the [social] labour productivity^a.

An indicator of social productivity of labour is the production of all products, calculated not in relation to the workers employed in production, but calculated in relation to [the number of the active population of society]^b.

This calculation of labour productivity, in contrast to labour productivity per worker directly employed in production, characterises the level of the organisation of the productive forces in social production, the level of the social system of production.

Social production can be organised in such a way that to cause, over time, a relative reduction in the part of society that is engaged in productive labour and to cause an increase in that part of society that is not engaged in productive labour. Consequently, the labour productivity of workers may increase, may remain unchanged, or even increase the volume of gross output, while the social productivity of labour will stand still or decrease.

When we compare two social systems of production, then we must calculate labour productivity is not only that which is formed at the enterprise, but also that labour productivity, which characterises the level of organisation of social production, characterises the system of social production and, thus, shows, in relation to the previous system of social production, the degree of utilisation of the productive forces of society, and, consequently, the progressiveness of the given mode of social production.

The capitalist mode of production can, through intensification, mechanisation and improvement of the internal organisation of labour at the enterprise, ensure an increase in the labour productivity of workers in individual branches of production, but the social productivity of labour either remains unchanged or falls.

Under the socialist mode of production, both the labour productivity of those directly employed [workers] in production, at

^a Is underlined in red pencil.

^b In the lower field in red pencil of the litter: **And not per capita?**

the enterprise, and the social productivity of labour, which reflects not only the intensification, mechanisation and organisation of labour at the enterprise, but also the improvement of organisation of labour on a national scale, improving the organisation of productive forces in social production. Political textbook of the economy of socialism, I believe it expedient to introduce such a calculation of labour productivity.

My second remark. Under socialism, due to the fact that society takes possession of its productive forces and consciously organises them according to the plan in social production [the sphere of social activity], studied by political economy of socialism, does not narrow, as some comrades have said here, with which I cannot agree in any way, but on the contrary, it is significantly expanding, and the study itself is significantly deepening. In this regard, as well as in connection with what many have said here, Comrades, regarding an insufficient presentation of the main important provisions of the political economy of socialism, I consider it expedient to make a proposal that that the textbook be split into two volumes: [the first volume covers the political economy of pre-existing modes of production, including] and the capitalist mode of production, [and the second volume] begins with the October Revolution and covers the socialist mode of production. It seems to me that to set out in a small the book, the basic questions of all existing and existing modes of production, including the socialist, are impossible and inexpedient^a.

One last remark regarding Comrade Leontiev's speech. He distorted my thought in terms of my attitude to the historical method. I am not [against the historical method]. The historical method is the scientific method. I am only opposed to this scientific method being applied unscientific, as is the case in the section "Socialism" of the textbook layout. From this point of view, I criticised the method used in the textbook, and not the historical method in general [...].

RGASPI. F. 558. Op. 11.D. 1246.L. 11-12. Typescript.

^a The highlighted text is underlined with a red pencil, and the underlined text is highlighted with a vertical line in the left field of the pencil. Beyond the line of her on the field with a pencil of litter: **Sentence.**

**33. PROPOSALS OF THE PARTICIPANTS OF
THE DISCUSSION MADE AT THE SESSION
ON THE SECTION “SOCIALIST MODE OF
PRODYCTION OF THE LAYOUT OF THE
TEXTBOOK OF POLITICAL ECONOMY.
December 17, 1951**

**Issue No. 6. IX SESSION OF THE SECTION.
DECEMBER 17, 1951**

**PROPOSALS OF THE PARTICIPANTS IN THE
DISCUSSION SUBMITTED AT THE SESSION ON THE
SECTION OF THE LAYOUT OF THE POLITICAL
ECONOMY TEXTBOOK
“SOCIALIST METHOD OF PRODUCTION”^b**

**[...] Yaroshenko L. D.—[Head. Sector of the Moscow
Regional Statistical Control^c.**

At [plenary sessions] and here in the section, the question of the subject of political economy was touched upon more than once. The definition of the subject of the political economy of socialism, which I gave, was directly or indirectly interpreted in the sense that I supposedly consider the study of the productive forces of society to be the subject of the political economy of socialism. Comrade Chesnokov, having interpreted my proposal in this way, dismissed it as not worthy of attention. However, Comrade Chesnokov grossly distorted my point of view on this issue. I have given the following definition of the subject of the political economy of socialism.

The political economy of socialism [studies the organisation of the productive forces in social production], develops and develops

^b On the cover in red pencil of the litter: **NB**.

^{cc} Underlined in blue pencil.

the theory of this organisation. [I emphasise—the organisation of productive forces in social production], not productive forces. Everyone understands that the study of the productive forces and the study [of the organisation of the productive forces in social] production are different areas of knowledge and, of course, they cannot be confused.

The organisation of the productive forces in socialist social production includes not only issues related to the determination of the magnitudes and relationships of qualitatively different parts of the productive forces in social production, the determination of the necessary proportions in the national economy, it includes issues of the social division of labour, the establishment of certain relations between people production, the establishment of certain working conditions for people in order to successfully implement the necessary, corresponding to the objective economic laws of socialism, the organisation of the productive forces of society.

The political economy of socialism [studies the production relations of people as a problem subordinate to the organisation of the productive forces]. The change in the relations of production of people [is included in the study of the organisation of productive forces as a means], as a moment of this organisation^a.

In a socialist society, a person becomes a conscious reformer both nature and the productive forces of society, as well as their production of public relations. This means the simple truth that in the socialist society does not exist and cannot exist the need for industry or other branches of the economy in the labour force, but there is a need for labour, the need of a person in industries and in other sectors of the economy.

[It is impossible] to correctly, theoretically solve not a single fundamental question of the political economy of socialism without proceeding from this premise, [this change, which determines the

^a The words “studies the industrial relations of people...” are underlined with a pencil, from the words “as a problem...” with two lines—a pencil and a red pencil, from the words “enters into the study of the organisation...” with a red pencil. The paragraph is marked with two vertical lines in red pencil and two vertical lines in pencil. On the right zero, the pencil of the litter is illegible, presumably: **P. P. P.**

essence of the socialist mode of production]. For those people who recognise this truth, all questions of the political economy of socialism are posed differently. [Disputes about the role of one or another category of the political economy of socialism—value, commodity, money, credit, etc.—which often take on a scholastic character in our country, are replaced^b with sound arguments about the rational organisation of productive forces in social production, the scientific substantiation of such an organisation^c. And in this big business, these categories play a subordinate, service role^d.

Proceeding from the definition of the subject of the political economy of socialism that I have outlined, naturally, the direction of the activity of this science also changes. She does not limit its role to explaining what exists, and sets itself the task of its alterations, the task of scientific substantiation of this alteration, scientific substantiation of such an organisation of productive forces, in which construction of communism is ensured.

[The goal of socialist social production is the all-round increase in the production of products to meet the needs of all members of society in accordance with the quantity and quality of their labour and the gradual] transition to the production of an abundance of products^a. The latter presupposes a high technological armament of labour and its high productivity^b.

To achieve this goal, socialist society has at its disposal one main means—the rational use of the productive forces for the purpose of their most rapid development.

How to carry out such an organisation of the productive forces in which these forces would be most rationally used in social

^b Is crossed out in pencil, the dung above the line is illegible.

^c The sentence in pencil is taken in parentheses, underlined in red pencil, crossed out in pencil with two slashes.

^d In the left and right margins, the paragraph is marked with two vertical lines in red pencil.

^a Above the first line of the paragraph with a pencil of droppings: **That's how!**

^b In the left margin, the paragraph is marked with two vertical lines in red pencil and two vertical lines in karanda shom, followed by a litter pencil: **It means that you have taken a step back...**

production? This is the main question of the life and development of socialist society. What is most important for the development of socialist society, its social production,

should be the main thing for a science that studies this mode of social production, if this science is not in opposition to the political structure of society. Therefore [the development and development of the scientific organisation of the productive forces in social production determines the content of the science of the political economy of socialism, is its subject]^c.

The change in the subject of the science of political economy under socialism follows from the change [of the method of social production and its tasks]. This change means that science, as society develops and its own development, moves from studying what has already been identified and mastered to studying and mastering that main and determining development of social production that has not yet been mastered^d.

The change in the subject matter of the science of political economy confirms only the Marxist truth that in the course of history not only our concepts of the subject change, but that the objects themselves, their inner essence change.

The definition of the subject matter of the political economy of socialism determines its role in the development of our society, in the building of communism. The question is, will this science passively observe and explain socialist social production, will this science be in itself, to which its task is reduced by the layout of the textbook, or, or rather its bearers, will heed the demands of life, will study the organisation of productive forces in social production, to develop and develop a scientific theory of this organisation and thus turn the science of political economy of socialism into an effective, active force in the building of communism.

Fulfilment of one of the basic laws of our society - the Stalin Constitution on the right of Soviet people to work ~ requires that the

^c Underlined with a pencil is taken in parentheses. In the right field, two vertical lines are drawn in pencil.

^d Is underlined in red pencil.

aggregate product of social production be divided into funds of social production and reproduction, into funds for accumulation and consumption on the basis of the principles I have outlined, so that correlations are established in accordance with these principles in the development between [I and II divisions]^e.

The struggle of a socialist society for communism is reduced mainly to its struggle for [rational use of productive forces in social production]. Science, the political economy of socialism, should be the theoretical weapon of our people in this struggle^f.

With regard to the method, my point of view is set forth in my speech at the plenum. Comrade Petrov, who spoke here today, correctly covered this issue. [...]

RGASPI. F.558. Op. 11, file 1247, L. 26-30. Typescript.

^e Is underlined in red pencil.

^f Is underlined in red pencil.

34. G.M. MALENKOV TO J.V. Stalin. ON THE COURSE OF DISCUSSION ON THE LAYOUT OF THE TEXTBOOK OF POLITICAL ECONOMY. December 6, 1951

To Comrade Stalin

During the discussion on the layout of the textbook of political economy, [116]^a people have spoken today, [37 more people]^b want to speak.

The meeting participants spoke in favour of giving the opportunity to speak to all who signed up for the debate and to this end hold another six or seven plenary sessions.

The meeting participants also wished, along with the plenary sessions, to organise work in sections, where they would be given the opportunity to present additional specific comments and suggestions on the layout of the textbook.

In this regard, three sections are organised:

first section on textbook layout section—pre-capitalistic ways of production;

the second section on the section—the capitalist mode of production;

the third section on the section—the socialist mode of production^c.

The sections started to work. In the sections, in short speeches, the comrades introduce specific proposals for correcting the layout and give their positive wording. This means that the speeches of comrades in the sections should be issued in a special issue as an appendix to the transcript.

^a Underlined in blue pencil.

^b Underlined in blue pencil.

^c In the left margin, the paragraph is highlighted in blue pencil with two short vertical lines, one below the other.

The meeting is expected to be completed by 20 December in order to present for your consideration^d based on the work of the meeting:

1. Systematised proposals for the revision of the textbook layout.

The proposals will highlight the erroneous provisions of a theoretical nature, errors and inaccuracies in the factual and digital material in the layout, positive wording will be stated about correcting these errors and inaccuracies, the correct editorial comments will be taken into account and it will be indicated which ones need to be included in the layout additions^e.

2. Proposals for rectifying the state of affairs on the front of economic science.

Participants in the discussion sharply criticise the state of affairs in the field of economic

sciences, note that economic science is lagging behind us; few serious theoretical works in the field of Soviet and foreign economics are published^a.

In economics, there are virtually no free discussions, criticism is not only discouraged, but suppressed. There is an intolerant monopoly of individuals, hindering creative discussion of scientific issues and the growth of young scientists.

Comrade Ostrovityanov as director of the Institute of Economics does not provide guidance^b.

A vicious system has developed in publishing economic works. Long and the multistep way of considering the papers submitted for publication (sector, academic council, directorate of the institute, bureau of the department of economics and law, editorial and publishing council of the USSR Academy of Sciences, publishing house) leads to an unacceptable delay in their publication. Currently,

^d In the left field, the paragraph is highlighted with a vertical line in blue pencil.

^e The paragraph is marked with a vertical line in the left margin in blue pencil.

^a In the left margin, the paragraph is marked with a vertical line in blue pencil.

^b The paragraph is marked with a vertical line in the left margin with a sharp pencil.

there are about 70 prepared works on political economy, which have not been published for several years.

There are serious shortcomings in the work of the journal “Voprosy ekonomiki”.

Panelists put forward a number of specific proposals for correcting the state of affairs on the economic front^c.

G. Malenkov

6.XII.51

RGASPI. F. 558. Op. 11.D. 1248. J1.1-3. Typescript.

^c In the left field, the paragraph is highlighted in blue pencil with a vertical line

35. G. M. MALENKOV, M. A. SUSLOV, Yu. A. ZHDANOV TO J. V. STALIN. COVERING NOTE AND DRAFT RESOLUTION OF THE CENTRAL COMMITTEE OF THE CPSU (B) “ON THE SITUATION IN ECONOMIC SCIENCE.” December 22, 1951

To Comrade Stalin^d

During the discussion on the draft textbook on political economy, it became clear that the well-being in economics is, first of all, expressed in the absence of serious scientific works on political economy and the low theoretical level of published economic research. Soviet economists poorly deal with the most important problems of the Soviet economy and the economy of the countries of people's democracies.

The theoretical elaboration of questions of contemporary, especially American imperialism, of the latest phenomena of the general crisis of capitalism and the crisis of the colonial system is inadmissibly lagging behind.

A serious obstacle in the development of theoretical work in the field of political economy is the subjectivist views that have not been eliminated among some economists on the essence of the Soviet economy, according to which the laws of the socialist economy are allegedly established by state bodies. Deeply flawed are the theories that characterise the economic laws of the socialist mode of production as spontaneously acting, which leads to the mechanical transfer of the categories of the political economy of capitalism to the Soviet economy.

There is no criticism and self-criticism in the work of economic scientific institutions and editorial offices of journals, there are no discussions on controversial and poorly developed issues of political

^d Above the headline in pencil of the litter: **Organisational issues**. The litter is circled with a red pencil, underlined with a red pencil.

economy. Often, creative criticism is replaced by unscrupulous, snubbing criticism, by pasting all sorts of defamatory labels on the authors of scientific works.

The Institute of Economics of the USSR Academy of Sciences does not cope with the tasks assigned to it and in recent years has not prepared a single serious scientific work of national economic importance, does not inform the Council of Ministers of the USSR and the Central Committee of the All-Union Communist Party of Bolsheviks about the processes taking place in the Soviet and foreign economies ... The management of the Institute of Economics showed carelessness in strengthening the Institute with personnel. Meanwhile, the discussion has shown that in our country there is a large number of qualified economists who are capable of creatively solving complex problems of political economy. The director of the Institute of Economics, Comrade Ostrovityanov, who at the same time heads the most important sectors of economic science (the journal *Voprosy Ekonomiki*, the Department of Economics and Law of the USSR Academy of Sciences, and others), failed to ensure proper management of the institute's affairs.

At the USSR Academy of Sciences and at the Institute of Economics, the publication of scientific works on economic questions is poorly organised. Currently, there are more than 70 unpublished manuscripts on economic theory, many of which are devoted to topical problems of economics and can be published in a short time. For a year or more, such works as "Placement and Specialisation of Agriculture", "Essays on the Transition Period from Capitalism to Socialism", "Socialist Property", "Deepening Crisis of the Colonial System", "State Monopoly Capitalism", "Crisis of the British Empire", "Gold in the system of capitalism after the Second World War" and others.

This situation is explained by the fact that the Academy of Sciences of the USSR and the Institute of Economics have a system of reinsurance, in which manuscripts go through many bureaucratic instances of consideration, are sent for reviews to numerous reviewers, often unqualified.

The journal "*Voprosy Ekonomiki*" is conducted unsatisfactorily. The editorial board of the journal relies on a narrow circle of authors,

does not attract fresh forces to participate in the journal, does not organise a wide author's asset around itself. The discussion revealed a large number of theoretical issues on which there are different points of view among economists. However, articles containing discussion materials were not published in the journal.

We are submitting for your consideration the attached draft resolution of the Central Committee of the All-Union Communist Party of Bolsheviks on the situation in economic science.

22.XII.51

G. Malenkov

M. Suslov

Yu. Zhdanov^{1a}

Draft

**Resolution of the Central Committee of the All-Union
Communist Party of Bolsheviks on the Situation in Economic
Science**

The free discussion of the draft textbook on political economy, held by the Central Committee of the All-Union Communist Party (Bolsheviks), revealed a serious problem on the front of economic science.

¹ Zhdanov Yuri Andreevich (1919-2006), Soviet and Russian scientist, party leader, Candidate of Philosophical Sciences spider (1948), Doctor of Chemical Sciences spider (1960), corresponding member of the USSR Academy of Sciences (1970), corresponding member of the Russian Academy of Sciences (1991). Head of the Sector (iot Department) of the Science of Agitation and Propaganda Management under the Central Committee of the CPSU(6)/CPSU (1947-1953). Research interests: theory of organic chemistry, chemistry of natural compounds, philosophical problems of natural science.

^{aa} The date of the document and the signatures of the authors are put in blue ink.

1. Scientific work in the field of economics continues to lag behind the tasks of communist construction in our country. This is primarily reflected in the absence of serious theoretical works in the field of political economy and in the low theoretical level of published economic research.

Soviet economists poorly develop such major problems as the economic role of the Soviet state, planning of the national economy, the balance of the national economy of the USSR, national income, the operation of the law of value under socialism, the creation of the material and technical base of communism, the use of internal reserves of production, the increase in labour productivity, wages, organisation and remuneration of labour in collective farms, differential rent in agriculture, Soviet trade, finance and pricing, as well as theoretical problems of the economy of the people's democracies.

The theoretical elaboration of questions of contemporary, especially American, imperialism, the latest phenomena of the general crisis of capitalism and the crisis of the colonial system, the study of the economic situation and the revolutionary struggle of the working people of the capitalist countries are inadmissibly lagging behind. Soviet economists study foreign economic literature poorly, do not systematically follow it, do not expose contemporary theories of bourgeois economists; a significant part of economists do not know foreign languages well and show carelessness in learning them.

The development of questions of economic theory in many cases is carried out in isolation from the practice of communist construction. Instead of a deep study of reality, some economists engage in pedagogical interpretation of quotations or limit themselves to superficial descriptions of facts.

2. A serious obstacle in the development of theoretical work in the field of political economy is not obsolete subjectivist views on the essence of the Soviet economy, according to which the laws of a socialist economy are supposedly established by state bodies. At the same time, among some economists, harmful theories are still circulating, consisting in the fact that the economic laws of socialism are considered as spontaneously acting laws and, thus, the categories

of the political economy of capitalism are mechanically transferred to the Soviet economy.

3. There is no criticism and self-criticism in the work of economic research institutions and editorial offices of journals, and creative discussions on certain issues of political economy are not held. In scientific institutions and journals, creative Bolshevik criticism is often replaced by unscrupulous, snubbing criticism, by sticking defamatory labels to the authors of their works without any reason. It is a wrong practice in newspapers and magazines when it is not possible for authors of criticised works to respond to criticism.

In the field of economic science, an intolerable situation has developed when its individual branches are monopolised by small groups of economists who preserve their monopoly and hindering the promotion of new scientific personnel.

4. The Institute of Economics of the USSR Academy of Sciences, designed to be a leading economic scientific institution, does not cope with the tasks assigned to it, did not become the centre of research work in the field of political economy, is not associated with scientists from the periphery and sectoral research institutes. The Institute has not prepared a single serious scientific work of national economic importance, does not inform the Council of Ministers of the USSR and the Central Committee of the All-Union Communist Party of Bolsheviks about the processes taking place in the Soviet and foreign economies. The Institute topics develops largely spontaneously, as a result of which there are no major problems of political economy in the plan of the institute's work. Few of the scientific discussions that took place at the institute were not creative, were not complete and free.

The leadership of the Institute of Economics did not fulfil the decree of the Central Committee of the All-Union Communist Party of Bolsheviks on strengthening the institute with the necessary personnel. The institute hardly attracts young scientists connected with practice and who have shown themselves creatively in scientific and pedagogical work. Meanwhile, the discussion has shown that in our country there is a large number of qualified economists who are capable of creatively solving complex problems of political economy. The Institute of Economics prepares postgraduate and

doctoral students in a handicraft manner; there is no methodological guidance for the educational process.

The directorate of the Institute of Economics has mastered the formal-bureaucratic style of work, in fact it does not delve into the content of the activities of researchers, does not save their time, wasting it on jury bustle. The manuscripts of the research workers are stored in the directorate for months.

The director of the Institute of Economics, comrade Ostrovityanov, was unable to ensure proper management of the affairs of the institute. It cannot be considered correct that Comrade Ostrovityanov simultaneously heads the Department of Economics and Law of the USSR Academy of Sciences, the Institute of Economics, the journal *Voprosy Ekonomiki*, manages the economic sectors of the Great Soviet Encyclopaedia, the Society for the Dissemination of Political and Scientific Knowledge, and the Higher Attestation Commission.

5. The work of industrial research institutes is seriously lagging behind the tasks and requirements of the practice of socialist construction. In these institutes, the experience of the economic work of the enterprises of the corresponding ministries is poorly generalised, important problems of the economy of individual sectors of the national economy are not developed.

6. The situation that exists in the USSR Academy of Sciences and the Institute of Economics with the publication of scientific works on economic issues, in which manuscripts undergo many bureaucratic instances of consideration, are sent for reviews to numerous reviewers, often unskilled, is completely unacceptable. As a result of such a vicious system, more than 70 manuscripts on economic theory have accumulated in various instances and in publishing houses, most of which, as established by a special check, are prepared for printing and can be published in a short time.

7. The journal "*Voprosy Ekonomiki*", which is the organ of the Institute of Economics, does not summarise the experience of the socialist economy, publishes few articles on the most important questions of the political economy of socialism and modern imperialism. Many articles published in the journal are written at a low theoretical level and do not raise new questions. The editorial

board of the journal relies on a narrow circle of authors, does not attract fresh forces to participate in the magazine, does not organise a wide copyright asset. Discussion on the draft textbook on political economy revealed a large number of theoretical issues on which there are different points of view among economists. However, articles containing discussion materials were not published in the journal.

Similar shortcomings occur in the work of other economic journals (Planned Economy, Soviet Finance, etc.).

8. Serious scientific work in the field of political economy and other economic disciplines is called upon to carry out the relevant departments of higher educational institutions. However, the scientific forces of universities are poorly used. The Ministry of Higher Education poorly organises and directs the work of economic departments. The Institute of Economics of the Academy of Sciences of the USSR and the Institutes of Economics of the Academies of Sciences of the Union Republics do not coordinate their activities with the departments of higher educational institutions. As a result, the scientific output of the economic departments of universities is extremely insignificant. The weakness of the scientific work of the departments leads to a decrease in the quality of teaching economic disciplines in universities.

The Central Committee of the CPSU (B) decides:

1. To consider it wrong that there is no criticism and self-criticism in economic research institutions and editorial offices of journals, creative discussions on controversial and poorly developed issues of political economy are not given, which seriously damage the development of Soviet economic science. Comrade Stalin's instruction that no science can develop and succeed without a struggle of opinions, without freedom of criticism has not yet become the main and guiding principle in the scientific work of economists.

Condemn as deeply alien to Bolshevism, unscrupulous, criticism of pasting the authors of their works without any grounds with all sorts of defamatory labels. This method of criticism discourages researchers from independent creativity and generates in them disbelief in their own strength.

The Central Committee of the CPSU (B) believes that the elimination of the theoretical lagging behind the economic science, the creation of serious scientific works on political economy, the all-round deployment of criticism and self-criticism, the organisation of creative free discussions is the most important task of all Soviet economists.

2. To recognise as harmful and hindering the development of theoretical work in the field of political economy the still subjective views on the essence of the Soviet economy, according to which the laws of the socialist economy are supposedly established by the organs of the state. The harm of such views is that they inhibit the scientific study of the objective laws of socialist economy and, in fact, lead to the elimination of the political economy of socialism as a science. In practice, these views can harm our state, pushing national economic planning on the path of projection and adventurism.

Views that incorrectly characterise the economic laws of the socialist mode of production as spontaneously operating laws, which means the mechanical transfer of the categories of the political economy of capitalism to the Soviet economy, are also deeply flawed. The harmfulness of this approach is that it revives the notorious theory of spontaneous flow, ignores the leading and organising role of the Bolshevik Party and the Soviet state in building a communist society.

3. To consider the situation with the publication of scientific works on economic issues unacceptable, to liquidate the system of consideration and approval of scientific works for publication that exists in the USSR Academy of Sciences and the Institute of Economics as a bureaucratic system that reduces the responsibility of authors and institutes for the quality of published scientific works and prohibits their progress in print.

To instruct the Presidium of the USSR Academy of Sciences to establish such a procedure for approving manuscripts for publication, which would ensure a wide range of discussed scientific works, their prompt publication, reducing the number of instances considering manuscripts.

4. In order to eliminate the delay in the publication of scientific works on political savings:

a) invite the directorate of the Institute of Economics of the USSR Academy of Sciences to consider and submit to publishing houses the manuscripts prepared by the institute's researchers within two months;

b) oblige Glavpoligrafizdat (Comrade Gracheva) to publish during 1952 the works recommended by the Institute of Economics of the Academy of Sciences. To instruct Glavpoligrafizdat and the Institute of Economics to report quarterly to the Central Committee of the All-Union Communist Party of Bolsheviks on the progress of publishing scientific papers on political economy;

c) instruct the Department of Science and Higher Education of the Central Committee of the CPSU (b) to systematically monitor the publication of these works.

5. In connection with the unsatisfactory management of the affairs of the Institute of Economics of the USSR Academy of Sciences, release comrade Ostrovityanov from the duties of institute director.

To approve the director of the Institute of Economics of the USSR Academy of Sciences, Comrade Rumyantsev A.M.

6. To oblige the directorate of the Institute of Economics of the USSR Academy of Sciences to radically improve the work of the institute by concentrating scientific forces on the development of topical issues of the Soviet and foreign economics; introduce a broad discussion into the system scientific works, creative discussions; to eliminate the formal-bureaucratic style of work, in which the management of the institute does not delve into the content of the activities of scientific workers.

Instruct the directorate of the Institute of Economics of the USSR Academy of Sciences:

a) develop and submit to the Central Committee of the CPSU (B) proposals for improving the entire work of the institute;

b) to attract a group of economists to work at the institute who have shown the ability to to creative scientific work;

c) jointly with the Central Statistical Administration of the USSR, determine the list of materials and statistical data necessary

for the implementation of the plan of scientific work and at the disposal of the relevant ministries and departments.

7. To oblige the Ministries of Finance, Trade, Foreign Trade, Agriculture to improve the work of sectoral scientific research economic institutes, bearing in mind that their main task is to generalise the experience of the economic work of enterprises of the relevant ministries, develop problems related with the improvement of the organisation and planning of the economy of individual sectors of the national economy, issues of the scientific organisation of labour, the organisation of a socialist enterprise, accounting and analysis of the economic activities of enterprises and industries, ways to increase labour productivity and reduce the cost of production, organisation of finance, cost accounting.

8. To approve the editorial board of the journal “Voprosy ekonomiki” in the new composition: PA Belov—Editor-in-Chief, AD Gusakov—Deputy Chief Editor, I.D. Laptev, Lyubimov H. H., Ostrovityanov K. V., Vasilyeva V. Ya., Paltsev A. A., Pereslegin V. I., Rubinstein M. I.

To oblige the editorial board of the journal in each issue of the journal to publish discussion materials, publish articles on topical issues of the Soviet and foreign economy, significantly expand the circle of authors, more boldly attract fresh forces, especially from the periphery.

9. Suggest the editorial boards of the journals Planned Economy, Sovetskiye Finansy, Vestnik Statistiki, Dengi i Kredit and other departmental economic journals to publish more articles on theoretical topics and organise discussions on the Soviet economy.

10. To oblige the central and regional newspapers, the Bolshevik magazine to cover more broadly questions of economic science, publish reviews of published scientific works and magazines, and post consultations on economic topics.

11. Instruct the Bureau of the Presidium of the USSR Council of Ministers to take measures to provide the Institute of Economics of the USSR Academy of Sciences with additional premises.

Secretary of the Central Committee of the CPSU (B)

(J. Stalin)

RGASPI. F. 558. Op. 11.D. 1248.L. 14-23. Typescript. The signatures of the authors of the document are autographs.

36. G. M. MALENKOV, M. A. SUSLOV, Yu. A. ZHDANOV TO J. V. STALIN. COVERING NOTE AND DRAFT RESOLUTION OF THE CENTRAL COMMITTEE OF THE CPSU (B) “ON THE DRAFT TEXTBOOK OF POLITICAL ECONOMY”. December 22, 1951

To Comrade Stalin^a

The discussion of the draft textbook on political economy, prepared by a group of Soviet economists, organised by the Central Committee of the All-Union Communist Party of Bolsheviks, is attended by 263 people, including teachers and researchers working on political economy, history, philosophers and specialists in various branches of a particular economy.

During the discussion, 21 plenary sessions were held, at which 119 people spoke. In addition, all participants of the meeting worked in three sections on the sections of the draft textbook.

The draft textbook has been subjected to deep and comprehensive criticism. During the discussion it is noted that it contains a number of theoretical errors in the interpretation of important problems of political economy, errors in factual and digital material, unclear editorial wording and some controversial or poorly reasoned positions.

The textbook does not cover a number of issues that occupy an important place in Marxist political economy: agrarian relations under capitalism, the national-colonial question, production and distribution of national income, and others.

When characterising the capitalist mode of production in the draft textbook no deep scientific disclosure of its contradictions is

^a A check mark has been placed in the left margin with a red pencil. On the top margin, to the right of the title, with a pencil mark: **Resolution of the Central Committee of the CPSU (B)**. From here with a pencil arrow to a litter made in red pencil and circled in pencil: **The result of the discussion**.

given. The analysis of the laws of capitalism is organically not connected with the demonstration of the class struggle in bourgeois society and the role of the proletariat as the gravedigger of capitalism.

The weakest part of the draft textbook, which requires radical revision, is the section on the socialist mode of production. This section is not disclosed the essence and objective nature of the economic laws of socialism, their internal connection and mechanism of action.

The draft textbook does not consistently carry out the principle of the primacy of production, does not disclose the determining role of the economic base in relation to the political superstructure, simplifies the question of the economic role of the state, of the organising and mobilising force of the party's policy. The textbook does not reveal the difficulties and contradictions that arise in the process of socialist construction, does not show specific ways to overcome them. Many questions of the political economy of socialism are presented in the draft in an abstract way, without proper connection with the practice and tasks of socialist construction.

A major drawback of the draft textbook is that, when covering pre-socialist modes of production, it is based on factual material only from the history of the development of Western European countries. China, India, Africa, countries of Central Asia was left out.

During the discussion, specific proposals were made to eliminate theoretical errors in the draft textbook, as well as inaccuracies of factual and of an editorial nature.

During the discussion among economists, disagreements emerged on a number of issues of political economy: about the nature of the economic laws of socialism, about the law of value and socially necessary time under socialism, about Soviet money and its connection with gold, about necessary and surplus labour under socialism, about the nature of reproduction in the period of the general crisis of capitalism, on the economic basis of feudal society and the role of non-economic coercion, and others. On the most important of these questions, the majority of the participants in the

discussion came to certain conclusions, which are reflected in the proposals for improving the draft textbook.

Based on the results of the discussion, we consider it expedient to adopt a resolution of the Central Committee of the All-Union Communist Party of Bolsheviks, in which:

a) note the serious errors and shortcomings contained in the presented draft textbook;

b) oblige [the group of authors], on the basis of the discussion materials and proposals made by the participants in the discussion, to revise the draft textbook and submit it in its final form to the Central Committee of the All-Union Communist Party of Bolsheviks by May 1, 1952; to include in the group of authors additionally vols. [Gatovsky] L. M., [Kuzminova] I. I., Pereslegiya V. I., Rumyantseva A. M.^a

We present for your consideration:

a) Draft resolution of the Central Committee of the CPSU (B)—
"On the draft textbook of political savings";

b) Suggestions for improving the draft textbook on political economy.

These proposals do not cover all the issues raised in the discussion. The draft resolution of the Central Committee instructs the team of authors, when revising the draft textbook, to comprehensively take into account the discussion materials and use the elaborated participants in the discussion of the proposal (without approving them by a resolution of the Central Committee);

c) Information on controversial issues that emerged during the discussion on the draft textbook of political economy;

d) Remarks of the Central Statistical Administration of the USSR on the draft textbook of political economy.

22.XII.51.

G. Malenkov
M. Suslov

^a On the left margin, opposite the penultimate line of the paragraph, in red pencil, **mark: 4**

***RGASPI. F. 558. Op. 11.D. 1248.L. 24-26. Typescript.
The signatures of the authors of the document are autographs.***

Draft

**Resolution of the Central Committee of the All-Union
Communist Party of Bolsheviks on the Draft Textbook of
Political Economy**

As shown by the discussion held by the Central Committee of the CPSU (B) on the draft textbook of political economy, the draft textbook presented for discussion, prepared by a group of economists (Comrades I.D. Laptev, L.A. Leontyev, K.V. Ostrovityanov, A.I. , Shepilov D.T., Yudin P.F.), contains theoretical errors in the interpretation of a number of important problems of political economy, errors in factual and digital material, unclear editorial wording and some controversial or poorly reasoned provisions. The textbook does not cover a number of issues that occupy an important place in Marxist political economy.

The draft textbook contains violations of the historical method of presentation, which obliges us to consider the main provisions of political economy in the historical sequence as the corresponding phenomena arose and developed the economic life of society. Such violations lead to the separation of the categories of political economy from real historical processes, after which some economic concepts remain unexplained.

When characterising the capitalist mode of production, no deep scientific disclosure of its contradictions. The process of capitalist socialisation of production, inevitably leading to the replacement of the bourgeois economic system with a socialist one. The analysis of the laws of capitalism is organically not connected with the demonstration of the class struggle in bourgeois society. In the

^a The date and signatures of the authors of the document are in blue ink.

project of the textbook did not receive a clear light on the issue of the proletariat as a class, which is not only an object of exploitation, but also a social force designed to overthrow the power of the bourgeoisie and socialist transformation of society.

The section devoted to monopoly capitalism— imperialism does not provide a sufficient scientific economic substantiation of the most important thesis of Leninism that imperialism brings the contradictions of capitalism to the last line, to the extreme limits beyond which the revolution begins, weakly equips the reader with scientific knowledge of the fundamental features and characteristics of the general crisis of capitalism...

The political economy of capitalism is often presented without highlighting the latest phenomena of bourgeois economy (increased parasitism and decay of capitalism, new forms of merging of monopolies with the state, and others) and in isolation from the practice of the revolutionary struggle of the proletariat, which leads to a dogmatic presentation of a number of important questions.

The draft textbook allows for a one-sided interpretation of political economy as a science that studies mainly the development of industry and relations. The layout does not cover the capitalist agriculture system sufficiently the position of the peasantry and agricultural workers.

The authors of the draft textbook did not provide an analysis of the colonial system of imperialism, did not reveal the forms and methods of imperialist rule in the colonial and dependent countries, did not highlight the growth of the national liberation movement in these countries, the nature of revolutions in the colonies as anti-feudal (agrarian) and anti-imperialist.

The draft textbook does not contain enough criticism of bourgeois and opportunist theories hostile to Marxism-Leninism, especially the theories of modern bourgeois economists and right-wing socialists.

A major drawback of the draft textbook is that pre-socialist methods of production are covered on the basis of factual material from the history of the development of Western European countries. China, India, Africa, Far and Middle Asia turned out to be bypassed, material from the economic history of Russia was poorly

used to illustrate theoretical positions. With this approach, many phenomena of the economic life of society are depicted one-sidedly.

The weakest part of the draft textbook, which requires radical revision, is the section on the socialist mode of production. This section is not disclosed the essence and objective nature of the economic laws of socialism, their internal connection and conditionality of the needs of the development of the material life of society, as well as the mechanism of their action. The section is dominated by an external, often superficial description of economic phenomena, the principle of the primacy of production is not consistently carried out, the determining role of the economic basis in relation to the political superstructure is not disclosed, the question of the economic role of the state, of the organising and mobilising force of the party's policy is simplified. The advantages of the socialist economic system over the capitalist are not sufficiently shown.

The economic laws of socialism in the draft textbook are set out in a static form, and not as the laws of the development of the socialist mode of production, the laws of the gradual transition from socialism to communism; new progressive phenomena in the development of the socialist economy; the difficulties and contradictions arising in the process of socialist construction have not been revealed, and specific ways to overcome them have not been shown.

Many questions of the political economy of socialism are presented in the draft textbook in an abstract way, without due connection with the practice and tasks of socialist construction, the modern economic life of the USSR is poorly reflected. This approach contradicts the essence of Marxist-Leninist political economy, which explores the most real and topical issues affecting the vital interests of people, society and classes.

Thus, the presented draft textbook is not a full-fledged course in political economy and needs to be revised.

The Central Committee of the CPSU (B) decides:

1. To consider it necessary to eliminate the serious errors and inaccuracies in the factual and digital material in the draft textbook.

2. Instruct com. Laptev I.D., Leontiev L.A., Ostrovityanov K.V., Pashkov A.I.,

Shepilov D.T., Yudin P.F., Gatovsky L.M., Kuzminov I.I., Pereslegin V.I.

and Rumyantsev AM to revise the draft textbook of political economy and submit it in its final form to the Central Committee of the CPSU (b) by May 1, 1952 [a].

3. To oblige the team of authors to take full account of the materials of the discussion and use the proposals for improving the draft textbook developed by discussion participants (see appendix).

SECRETARY of the Central Committee of the CPSU(B)

(J. STALIN)

RGASPI. F. 558. Op. 11.D. 1248. JI. 27-31. Typescript.

37. SECTION LEADERS—TO J. V. STALIN. COVERING NOTE OF THE FINAL DOCUMENTS OF THE DISCUSSION. December 28, 1951

To Comrade Stalin^b

We present to you proposals for improving the draft textbook of political savings developed on the basis of discussion materials, as well as information on controversial issues that emerged during the discussion on the draft textbook.

The presented proposals were discussed in the sections formed from the participants of the meeting. More than 200 people worked in the sections.

The undersigned supervised the work of the sections.

A. Bolgov¹

P. Gugushvili²

K. Ostrovityanov

M. Nechkina³

^b The title of the document.

¹ Bolgov Alexander Vladimirovich (?-?), Soviet economist, during the discussion - Scientific Secretary of the Presidium of the USSR Academy of Sciences. Research interests: issues of land rent and agrarian relations.

² Gugushvili Paata Vissarionovich (1905-1987), Soviet economist, Doctor of Economics, Professor (1940), Corresponding member of the Academy of Sciences of the Georgian SSR (1961). Since 1944, Director of the Institute of Economics and Morals of the Academy of Sciences of the Georgian SSR. Research interests: theoretical problems of political economy, sociology, statistics, history of economic thought and economic development of Georgia and Transcaucasia.

³ Nechkina Militsa Vasilyevna (1901-1985), historian, Doctor of Historical Sciences (1936), Professor (1934), Academician of the USSR Academy of Sciences (1958, corresponding member since 1953), Academician of the APN of the RSFSR (1947), Academician of the APN of the USSR (1968). Research interests: history of the revolutionary movement and social thought of the XIX century, the Decembrist movement. During the discussion—senior research associate of the Institute of History of the

P. Yudin
B. Vasilieva⁴
I. Kuzminov
G. Kozlov
I. Lyubimov
M. Rubinstein
L. Leontiev
3. Bashiidzhagyan⁵
A. Rumyantsev
3. Atlas
L. Gatovsky⁶
A. Arakelyan
I. Laptev
D. Shepilov
B. Pereslegin
A. Gusakov
G. Kovalevsky^a.

December 28, 1951

RGASPI. F.558. Op. 11.D. 1248. Jĭ. 32. Typescript.

USSR Academy of Sciences and a lecturer of the Academy of Social Sciences under the Central Committee of the EKG1 (b).

⁴ Vasilyeva Vera Yakovlevna (?—?), Soviet economist, during the discussion—Senior Researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: issues of the economy of the countries of South-East Asia.

⁵ Zahariy Georgievich Baidshinjagyi (?—?), Soviet economist, during the discussion—Head of the Department of Political Economy of Yerevan State University.

⁶ Lev Markovich Gatovsky (1903-1997), Soviet economist, Doctor of Economics, Corresponding member of the USSR Academy of Sciences (1960), member of the Russian Academy of Sciences (1991). Research interests: methodology of political economy and scientific and technological progress. During the discussion, he served as the Head of the Political Economy of Socialism Sector of the Institute of Economics of the USSR Academy of Sciences.

^a The signatures of the section leaders are put in blue ink.

38. DISCUSSION ON THE ISSUES OF POLITICAL ECONOMY. 15 February 1952, the discussion started at 22.00 and ended at 23.10

Question: May the *Remarks on Economic Questions* be published in the press? Can we use your *Remarks* in scientific, research, pedagogical and literary works?

Answer: We should not publish the *Remarks* in the press. The discussions on the questions of political economy were held *in camera* and the people do not know about them. The speeches of the participants of the discussions were not published. It would not be understood if I come out in the press with my *Remarks*.

The publication of the *Remarks* in the press is not in your interest. It would be interpreted as if everything in the textbook has been defined beforehand by Stalin. I care about the authority of the textbook. The textbook must have an immaculate reputation. It would be appropriate if the contents of the *Remarks* come to be known by the people from the textbook.

One should not refer to the *Remarks* in the press. How can you refer to a document which has not been published? If you like my *Remarks* then use it in the textbook.

You may use it in your lectures, the faculty and political circles but without any reference to the author.

If an insufficient number of copies have been printed then we can make some more, but it should not be published in the press. The textbook gets published, a year or two passes then the *Remarks* may be published. It may then be included in one of the volumes of the works.

Question: [K.V. Ostrovityanov] In your *Remarks on Economic Questions* consumer commodities are mentioned, but are the means of production also commodities in our system? If not, then how do we explain the use of cost accounting (*khozrashyot* — *tr.*) in the sectors producing means of production?

Answer: Commodities are everything that are freely sold and bought, for example bread and meat etc. Our means of production cannot in essence be judged to be commodities. These are not consumer items that go into the market and which are bought by anyone who wants them. The means of production we allocate ourselves. They are not a commodity in the generally accepted sense, not that commodity which exists under capitalist conditions. There the means of production are commodities. Here the means of production cannot be called commodities.

Our cost accounting is not the same cost accounting which operates in the capitalist enterprises. Cost accounting under capitalism operates in a way that unprofitable (*nerentabel'niye—tr.*) enterprises are closed down. Our enterprises may be very unprofitable, they may be altogether unprofitable. But the latter are not closed down in our system. They receive subsidies from the State budget. Cost accounting in our system exists for the purposes of accounting, for calculation and for the balance. Cost accounting is used as a check for the enterprises' executives. The means of production only formally figure as commodities in our system. Only the items of consumption fall in the sphere of commodity circulation with us and not the means of production.

Question: [K.V. Ostrovityanov] Would it be correct to call the means of production as 'commodities of a special kind'?

Answer: No. If there is a commodity, it must be sold to everyone who wants to buy it. Expressions like 'commodities of a special kind' are no good. The law of value impinges on production of the means of production through the realisation of the consumer commodities. The law of value is needed here for calculations, for the balance and for checking the feasibility of the activities.

Question: [K.V. Ostrovityanov] How ought one to understand the terms — general crisis of capitalism and crises of the world capitalist system, are they one and the same thing?

Answer: They are one and the same thing. I underline that one should speak about the crisis of the world capitalist system on the whole. With us often only a particular country is taken up, which is not correct. Earlier people would study the capitalist system only on the basis of the conditions in a single country — England. Now for

the evaluation of capitalism one should not take up a particular country but the capitalist system as a whole. The economy of all the capitalist countries is intricately interwoven. Certain countries are moving ahead at the cost of other countries. The limitations of the contemporary capitalist market must be taken into account. An example — the USA find themselves in a good situation having eliminated competition from their main competitors — Germany and Japan. The USA hoped to increase their production twofold on the strength of their monopoly. But nothing came of their plans of doubling production. The calculations fell through. One country — the USA — moved ahead and the others fell behind. But the situation is unstable, the situation would change in the future. A single country cannot be typical for evaluating the condition of capitalism. It is not correct to take up a single country, one should take up capitalism as a whole. I underline: one must study the world system as a whole, and with us we have got used to taking up a single country.

Question>: [D.T. Shepilov] Can we consider the outline of the section ‘Socialist mode of production’ that is given in the *Proposals* on the draft of the textbook to be correct?

Answer: I agree with the outline contained in the *Proposals*.

Question: [A. Arakelyan] How do we call those parts of the National Income of the USSR which were given the name: ‘the necessary product’ and ‘the surplus product’?

Answer: The concepts of ‘necessary and surplus labour’ and ‘necessary and surplus product’ are not suited for our economy. Does all that which goes towards welfare and defence not constitute necessary labour? Is the worker not interested in it? In a socialist economy we should be making the distinctions in approximately the following manner: Labour for ones own self and labour for society. That which in relation to a socialist economy was earlier termed as necessary labour coincides with labour for oneself, and that which earlier was called surplus labour is labour for society.

Question: [A. Arakelyan] Is it correct in place of the concept of the ‘transformation’ of the law of value in the USSR to apply the concept ‘limiting the operation’ of the law of value?

Answer: The laws of science cannot be created, destroyed, abrogated, changed or transformed. The laws must be taken into

consideration. If we violate them, we suffer. An opinion is widespread with us that the time of the (operation of the — *tr.*) laws is past. This point of view is frequently found not only among economists but also those engaged in practical work and politicians. This does not correspond with the concept of law. The proposition about the transformation of laws is a digression from science, this comes from philistinism. It is not possible to transform the laws of nature and society. If it is possible to transform a law then it is also possible to abolish it. If it is possible to transform and abolish laws then it means that 'everything is possible for us'. Laws must be taken into consideration, grasped and utilised. It is possible to limit their sphere of impact. This is so in physics and chemistry. This is so for all science. One should speak not of transforming the laws but of limiting their sphere of operation. This would be more precise and scientific. No imprecision must be allowed in the textbook. We are coming out with a textbook on political economy before the whole world. It would be used at home and abroad.

We do not limit the laws, but the material objective conditions. When the sphere of operation of the law is limited the law looks different. The sphere of operation of the law of value with us is limited. The law of value is not exactly what it was under capitalism. It is not transformed with us, but limited by the force of objective conditions. The main thing is that here private property has been eliminated and labour power is not a commodity. These are the objective conditions that determine the limiting of the sphere of operation of the law of value. This limiting of the law of value occurs not because we wanted it but because such is the necessity, such are the favourable conditions for such a limitation. These objective conditions impel us to limit the sphere of the operation of the law of value.

Law is a reflection of the objective process. The law reflects the correlation between objective forces. The law shows the correlation between the causes and the result. If a certain balance of forces and certain objective conditions are given then inevitably certain results follow. One has to take account of these objective conditions. If some of the objective conditions are missing then the corresponding results will be different. With us the objective conditions have

changed as compared to capitalism (there is no private property and labour power is not a commodity), therefore, the results are also different. The law of value has not been transformed with us, but the sphere of operation is limited by virtue of the objective conditions.

Question: How should one understand the category of profit in the USSR?

ANSWER: A certain amount of profit is needed by us. Without profit we cannot create reserves, have accumulation, support fulfillment of defence tasks and satisfy social needs. Here we can see that there is labour for one self and labour for society. The word profit itself has become very dirty. It would be good to have some other concept? But what? Perhaps net income? Under the category profit we have hidden an altogether different content. We do not have a spontaneous capital flow and no law of competition. We do not have the capitalist law of maximum profit nor the law of average profit. But without profit it is not possible to develop our economy. For our enterprises even minimal profits are adequate and, sometimes, they can work without profits on account of profits of other enterprises. We ourselves distribute our resources. Under capitalism only profitable enterprises can exist. In our system we have very profitable (*rentabel'niye* — *tr.*), somewhat profitable and totally unprofitable enterprises. During the first years our heavy industry did not produce any profit but started to do so later on. In general the enterprises of the heavy industry during the initial period are themselves in need of means.

Question: [A.I. Pashkov] Is the position of the majority of the participants in the economic discussions on the issue of the linkage of the Soviet money and gold correct? Some of the followers of the minority, which rejects this linkage, state that in the *Remarks on Economic Questions Connected with the November 1951 Discussion* there is no answer to this question.

Answer: Have you read the *Proposals*? In my observations it is mentioned that on other issues I do not have any remarks regarding the *Proposals*. That means that I agree with the *Proposals* on the issue of the linkage of our money with gold.

Question: [A.I. Pashkov] Is it correct that differential rent in the USSR must be fully extricated by the state, as it was asserted by certain participants of the discussions?

Answer: On the question of the differential rent I am in agreement with the opinion of the majority.

Question: [A.D. Gusakov] Does the linkage between Soviet money and gold means that gold is a monetary commodity in the USSR?

Answer: Gold is a monetary commodity. Earlier with us the shape of things with the cost of production of extraction of gold was not good. Later we took steps to bring down the cost of production and things got better. We made a transition to the gold standard. We take the position that gold becomes a commodity and we will achieve it. There is, obviously, no necessity to exchange money for gold. It is not prevalent even in the capitalist countries.

Question: [I.D. Laptev] Do the Soviet state finances belong to the sphere of the basis or to the state-political superstructure?

Answer: Whether it is the superstructure or the base? (laughs). In general lot has been said on the issue of the base and the superstructure. There are people who even relegate Soviet power to the basis.

If you leave aside generalisations about basis and superstructure on this issue, then we have to proceed from socialist property. Our budget is fundamentally different from a capitalist one. Under capitalism every enterprise has its own budget, and the state budget encompasses a more narrow sphere than our state budget. Our budget covers all the income and expenditure of the peoples' economy. It reflects the status of the whole of the peoples' economy and not simply expenditure on management. It is a budget of the whole of the peoples' economy. Therefore, in our finances the elements of the basis predominate. But there are also elements of the superstructure present in it, for example, the expenditures on management belongs to the superstructure. Our state oversees the people's economy, our budget includes not only expenditure on the managing apparatus but on the whole of the people's economy. The budget has elements of the superstructure, but the elements of the economy predominate.

Question: [A.V. Bolgov] Is it correct that the agricultural *artel* would exist during the whole period of uninterrupted transition from socialism to communism whereas the agricultural commune is related only to the second phase of communism?

Answer: The question is meaningless. The *artel* is moving towards the commune, it is evident. The commune will be created when the functions of the peasant household of servicing their personal requirements will vanish. There is no need to hurry with the agricultural commune. The transition to the commune requires the solution of a mass of questions, construction of good canteens, laundries, etc. The agricultural communes will be created when peasants will be convinced of the feasibility of a transition to the communes. The *artel* does not correspond to the second phase of communism, more likely the commune corresponds to communism. The *artel* requires commodity circulation and, at least, for the time being does not allow for products-exchange, and more so does not allow for direct distribution. Products-exchange is after all still exchange, and direct distribution is distribution according to needs. As long as commodity production, sale and purchase exist, we must take these into account. The *artel* is linked with sale and purchase while direct distribution will develop only in the second phase of communism. When the agricultural *artel* will grow into a commune is difficult to say. It is not possible to say that the second phase of communism would already be in existence when the commune would be created. But to say that without the commune it is not possible to make the transition to the second phase of communism is also risky.

One should not imagine the transition to the second phase of communism in a layman's terms. There would be no particular 'admittance' into communism. Steadily, without knowing ourselves we will enter communism. Its not like an 'entry into the city', the 'gates are open — enter'. In many of the collective farms the women members (*kolkhoznitsi* — *tr.*) still do not want to be released from the bondage of household work, or hand over the cattle to the *kolkhoz*, so as to receive meat and milk products from it. But as for now they do not refuse to do so in the case of fowl. These are only the first green shoots of the future. At present the agricultural *artel* is not an

impediment to the development of the economy. During the first phase of communism the *artel* will gradually grow into a commune. One cannot draw a sharp line here.

It is necessary to bring the production in the *kolkhoz* to the level of whole of the society. There are a mass of complex questions here. The *kolkhozniki* need to be taught to have more consideration for the affairs of the society. At present the *kolkhozes* do not want to know about anything except their own economy. At present there is no integration of the *kolkhozes* at the district and provincial level. Should we not make a move from above in this case for creating an All-Union economic organ consisting of representatives of industry and the collective farms that would account for the produce of both the industry and the collective farms. One needs to begin with the accounting of the produce of the state enterprises as also of the *kolkhozes* and then turn to the distribution first only of the surplus produce. We must set up funds which are not to be distributed, and funds that are earmarked for distribution. It is necessary to steadfastly teach the *kolkhozniki* to have consideration for the interests of the whole of the people. But it is a long course and one need not to hurry. There is nowhere to hurry to. Things are moving fine with us. The aim is right. The path is clear, and all the orientations are set up.

QUESTION: [Z.V. Atlas] Why is it that in the *Remarks on Economic Questions Connected with the November 1951 Discussion* the term 'monetary economy' is placed in quotations marks?

Answer: Once there is commodity circulation, there must be money. In the capitalist countries the monetary economy, including the banks, leads to the ruination of the workers, the impoverishment of the population and increase in the wealth of the exploiters. Money and the banks serve as means of exploitation under capitalism. Our monetary economy is not the usual one and is distinct from the capitalist monetary economy. With us money and the money economy serve to strengthen the socialist economy. With us the monetary economy is an instrument that we are using in the interests of socialism. The quotation marks are there so as not to confuse our money economy with the money economy under capitalism. The words 'value' and 'forms of value' are used by me without quotation

marks. Money is also included here. A lot of factors determine the law of value with us, it indirectly affects the production and directly affects circulation. But the sphere of its operation with us is limited. The law of value does not lead to ruination. The biggest difficulty for the capitalists is the realisation of the social product, the transformation of commodity to money. With us realisation takes place easily, it moves smoothly.

Question: [G.A. Kozlov] What is the content of the law of planned and proportional development of the national economy?

Answer: There is a difference between the law of planned development of the national economy and planning. The plans may not take into account all that, which would be necessary to have been taken account of according to this law, according to its requirements. If, for example, a certain number of automobiles are being planned, but if along with this the corresponding amount of thin metal sheet is not planned, then in the middle of the year the automobile plants would come to a standstill. If a certain number of automobiles is planned, and a corresponding amount of petrol is not planned for then it would also mean a breach of linkages between the given branches. In these cases the law of planned and proportional development of the national economy makes itself felt in a serious manner. When it is not transgressed it sits calmly and its address remains unknown — it is everywhere and it is nowhere. In general all laws are felt when they are transgressed, and this does not go unpunished. The law of planned development of the national economy shows the lack of correspondence between the branches. It requires that all the elements of the national economy correspond mutually and develop in correspondence with each other, proportionally. The mistakes of planning are corrected by the law of planned development of the national economy.

Question: [M.I. Rubinshtein] How is the basic task of the USSR to be understood in the current period. In determining this task do we need to take as the starting point the figures per head of capitalist production according to the population of 1929 or do we need to take for comparative purposes the updated level of capitalist production which, for example, in the case of the USA due to the militarisation of the economy is higher than that of 1929? Is it correct to consider,

as is frequently done in publications and lectures, that the achievement of the quantity of production, indicated in your speech of 9th February, 1946, signifies the decisive economic task of the USSR for the entry into the second phase of communism.

Answer: The method of calculation which proceeds from production per capita retains its force. Production per capita is the basic yardstick of the strength of countries. There is no other measurement which replaces this. It is necessary, to proceed not from the level of 1929 but from contemporary production. We require new calculations. It is necessary to compare our per capita production in terms of the current figures of the capitalist countries.

The figures I put forward in 1946 did not signify the decisive economic task for the transition towards the second phase. By achieving these figures we become more strong. This safeguards us from the peril of the enemy assault, from the attack of capitalism. But the decisive task which is indicated in the speech of 1946 does not as yet signify the second phase of communism. Some comrades are too much of a hurry to effect the transition to the second phase of communism. One should not be in excessive haste in this transition as one cannot create the laws. Yet others are thinking of a third phase of communism. The yardstick is old. For the purposes of comparison with those countries which are richer we need to use up to date facts. This means advancing forward.

Drafted according to the notes of Com[rades] [L.M.] Gatovsky, [I.I.] Kuzminov, [I.D.] Lapytev, [L.A.] Leontyev, [K.V.] Ostrovityanov, [V.I.] Pereslegin, [A.I.] Pashkov, [D.T.] Shepilov and [P.F.] Yudin.

Taken into account are the notes of Com[rades] Atlas, Arakelyan, Bolgov, Vasilieva, Gusakov, Kozlov, Lyubimov, Rubinstein.

39. PROPOSALS FOR IMPROVING THE DRAFT TEXTBOOK ON POLITICAL ECONOMY ^b

FOR THE SECTION “PRECAPITALISTIC PRODUCTION METHODS”

1. The chapter “Primitive communal mode of production” does not emphasise the limited public ownership of the means of production in primitive society. Without this, there is no correct understanding of the deep difference that exists between public ownership of the means of production of the primitive communal system and public ownership of the means of production of the socialist system.

It is necessary to indicate that existed in the conditions of primitive communal building public ownership of the means of production was limited, for it was any property of small communities, more or less isolated from each other^a.

In the same chapter, it is necessary to add an addition about the role of language in the development of human society in accordance with the instructions of Comrade Stalin given to him in his work “Marxism and Questions of Linguistics.”

2. The draft textbook does not reveal the internal laws of the slaveholding method of production that caused its emergence, development and death.

It should be said that the slave-owning mode of production opened up well-known opportunities for the development of productive forces along the line of simple cooperation of the mass of slaves and the development of the social division of labour. As it spread, slavery turned labour into a shameful deed, unworthy of a free man, and the workers of the owners and part of free citizens into

^{bb} The signatures of the section leaders are put in blue ink.

^{aa} In the left field, the paragraph is marked with a vertical line in red pencil, followed by a red pencil of litter: **So**.

parasites and killed the incentives for the development of productive forces. At the same time, on the basis of improved tools of labour, the labour of free artisans and dependent or semi-free farmers, to some extent interested in their work, became more productive which prepared the conditions for the establishment of feudal relations^b.

It is necessary to clarify the characteristics of classes and estates in a slave society.

The textbook draft is limited to an exposition of classical slavery in Greece and Rome.

It is necessary to show [widespread] slavery in the East, in Egypt, in Asia Minor, in Mesopotamia, in India, as well as in the Transcaucasia (Urartu), Central Asia and the Black Sea region. It should be noted the features of slavery and the originality of the forms of land ownership in the East^c.

The draft textbook bypasses the question that the death of the slave system is not meant the complete abolition of slavery.

It should be shown that until the middle of the 19th century, plantation slavery and the slave trade were widespread in the United States, as well as in the colonies of England, France, Holland, Portugal, and Spain. Remnants of slavery are still preserved in the United States and in colonial countries (Africa and others)^d.

3. The draft textbook does not provide a clear description of the relations of production in feudal society.

It is necessary to quote in full the following position of Comrade Stalin: “When the feudal system, the main production relations are property the feudal lord in the means of production and incomplete ownership of the worker in production—a serf whom the feudal lord can no longer kill, but whom he can sell, buy. Along with feudal property, there is the individual ownership of the peasant and artisan for the implements of production and for his own private economy, based on personal labour.”

^b In the left field, the paragraph is marked with a vertical line in red pencil, followed by a red pencil of litter: **So**.

^c In the right-hand margin, in red pencil, write: **But very briefly, so as not to turn political economy into the history of economic relationships**.

^d In the left margin, the paragraph is marked with a short vertical line in red pencil, followed by a red pencil mark: **Yes**.

In this regard, it should be said that the feudal economic system presupposes the need for non-economic coercion.

The provision of the draft textbook that “for the right to use land a peasant was obliged to work for the landowner” gives a reason to interpret the relationship between feudal lords and peasants as contractual. The words “for the right to use land” should be deleted. It should be noted that the peasants not only used, but also hereditarily owned allotments.

The draft textbook vaguely expounds the question of various forms of appropriation of surplus product by feudal lords (forms of rent).

It is necessary to show more specifically the change in the forms of rent in connection with the development feudal-serf economy, it should also be emphasised that the development of **then-varno-money** relations in Russia attracted to the strengthening of the corvée, which remained until the abolition of serfdom.

4. The draft textbook does not show the process of the formation of feudalism in the East and its features.

It is necessary to characterise the specific features of feudal relations in the East, associated with the economic characteristics of nomadic peoples and agricultural peoples with developed irrigation systems^a.

5. The draft textbook unilaterally outlines the process of transition to capitalist production only by turning a merchant into a buyer and submitting to the artisans. It is not indicated that along with the transformation of a merchant into a buyer, there was another way of the emergence of capitalist production, which consisted in the transformation of the manufacturer-artisan himself into a capitalist and which Marx called it “the revolutionary path” (see Capital, vol. III, pp. 346-347).

In accordance with the indicated position of Marx, it is necessary to show in the textbook both ways of the emergence of capitalist production.

^a But to the left margin, the paragraph is marked with a red pencil with a vertical line, note: **Short**.

6. The section “Pre-capitalist modes of production” of the draft textbook contains errors, inaccuracies and omissions of factual and editorial nature.

It is necessary to eliminate them, taking into account the proposals of the participants in the discussion (see Appendix).

FOR THE SECTION “CAPITALIST PRODUCTION. PRE-MONOPOLY CAPITALISM”

1. In the draft textbook, the Marxist theory of the commodity is presented unsatisfactorily. Formally stated Marx’s position that value is determined by the labour expended on the production of goods, the value is not shown as an economic category. The contradiction of the goods is not revealed and the contradiction of labour that creates the goods is not fully revealed, it is not shown that the contradiction of the goods is the embryo of all the antagonistic contradictions of bourgeois society.

It is necessary to fully disclose that [value is determined by labour, that labour, being the basis of any society, creates value in the conditions of commodity production, that value] is a social relation^b. In connection with the characteristics of labour that creates a commodity, it is necessary to show various manifestations of the main contradiction of commodity production (in the contradiction of commodity, anarchy of production, [ruin^a of commodity producers, the possibility of crises^b)), to explain that the development of commodity production means at the same time the deepening of its contradictions; show the importance of knowledge of the laws of commodity production for the policy of the working class in relation to the peasantry and small commodity producers in general^c.

^b Underlined in red pencil. On the like, the field opposite with a red pencil is two short vertical bars.

^a Circled in pencil in a circle.

^b Is circled in pencil.

^c In the right field, opposite the one highlighted in the text, a pencil cross is circled in a circle, under it there is a litter: **This is what does not exist under socialism.**

2. In the draft textbook, the theory of money is presented in a simplified and erroneous manner.

a) It has not been shown that behind the difficulties of the direct exchange of goods lies the growth of contradictions in commodity production.

It is necessary to clarify that money arises with the growth of production of products for exchange, with the development of the contradictions of social labour, that the development of the functions of money characterises the increased dependence of commodity producers on the elements of the market, the growth of the power of money, the possibility of crises.

b) The draft textbook does not show its class nature in the definition of inflation.

The definition of inflation should indicate that the depreciation of paper money is used by the exploiting classes for their profit and robbing the workers.

The draft textbook says that the capitalists benefit from inflation only because they “pay for the labour of workers and farm labourers with depreciated money.” In fact, capitalists benefit from inflation primarily because the prices of commodities rise faster than nominal wages rise, with the result that [real wages fall]^d.

c) The draft textbook says that the bourgeois state takes measures to stopping inflation when inflation drives the economy into disorder. This provision reflects the reality one-sidedly.

It should be pointed out that the end of inflation is caused not only by deep the breakdown of the economy, but also the balance of class forces in the country, the growing resistance of the working people to inflationary plunder.

3. In Chapter VII—“Capital and Surplus Value”—when setting out the question of [relative]^e surplus value is not disclosed, that it is obtained on the basis of laws of commodity production, based on the reduction of the cost of labour. It is necessary to show how the

^d Is underlined in blue pencil. In the right-hand margin, the paragraph is marked in red pencil with two vertical lines, followed by a litter: **So**.

^e Is underlined in red pencil.

growth of relative surplus [value] occurs on the basis of the operation of the law of value ([decrease in the cost of labour]^f)^g.

When posing the question of [surplus surplus] value, unconditionally it is argued that “capitalism brought with it a rapid development of technology, a previously unprecedented growth of the productive forces.” This statement says nothing about the relative nature of capitalist progress. It should be pointed out that the pursuit of excess surplus value not only stimulates the development of technology, but also inhibits it, giving rise to commercial secrets, technological secrets, etc.^a.

When characterising the machine period of capitalism, they are not disclosed with sufficient fullness of the contradictions of capitalist industrialisation. It is necessary to show the class essence and contradictions of capitalist industrialisation in accordance with by the instructions of Comrade Stalin at the XV All-Union Conference of the CPSU (B).

4. The chapter on wages does not disclose how the cost of labour is determined. Individual remarks scattered throughout the chapter do not give a complete picture of this, the chapter does not give an exact description of the forms of wages, and does not provide the necessary static materials on the fall in real wages^b.

It is necessary to show that the value of the value of labour power depends on the natural and historically developing needs of the worker, on the value of the goods necessary to satisfy these needs, on the qualifications of the worker; from the size of the working day and the intensity of labour. Note that with excessive wear and tear of the labour force (as a result of a long working day and excessive labour intensification), no increase in wages compensates for its wear and tear, and it collapses. Clarify the

^f Is underlined with a blue pencil.

^g In the right margin, the first and second sentences of the paragraph are marked with two short vertical lines in red pencil. On the field, the litter is crossed out in pencil.

^a Underlined with a red pencil. Along the left margin with a red pencil, the paragraph is marked with two short vertical lines in red pencil.

^b Along the left margin in red pencil, the paragraph is marked with two short vertical lines.

presentation of the forms of wages in terms of their importance in increasing the intensification of labour (“sweatshop systems”)^c.

5. Chapter IX “Accumulation of capital and the impoverishment of the proletariat” bypasses the category of the technical structure of capital and the structure of capital in terms of value, without clarification of which it is impossible to understand the essence of the organic structure of capital.

A brief description of these categories should be given, and the definition of the organic composition of capital should be given in strict accordance with the definition of Marx (Capital, vol. 1, p. 618).

The draft textbook does not show the significance of the reproduction of labour power as a moment of expanded capitalist reproduction. The impoverishment of the working class is incompletely characterised.

It should be clarified that under capitalism the reproduction of labour power is only one of the moments in the reproduction of capital^d.

The impoverishment of the proletariat must be characterised not only by data on the standard of living of the proletariat as a class as a whole, but also by the position of individual strata of workers, in particular, agricultural workers and low-paid groups. The general law of capitalist accumulation leads not only to the impoverishment of the working class, but also to the growth of its revolutionary indignation^e.

6. When characterising the circulation of capital (chapter X), the decisive role of the production process. It should be emphasised that the circulation and turnover of capital is [the unity of production and circulation], and the process of production plays a decisive role^f.

^c Along the left margin with a red pencil, the paragraph is marked with two vertical lines, followed by red pencil Litter: **NB**.

^d Along the left margin in red pencil, the paragraph is marked with two short vertical lines.

^e In the left margin in red pencil, the paragraph is marked with two short vertical lines.

^f Along the left margin in red pencil, the paragraph is marked with two short vertical lines and two horizontal lines.

7. The contradictions of capitalist reproduction have not been sufficiently disclosed.

The text of the paragraph on the contradictions of capitalist reproduction must be revised taking into account the following provisions: the contradictions of capitalist reproduction is caused by the main contradiction of capitalism, which manifests itself in the anarchy of production, [and its disproportionate development]^a, in the growth of contradictions between the capitalism and the unlimited desire to expand production and [limited consumption of the masses]^b, in the growth of class contradictions between labour and capital; show that the working people cannot use the results of technical progress, that the rapid development of production of the means of production on the basis of capitalist property intensifies antagonistic contradictions of reproduction; note the inevitability of the growth of contradictions between capitalist reproduction with the development of capitalism^c.

The problems of capitalist reproduction should be presented in a separate chapter and placed before the chapter “Economic Crises”.

8. In chapter XI “Average profit and the price of production” [the problem of distribution of surplus value]^d is not formulated, the class essence [of the category of the price of production]^e is not disclosed with sufficient completeness.

It should be clarified that we are talking about the distribution of surplus value between capitalists, to reveal more deeply the class nature of the price of production, to show the possibility of reducing production costs without reducing the cost of goods, to show that the equation of profit is the result of the pursuit of the greatest profit^f.

^a Is underlined in red pencil.

^b Underlined in blue pencil.

^c In the right field, the paragraph is marked with two vertical lines in red pencil, followed by a blue pencil of litter: **We do not have this.**

^d Is underlined in red pencil.

^e Is underlined in blue pencil. In the left margin, the paragraph is marked with two short vertical lines in red pencil.

^f In the right-hand margin, a blue pencil marks an x next to the last sentence of the paragraph.

9. Describing the role of capitalist trade (chapter XII), the draft textbook does not show its importance in deepening and exacerbating capitalist contradictions. The forms of capitalist trade are described descriptively, without characterising their actual socio-economic significance.

It should be shown that capitalist trade leads to a deepening and exacerbation of the contradictions of the bourgeois economy, that the overwhelming part of the capitalist costs of circulation is [net unproductive costs of circulation]^g; that with the development of capitalism, the unproductive costs of storage increase surplus stocks, irrational transportation, etc. It is necessary to rewrite the paragraph on the forms of capitalist trade. Show on the example of trade on the [increasing waste of the capitalist]^h economic system. Describe more precisely the role of the stock exchange in the capitalist economy, in particular to show its role in the movement of prices.

10. The draft textbook incorrectly reflects the actual historical process of the emergence of foreign trade of capitalist states, there is no correct justification for the need for foreign markets for capitalismⁱ.

It should be explained why a foreign market is necessary for capitalist countries in accordance with Lenin's provisions set forth in the work: "Development of capitalism in Russia", to give a correct picture of the development of world trade, revealing a slowdown in its growth, and therefore rewrite the paragraph "Foreign trade ... Trade policy of capitalist countries."

11. The draft textbook does not overcome the one-sided interpretation of political economy as a science that primarily studies the development of industry and the relations that develop in it. In the draft textbook, the issues of agriculture are completely insufficiently covered: the capitalist system of agriculture, the position of the peasantry and agricultural workers^a.

^g Is underlined in red pencil. In front of the right field, a blue pencil cross is placed.

^h Is underlined in red pencil.

ⁱ There are two short slashes in red pencil on the right margin.

^a In the right-hand margin, the paragraph is marked with two short vertical lines in red pencil, followed by a red dung pencil: **NB**.

It is necessary to expand coverage of agricultural issues, the position of the peasantry under capitalism^b.

12. Chapter XIII “Land rent and agrarian relations under capitalism” does not sufficiently illuminate the question of differential rent, the second, bypasses the question of rent in the extractive industry and rent from construction sites and monopoly rent, and incompletely covers the question of why capitalism incompatible with a rational farming system, no characteristics of extensive and intensive farming are given, no illustrations of predatory agriculture under capitalism are given; the question of the exploitation of the peasantry in the colonial countries is not covered^c.

These shortcomings should be eliminated, the draft textbook should be included relevant additions.

13. The draft textbook does not contain a deep theoretical analysis of economic [overproduction crises]^d.

It is necessary to consistently reveal the crisis phenomena both in the sphere of production and in the sphere of circulation, to show the regularities of the transition from one phase of the industrial cycle to another phase; explain why the length of the cycles is to a large extent related to the timing of [renewal of fixed assets]; explain reasons that with the development of capitalism crises become more acute and deep and show the influence of economic crises on the exacerbation of the class struggle of the proletariat^e.

14. A major flaw in the draft textbook is that it [lacks coverage of the issue of national income]^f.

A chapter entitled “National income under capitalism” should be included as a special chapter in the section. In this chapter, highlight the issue of the creation, distribution and use of the national income

^b In the right-hand margin, the paragraph is marked in red pencil with two short vertical lines, followed by a red pencil of litter: **NB**.

^c In the left field, the paragraph is marked with a vertical line in red pencil, followed by a red dash of litter: **NB**.

^d In the left margin, the paragraph is marked with two short vertical lines in red pencil.

^e Is underlined in blue pencil.

^f Is underlined in red pencil. In the left field, in blue pencil, opposite the litter: **So**; a cross is placed below.

under capitalism and related issues of the state budget, taxes, loans under capitalism.

15. In the section of the draft textbook “The capitalist mode of production. Pre-Monopoly Capitalism “contains errors, inaccuracies and omissions of a factual and editorial nature.

It is necessary to eliminate them, taking into account the proposals of the participants in the discussion (see annex)^g.

FOR THE SECTION “CAPITALIST PRODUCTION. MONOPOLISTIC CAPITALISM—IMPERIALISM”

1. The section as a whole does not provide a scientific economic substantiation of the most important thesis of Leninism that imperialism is the eve of the socialist revolution, and does not equip the reader with knowledge of the fundamental features and characteristics of the general crisis of capitalism^a.

The presentation of the Leninist-Stalinist theory of imperialism is given in isolation from the theory of the socialist revolution and the practice of the revolutionary struggle of the proletariat.

The section does not reveal the most acute contradictions of modern capitalism, its growing internal weakness and historical doom.

It is necessary to strengthen the political orientation of the division, revealing more fully the position of Lenin and Stalin that imperialism is that stage in the development of capitalism, when the proletarian revolution became a matter of immediate practice, when the old period of preparation of the working class for revolution stubbornly stuck and grew into a new period of direct assault on capitalism.

It is necessary in all chapters of this section to intensify coverage of the class struggle of the proletariat, especially during the period of

^g In the left field opposite points 13, 14, 15 in pencil, with a flourish: About the world market and its significance = need to develop and justify.

^a On the left iole, in pencil, there is a doodle: **Political economy is not the history of the revolution.** Above the mark in red pencil, a cross is placed in a flourish.

development and deepening of the general crisis of capitalism, [emphasise the leading role of the communist parties, and also expose the treacherous role of the right-wing socialist agents of the bourgeoisie in the ranks of the labour movement]^b.

At the end of Chapter XVI, “The Historical Place of Imperialism”, the historical doom of capitalism should be emphasised more strongly, showing that “the socialist system will follow the capitalist system with such ineffability as it does day at night.” (J. V. Stalin, op. vol. 1, p. 340).

2. As a result of the lack of analysis of the colonial system of imperialism, the general picture of imperialism as a world system of financial enslavement and colonial oppression by a handful of capitalistically developed countries of the vast majority of the world’s population is distorted in the draft textbook. The section does not reveal the one-sided nature of the economic development imposed by the imperialists on the colonial and dependent countries^c.

In this section, it is necessary to give a detailed description of the colonial system of imperialism. Show the ugly development of the economy of the colonies, the development of capitalism in the colonies and the formation of a national proletariat there, the methods and size of the robbery of the colonies, the development of the national liberation struggle of the peoples of the colonies.

In chapter XV, in the paragraph “Completion of the division of the world between the great powers and the struggle for its limits”, expand the material on the colonial system of imperialism, giving here, a description of the development of capitalism in the colonies and dependent countries, reveal the domination and oppression of imperialism in these countries, the conservation of the remnants of feudalism, the growth of the proletariat, the monstrous exploitation

^b In the left field with a pencil of litter: **Also about the world market under imperialism (monop. capitalism).** Below the pencil mark of the litter: **These are all political topics, and we need the economic reasons for the collapse of capitalism.**

^c In the right-hand margin, the paragraph is marked with two vertical lines, followed by a pencil mark: **NB. And also the development of national monopolistic capitalism there, enslaving its own people.**

of the colonial proletariat and peasantry, the use of slave forced labour.

In Chapter XVII “The General Crisis of Capitalism” to highlight the crisis of the colonial system of imperialism, to show that the imperialist war and the victory of the revolution in the USSR shook the foundations of imperialism in the colonial and dependent countries”^a.

In chapter XVIII “A new stage [of the general crisis of capitalism”], it is necessary to give a detailed description of the deepening [crisis of the colonial system of imperialism: the emergence of people’s democracies] in the East, the growth of the national liberation movement after the Second World War and especially in the colonial and dependent countries of Asia, protracted colonial wars. It is necessary to expound the Leninist-Stalinist teaching about the peculiarities of the revolution in colonial and dependent countries, as an anti-imperialist, anti-feudal revolution, to show the struggle of the proletariat for hegemony in the revolution, the creation and strengthening of a single democratic front in colonial and dependent countries. Write a criticism of the theory of decolonisation^b.

3. The draft textbook poorly shows economic relations in agriculture under the conditions of imperialism and the general crisis of capitalism, as a result of which the economic substantiation of the question of the allies of the proletariat in the socialist revolution is given.

It is necessary to characterise agrarian relations under imperialism and the general crisis of capitalism, to show a sharp increase in the differentiation of the peasantry, the impoverishment of the working peasantry, the lagging behind of agriculture from industry and the growth of its degradation, the catastrophic growth of

^a On the left margin, in pencil, the paragraph is marked with two short vertical lines, followed by a label: **NB**.

^b In the right margin, in pencil, the droppings are circled: **Shrinking of the global capital market**.

landlessness, the exploitation of the peasantry by monopolies and at the same time the growing struggle of the peasantry for land^c.

4. The draft textbook does not show how the basic laws of capitalism operate under imperialism. [The available individual comments on this issue are unclear].

It is necessary that the section reflects the changes in the nature of the operation of the basic laws of capitalism during the period of imperialism [(the law of value, surplus value, the general law of capitalist accumulation, laws of capitalist reproduction and crises)]^d.

On page 211, when characterising the operation of the law of value in the era of imperialism the authors confine themselves to the statement that this law “fully retains its effect even under the rule of monopolies.” This characterisation must be supplemented with an indication that in the era of imperialism the anarchy of production, competition, crises intensify, that the interweaving of monopolies and competition makes the struggle in the market even more acute and destructive. In this regard, it should be noted new forms of competition associated with the use of the bourgeois state in the interests of the financial oligarchy: the struggle between the largest monopolies for positions in the state apparatus, [forced syndication, forced closure of small and medium-sized enterprises], etc.^e

5. The draft textbook does not cover the question of the reactionary role of the bourgeois state in the period of imperialism, the Leninist position is not revealed that imperialism is a reaction along the entire line, that the bourgeois state is subordinated to and used by the financial oligarchy to strengthen its domination^a.

^c On the right margin, the paragraph is marked with two vertical lines in pencil, followed by a pencil mark: **Endless speeches about “contradictions” do not give anything, if not to say that it is a matter of irreconcilable contradictions, for contradictions generally exist in all social formations, including socialism-communism.**

^d Highlighted with blue pencil.

^e In the left margin with a pencil mark: **This is not a law** [not legible], **but the basic law of capitalism.** Below the paragraph in pencil is underlined with two vertical lines, followed by a pencil of a note: **So.**

^a In the left margin, the paragraph is marked in pencil with two short vertical lines, followed by a pencil mark: **NB.**

The textbook should highlight the reactionary role of the superstructure in the period of imperialism. Give a clear definition of the essence of state-monopoly capitalism, show with specific examples the forms of [merging] of monopolies with the state^b.

It is necessary to reveal Lenin's position that state-monopoly capitalism is hard labour for workers, a paradise for capitalists, clearly showing the mechanism of robbing workers and enriching monopolists with the help of [the bourgeois state]. For this purpose, show the role of the state budget in the era of imperialism, as a means of exploiting workers, on the one hand, and as a means of enriching monopolies, on the other^c.

It should be shown that the development of state-monopoly capitalism means the exacerbation of all capitalist contradictions, to reveal [the impossibility of planning the national economy as a whole under capitalism].

6. The section provides an insufficient description of Russian imperialism and does not reveal the position why the centre of the revolutionary movement moved to Russia and Russia turned out to be the weakest link in the imperialist system. It is necessary to make wider use of materials characterising the development of monopoly capitalism in Russia, the growth in the size, organisation and revolutionary spirit of the working class. The instructions of Lenin and Stalin on the prerequisites for the socialist revolution in Russia should be cited more fully^d.

7. The section provides an incomplete description of the general crisis of capitalism. The most important sign - the split of the world into two systems - is given at the beginning of Chapter XVII. All other signs of the general crisis of capitalism are noted at the end of the same chapter, moreover, only as a consequence of the general crisis of capitalism, and not as its main features. The development of

^{bb} In the left field, draw a line with a pencil, above it with a pencil of droppings: **Not splices, but subordination of the latter to the first**. Above the mark is a pencil cross, circled in a circle.

^c In the left margin, the paragraph is marked with two short vertical lines in pencil, followed by a dung pencil: **NB**.

^d There is a vertical line in the left field with a pencil, followed by a litter pencil: **So**.

these features at the new stage of the general crisis of capitalism is not shown. The section does not provide a satisfactory scientific description of the post-war economy of capitalism, the impact [of militarisation on the process of] reproduction and the capitalist cycle; there is no analysis of the structural changes in capitalist production taking place in connection with the enormous growth in the production of means of destruction. The section gives a fuzzy periodisation of the general crisis of capitalism^e.

It is necessary at the very beginning of Chapter XVII to highlight the main features of the general crisis of capitalism.

In the same chapter, give a detailed description of the essence of the first and second crises of the capitalist system of the world economy and clarify the periodisation of the general crisis of capitalism.

Chapter XVIII “A New Stage in the General Crisis of Capitalism” is given without a proper theoretical analysis of the main economic phenomena of modern capitalism.

In this chapter, it is necessary to highlight the growth of concentration of production and capital and strengthening of the domination of monopolies, a sharp exacerbation of the uneven economic development of capitalist countries, progressive decay and growth of militarism, rampant inflation, growing impoverishment of the working people, showing the influence of these processes on capitalist reproduction and the industrial cycle, in particular, note the role of the military-inflationary factor in the post-war economic development of capitalist countries^a.

The chapter should show the struggle of US monopoly capitalism for world domination, the main methods of this struggle and its adventurous nature, and the preparation of a new world war by the imperialists. It is necessary to show the tremendous theoretical and practical significance of Comrade Stalin’s propositions on the possibility of prevention of a new world war, about the possibility of

^e In the left margin, the paragraph is crossed out with two vertical lines in pencil, followed by a dung pencil: **NB**.

^a There are two vertical lines in the left field with a pencil, followed by a litter pencil: **NB**.

peaceful coexistence and economic competition between the two systems^b.

8. The process of impoverishment of the working people in the era of imperialism is shown in the section one-sidedly. The situation of the working class and peasantry in colonial and semi-colonial countries is not covered.

It is necessary to show the strengthening of the operation of the law of relative and absolute impoverishment of the working people under the conditions of monopoly capitalism, especially during the period of the general crisis of capitalism, and highlight in this case the exceptional intensification of tax oppression, inflation and other methods of intensifying the exploitation of the working class and all working people. Provide materials covering the situation of workers in colonial and semi-colonial countries^c.

9. In presenting the basic questions of the political economy of capitalism, there is no criticism of theories hostile to Marxism-Leninism.

The subsection “Economic doctrines of the era of imperialism”, written in objectivist tones, does not reveal the reactionary essence and service role of bourgeois and opportunist “theories”, does not criticise the Kautskian theory of ultra-imperialism, modern neo-Malthusians and racists^d.

It is necessary on the main issues of the section on capitalism to criticise the corresponding hostile theories, especially the economic theories of the era of imperialism: right-wing socialist “theories” of the abolition of exploitation under capitalism; absence of impoverishment under capitalism; democratisation of capital due to the characteristics of joint stock companies; give a detailed criticism of neo-Malthusianism, bourgeois and petty-bourgeois theories of crises, including modern bourgeois theories of the crisis-free and planned development of capitalism, Kautsky’s theory of ultra-

^b There are two vertical lines in the left field with a pencil, followed by a litter pencil: **NB**.

^c There are two vertical lines in the left field with a pencil, followed by a litter pencil: **NB**.

^d There are two vertical lines in the left field with a pencil, followed by a litter pencil: **NB**.

imperialism, the theory of American exceptionalism and other theories that justify the preparation of a new world war^e.

10. In the section “The capitalist mode of production. Monopoly Capitalism—Imperialism” of the draft textbook contains errors, inaccuracies and omissions of a factual and editorial nature.

It is necessary to eliminate them, taking into account the proposals of the participants in the discussion (see Appendix)

FOR THE SECTION “SOCIALIST METHOD OF PRODUCTION”

1. In characterising the socialist economic system, the Marxist principle of the primacy of production has not been consistently carried out. The fundamental issues of production did not take the necessary place in the section. The issues of the development of the material and technical base of socialism, the conditions for the growth of the productivity of social labour under socialism, and the ways of solving the main economic problem of the USSR turned out to be insufficiently covered. The dependence of distribution, circulation and consumption on the development of production has not been disclosed. It is not shown that socialist production is the basis for the development of commodity circulation, credit, money circulation, finance^a.

When analysing the socialist economic system, it is necessary to proceed from the most important thesis of historical materialism about the primacy of production. A special chapter should be given on the material and production base of socialism. In this chapter, give a brief description of the socialist mode of production, as a unity of productive forces and production relations, show the main features of the material and production base of socialism, stressing that socialism is creating a new era in the development of large-scale machine production and the socialisation of production, transfers

^e There are two vertical lines in the left field with a pencil, followed by a litter pencil: **NB**.

^a In the left field, there are two vertical lines in pencil.

agriculture to the basis of large-scale machine production; to reveal the unlimited possibilities of scientific and technological progress, the socialist principles of the distribution of productive forces.

Explain the position that labour productivity is, ultimately, the most important thing, the most important for the victory of the new social system. Show that socialist labour is the foundation of society, the source of a steady upsurge of the socialist production and the welfare of the working people, that the rise of socialist production is the main and decisive factor in creating the prerequisites for communism. Point out the fallacy and harmfulness of a one-sided consumerist approach to solving the problems of communist construction^b.

2. The economic laws of socialism are illuminated in a simplified manner, in isolation from each other. It is not disclosed that they express the internal connection and interdependence of economic phenomena. [The objective nature of] the economic laws of socialism^c is insufficiently shown.

The characteristics of the economic laws and categories of socialism are given in the abstract, in isolation from the practice of building a communist society and, above all, from the tasks of raising socialist production and creating the material and production base of communism. No concrete idea is given of how the economic laws of socialism are implemented, the mechanism of their action is not revealed. [The concept of economic law and categories of socialist society should be clarified.] Economic laws and categories of socialism should be presented in a single system, in their interconnection. It is necessary to substantiate that the economic [laws of socialism], expressing the objective necessity, the needs for the development of the material life of society, are inherent in the socialist mode of production, and that, unlike the economic laws of capitalism, they act not [as a spontaneous force, but as a perceived necessity^d]. It is necessary to reveal that the economic laws of socialism express not relations of exploitation, but relations of

^b Draw two vertical lines in the left margin with a pencil.

^c Draw two vertical lines in the left margin with a pencil.

^d The words “recognised necessity” are circled in pencil.

comradely cooperation and socialist mutual assistance of workers free from exploitation^a.

The economic laws of socialism should be regarded in development as the laws of building a communist society. It is necessary to show that the gradual transition from socialism to communism is accomplished on the basis of the all-round strengthening and development of the laws and principles of socialism.

3. The draft textbook does not provide a scientific understanding of the foundations of the economic role of the socialist state, does not show that the party and the socialist state in their policies proceed from the economic laws of socialism. The question of the two phases of the development of the Soviet state is not covered, it is not revealed that its worldwide strengthening is an objective necessity and the most important condition for building communism.

When characterising the economic role of the socialist state, one should show the objective necessity of his economic and organisational activity, stemming from the very nature of the socialist mode of production, to emphasise that [economic laws are not implemented spontaneously, but only through the creative activity] of the working masses, systematically organised and directed by the party and the socialist state^b.

It should be noted that the economic and organisational activity of the socialist state is developing more and more during the period of gradual transition from socialism to communism. The socialist state, expressing the fundamental interests of the people, exercises its leadership in the economy in the struggle against difficulties, contradictions, anti-state tendencies, overcoming the remnants of capitalism and in every possible way supporting the creative

^a In the left field, in pencil opposite the paragraph, there are two vertical lines, followed by a pencil mark: **“Recognised necessity”—this is not enough for the socialist national economy: to realize the necessity of laws does not mean to limit them. It must be said that, for example, the law of value, etc. the laws of money, etc., are restricted under socialism, since the anarchy of production has been replaced by planning.**

^b On the left margin of the pencil mark: **Not that.**

initiative of the masses, everything new, progressive in all areas of social life^c.

Covering the economic role of the socialist state, it is necessary [to reveal the inconsistency] and harmfulness of subjectivist, idealistic views, expressed in the fact that [allegedly under socialism there is no objective economic necessity], that [the state can create economic laws] and establish any rate and scale of development of the national economy. It should be shown that the party and the [Soviet] state [proceed in their activities from the laws of the development of production, from the economic laws of the development of society]. Must be also exposed views alien to Marxism-Leninism that the development of a socialist society supposedly lies [spontaneously acting laws], to which the socialist state must adapt^d.

4. In the draft textbook, the theoretical analysis of the laws of the transition period from capitalism to socialism is replaced by a historical and economic description, the objective necessity of the transition period and the economic tasks facing the dictatorship of the working class in building a new society are not highlighted, the conditionality of the NEP on a mixed economy is not indicated, it is not indicated, that the foundations of the NEP were developed by Lenin in the spring of 1918. The process of liquidating the old, bourgeois basis and creating a new, socialist basis has received insufficient theoretical coverage^a.

It is necessary to give a detailed theoretical description of the transition period from capitalism to socialism, NEP; illuminate the process of the emergence and development [of the economic laws of socialism and the elimination of economic laws of capitalism], expressing relations of exploitation; show how the Soviet [state mastered the economic instruments of the capitalist economy,] based on the law of value, their [transformation into tools of the socialist

^c In the right field with a pencil of droppings: **The contrast between the spontaneous and the objective?**

^d There are two vertical lines in the right field with a pencil, followed by a pencil of droppings: **Not that.**

^a In the right field, the last sentence of the paragraph is marked with two vertical lines in pencil.

construction]. Show the difficulties and contradictions of the transitional economy and their ways of overcoming; to reveal the laws of the class struggle and the economic foundations of the misfortune of the socialist elements over the capitalist ones. Justify why socialist industrialisation and collectivisation of agriculture are economic laws of the transition period from capitalism to socialism.

To highlight the process of eliminating the actual economic inequality between the national outskirts and central Russia, to generalise the experience of [non-capitalist^b paths of development of previously backward] peoples under the conditions of the dictatorship of the working class. Reflect the experience of European People's Democracies^c.

5. The draft textbook does not disclose that socialist property determines the nature of the economic laws of socialism. The objective necessity of two forms of public socialist property is not shown, [the leading role of state property in the development of collective farm] production is not revealed^d.

It is necessary to theoretically substantiate why socialist property determines the nature of the economic laws of socialism and show that the all-round strengthening and multiplication of both forms of socialist property, [with the strengthening of the leading role of state] public property, is a necessary condition for building communism^e.

6. The draft textbook poorly discloses [the essence of planning the national economy as an economic law of socialism], insufficiently demonstrates its interdependence with other laws of socialist economy, does not highlight the mechanism and methods of socialist planning.

It is necessary to elucidate the essence of socialist planning [as an economic law], to comprehensively outline [methods] of planning [production and distribution. Describe the [balance planning

^b Is circled in pencil.

^c In the left margin, the paragraph is marked with two vertical lines in pencil.

^d On the left zero, two vertical lines are drawn in pencil opposite the one highlighted in the text.

^e In the left margin, draw four short slashes in pencil.

method,] highlighting the main balance relations in the national economy [(material balances, balance of labour force, financial plan)]. Show the role of socialist planning in mobilising internal production reserves, introducing new technology, advanced production methods, and progressive production standards. Give a detailed description of the [quality indicators] of the plan. The decisive role of the working masses in the struggle to fulfil the plan^f must be shown.

7. The draft textbook does not reveal the essence and mechanism of action [of the law of value in the transformed] form in a socialist society^a.

An unsatisfactory explanation of the need to preserve the goods and the law of value in a transformed form under socialism is given, mechanically combining four different factors. In a textbook, a product is incorrectly derived from value, and value from money.

When covering the issue of goods and the law of value in a socialist society it is necessary to proceed from the fact that the commodity and value are historical categories that have passed to the socialist mode of production from capitalism and [radically transformed on the basis of] the domination of the socialist ownership of the means of production and planned management of the national economy^b.

The necessity of the commodity and the law of value in a socialist society follows from the nature of [social labour]^c, conditioned by socialist ownership of the means of production [in its

^f The words “Economic law”, “law”, “methods” - are circled in a circle, on the left side with a pencil of the litter: **method (rules) of the nar manual. housekeeping? Planned maintenance of nar. the economy is opposed to the anarchy of the pr-va under the cap-zma.** The word “rules” is inserted in the text of the notes at the top.

^a The word “transformed” is highlighted in a circle, with two vertical lines in the left field in pencil, followed by a pencil: **What is this? That’s not it. It should be said: “limited” is the effect of the law of value;** the word “limited” is circled.

^b On the left margin of the pencil mark: **Not that. If there are goods, there will be both goods and goods. Not that.**

^c After the words “public labour” with a pencil of litter: ?

two forms], and, ultimately, [the level of productive forces in the first phase of communism]^d.

At the stage of socialism, labour based on social ownership of the means of production is directly social. But at the same time labour has not yet turned at this stage into the first vital need for all members of society and is a measure of relations between people in production and distribution. Hence the need for material incentives both in the organisation of production and in wages. Since under socialism, labour remains a measure of relations between people, and the products produced in socialist enterprises are created by various types of concrete labour (with [the difference]^e here is the labour of workers and collective farmers, between labour [mental and physical], between skilled and simple labour) and individual costs deviate from socially necessary, insofar as it becomes necessary to reduce different types of labour to homogeneous, abstract labour, and individual costs to socially necessary. This is achieved by equating the products of labour as commodities.

By virtue of this, economic ties between both state and cooperative-collective farm enterprises are carried out through the exchange of goods on the basis of using the law of value in a transformed form. For those reasons, the socialist principle of distribution according to work is realised through the purchase and sale of goods^f.

8. The draft textbook does not show [the objective nature of socially necessary working time]. On page 342 it says: “The state establishes the socially necessary expenditures of labour and means of production per unit of goods in each industry, proceeding from the defining conditions of production of this industry.” Thus, it turns out

^d In the left field with a pencil opposite the paragraph, two vertical lines and behind them with a pencil of litter: **Not that. Ha-ha-ha.**

^e The words “with a difference” are circled in pencil, a vertical line on the upper margin, a pencil of litter: **the difference will also be with the com-
zme.** In the left field opposite the pencil mark: ? In the right field, a vertical line, in pencil: **Stupidity!** Then, to the end of the paragraph, a vertical line, followed by a pencil of droppings: **Nonsense!**

^f In the right field, the paragraph is marked with two vertical lines in pencil, followed by a pencil of droppings: **Cranks!**

that value is not an objective category, since it expresses not the actual socially necessary expenditures of labour, but the planned rates of these expenditures^a.

When covering the issue of socially necessary working time, one should proceed from the fact that it is an objectively existing value, determined by the average actual expenditure of labour. At the same time, it must be emphasised that in a socialist economy the socially necessary labour time does not develop spontaneously, but is under the planned influence of the state. By establishing progressive standards for the cost of labour and means of production per unit of production and other measures, the state achieves a systematic reduction in costs per unit of production.

9. The draft textbook does not provide a scientific definition of the essence of Soviet money, has not clarified their connection with gold, money is not derived from goods and value, not disclosed the role of money and their functions in the process of production and circulation of goods.

It should be shown that the money of a socialist society has a gold content and is a universal equivalent. In circulation, gold is represented by tickets of the State Bank of the USSR and treasury notes. The question of the measure of value should not be confused with the question of the stability of money. If gold is used as a measure of value in a socialist economy, then [commodity masses], which are circulated [at stable prices]^b, are of decisive importance in ensuring the stability of the currency.

Characterising the functions of money, it is necessary to disclose that they are used by the socialist state [as a tool for planning and organising production, distribution and circulation]. It is necessary to show that money serves the payment turnover between enterprises, to emphasise that the circulation of the social product in all its stages is accomplished through the medium of money. To illuminate the

^a In the right field, the paragraph is crossed out with a vertical line in pencil, followed by a litter pencil: **So.**

^b In the right field, two vertical lines are drawn in pencil, followed by a litter pencil: **So.**

question of conditions, determining the amount of money required for circulation.

10. When characterising the socialist organisation of labour, the significance of labour productivity is not disclosed as one of the most important problems of the communist construction. The issue of factors and high rates of increase is insufficiently covered productivity of socialist social labour. There is no characterisation of the content and advantages of socialist cooperation of labour. Socialist competition is not shown as a regularity in the development of the socialist economy, new forms of the Stakhanov movement are not illuminated. Distribution according to work is considered in isolation from the socialist organisation of production^c.

It is necessary, when presenting labour problems, to clarify [the concept of labour productivity] as an economic category, to comprehensively highlight the advantages of the socialist organisation of labour, which ensures the steady growth of labour productivity and the improvement of the qualifications of personnel; to reveal the main sources and ways of increasing labour productivity, to characterise the socialist cooperation of labour. To highlight the importance of socialist competition as a regularity in the development of socialist production; to generalise the modern forms of nationwide socialist competition in town and country.

11. The draft textbook does not substantiate the division of labour into necessary and surplus labour under socialism, and erroneous coverage of the categories “necessary and surplus labour”, “necessary and surplus product” is allowed. Necessary labour is interpreted in a number of places as labour expended to meet the personal needs of all members of society, surplus labour—only as labour expended on the satisfaction of social needs and accumulation.

When illuminating the question of necessary and surplus labour, it should be shown that the necessary labour is the labour that the workers of material production spend on creating a product that meets their individual needs and is distributed according to work.

^c In the left field, in pencil, opposite the paragraph of the litter: **What do you think is “labour productivity” ?**

Accordingly, the necessary product is that part of the total social product that is directed to personal consumption of participants in material production and is distributed through wages and payment for workdays. Surplus labour is that labour that is expended by participants in material production in excess of the necessary labour. Surplus labour is embodied in a surplus product used for accumulation (including reserves) and other social needs, as well as to meet the individual needs of workers employed in non-productive sectors.

The economic [essence of cost accounting] is not disclosed, it is not shown values in the shop, brigade, the relationship of cost accounting with the organisation of socialist production, the economic importance of accelerating the turnover of funds. Misreported categories of product cost, wholesale price, and profit. [The cost price is considered as the basis of the price, while the basis of the price is the cost]. The definition of the cost price as a category of cost recovery is given, while it is [an expression of the enterprise's costs]^a.

As a characteristic feature of profit, it is considered that in its bulk it remains at the direct disposal of the enterprise. In reality, most of the profits in a number of industries do not remain at the disposal of enterprises. At the same time, it is not indicated that profit is one of the forms [surplus product], conditioned by the self-supporting organisation of production. Profit in the state economy is incorrectly viewed only as an element of the wholesale price. [Incorrectly included in the wholesale price of the enterprise] sales tax, the non-existent category "fixed wholesale prices" (excluding sales tax) was mistakenly introduced.

It is necessary to show that [the cost accounting associated with the law of value] serves as an important tool for fulfilling and overfulfilling production plans. The inextricable link between cost accounting and the organisation of socialist production and the development of socialist emulation must be shown. It is necessary to highlight the role of cost accounting in the shop, in the brigade; reveal the meaning of a broad initiative working people in the

^a In the left field, the paragraph is marked with two vertical lines in pencil.

struggle to save material resources and working time. To give an analysis of the circulation of working capital, showing the dependence of the period of circulation on the time of production and circulation, and to reveal the factors of accelerating the turnover of funds. Give the correct interpretation of the categories of cost price, wholesale price and profit^b.

13. The draft textbook poorly covers the problem of circulation of the means of production; its features, the sale of commercial products of agricultural farms. Questions about inventory and turnaround times are not stated.

When characterising the foreign trade of the USSR, the role of the monopoly of foreign trade [as a means of planned coordination of the Soviet economy with the economy of the countries of people's democracies] is not disclosed.

It is necessary to characterise the commodity turnover as a whole, including the forms of commodity relations between industry and industry, industry and agriculture, and the system for the sale of agricultural commodity products. To elucidate more fully the questions of the circulation of the means of production, showing their importance for ensuring the uninterrupted operation of socialist enterprises and strengthening profit-and-loss accounting. To elucidate more fully the question of agricultural procurement as a form of commodity circulation. Explain questions about inventory and turnaround times.

It is necessary to show the importance of the development of commodity relations during the period of gradual transition from socialism to communism.

Instead of the chapter "Soviet Trade" give a chapter entitled "Trade in Socialist Society."

It is necessary to explain the significance of the monopoly of foreign trade in connection with the development of trade with the countries of people's democracies and to substantiate the profound fundamental differences between trade with the countries of people's democracies and the trade of the USSR with capitalist countries.

^b In the right field, in pencil, opposite the litter: **NB**; two crosses are placed below the pencil.

14. The draft textbook lacks a theoretical analysis of Soviet finance.

Definition of Soviet finance as an economic category in the draft textbook replaced by a listing of financial institutions. The role of Soviet finance in the distribution and redistribution of national income and social product has not been disclosed. The fundamental difference between the nature of taxes on the population in the USSR and taxes on the population in capitalist countries has not been shown^a.

It is necessary:

a) give a definition of Soviet finance and the main financial categories and show their role in the organisation of the socialist economy, highlight the connection between public finance and the finance of sectors of the national economy; to link the analysis of Soviet finance with the distribution of national income and the entire social product;

b) to reveal the essence and role of the Soviet budget as the leading financial plan, as an instrument of the socialist state for the distribution and redistribution of the main part of the national income to meet national needs, as well as an instrument of state control over the course of production, circulation and distribution of the aggregate social product; when characterising the state budget of the USSR, note its role in the implementation of the Leninist-Stalinist nationality policy^b;

c) to show that taxes on the population in the USSR serve to raise the socialist national economy, while capitalist taxes are [a weapon of additional exploitation] of the working people, which intensifies the impoverishment and ruin of the working masses^c.

15. The draft textbook does not define [credit] as a category of socialist economy. Loan issues are presented descriptively, mainly

^a Along the right margin, the paragraph is underlined with two vertical lines in pencil, followed by a pencil notation: **NB**.

^b Along the right margin, the paragraph is marked with two vertical lines in pencil, followed by a pencil notation: **NB**.

^c Along the right margin, the paragraph is marked with two vertical lines in pencil, above it with a pencil of a note: **Exactly**.

from its technical side. The role of credit in the production and circulation of goods has not been disclosed.

It is not shown that the resources of the loan are not only temporarily available funds of enterprises, but also special budgetary funds, as well as that the loan mobilises free funds of the population. Credit analysis is not related to the circulation of funds of socialist enterprises. It is not highlighted that credit is playing an important role [in the organisation of circulating assets], that it is [an instrument of state control over the ruble of] the course of production and circulation of goods, an instrument for strengthening cost accounting^a.

It is necessary to disclose the role of credit in the production and circulation of goods, to give a complete description of the loan resources, show the connection between the loan and the circulation of funds of socialist enterprises and commodity circulation. Principles of Soviet credit indicate the value of the material security of the loan. To highlight the forms of direct bank credit, the importance of strict delimitation of the resources of long-term investments and short-term lending for the correct organisation of the entire monetary turnover. It is necessary to show the role of credit in exercising control over the ruble, the connection of credit with the process of monetary circulation in our country, with the task of ensuring and strengthening the stability of the monetary system.

16. Reproduction is considered in the draft textbook without regard to two forms of socialist property - state and cooperative-collective farm.

The issues of reproduction of labour, fixed and circulating assets, socialist relations of production have not been sufficiently covered. The advantages of extended socialist reproduction over capitalist reproduction have not been disclosed, and no theoretical substantiation has been given for such economic laws [as the

^a In the left margin, the last sentence of the paragraph is marked with a vertical line in pencil.

continuous growth of] socialist production and the steady rise in the material and cultural level of the working people^b.

When covering the problem of socialist reproduction, it is necessary:

a) comprehensively substantiate the law of [continuous]^c production growth, reveal the foundations of high growth rates of socialist production; show the role of steady technical progress in the process of socialist reproduction;

b) elucidate the content of the process of reproduction of the means of production and [labour power]^d socialist production relations;

c) to reveal the mechanism of interconnection between the first and second subdivisions of social production, to elaborate more fully on the questions of the reproduction of the social product in its natural and value forms, as well as on the connections and proportions of the branches of the national economy; [to highlight the content and significance of the balance of the national economy]^e;

d) prove that a systematic rise in the material and cultural level of working people are a necessary condition for the development of socialist production;

e) link the problem of reproduction with the main economic task of the USSR, with the implementation of a gradual transition from socialism to communism.

17. When highlighting the construction of a socialist economy in European People's Democracies, clearly outline the issue of the two stages of the people's democratic revolution in the People's Democracies, more specifically show the USSR's assistance to them

^b On the right margin, in pencil opposite to the mark highlighted in the text: **Exactly!**

^c Circled in blue pencil.

^d Circled in blue pencil. On the right margin with a blue pencil arrow, on the field with a blue pencil for a litter: **Labour is a part of the means of production.**

^e In the left margin, in pencil, opposite the selection in the text, two short vertical lines.

in building socialism and a new type of economic cooperation between the countries of the socialist and democratic camp.

18. The structure of Section III of the draft textbook “The Socialist Mode of Production” requires significant changes.

For the consistent implementation of the principle of the primacy of production in the textbook of political economy, a new chapter should be given - “Material and production of the basis of socialism”^a, starting with this chapter a characterisation of the socialist economic system. After this, place the chapter “Socialist ownership of the means of production—the basis of the production relations of socialism”^b.

After the chapters on the material and production base of socialism and socialist property, as the basis of production relations of socialism, to highlight a new chapter—“The nature of the economic laws of socialism. The economic role of the socialist state”^c.

In the draft textbook, the questions of planning, goods and money under socialism are considered in one chapter. In order to give a more complete picture of the planning of the national economy, which is not limited to the use of such economic instruments, like goods and money, it is necessary to highlight special chapters: “Planning of the national economy” and “Commodity, value and money in a socialist society”^d.

A special chapter “National income of a socialist society” should be included in the textbook, in which to show the fundamental differences in production and distribution of national income under socialism as opposed to capitalism^e.

^a § document in bold.

^b Bold in the document.

^c Bold in the document. Along the right margin in pencil from the words “For sequential conduct...” and the next paragraph are marked with two vertical lines and two short horizontal lines.

^d In the document in bold.

^e In the document in bold. Along the right margin, the paragraph is underlined with two vertical lines and two short horizontal lines.

Thus, when presenting the section on the socialist mode of production be guided by [the following scheme]^f:

A. TRANSITION PERIOD FROM CAPITALISM TO SOCIALISM THE VICTORY OF SOCIALISM IN THE USSR

1. The main features of the transition period from capitalism to socialism.
2. Socialist industrialisation.
3. Collectivisation of agriculture.
4. The victory of socialism in the USSR.

B. SOCIALIST SYSTEM OF THE PEOPLE'S ECONOMY

5. Material and production base of socialism.
6. Socialist ownership of the means of production is the basis of the production relations of socialism.
7. The nature of the economic laws of socialism. The economic role of the socialist state.
8. Planning of the national economy^a.
- 9^b. Commodity, value and money in a socialist society.
10. Socialist organisation of social labour.
11. Wages.
12. Cost accounting. Cost and profit.
13. Public economy of collective farms. Organisation of labour on collective farms and distribution of collective farm income.
14. National income of a socialist society.
15. Trade turnover in a socialist society.
16. Finance, credit and money circulation.

^f Underlined with blue pencil.

^{aa} After the words "planning of the national economy" there is a comma and pencil marks. The litter is crossed out with a blue pencil.

^{bb} On the right margin with a blue pencil arrow, on the margin with a blue pencil for droppings: **The law of planned (proportional) development of the national economy.**

17. Socialist reproduction.
18. Gradual transition from socialism to communism.

B. ECONOMY OF THE COUNTRIES OF PEOPLE'S DEMOCRACY

19. Building a socialist economy in European countries of people's democracy.

20. Economic transformations in the People's Republic of China.

* * *

[Creation by V. I. Lenin and J. V. Stalin of the political economy of socialism]^c.

19. The section "Socialist mode of production" of the draft textbook contains errors, inaccuracies and omissions of a factual and editorial nature.

It is necessary to eliminate them, taking into account the proposals of the participants in the discussion (see Appendix)

PROPOSAL

PROPOSALS TO REMEDY ERRORS AND INACCURACIES OF THE ACTUAL AND EDITORIAL NATURE

FOR THE SECTION "PRECAPITALISTIC PRODUCTION METHODS"

^c In the left margin, pencil mark: **What's this? And cut to a special chapter.** Litter underlined with blue pencil.

1. On page 9, in the first paragraph, which refers to the appearance of man, in the phrase: “At that time, in different regions of the Old World ..., characterised by a warm and humid climate, lived a highly developed breed of great apes” the word “different” remove, as superfluous and capable of giving rise to the wrong idea about the simultaneous origin of man in different regions of the world or from different breeds of great apes.

2. On page 10 it is said that “In the primitive era, man was helpless before the elemental forces of nature.” It should be said that in the primitive era, man was almost^a helpless in front of the elemental forces of nature, for otherwise it would be incomprehensible how humanity could develop.

3. On page 10, in the second paragraph from the bottom, the phrase: “When the groups met by chance, there were clashes “should be replaced by another:” When the groups met, sometimes there were clashes”, because the wording given in the text may give rise to the wrong idea about” the eternity of war.”

4. On pages 10-12 in the paragraph “Conditions of material life. Production methods means of livelihood”— collecting food is interpreted as a special stage, separate from hunting in the development of human society. Meanwhile, the studies of Soviet ethnographers have shown that food gathering and hunting are one and the same initial stage in the development of ways of obtaining a person’s livelihood.

In the draft textbook, this text must be brought into line with the results of research by Soviet ethnographers.

5. On page And in the sentence: “Due to the lack of food in the primitive people existed cannibalism “the word” existed “to replace the other” met “in order to eliminate the misconception about cannibalism as inevitable and obligatory stage in the development of society.

6. On page 11, in the third paragraph from the top, after the phrase: “They saw how lightning ignites a tree ...” say: “People have long and carefully kept the accidentally obtained fire.”

^{aa} Document in bold.

7. On page 11, in the 5th paragraph above, the phrase about what hunting brought people to people follows replace with the following text:

“She gave people skins for clothing, bones for making tools, fat and meat, which influenced the further development of the human body and, above all, the development of the brain.”

8. On page 11, the last two phrases in the second paragraph from the bottom about the appearance of weapons, like insufficiently accurate, replace with the following: “There are axes, spears with stone tipped, stone scrapers and knives. These weapons made it possible to hunt for large animals and the development of fisheries.

9. On page 14 it says: “... agriculture and cattle breeding, while they were carried on primitive way, were the occupation of women “it should be said:” were predominantly^b occupation of women.

10. On page 15 at the end of the second paragraph from the bottom, before the phrase “All this led to the development of exchange”, insert the words: “Both farmers and pastoralists needed items, which they could not get at their place of residence (salt, iron)”.

I. On page 15 at the end of the third paragraph, when setting out the question of the separation of pastoral tribes as the first major social division of labour, instead of the words “Separation of pastoral tribes ...” say: “Separation of pastoral and agricultural tribes ...”

12. On page 15 it is necessary to say a little more about the forms of exchange under the primitive communal system, which is necessary for the subsequent presentation of the question of the commodity and exchange value.

13. On page 16, it must be said that the emergence of private property is associated with the development of the social division of labour and the development of exchange, and not exchange alone, as the draft textbook says.

14. On page 16, in the second paragraph from the bottom, after the phrase: “First, the main subject of the exchange was cattle “insert in brackets: (in” Russkaya Pravda “money was called” cattle”;

^b Bold in the document.

among the Romans” pectus”— cattle, hence the word” pekunie—money).

15. On page 16, at the beginning of the fourth paragraph, instead of the words: “Process the field earlier it was possible only through the joint work of a dozen people “to give a more accurate text:” slash and shift farming systems could only cultivate the field with the joint labour of dozens of people. This was possible under the patrimonial system.”

16. On pages 16-17, instead of the text: “On the contrary, forest, meadow and other lands were common property”, give another more accurate text: “On the contrary, arable land, forest, meadows, water and other lands were common property. The arable land, which was initially periodically redistributed among the community members, later became private property.”

17. On page 17, middle of the third paragraph from the top, after the words “forming a generic nobility” it is necessary to add: “and increasingly passing on their power by inheritance.”

18. On page 17, the beginning of the 1st paragraph from the bottom, give the following more precise wording: “Helpless before the forces of nature, crushed by need and the struggle for existence, primitive man has not yet distinguished himself from the surrounding nature. **He saw the nature in action**^a of some mysterious forces incomprehensible to him: therefore it seemed to **him**^b that the whole world around him was inhabited by supernatural beings, spirits and witchcraft, he spiritualised the forces of nature.”

19. On pages 17-18 in the paragraph “Social notions of the primitive era”, at the end of the paragraph, a critical exposure of bourgeois concepts should be given, which deny the existence of a primitive communal formation and seek to establish the eternity of private property.

20. On page 18, in the second paragraph from the top, after the words “primitive man ... did not think of himself outside the collective” (replace the word “collective” with the word “kind”)

^{aa} In the document in bold.

^{bb} In the document in bold.

insert the phrase: “This was reflected in the ideology of the cult of ancestors—the founders”.

21. On page 19, second paragraph from the bottom, instead of the words: “Earlier, the craft was an auxiliary occupation of the farmer”, say: “Earlier, the craft was an auxiliary occupation of the farmer and cattle breeder.”

22. On page 22 after the fifth paragraph from the top, on the emergence of the slave states additionally include the following text: “The most ancient slaveholding states arose in the ancient Eastern countries: in Egypt, Mesopotamia and India in the IV-II millennium, in the Transcaucasia (Urartu)— in the VII century BC; full development of slavery reached in Mesopotamia and Egypt only in the 7th century, in ancient Greece—in the V-IV centuries and in Rome in the II century BC—II century AD”.

23. On page 22, at the end of the 6th paragraph above, add that the slave, as a rule, did not have families.

24. On page 23, in the 3rd paragraph from the top, the last phrase, as not accurate enough, should be replaced with another: “Not only the captured warriors turned into slavery, but also a significant part of the population of the conquered lands.”

25. On page 24, the second paragraph from the top, in the description of the productive forces of the working-class society, instead of the words—”The only motive power remained the physical strength of people and livestock”—it should be said: “The main motive power remained” ... and further, as in the text.

26. On page 24 to clarify the text of the last paragraph on the appearance of metallic money, indicate in it that gold and silver were used as money in ancient China, India, Egypt and the states of Mesopotamia 1500 years before the beginning of our era, and in Greece - in the VIII-VII centuries BC. Note that in Colchis (ancient Georgia) silver coins were minted in the 5th-2nd centuries, and gold coins were minted in Armenia in the 1st century BC.

27. On page 25, in the first paragraph above, on the trade of the Greek city-states, indicate that these city-states traded with the Greek colonies not only because of Mediterranean, but also along the Black Sea coast.

28. On page 26, the third paragraph from the top, correct the phrase about the death of the slave Rome, stating it as follows: “All this ultimately undermined the economic, military and political power of the slave-owning states, in particular Rome”.

29. On page 28, end of the 7th paragraph from the top, correct Pliny’s estimate, which was a writer, not a historian, and give the correct translation of the quotation from Pliny. Instead of the incorrect translation from Pliny given in the text, say: “Pliny asserted:” The Latifundia destroyed Italy, as well as the provinces.”

30. On page 29, in the 4th paragraph from the top, instead of the imprecise description of the class nature of Christianity in the era of the Roman Empire given in the text, say that Christianity redefined two stages: in the first, it was the ideology of slaves, and in the second, it was used in their purposes as a class of slaveholders.

31. On page 31, in the first paragraph, indicate additionally the period of feudalism in the East, Central Asia and Transcaucasia and say specifically about how the process of feudalisation took place in countries outside the Roman Empire.

In this regard, the text of the 1st paragraph shall be given in the following edition: “The feudal system existed with one way or another, in almost all countries. The era of feudalism covers a long period, for example, in Western Europe from the time of the fall of the Roman Empire to the Buryazois revolutions in England (XVII century) and France (XVIII century), in Russia from the 9th century to the peasant reform of 1861, in Transcaucasia from IV centuries to the 70s. XIX century, among the peoples of Central Asia from the VII-VIII centuries. up to the establishment

Soviet power. In the foreign countries of the East, in Africa and a number of other countries, feudal relations continue to this day.”

32. On page 32 it is said that on the ruins of the Roman Empire there was formed not a mystics of small states, but “a number of new states”, for among these new states there were also large ones.

33. On page 32, before the last paragraph, insert a new text on feudal property among nomadic pastoralists: “Among nomadic pastoralists of the land was used primarily as pasture, and livestock was used as the main means of production. Large livestock owners were in fact large pasture owners.”

34. On page 33, in the second paragraph from the top, when characterising the processes of decomposition of community and its subordination to the feudal lords, to say specifically about how the peasants—smerds, who were at first free members of the community, fell into a dependent position from the large landowners—the boyars.

35. On page 33, delete the mention of “vigilantes” in the Moscow state in the XIV-XV centuries, since there were no vigilantes in the Uyase during this period.

36. On page 33, the fifth paragraph from the top, to develop the basic provisions on the introduction of serfdom in the Moscow state, in connection with which replace the text of the paragraph with the following text: “At that time, the peasants were not finally attached to the landowner and the land and still had the right to transfer from one landowner to another (only once a year—on St. George’s Day), but at the end of the 16th century, in connection with the development of the grain trade, the feudal lords rebuilt their economy in order to increase grain production and introduced a new reinforced corvée. In 1581, the Russian state abolished St. George’s Day, deprived the peasants of the right to transfer from one landowner to another, and the peasants were completely attached to the land, turned into serfs.”

37. On page 34, the second paragraph from the top, the phrase “In the early period of feudalism the farming system prevailed” is replaced with a more correct one: “In the early period of feudalism, **the slash-and-slash**^a system continued to exist,” since during this period, along with the cropping system was widespread (especially on the territory of Russia).

In the next paragraph, add that the three-field farming system began to spread in Russia also from the 11th century, among the peoples of the East and Transcaucasia even from the 9th century.

38. On page 35, which speaks of corvée, to give a fuller description of Lenin’s corvée economy, listing the signs indicated by Lenin in his work “The Development of Capitalism in Russia.”

39. On page 36, the 5th paragraph above, in the list of cities inherited by the Middle Ages from the slave system, indicate

^a In the document in bold.

additionally Samarkand, Mtskheta (near Tbilisi) and Dvin (Ancient capital of Armenia), and also say that in the era of feudalism, in connection with the process of separating handicrafts from agriculture, new cities arose both on place of ancient settlements and tribal centres (for example, Kiev, Pskov, in Poland—Gniezno) and newly built (Novgorod, Vladimir).

40. On page 37, second paragraph from the bottom, instead of the first two phrases of the paragraph, give the following text about the guilds: “Guilds united urban artisans of one particular trade or several close ones. The guild system existed in the era of feudalism almost among all peoples. Guilds arose in Byzantium no later than the 9th century, and then throughout Western Europe and Russia. In the countries of the East (Egypt, China), in the cities of the Arab Caliphate workshops arose even earlier. In Georgia, the beginnings of a workshop organisation can be traced back to the middle of the 6th century AD”.

41. On page 38, the third paragraph from the top, the text about merchant guilds from the words: “Merchant guilds first appeared” to the words “A big role in the expansion of trade...” (in the 4th paragraph), as incomplete and inaccurate, replace to others: “Merchant guilds existed almost everywhere in the era of feudalism. In the East, they have been known since the 9th century in Western Europe - the 9th-10th centuries. In Russia, the merchant brotherhood—the guild—has been known in Novgorod since 1127, when it was formalised with a princely charter. The main task of the guilds was to fight the competition of outside merchants, to streamline measures and scales and protection of merchant rights from feudal lords. In the IX-X centuries. Significant land and sea trade between the countries of the East and Europe. Kievan Rus took an active part in this trade”.

42. On p. 39, the text of the third paragraph above on the trade of Russian cities should be replaced by another:

“In the XIII-XIV centuries. Russian cities Novgorod, Pskov, Moscow conducted extensive trade with Asia and Western Europe. Novgorod merchants traded, on the one hand, with the peoples of the North (the coast of the Arctic Ocean and the Trans-Urals), and on the other hand, conducted regular trade with Scandinavia and Germany. In the Russian chronicle of the XII century. speaks of the sailing of

Russian merchants from the Baltic Sea through Gibraltar to Constantinople.

Moscow in the XIV-XV centuries conducted trade with Central Asia, India, Western Europe.”

43. On page 41, in the third paragraph from the bottom, delete the words: “then they started casting agricultural and other implements from cast iron”, since agricultural implements were not cast from cast iron.

In the same paragraph, to say more precisely that the demand for cast iron cores increased due to the invention of gunpowder and artillery, and not gunpowder alone, as the text says.

44. On page 42, 2nd paragraph from the top, instead of the text—”Guild restrictions hindered the further growth of craft production”, as wrong, give another: “Guild restrictions hindered the development of nascent capitalist production.”

45. On pp. 43-44 it is necessary to correct the wording about the differentiation of the peasants in the conditions of the disintegration of the feudal system. The draft textbook says that during this period “kulaks—world eaters” appeared in the countryside; it would be more correct to say that “kulaks—world eaters” began to appear in the countryside, because the class differentiation of the peasantry occurred only on the basis of capitalist production.

46. On p. 44, in the 3rd paragraph from the bottom, where it is mentioned that America is discovered by Christopher Columbus¹, and India by Vasco de Gama² additionally it should be mentioned that the Russian traveller Athanasius Nikitin³, discovered India earlier than Vasco de Gama (1466-1472), as well as about the discoveries of Semyon Dezhnev⁴.

¹ Columbus Christopher (1451-1506), Spanish navigator who discovered America for Europeans in 1492.

² Vasco da Gama (1460 or 1469-1524), Portuguese navigator who discovered the sea route to India for Europeans.

³ Nikitin Afanasy (? - ca. 1475), Tver icyiiei, author of “Walking across the Three Seas”, in which he described his journey through Persia, India, and Turkey.

⁴ Semyon Dezhnev (1605-1673), Russian explorer, the first known navigator to pass through the Bering Strait (1648).

47. To page 44, the 4th paragraph from the bottom, after the phrase—"Great importance for the emergence of capitalist order also had the formation of a world market "add the phrase:" Russia, starting from the 16th century, has played a prominent role in world trade."

48. On page 46, the text about the Peter's manufactories, as containing factual errors (ignoring the 17th century manufactories and denying the use of freelance labour in the 17th-18th century manufactories), should be replaced with another text: "In Russia, manufactories began to emerge in the 17th century. At the beginning of the 18th century, under Peter I, the development of large-scale production proceeded at a faster pace: a large number of enterprises were founded in the metallurgical, metalworking, textile, leather and other industries. In contrast to the English manufactory, which was built on hired labour, at Russian enterprises of the 17th-18th centuries, although freelance labour was used, the labour of serfs prevailed and attached workers. From the end of the 18th century, manufactories based on hired labour began to spread widely. This process especially intensified in the last decades before the abolition of serfdom."

49. On page 47, the presentation of the question of bloody legislation in England should be supplemented with a brief indication of why and in whose interests such legislation was adopted.

50. On page 47, in the penultimate paragraph, which describes the reform of 1861, between the second and third phrases of the paragraph, say additionally about the "pieces" of land from the peasants and that the "Regulations of February 19, 1861", declaring the personal freedom of the peasants, temporarily preserved corvée and quitrent. In this paragraph, the erroneous statement should be eliminated that "The law provided former serfs with the" right "to receive an allotment for a quitrent (rent) or by redemption", since in reality the law established the right of landowners to provide peasants with land for rent or ransom.

51. On page 48, at the end of the 3rd paragraph from the bottom, where it speaks of colonial trade as one of the methods of initial capital accumulation, give additional text about the colonial trade of Russian merchants: "In Russia, the privileges of the Russian-

American company, which exploited the fur resources in Alaska and the adjoining islands, were of the same character. Delivered large profits to Russian merchants predatory trade with the population of Siberia and the predatory system of wine leases.

52. On p. 49, 6th paragraph above, in addition to say briefly that S. Razin⁵ and E. Pugachev⁶ sought the abolition of serfdom, the transfer to the peasants of the landlords and state lands to eliminate the rule of landlords and their estates. At the end of this paragraph, say additionally about the crisis of the feudal-serf system of economy in Russia in 1840-1850, on the eve of the fall of serfdom.

53. On pages 49-50, the text on the struggle of the peasants against the landlords must be supplemented indicating that in the countries of Western Europe in the early bourgeois revolutions, the bourgeoisie, leading the revolution, used the struggle of the peasantry to strengthen its political power. The victory of the bourgeois revolutions in Europe hastened the development of capitalist industry.

54. On page 51, in the 4th paragraph from the top, say about the Russian utopian of the 16th century Ermolae Erasmus, who reflected in his economic views the interests of the enslaved peasantry.

55. On page 52 the economic views of Ordin-Nashchokin⁷, Y. Krizhanich⁸, Peter I, Pososhkov⁹, Lomonosov¹⁰, who were the original thinkers of their time, should be set apart from the mercantilists of the West.

⁵ Stepan Timofeyevich Razin (ca.1630-1671), leader of the uprising of 1670-1671 in Russia.

⁶ Emelyan Ivanovich Pugachev (1742-1775), leader of the 1773-1775 uprising in Russia.

⁷ Ordip-Afanasy Lavrentievich Nashchokin (c. 1605-1680), Russian diplomat and statesman, representative of Russian mercantilism.

⁸ Križapić Jurij (c. 1617-1683), Croatian theologian, writer, linguist, philosopher, publicist.

⁹ Pososhkov Ivan Tikhonovich (1652-1726), merchant-entrepreneur, representative of Russian mercantilism.

¹⁰ Mikhail Lomonosov (1711-1765), the first Russian scientist-naturalist of world significance, artist, historian.

56. Move to page 53 (after the 2nd paragraph from the top) the text about Radishchev¹¹ and the Decembrists from p. 197, since the economic views of Radishchev and the Decembrists belong to the era of feudalism, not capitalism.

57. Paragraph 1 of the conclusions on page 53 shall be supplemented with the following text: “In the same countries, where there was no slave system, feudalism arose on the basis of the disintegration of the primitive communal system”.

FOR THE SECTION “CAPITALIST PRODUCTION. PRE-MONOPOLY CAPITALISM”

1. On page 55, in the second paragraph, it is written: “Commodity production presupposes, first, a social division of labour, in which individual producers create various products... different products...” “After the words “separate” insert the word “isolated”.

2. On page 56 it says: “The use value of a good is determined by its physical properties.” Since the use-value is determined not only by the physical properties of the thing and since the correct definition of the use-value is given earlier in the text, this phrase should be eliminated.

3. On page 57 it is written: “The higher the productivity of labour, the more products a manufacturer can create per unit of labour time, the lower cost of goods”. You should write: “The lower the cost per unit of goods.”

4. On page 57, in the penultimate paragraph, the following definition of an abstract labour: “The labour of commodity producers, acting as an expenditure of human labour power in general, regardless of its specific forms, is abstract labour.” This provision does not indicate the historical character of abstract labour. Therefore, immediately before the above phrase, it should be said that in a society where the means of production are private property

¹¹ Alexander Radishchev (1749-1802), Russian writer and educator.

and the products of labour are produced for the market, the social character of labour manifests itself only in exchange.

5. On page 60, paragraph one, it is written:

“Then the owner of the boots exchanges them for the commodity for which there is the greatest demand, such as a sheep.”

Amend this wording as follows:

“Then the owner of the boots exchanges them for such a commodity that is more often than others exchanged, for example, for a sheep...”

6. On page 62 it is written: “The prices of commodities can rise or fall under the influence of changes in the value of commodities or the value of gold.” It should be written: “The prices of commodities can rise or fall under the influence of both changes in the value of commodities and changes in the value of gold.”

7. On page 63 it says, “Notes are [credit money].” This provision has not been clarified. The procedure for issuing them in lieu of private bills should be clarified. A detailed explanation of this should be referred to chapter XII.

8. In chapter IV (paragraph “Functions of money”) the amount of money required for the circulation of goods is determined taking into account only the sum of the prices of goods and the rate of turnover of money and does not take into account other factors. In this paragraph, it is necessary to give a more complete formula of Marx, taking into account the fulfilment of the function of a means of payment by money (see Capital, Vol. 1, p. 146).

9. On page 64 it is indicated that money, as world money, functions as a universal means of purchase and a universal means of payment. It must be added that world money functions in the same way as the universal embodiment of social wealth, as a means of transferring wealth from one country to another.

10. It is necessary to improve the definition of the law of value in order to take into account both that the law of value is the law by virtue of which the exchange of goods takes place in accordance with the socially necessary labour embodied in them, and the fact that in

the conditions of the domination of private property, this law is the [basic]^a law [spontaneous]^b development of commodity production.

11. The draft textbook does not provide a definition of labour productivity. It is necessary to include the definition of labour productivity and show the factors of labour productivity, as stated in Chapter 1 of Volume 1 of “Capital”.

12. On page 70 it says: “Manufacturing division of labour is the division of labour within an enterprise in the production of the same product, as opposed to the division of labour in society between enterprises in the production of different goods.” This definition is extremely simplified, incorrect, since on one different goods can be produced in the same enterprise.

It is necessary to accurately state the relevant provisions of Marx (see “Capital”. Vol. 1. pp. 362-363).

13. On page 71, when describing a partial worker in a manufactory, indicate that manufacture is a definite stage of growth in the domination of capital over labour.

14. On page 74 an incomplete and therefore incorrect definition of the agricultural proletariat is given.

The authors omitted the worker with the allotment as the most typical representative of the agricultural proletariat. It is necessary to characterise the agricultural proletariat in accordance with the provisions of Lenin, developed in the work “Development of Capitalism in Russia”

(Op. T. III. Pp. 145-146), indicating that the most typical representative of the agricultural proletariat is a farm labourer with an allotment.

15. In Chapter VI “The Machine Period of Capitalism” it is necessary to show more broadly the industrial revolution in Russia, to emphasise the importance of Lenin’s analysis of the three historical stages of the development of capitalism in Russian industry and, in particular, large-scale machine industry.

^a The word “main” in pencil is taken in brackets, crossed out, in the upper field of the litter is crossed out.

^b The word “spontaneous” is crossed out with a pencil, a check mark is placed opposite on the left field with a pencil, next to the litter pencil: ?

16. On page 82, the discovery of a method for transmitting electrical energy over a distance is attributed to the French scientist Despre¹² in 1881. Meanwhile, it is known that electric energy was first transmitted over a distance of Pirotskim¹³ in St. Petersburg in 1874. The priority of Russian technical thought should be fully reflected in the textbook.

17. On page 92 it is written that “capitalist property is large unearned private property, which in the hands of the capitalists serves as a means of exploiting hired labour.” This definition does not take into account the masses of small capitalists, who also exploit wage labour. The word “large” should be removed from this definition.

18. On page 94 it says: “The use value of a commodity, labour power, consists in the ability of workers to work,” and on page 93, the same words are used to define labour power itself.

It should be formulated that the use value of a commodity, labour, lies in its ability to create goods, create value and surplus value.

19. The draft textbook says that “the cost of labour is the cost of the means of subsistence necessary to support the life of its owner and his family” (p. 94).

20. The question on page 96 about the dual nature of labour in connection with transferring the old value and creating a new one. In the sense of what has been said here it turns out, firstly, that abstract labour is not the labour of the same spinner, metallurgist, etc., but a very special labour, that the labour of the spinner, metallurgist does not create new value, but only transfers the old value. It is necessary to accurately convey the meaning of what Marx said on this issue, namely, that in its abstract general property, as the expenditure of labour, the work of the spinner adds a new value to the value of cotton and spindles, and in its specific, special, useful property as a

¹² Despres Marcel (1843-1918), French engineer, physicist, researcher of electricity.

¹³ Pyrotsky Fyodor Apolonovich (1845-1898), engineer, inventor. In 1875, on the site of the Sestroretsk railway, he launched electric cars.

spinning process , he transfers to the product the value of these means of production (see “Capital”. Vol. 1. P. 207).

21. The definition of the category of capital is given on page 102, and it is said about constant and variable capital on page 96. The definition of capital should be from page 100, transferred to page 96, and then talk about constant and variable capital.

22. On p. 97 there are data on the growth of the rate of surplus value in the USA for the period 1849-1933. This growth is set at 81% on the basis of official data. There are other estimates of Soviet and foreign economists, giving much larger numbers. It is necessary to clarify the given figure.

23. On page 97 of the textbook it is indicated that in tsarist Russia in 1908 there were 2.2 million workers, and on page 351 it says that in 1913 there were 11.4 million workers and employees. A reservation should be made that in the first case a narrower circle of enterprises is taken.

24. On page 108 it is written: “Wages erases all traces of division of the working day.” It is necessary to change the edition and write: “Salary hides all traces of the division of the working day.”

25. On page 110, an inaccurate definition of piecework is given. It says: “Piecework (piece) wages are such a form of the price of labour power, in which the wages of the worker are in direct proportion to the number of products or individual parts produced by him per unit of time.” The same definition is given in the conclusions of this chapter (Conclusion 2, p. 121).

In the above wording, it is necessary to exclude the word “in a straight line”.

26. On page 116, it should be noted that bourgeois statistics include in the wages of workers and employees the salaries of the leading elite of the industrial bureaucracy (directors, managers, chief engineers, etc.).

27. In connection with the presentation of the question of workers’ savings under capitalism in the layout

the illustration (p. 115) gives the false impression that the mass of workers can actually save.

It is necessary to exclude the given example and show that in fact the proletariat is deprived of the opportunity to make savings, and if in some cases, fearing a rainy day, it saves small amounts, then this is due to the curtailment of the most necessary needs. In this connection, point out that the practical-political conclusion from this situation is the need to fight for the growth of wages and for state insurance.

28. In presenting the question of real wages, the draft textbook provides data mainly for the years of the 20th century.

Marx's data on the decline in real wages over 300 years should be cited, as well as data on further decline in real wages in capitalist countries.

29. On page 128 to give Lenin's criticism of the factory law of 1897.

30. To illustrate the questions about wages and the working day, about the strike struggle, about women's and child labour, data from pre-revolutionary Russia should be cited.

31. On page 124 it is written: "Let us assume that the capital advanced by the entrepreneur of 100 thousand dollars creates an annual surplus value of 10 thousand dollars ". The surplus value is created not by capital, but by the worker. It should be said: capital **brings^a** surplus value.

32. On page 125 it is written: "The path to enrichment is the expansion of production", one should write: "The path to enrichment is the expansion of production and the growth of exploitation."

33. Page 126 mentions the concentration of production, but does not explain its essence and not shown the difference between the concentration of production and the concentration of capital and the relationship between them. An appropriate explanation should be made.

34. The paragraph "Agrarian overpopulation" (pp. 129-130) shall be supplemented with indications that, unlike industry, the expulsion of agricultural workers, due to the growth of capital in agriculture, is not accompanied by an increase in the number of agricultural workers, that part of the rural population is constantly

^a In the document in bold.

being pushed out from the countryside and replenishes the ranks of the urban proletariat.

35. On page 129 it says: “The capitalist reserve army of labour is replenished not only at the expense of unemployed industrial workers. “ It should be said: “The capitalist reserve army of labour consists not only of industrial workers, not having a job.”

36. On page 130 there are data on hidden overpopulation in the German countryside for 1907 Since there are data for Germany for 1924 and 1939, the following figures are update.

37. On page 131 there is data on the decrease in the share of workers in the national income received in the form of salaries. According to these figures, it turns out that the relative impoverishment in the period 1900-1913. was incomparably faster than in the period 1913-1935. The data needs to be clarified.

38. On page 132 it is argued that in some periods between the first and second world wars, unemployment covered almost one percent of the entire working class of the United States of America. In fact, it was much larger. The given data should be clarified.

39. On page 132, instead of data on natural population growth, provide data about the increased mortality of workers compared with the entire population and about the increased mortality of workers from causes associated with living and working conditions.

40. On page 132, there is evidence that 2/3 of the farm population in the United States, i.e. approximately 66% do not have a living wage, and page 254 indicates that over 80% of farming families have an annual income below the subsistence minimum. The contradictions in the numbers should be eliminated.

41. Due to the fact that the textbook contains a number of formulations that characterise the main contradiction of capitalism from different sides (pp. 104, 106, 133), it is necessary to show the connection between these formulations and show that “The contradiction between social production and capitalist appropriation manifested itself in the antagonism between the proletariat and the bourgeoisie” (Marx and Engels, Soch. T. XIV. p. 274).

42. On page 145, the laws of expanded capitalist reproduction with the growth of the organic composition of capital are inaccurate. One should strictly be guided by the Leninist theses outlined in the

work “Concerning the So-Called Market Question”: “of all, the production of means of production for the means of production increases most rapidly, then the production of means of production for means of consumption and the slowest of all is the production of means of consumption” (Lenin, Vol. 1 . Page 71. Ed. 4th).

The regularity given in the draft textbook on page 145 that “with expanded reproduction, the sum of variable capital and the surplus value of the first division should grow faster than the constant capital of the second division” does not exist.

43. On page 148 there is an inaccuracy: the advanced capital is identified with the costs of production. This inaccuracy should be eliminated.

44. See page 150 for data on work-related injuries in the United States for 1939 Since data are available for a later period, the figure should be clarified.

45. On page 152, clarify the table by showing the deviation of the production price from the cost.

46. On page 154, data on the profits of the American monopolies, taking into account the payment of taxes, are given, and only up to 1946. Since the monopolies recover part of the taxes paid by various methods, the data on profits should be cited before taxes. These data should be brought up to 1950.

47. The chapter on trade shall be supplemented with a clarification of the issue of expropriation of traders.

In connection with foreign trade, the participation of the colonial trade monopolies in the exploitation of the colonies should be noted.

48. It is necessary to show that capitalist credit is generated by the contradictions of the capitalist mode of production; eliminate confusion of monetary functional form of capital, isolated in the form of banker capital, with free loan capital, and eliminate the contradictions in this regard in wording (pp. 156-160); to characterise the role of credit in the development of the contradictions of the capitalist economy and the intensification of crises.

49. On page 161, interest on loan capital is defined as “part of the surplus cost “. It must be said that “interest is part of the profit and thus has its source of surplus value. “

50. On page 162 it is said: “When buying and selling money capital as a commodity, only its use value is alienated. It passes for a certain period into the hands of the industrial capitalist, while the ownership of capital remains in the hands of the money capitalist. “ This position is wrong. It should be said that “in the purchase and sale of money capital as a commodity, its use value and its value are alienated for a certain period, but the ownership of capital remains in the hands of the money capitalist.” (“Capital”, vol. III, pp. 363-364).

51. On page 167 the definition of the share price is given. However, already before that, on page 166, a definition of the founder’s profit is given. Definition of kura shares give before considering the issue of the founder’s profit.

52. It is incorrect that the characteristics of monetary circulation are given only in Chapter IV, that is, before the capitalist mode of production is characterised. In chapter IV, it is necessary to give only a general idea of paper money and inflation. The question of credit money and a more detailed description of paper money inflation, as well as methods of capitalist stabilisation of currencies should be referred to Chapter XII—”Trade and Credit”.

There is no definition of a monetary system in the textbook. To be cited in chapter XII definition of the monetary system and give an idea of the varieties of monetary systems.

53. On pp. 171-173 when setting out the question of differential land rent three terms are used simultaneously: [excess profit, surplus profit and excess] profit. One term needs to be taken: surplus profit.

54. On page 169 it says: “Under capitalism, a large landowner most of the land is leased to capitalists—tenants and small peasants. “This wording should be clarified, bearing in mind that in a number of countries the land leased by large land owners does not make up even half of their possessions, land is rented not only by small peasants.

55. On page 170 you can find data on the distribution of land ownership in Germany by the data of 1939. The data of the German census of 1939 do not make it possible to establish distribution of land ownership, since the grouping of the economy here is a scion according to the size of actual land use, and not land ownership. This data should be clarified.

56. On page 174, it is necessary to supplement and develop criticism of the law of diminishing fertility, using Lenin's criticism of Bulgakov, who explains the growth of poverty among the working people by the action of the law of "diminishing soil fertility".

57. On page 176, when covering the issue of the price of land, it should be indicated that the average and small peasants when buying small land plots are forced to pay for land is much more expensive than the average price.

58. On page 180, in connection with the question of the opposition of town and village, it is said, that all the wealth of culture is concentrated in the capitalist city. It should be pointed out that this cultural wealth is used only by the ruling class—the bourgeoisie—the proletarian masses can use it to a very insignificant extent of achievements of urban culture.

59. On page 187 there is an indication that the first world economic crisis was in 1857.

In fact, the crisis of 1847 already engulfed all the main capitalist countries of Europe and America (see the work of Marx "The Economic Crisis in Europe", "International Reviews"). It should be noted in the textbook that the first world crisis took place in 1847.

On page 187, when listing the crises of overproduction, the crisis of 1890 is omitted. This crisis should be pointed out, because otherwise it turns out that there was a cycle of 18 years duration (1882-1900).

60. On page 190 it says: "When agricultural prices fall, tenants is necessary to pay land rent at the expense of profit, and sometimes at the expense of advanced capital." This provision should be given in the following edition: "In the event of a fall of agricultural prices, land rent is paid by further lowering the wages of agricultural workers, as well as at the expense of profits, and sometimes at the expense of advanced capital".

61. On p. 189 it is necessary to clarify the characterisation of agrarian crises in accordance with their Leninist assessment (see Lenin, Soch., Vol. IV).

62. Eliminate the objectivist nature of the presentation of the views of some vulgar and petty-bourgeois economists (Sey,

Proudhon, the Austrian school) and not only state their views, but also give their criticism (pp. 196,197,201-202).

63. It is necessary to eliminate the wrong characterisation of the Decembrists (p. 197), as ideologists of the “revolutionary nobility”. To describe them as revolutionaries from noble environment.

64. It is necessary to show a huge positive contribution to the development of economic theory and the progressive historical significance of the economic and social teachings of Herzen¹⁴, Chernyshevsky¹⁵ and other representatives of Russian revolutionary democratic social thought of the late 19th century. It is necessary to show significant differences between the revolutionary democrats Herzen and Chernyshevsky and the West European socialists-utolists, who recognised only the path of reforms.

FOR THE SECTION “CAPITALIST PRODUCTION. MONOPOLY CAPITALISM—IMPERIALISM”

1. On page 205, chapter XV “The main economic characteristics of imperialism” shall be called: “The main characteristics of imperialism”^{aa}. On page 205 at the beginning of Chapter XV, one should note the significance of VI Lenin’s work “Imperialism as the Highest Stage of Capitalism.”

2. On pages 205-206, give a more systematic description of the development of production and technology during the transition to imperialism and highlight in more detail the role of Russian scientists in the development of technology.

3. In Chapter XV, give a detailed Leninist definition of imperialism (Soch. T. XXII. P. 253).

4. On page 209, the phrase that “monopoly associations occupy commanding heights in the economies of capitalist countries” should

¹⁴¹⁴ Herzen Alexander Ivanovich (1812-1870), writer, one of the representatives of the Russian Revolutionary Democrats.

¹⁵¹⁵ Uerilyshevsky Nikolai Gavrilovich (1828-1889), writer, one of the representatives of the Russian revolutionary Democrats.

^{aa} On the right zero in pencil opposite point 1 of the litter is crossed out.

be edited in the spirit of Lenin's instructions on the decisive role of monopolies in the economies of capitalist countries.

5. On page 209 it is necessary to show the forms of competition between monopolies.

various industries.

6. On page 209, add a description of the large monopolistic associations in tsarist Russia, mention, in addition to Prodamet, Produgul, the sugar syndicate, Prodvagon, etc.

7. On page 211 the authors write: "The high level of monopoly prices does not change the total amount of value and surplus value produced in society ...". This wording must be corrected, because monopoly prices express an increase in the rate exploitation, rate and mass of surplus value. The tutorial should show that a high level of monopoly prices, without changing the total amount of value, together with expresses the intensification of the exploitation of the working class and all working people.

When listing the sources of monopoly super-profits (on page 210), in addition to the sources mentioned in the draft textbook, one should also note the enrichment of monopolies through the state budget through military orders at inflated prices, loans and subsidies. It is also necessary to show new forms of plunder of the colonies by means of monopoly low purchase prices, forcibly set with the help of the imperialist state.

8. On page 217, the paragraph of Chapter XV is entitled: "Completion of the division of the world between the great powers and the struggle for its redistribution." One should say "Completion of the **territorial**^b division of the world," etc.

9. On page 218, the population of the Belgian colonies is defined differently. The period to which the population data are related is not specified. It is necessary to clarify and correct all the figures on the population of the metropolises and colonies given on pages 218-219, indicating exactly the period to which these figures relate.

10. On page 218, US participation in the division of the world in the 19th century is illustrated only by the capture of the Philippines. It is necessary to show the predatory nature of American

^{bb} Bold in the document.

imperialism, to give a fuller picture of the colonial conquests of the United States in South and Central America and on the islands of the Pacific Ocean.

11. On page 219 it is indicated that in the colonial and dependent countries “light industry prevails - cotton, leather, food”. We must add the mining industry, which supplies the imperialist countries with cheap raw materials.

12. On the same page, the phrase “Imperialism supports the most brutal forms of serf oppression in the colonies” should be replaced: “Imperialism supports in the colonies the remnants of feudalism, pre-capitalist forms of exploitation, forced slave labour.”

13. On page 221 it says: “Imperialism is [a superstructure over capitalism ...” should be written: “Imperialism is a superstructure over] the old capitalism”^{aa}.

14. Instead of the term “State-monopoly tendencies” (p. 222) or “military-state monopoly tendencies” (p. 240) use the Leninist term “state-monopoly capitalism” or “military-state monopoly capitalism.”

15. On page 223, when characterising the development of capitalism in the era of imperialism, it is indicated: [“On the whole, capitalism is growing immeasurably faster than before ...”]. The meaning of this proposition, taken from Lenin’s book *Imperialism*, should be clarified and linked directly and directly with the aggravation of the uneven development of the capitalist countries and the growth of the decay of capitalism.

16. On page 224, to illustrate the inhibition of technological progress by monopolies, the following example is given: “In England, coal companies have delayed the electrification of transport for years, as this would reduce railroad demand for coal.” This example is outdated because the coal industry in England has been nationalised. It is necessary to bring other more modern material.

17. On p. 225 indicates that the national income in the United States per capita for 1929-1938. fell 5.8%. In reality, the drop was much larger. The figure should be clarified.

^{aa} In the document in bold.

18. On page 225, to illustrate the decline in the number of workers employed in productive labour, the authors cite data on the proportion of workers employed in the main branches of English industry throughout the entire population of England. It is unclear which industries the authors include among the main ones. Data should be provided for the entire industry in general.

19. On pp. 225-226 and others, two terms are used—national income and national income. One term should be used—national income.

20. On page 230 of the textbook it is written: “At the same time, the Leninist theory of socialist revolution proceeds from the fact that the socialist revolution wins first, not necessarily in the most developed capitalist countries, but in those countries where the front of capitalism is the weakest, where it is easier for the proletariat to break through this front and where there is at least an average level of development of capitalism.”

21. On p. 233 it is indicated that direct expenditures during the years of World War 1914—1918 amounted to 200 billion rubles. The figure needs to be clarified, as well as to make a reservation, in the prices of which year the given amount is determined.

22. On p. 236 it is stated: “According to available estimates, the devastation caused by the four years of the economic crisis of 1929-1933, in terms of their volume, they are not inferior to the destruction caused by the four-year war of 1914-1918.” This comparison does not take into account the deaths of millions of people during the war. The editorial staff should be improved.

23. On page 236, the phrase “Capitalism has entered a new period of its permafrost wars and revolutions” should be deleted, as it was misplaced.

24. On p. 237 a description of the economic crisis of 1937-1938, must be supplemented, guided by the instruction of Comrade Stalin that this crisis “differs in many respects from the previous crisis, and differs not for the better, but for the worse” (J.V. Stalin, Problems of Leninism, ed. I, p. 565) ...

25. On page 237 it is written: “The collapse of the Soviet Union from the imperialist camp played an enormous role in aggravating the contradictions of capitalism.”

It should be written instead of “Soviet Union”—”Russia”.

26. On page 238 it is necessary to give a brief description of the development of technology in the period of the general crisis of capitalism. It is necessary to show how, on the one hand, new opportunities have opened up for the development of productive forces (the discovery of atomic energy, etc.), and on the other hand, the delay in technical progress by monopoly capital is increasingly manifested. At the same time, it is necessary to emphasise the growing switch of technology and science in the context of the general crisis of capitalism to serving imperialist wars.

27. On page 238, the authors cite Comrade Stalin’s thesis about the relative stability of markets [a] during the period of the general crisis of capitalism. On page 239, commenting on this provision, the authors talk about the shrinking of sales markets during the period of the general crisis of capitalism. It is necessary to cite the comments in accordance with the instructions of Comrade Stalin^b.

28. On page 239, the importance of the Great October Socialist Revolution should be emphasised in undermining the authority of imperialism in the colonies and dependent countries, as a result of which imperialism is no longer able to rule in these countries in the old way.

29. On page 239, the authors write about the economic crisis of 1937-1939. The “Crisis of 1937-1938” should be corrected.

30. On page 239, the phrase “the United States has overtaken England in capital exports and has become the main financial centre of the world” should be clarified: “into the main centre [of the financial exploitation of the world”].

31. On page 240, the growth of state building in capitalist countries during the war is explained by the fact that “the bourgeoisie, fearing the post-war collapse of prices for armaments, did not want to invest in the construction of new military factories, leaving it to the state.” It must be added that the growth in the

^b In the document in bold. In the left field, the blue pencil marks: Ha-ha; In the right field, the number 2 is crossed out with two lines in blue pencil, and two ticks are placed next to it. Below, the paragraph is marked with two vertical lines in pencil, followed by a litter pencil: **No. We must return here to the question of T. Katz. We need to go further than Stalin.**

construction of state enterprises in capitalist countries is determined by the fact that state property is a source of enrichment for the monopolists. The draft textbook does not show the essence of bourgeois nationalisation.

It is necessary to reveal the role of state property and state building under imperialism in the [merging] of monopolies [with the state] and enrichment of monopolists at the expense of the budget. It is also necessary to characterise bourgeois nationalisation on the example of England^a.

32. On page 240 there are data on military expenditures of all states that took part in the Second World War, and figures on losses. This data should be clarified.

33. On page 242, the phrase “As a result of the Second World War, a new stage^b of the general crisis of capitalism began” should be supplemented with “As a result of the Second World War and the world-historical victory of the Soviet Union in the Great Patriotic War...”

34. On page 242 it is written: “As a result of the defeat of the fascist axis powers by the Soviet Union in the Second World War, a number of countries of Central and Southeastern Europe fell away from the imperialist system”^c.

With this formulation, the revolutionary struggle of the peoples of the countries of Central and South-Eastern Europe falls out. It should be written as follows: “As a result of the defeat by the Soviet Union in the Second World War of the powers of the fascist axis and as a result of the liberation struggle of the peoples of the countries of Central and Southeastern Europe at the head of the working class under the leadership of the communist parties...” and so on.

35. On p. 242 it is written: “In the countries of the colonial and semi-colonial East, as a result of the defeat of militarist Japan by the Soviet Union, and then of the Kuomintang clique, supported by the

^a On the right and on the left margin, the paragraph is marked with two vertical lines, on the left margin with a pencil mark: **Splice is no longer enough: we need to talk about ‘splice’ submission to the state power to monopolies.**

^b In the document in bold.

^c In the document in bold.

United States of America, the liberation struggle ended victoriously ... “etc. It should be added that the Chinese people, under the leadership of the Chinese Communist Party, defeated the Kuomintang clique supported by the American imperialists.

36. In the textbook, the increase in the uneven development of capitalism in the post-war the period is characterised one-sidedly, only as a continuous growth in the share of the United States in the production of capitalist countries and a decline in the share of backward capitalist countries.

The textbook should give a correct and comprehensive picture of the exacerbation of the uneven development of capitalism in the post-war period, for which to show not only the growth in the share of the United States in industrial production and export as a result of the war, but also the decline in their share after 1946-1947 and the increase in the share of others. capitalist countries, in particular England. In this regard, it is necessary to show the aggravation of the struggle between the imperialists for sales markets, sources of raw materials, for the spheres of capital investment, the growth of inter-imperialist contradictions, especially within the Anglo-American bloc.

37. On page 244, the phrase “England lost a fourth of its investment in border “add an indication that after 1948 the British capitalists again intensified the export of capital and to note the sharp struggle of British imperialism against the American [for the preservation of the sterling zone and] the system of [preferential duties].

38. On pages 244-245 it is stated: “The post-war aggressive course of US foreign policy was embodied in the Marshall Plan and in the North Atlantic Pact.”

It should be shown that the post-war aggressive course of US foreign policy manifests itself in addition to the named, in many forms: the creation of hundreds of naval, air and land bases, interference in the internal affairs of China, the aggressive war in Korea, the provision of enslaving military-police loans to countries dependent on the United States, the supply of weapons by the satellites of American imperialism, the enslavement of backward and

underdeveloped countries under the guise of “aid” to them, and others.

39. On page 244, when characterising the fall in the purchasing power of the currencies of the capitalist countries, it is necessary to add [the decline in the purchasing power of American dollar].

40. On page 245, it is indicated that American investment abroad by the beginning of 1950 was \$33 billion. It is necessary to show what part of this amount is direct investment and what part is military-political loans of capitalist countries. It should also be emphasised that, along with the United States, capital exports are carried out by Britain and a number of other countries.

41. On page 246 it says that “in 1949 the volume of US exports was 7 times the volume of imports.” This figure needs to be clarified.

42. On pp. 250-251, the authors draw a comparison between wages and living wages for workers in the United States and other countries. On page 254, the authors refer to the subsistence minimum for a farm family in the United States. This does not make a reservation about the fact that we are talking about a living wage, calculated by various bourgeois economists and organisations and has nothing to do with the cost of living, which the authors write about on page 116 and which reflects the cost of labour. It is necessary to make such a reservation.

43. On page 248 there are outdated data on the military expenditures of the USA, England and France in the post-war period. These data should be updated and clarified. Along with this, it is advisable to show what part of military spending goes to military orders and contracts.

44. On page 250, the words “by 1950 the number of unemployed in the United States reached 18 million.”

to clarify: “the number of fully and partially unemployed, working part-time”.

45. On page 250, showing the growth of taxes as a factor of the impoverishment of the working people, it is necessary to provide data not only on the rates of this growth, but also on the level of the tax burden for workers (taxes as a percentage of workers’ income), on raising rates and expanding the circle of taxpayers at the expense of low-paid strata.

It is necessary to clarify the data on the share of taxes in the wages of English workers.

46. In chapter XVIII “A new stage in the general crisis of capitalism” on pages 249-250, mention should be made of anti-labour laws and increasing pressure on the working class

from the side of the bourgeois state, as well as about the struggle of the workers for a subtle scale wages due to inflation.

47. On page 254 it is necessary to clarify the data on the number of workers in the Indian industry.

FOR THE SECTION “SOCIALIST METHOD OF PRODUCTION”^a

1. On page 264, describing the October Socialist Revolution, it is said: “In October 1917, the working class of Russia, led by the Communist Party, armed with the Leninist-Stalinist doctrine of the possibility of the victory of socialism in one country, overthrew the rule of the bourgeoisie and established the dictatorship of the proletariat.” It should be said that the working class made the revolution in alliance [with the poor peasant]^b.

2. On pp. 264-265, when describing the socialist revolution, are given only three of the five features of the Stalinist definition of the socialist revolution. It is necessary to give a complete description of the socialist revolution.

3. On page 268 it is inaccurately stated that the Supreme Council of the National Economy was created in December 1917 to manage the nationalised enterprises. It is necessary to indicate that the Supreme Council of the National Economy was created to organise the planning of the national economy, preparation and implementation of nationalisation and management of nationalised industry.

^a On the left margin, in pencil opposite the title, two short forward slashes.

^b Underlined in red pencil.

4. On page 268, where it is indicated that the peasantry has been exempted from rent payments in the amount of “500 million rubles annually,” it is necessary to add [in gold]^c.

5. [On p. 269 it says: “The socialist]^d way was represented by factories in the hands of the Soviet state^e, factories, transport, communications, banks, state and collective farms, state trade and cooperation.”

The inclusion of collective farms and co-operatives in the elements of the socialist order in the hands of the Soviet state is erroneous.

6. On page 270 it is written: “In the transitional period from capitalism to socialism, the bourgeoisie, deprived of the means of production ...” means of production.

7. On page 274 it is written: “During the NEP period, the Soviet state used a number of such instruments of bourgeois economy based on the law of value as money, trade, credit from banks “. So that the reader does not draw the conclusion that these categories were used only during the NEP period, it is necessary to write: “The Soviet state put such instruments of the bourgeois economy at the service of socialist construction...”

8. Instead of the wording about the beginning of planned economy in the USSR, given at p. 275, indicate that the foundations of planned economic management were laid in the first year of the existence of Soviet power by mastering the command economic heights. At the same time, it is necessary to clarify the concept of commanding economic heights.

9. Chapter XIX inaccurately covers the question of the conditions for the revival of capitalist elements in the transition period. On page 273 it says: “The socialist industry was still weak,

^c Underlined in red pencil. The text of the paragraph is crossed out in blue pencil. On the left zero with a red pencil of a litter: **This figure (in gold) needs to be clarified (does it apply to the entire USSR)?**

^d Underlined in red pencil.

^e After the words “Soviet state” a check mark is put in red pencil, from it there is an arrow on the left margin to the mark, circled in red pencil and boldly crossed out. The line enclosing the litter in a circle is crossed out with a few short lines in red pencil.

and state trade was insignificant. Under these conditions, some revival of capitalism was inevitable. “ It should be said that the basis for the revival of capitalism was small-scale production.

10. On page 285 it is said that “In the USSR, machines are used [in all cases^a when they^b save] the work of the community. “ [Must add]^c and facilitate work^d.

11. On page 282 it is written: “By 1927, the restoration of the national economy of the Soviet Union was completed, which made it possible to move on to the practical implementation of the socialist industrialisation of the country.” It should be pointed out that practical the implementation of the industrialisation of the country began earlier, namely, after the XIV Congress of the Party.

12. On page 296 it is said unclearly: “With complete collectivisation, the land area in a village or district was transferred to the use of collective farmers.” Instead of the words “in a village or region”, one should say “in the area of a village”.

13. On page 300 there are data on the gross agricultural output in constant prices - 23.2 billion rubles, and on page 319 the gross output of industrial cooperation—11.2 billion rubles is given in current prices. Comparable data should be provided.

14. On page 301, it talks about the creation of new cotton growing areas in Ukraine and North Caucasus. It should be said: “in the Ukraine, the North Caucasus, in the Crimea and in Volga, and also very significantly expanded cotton growing in the old cotton regions - in Central Asia and the Transcaucasia.”

^a The words “in all cases” are crossed out with a pencil, above the line with a pencil of droppings: **Everywhere**.

^b The words “when they are” are crossed out in pencil, above the line of the litter pencil: **Just like them**.

^c The words “Need to add” are crossed out in pencil.

^d After the words “and facilitate the work” in red pencil of the litter: **workers**. In the left field, in blue pencil, there is a litter: **Cars**. To the left, a cross is placed in blue ink, below it is a red check mark, and to the right, two large check marks are placed in blue pencil. To the right of them with a pencil of litter: **P.**, re-drawn with a red pencil check mark.

15. On p. 303, in connection with the characteristics of the entry of the USSR in 1930 in the period socialism, it is said: “the first period of the NEP ... was replaced by a new, last period

NEP “. In fact, the last period of the NEP, which began in 1930, was replaced not by the first, but by the second period of the NEP (1926-1929).

16. On page 309 it is said: “By the end of the war, the size of capital investment in industry as a whole in the Soviet Union had reached the pre-war level. This provided not only satisfaction of the current needs of the front, but also the creation of large reserves of weapons, which were the material basis of the turning point in the course of the war. “ It turns out that the turning point in the course of the war, dating back to 1942, was achieved due to the fact that investment in industry by the end of the war, i.e., by 1944-1945, reached pre-war level. This inaccuracy needs to be corrected.

17. On page 325 it is written: “Other economic laws and categories of capitalism have undergone profound [transformations^e in socialist society. This is the case with the law of value^f and such related economic categories as commodity, money, price, wages, profit, interest, differential rent^g”. Wages cannot be put on a par with the categories of goods, money, etc., since labour [power under socialism is not]^h a commodityⁱ.

18. On page 337 it says: “The technical and financial plan provides for technical and organisational measures to ensure the fulfilment of state planning targets.” It must be said that the technical financial plan is a consolidated plan of production, technical and financial and economic activities of enterprises containing

^e Circled in pencil.

^f In the document in bold.

^g In the document in bold.

^h Is underlined in red pencil.

ⁱⁱ In the right field with a pencil mark: **If economic laws can be transformed, then they can be destroyed, which of course is wrong.** The word “of course” in the text of the mark is highlighted with a red pencil. Below in pencil: (k 1)

quantitative and qualitative technical and economic indicators and organisational and technical measures.

19. On p. 337 it says: “the regional and regional authorities approve plans within the region and the region, and then the district authorities—within the region.” It must be said that the regional and territorial bodies approve the plans for the economy of regional subordination, and the district bodies for the economy of the district subordination.

20. On page 350 it is indicated that the trade unions of the USSR have more than 28.5 million members in their ranks. It is necessary to clarify the figure according to the latest data.

21. On pp. 367-368 it is said that labour rationing is the basis for the differentiation of wages depending on the qualifications of the employee, the productivity of his labour, the quality of the products produced, etc. production rate, and wages, depending on qualifications, are regulated by the wage scale.

22. On page 373, the social and cultural funds of the state are considered as element of wages. Meanwhile, as stated on p. 363, the individual consumption fund, distributed according to labour, is related to wages. Social and cultural funds of the state are a source of raising the standard of living of the entire people in excess of wages and pay according to workdays.

23. On p. 375, in the definition of the regime of economy, an indication of the need to economise on living labour is omitted.

24. On page 377 it says: “All settlements of the enterprise with the state go through the State Bank—payments to the state budget, financing of the enterprise at the expense of budget”. It should be stipulated that financing of capital investments is carried out through special banks, and not through the State Bank.

25. On page 378 it says: “**To fixed assets [a]** (fixed assets) of the enterprise applies “, etc. The words” fixed assets “should be deleted.

26. On page 378, when listing the funds of enterprises, non-productive funds are excluded. Meanwhile the enterprises also have non-production funds. Meanwhile, enterprises have at their disposal non-productive assets such as civil buildings, social and cultural buildings, etc.

On page 381, it says that the average rate of consumption of materials, raw materials and fuel is set in each industry. This is not accurate; for each industry, the average percentage of reduction in material resource consumption rates is set, and specific standards are set for enterprises and for products.

28. On page 383, the structure of the factory cost is characterised by elements of the accounting calculation. It is necessary to characterise the cost structure by economic elements.

29. On page 386, when determining the value added tax, it should first be said that value added tax is a denial form of the surplus product, acting in the form a firm fixed share in the price of goods determined by the state.

30. On page 387 it is stated that “the difference between the wholesale price and the cost price represents socialist accumulation, which is the monetary expression of the surplus product. The value of the surplus product in the state economy of the USSR has the form of profit and turnover tax.” It is necessary additionally explain that part of the value of the surplus product in the state economy not limited to value added tax and profits. Part of the value of the surplus.

31. On page 393 it is written that land plots are allotted to the field crew in the fields of crop rotation, that is, for 8-10 years. The words “that is, for 8-10 years” should be omitted.

32. On page 395 a vague definition of the main task of socialist agriculture is given. It is necessary to clarify this definition.

33. On page 397 it is stated that “The cost, for example, of a centner of wheat is different depending on whether it is produced on black earth or loamy soil, in areas with sufficient rainfall or in dry areas, with high or at a low level of mechanisation, etc. Correct this wording, indicating that it is about individual cost.

34. On page 397, data on labour productivity on collective farms under various conditions of production are given without indicating the year. The year should be indicated—1937.

35. On p. 402 it is indicated that “every collective farm yard has in [personal enjoyment]^a cow, small livestock and poultry.” This provision needs to be clarified, because according to the Charter of an agricultural artel in a number of regions of the country the collective farm a yard may have not one but two cows.

36. On page 401 to clarify the average rate of income tax on collective farms in connection with the fact that now the rates of income tax on collective farms have been changed by the state.

37. On page 407 the Ministry of the Textile Industry is mentioned. Instead, it is necessary to write “Ministry of Light Industry”, since the Ministry of Textile Industry has been abolished.

38. On page 408, when defining an organised market, it is necessary to indicate that in addition to setting target prices, the state approves plans for trade turnover, plans for the development of a trade network and quality indicators of the work of trade organisations.

39. On p. 411 the difference and the ratio of the two types of costs associated with the continuation and completion of the production process in the sphere of circulation and with the transformation of goods into money and money into goods are not disclosed. It should be pointed out that in Soviet trade costs associated with the continuation and completion of the production process in the field of handling (transportation, storage, sorting, packaging of goods, etc.) are the main types of costs.

40. On page 421, the role of the State Bank is inaccurately described. This passage should be recited so: the State Bank is a single issuing bank, a bank of short-term loans and a settlement centre of the USSR^b.

^a Underlined in red pencil. From the arrow highlighted in the text to the bottom margin, with a red pencil, a mark: **property**, circled, then a red pencil mark: **(or in personal possession)**. The text of the paragraph is crossed out in blue pencil. Opposite, on the left margin, in blue pencil, there are four sweeping check marks. There is a cross next to it in red pencil.

^b Along the right margin in red pencil, the paragraph is marked with two slashes.

41. In the chapter on finance, when characterising taxes from the population, it should be indicated that significant groups of workers in the USSR are exempt from taxes.

42. On page 421, when characterising the planned organisation of monetary circulation of the USSR states that “the cash plan of the State Bank is the basis for regulating monetary circulation”. It must be said that the planning and regulation of money circulation in the USSR is carried out on the basis of planning the production and circulation of goods, the state budget, the balance of monetary incomes and expenditures of the population, the credit and cash plans of the State Bank, which are part of the national economic plan.

43. On page 437 it is indicated that 74% of the national income created in 1950 is formed by the individual consumption fund. This figure must be brought into line with the data of the USSR State Planning Committee and the Central Statistical Administration of the results of the implementation of the post-war five-year plan.

44. On page 437 in the scheme of distribution of the aggregate social product, accumulation in a socialist society is limited only by funds for the expansion of production and funds of state reserves, and it is not shown that part of the accumulation used to increase non-production fixed assets, circulation funds. When revising the chapter, this deficiency must be corrected.

45. On page 442 it is said: “The total sum of the incomes of workers’ employees and the incomes of peasants in 1950 increased in comparison with 1940 in comparable prices by 62%. It is necessary to give the following wording: “the total amount of incomes of workers, employees and peasants in 1950 increased in comparison with 1940 (at the same prices) by 62%.”

46. To delete on page 450 the phrase: “The successful fulfilment of the post-war five-year plan indicates that the main economic task of the USSR can be fulfilled approximately in the next three five years”, as inaccurate.

47. On page 450, when describing the great construction projects of communism, it is not said about their complex character and not given a full coverage of their role in the construction of the material basis of communism. It is necessary to show in more detail the national economic significance of great construction projects, as well

as Stalin's plan for transforming nature in the process of transition to communism.

48. On page 458 it is said about the decline in prices for industrial and agricultural products. Since procurement prices did not decrease, it should be said about a decrease [retail]^a prices for industrial and food products.

49. On p. 471, when describing the tasks of the Council for Mutual Economic Assistance, instead of the words: "carries out a planned coordination of economic development", say: "carries out broader economic cooperation between the countries of people's democracy and the USSR."

50. In the chapters devoted to the countries of people's democracies, agrarian reforms that led to the revolutionary liquidation of the landlord class, to the transfer of landlord lands to the peasantry, are called "land reform" (p. 462 and others), "agrarian reform" (p. 477 and others) ... These terms should be replaced by the more correct and accurate term "revolutionary agrarian reforms".

51. On page 474 it is written: "With the development of capitalist relations in China, a stratum of the large industrial and financial bourgeoisie has grown ..." It should be said: "With the development of capitalist relations in China, a large industrial and financial bourgeoisie has grown ..."

52. On page 475 it is written: "The comprador bourgeoisie, closely associated with the class landlords and the village bourgeoisie, served as the economic basis of the reactionary of the Tea Kai-shek regime". It should be said: "the comprador bourgeoisie and the landlord class served as the economic basis for the reactionary regime of Chiang Kai-shek."

53. On page 475 it is written: "In view of this, not only the petty and middle, but also part of the big bourgeoisie came into opposition to the Chiang Kai-shek clique, forming the camp of the national bourgeoisie." It should be said: "In view of this, not only the petty bourgeoisie, but also the middle and part of the big bourgeoisie, became in opposition to the Chiang Kai-shek clique. The middle and

^a Underlined in red pencil.

part of the big bourgeoisie make up the camp of the national bourgeoisie.”

54. On page 476 it is said: “In view of the fact that the national bourgeoisie of China is extremely weak, the leading role must inevitably go over, and indeed has passed over to the working class.” It is necessary to correct this formulation, since it is wrong to explain the leading role of the proletariat only by the weakness of the Chinese bourgeoisie^a.

55. On page 476 it is written: “The driving forces of the Chinese bourgeois-democratic revolution are the working class, the peasantry and the national bourgeoisie.” It should be said: “The main driving forces of the Chinese bourgeois democratic revolution are the working class and the peasantry]. In addition, the urban petty bourgeoisie plays a huge role in the Chinese revolution, whose share in China is significant”^b.

56. On page 482 it is written: “Among the workers of state and private enterprises competition is unfolding for increasing production, for improving the quality of products, for saving raw materials and maintaining equipment. “ It should be said: “Among workers in state-owned enterprises are in competition to increase production, for improving the quality of products, for saving raw materials and safety equipment”.

RGASPI. F. 558. Op. 11.D. 1248.L. 34-53 ob. Typescript.

^a On the left margin in red pencil, the paragraph is marked with a vertical line. Behind it, in red pencil, mark: **Better choose**.

^b Along the left margin in red pencil, the last sentence is underlined with two short vertical lines, followed by a pencil of a note: **True**. Written over the mark in red pencil: **A national bourgeoisie?**

40. INFORMATION ON CONTROVERSIAL ISSUES THAT EMERGED DURING THE DISCUSSION ON THE DRAFT TEXTBOOK ON POLITICAL ECONOMY ^a

In the course of the discussion, controversial issues emerged among its participants on a number of problems of political economy.

[ABOUT THE NATURE OF ECONOMIC LAWS OF SOCIALISM]^b

On the nature of the economic laws of socialism, two opposite points of view were expressed, which do not express the opinion of the majority of economists:

1. One group of economists (comrades Anchishkin¹, Maslova and others) put forward the position that the main content of the economic laws of socialism is [the policy of the Soviet] state, [which forms and determines] these laws^c.

Anchishkin (Head of the Department of Political Economy of the Moscow State Economic institute) argued that the economic policy of the socialist state is the most important aspect of the production relations of socialism, is the main content of the

^a Document title. First publication: Zhuravlev V. V., Lazareva L. N. "It is impossible to" transform "laws". S. 3-20. Above the heading in red pencil litter: **What is saving. Laws.**

^b Bold in the document. Underlined in red pencil, to the left of the title of the litter in red pencil: **1).**

¹¹ Anchishkin Ivan Aleksandrovich (1901-1974), Soviet economist, during the discussion—senior researcher at the Institute of Economics of the Academy of Sciences of the USSR. Research interests: planning methodology, welfare problems.

^c On the right margin, in red pencil, mark: **Ha ha ha.**

economic laws of socialism, the leading conscious principle of these laws^d.

Maslova (senior researcher at the Institute of Economics of the USSR Academy of Sciences) believes that the Soviet state [deliberately forms new economic laws]^e.

Merzenev² (Associate Professor of the Moscow State Economic Institute) developed the following thesis: the Soviet state, serving society politically and economically, refers to both the political superstructure and the [economic basis]. By its [economic] side, the Soviet state is included in the [economic basis], in the socialist economic system. Therefore, the Soviet state is an economic category^f.

2. Another point of view was expressed by the professor of the Moscow Institute of International Relations Mikolenko, who argued that economic laws of socialism are [spontaneous] insofar as they express an objective necessity. From these spontaneous laws the Soviet state. [Mikolenko pointed out that since socialism does not eliminate the commodity] form of production, in socialist society [remain] [all economic] categories [characteristic of capitalism]. [Labour] in the socialist society remains a commodity. Wages under socialism are a converted form [of the value (price) of labour power]. Under socialism, categories [surplus value and capital]. Profit and differential annuity are converted forms [of surplus value]. The surplus value and its forms in the USSR express unpaid labour [(but not relations of exploitation)]. Under socialism, the law of [average rate of profit] and [category of production price]^a is preserved.

^d On the right margin, in red pencil, mark: **Not that**.

^e In the right margin, in red pencil, mark: **Ty** ... The word “new” is circled in pencil.

² Merzsitsev Sergey Ivanovich (?-?), Soviet economist, during the discussion—associate professor of the Moscow Institute of Economics. Research interests: theoretical problems of political economy, the problem of wages under socialism.

^{ff} Underlined in red pencil. The words “to the economic basis” are circled in pencil.

^{aa} Underlined in red pencil. In the sentence: “Mikolenko pointed out that since socialism does not eliminate the commodity form of production ...”

* * *

The draft proposals for improving the layout of the textbook reflect the point of view of the majority of those who spoke at the discussion. This point of view is that the economic laws of socialism, being inherent in the socialist mode of production, are an inevitable result of the development of the material life of society, and not an arbitrary product of the consciousness and will of people. The state, the party cannot create, form economic laws. The policy of the party and the state proceeds from the laws of production development, from the economic laws of the development of society.

At the same time, the economic laws of socialism operate [not spontaneously]^b, not as blind force, but as a [perceived necessity]^c: they can [be carried out only] through the creative activity of the working masses, systematically organised and directed by the party and the socialist state. Greatest organiser and the guiding role of the Soviet state in the development of the economy stems from the nature of socialist relations of production^d.

ON THE COMMODITY AND THE LAW OF VALUE IN A SOCIALIST SOCIETY^e

Several points of view were expressed on this issue during the discussion.

the word “remain” is circled in pencil. In the last sentence of the paragraph, the words “production price category” have been circled in pencil. Along the right margin from the words “Mikolenko pointed ...” to the end of the paragraph in red pencil there is a vertical line, behind it on the margin in red pencil under each other marks: **He—he; Not that; Heh heh.**

^b Underlined in red pencil.

^c Underlined in red pencil.

^d On the left zero in red pencil opposite the paragraph of the note: **Also not that.** On the right margin in red pencil: **Ha - ha - ha.**

^e To the left of the heading in red pencil of the label: **2).**

1. 1. Some economists (Professor Sidorov and others) derive the necessity of commodity and value directly from the social division of labour and the two forms of social socialist ownership of the means of production. The law of value, according to these economists, operates under socialism because the social division of labour exists in the conditions of various forms of ownership (state, cooperative-collective farm, personal subsidiary farming of collective farmers, personal ownership of consumer goods). Under these conditions, the movement of labour products is nothing more than the movement of them from one owner to another owner. Hence the inevitability of commodity relations^f.

2. Academician Strumilin and Deputy Minister of Finance Zlobin³ regard the law of value as an [eternal law]^g regulating the proportions in the distribution of labour between various sectors of the economy [in all social formations]^h.

The law of value under socialism regulates, on the one hand, [exchange]^a, and on the other, [production proportions]^b. With the transition from the socialist principle distribution according to labour to the communist principle of distribution according to needs, the law of value as [the regulator of exchange proportions^c will lose its value^d], but will retain [its function of the regulator^e of production proportions]^f^g.

^f In the left margin in blue pencil opposite the paragraph of the litter: **cost**. Below in blue pencil: **price**. Below is a cross in pencil.

³ Zlobin I van Danilovich (1904-1973), Soviet economist, Doctor of Economics, during the discussion—Deputy Minister of Finance of the USSR (1948-1958). Research interests: issues of finance in a socialist state.

^g Underlined in red, circled in blue.

^h Underlined in blue pencil.

^a Underlined with a blue pencil.

^b Underlined with blue pencil.

^c The words “proportional adjuster” are underlined in red pencil.

^d Words “will lose its meaning” have been circled in pencil.

^e The word “regulator” has been circled in blue pencil.

^f The word “proportions” has been circled in red pencil.

^g On the left side with a blue pencil opposite to the left of the number “2”: 1, circled. In the left margin in blue pencil opposite the words “the law of value under socialism regulates ...” of the litter: one opinion. In the left

Associate Professor Merzenev believes that the law of value is the [first] economic law of socialism^h].

3. Professor Chernomordik⁴ believes that in the socialist economy there is no law of value, since the distribution of social labour between sectors implemented through the [national economic plan]ⁱ. In a socialist economy there is [only the category of value]^j, which is taken into account in the plans when determining [the costs of social] [labour for certain types of products]^k.

4. Candidate of Economic Sciences, Meiman justifies the need to preserve the law of value by the presence of a capitalist encirclement. The abolition of the commodity, [value and price] and the expression of the amount of labour expended in the production of products in working time, would establish complete clarity and transparency of all social relations in production and distribution. The entire imperialist camp would then become aware of everything that is happening in the economy of the Soviet Union. The presence of a commodity-money form allows [to hide]^l everything that should not become known to the enemies of the Soviet Union.

margin, in blue pencil, the last sentence of the paragraph is marked with two short vertical lines. To the right, closer to the text, there is a cross in pencil. On the right margin in red pencil opposite the words “Academician Strumilin and Deputy Minister of Finance Zlobin consider the law of value as an eternal law ...” of the litter: **eternal law?** Below, in red pencil: **He-he.**

^h Underlined in blue pencil.

⁴ Chernomordik David Iosifovich (1888-1969), Soviet economist, Doctor of Economics (1944), from 1935 on scientific work at the Institute of Economics of the USSR Academy of Sciences, at the same time professor at Moscow State Pedagogical University named after V.I. Lenin, Moscow State University M.V. Lomonosov, MIIT. During the discussion - senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: problems of reproduction, national income, efficiency of capital investments, cost accounting in railway transport.

ⁱ Circled in blue pencil.

^j Underlined in red pencil.

^k Underlined in blue pencil. In the left margin there is a cross in blue in front of the last sentence of the paragraph. On the right margin, in red pencil, a litter: He-he.

^l Underlined in red pencil. On the right margin, in red pencil, a litter: **He ...**

* * *

During the discussion, a significant part of economists expressed the following point of view of the law of value in a socialist society. This point of view has found its way reflected in proposals for improving the draft textbook.

Commodity and value are historical categories that have passed [to the socialist mode of production from capitalism] and [have undergone a radical transformation on the basis of]^m planned economy and the domination of socialist ownership of the means of production.

The necessity of the commodity and the law of value under socialism follows from the nature [social labour], conditioned by socialist ownership of the means of production in its two forms and, ultimately, by the level of [productive forces in the first] phase of communism^a.

At the stage of socialism, labour based on social ownership of the means of production is directly social. But at the same time, labour is still at this stage did not turn into [the first vital need for all]^b members of society and remains [a measure of relations between people in production and distribution]^c.

^m Circled in pencil. The words “radical transformation” are circled twice in pencil, and “transformation from” are underlined in red. Arrow on lower field, pencil mark: **He-he**. Opposite the paragraph on the left margin in pencil: You cannot “transform” the laws (does it mean you can also destroy the laws?). On the right margin, in red pencil, a litter: **Limitation of the law of value**. Added in pencil to the litter: **scope**. (“**Limiting the scope of the law of value**”).

^a Underlined in red pencil. From the words “social labour”, an arrow to the top margin, in a red pencil of a litter: **It’s not about labour, but about ownership of products**. In the right margin in red pencil opposite the words “the level of productive forces in the first phase of communism”: **This is not enough**.

^b Underlined in red pencil

^c Underlined with blue pencil. On the right margin, in red pencil, a litter: **Not that**.

This implies the need to use the factor of material incentives [both in the organisation of production] and in wages. Since under socialism labour remains a measure of relations between people, and the products produced in socialist enterprises are created by various [types of concrete labour]^d(with a difference between the labour of workers and collective farmers, between mental and physical, between skilled and simple [labour]^e), individual labour costs deviate from socially necessary, insofar as it becomes necessary to reduce different types of labour to homogeneous, abstract labour, and individual costs to socially necessary ones. This is achieved by equating the products of labour [as commodities]^f.

Due to this, economic ties, both with state and cooperative-collective farm enterprises, are carried out through the exchange of goods, on the basis of using the law of value [in a transformed form]. For those reasons, the socialist principle of distribution according to work is realised through [purchase and sale of goods]^g.

[On socially necessary time under socialism]^h

During the discussion, two points of view emerged on the issue of socially necessary time under socialism.

Professor Turetsky⁵, developing the formulation of the draft textbook on this issue, argued that socially necessary time is determined by progressive norms established by the Soviet state. To

^d Underlined in red pencil, circled for labour.

^e Circled in red pencil.

^f Underlined with blue pencil. Opposite the last sentence of the paragraph, on the left and right margins in blue pencil, two short vertical lines. On the left margin, in red pencil, a litter: **If there are goods, there will be a law of value.**

^g Underlined with blue pencil.

^h To the left of the heading in red pencil: **3).**

⁵ Turetsky Shamai Yakovlevich (1903-1970), Soviet economist, doctor of economic sciences, professor. During the discussion—Head of the Department of National Economic Planning of the Moscow Economic Institute. Research interests: problems of pricing and production costs.

determine the socially necessary time by the average actual expenditure of labour, in the opinion of Comrade Turetsky, would mean to justify the still existing losses and the underutilisation of internal reserves.

During the discussion, most of the economists who spoke in the debate developed the point of view that socially necessary time is an objectively existing value, determined by the average actual cost of labour. If socially necessary time, that is, the value of value, was determined by progressive norms, then when goods were sold at prices corresponding to value, society would not recoup the actual costs of labour and would lead the economy at a loss. Progressive norms are norms that must be achieved. With the help of these norms, the Soviet state carries out a systematic reduction of the socially necessary time^a.

The draft proposals for improving the layout of the textbook take into account the latter point of view.

On the Principles of Setting [Prices]^b for Goods in the USSR^c

During the discussion, Academician Strumilin put forward the problem of constructing the prices of goods on the basis of their value. He proposed to determine the value of goods by adding to the [cost of] goods the value of the surplus product, calculated for the entire industry according to the Marxian formula of the rate of surplus value, that is, by determining the value of the surplus product in proportion to wages. The cost of goods calculated by this method should serve, according to Academician Strumilin, “the basis of

^a In the right margin in pencil opposite the paragraph of the note: **Correct.** Circled in blue pencil.

^b Outlined in pencil.

^c To the left of the title in red pencil: 4). On the left margin, in pencil opposite the heading, there are two check marks and two short slashes below them. On the right margin of the droppings in pencil, part of it has been greased with ink. Read: Both? Three crosses under the inked mark underlined with a horizontal bar.

planned prices,” while price deviations from value should not be a general rule or a standard of pricing.

Academician Nemchinov, Notkin and others criticised this position. It was pointed out that plotting prices [based on this method] would mean that the most advanced industries or industries with high cost of raw materials and low the specific weight of wages, they will receive in the price of the products they sell an absolutely insignificant share of the surplus product in the form of money savings and will find themselves in a difficult financial situation. They will need systematic and large-scale appropriations from the budget to meet the needs of expanded reproduction. On the contrary, more backward sectors with a low level of mechanisation will turn out to be the most profitable. In addition, it was noted that [prices generally cannot and should not coincide with value], since this would mean the decentralisation of the surplus product and would deprive the Soviet state of an important lever of economic policy.

The economists Atlas and Waag took the following view on this issue.

The [prime cost] indicator does not make it possible to assess the quality level and self-supporting results of enterprises’ work correctly enough from the national economic point of view. In many cases, it may turn out that an enterprise with less cost, but with a greater mass and a higher organic composition of production assets, it works less economically than an enterprise with a higher cost, but having a smaller mass and lower organic composition of funds.

Determination of the value of goods in the form of socialist [production price]^a which is composed [of production costs]^b and [a single^c planned rate of profit for the entire^d socialist industry] as a whole, will make it possible to correctly determine the actual profitability, that is, the quality level of enterprises’ work, and reveal

^a Circled in pencil.

^b Circled in pencil.

^c The word “one” has been circled in pencil.

^d The words “for all” have been circled in pencil.

reserves for reducing value of goods^e. This will make it possible to put the price planning system on a scientific basis and improve the price system, which has serious defects. At the same time, the deviation of prices from value ([production price]) will remain as an important instrument of economic policy.

This issue is not considered in the draft textbook and is not covered in proposals for improving the textbook, since it requires additional study^f.

Necessary and Surplus Labour under Socialism

Acad. G.S. Strumilin believes that under socialism any labour^g is [necessary], productive labour.

Most economists, just as it is reflected in the draft textbook, believe that the necessary labour under socialism is the labour that is embodied in a product that satisfies the personal needs of the participants in the material^h production in an individual form on the basis of the socialist principle of distribution according to work. The value of the required product takes the form of the wages of workers and employees employed in material production, and the income of collective farmers by workdaysⁱ.

The surplus labour of workers in material production creates the value of the surplus product, which is used by socialist society as a whole (socialist accumulation, the formation of reserves, the cost of social and cultural events, public administration, defence of the country and other public needs). The income of workers of the so-

^e In the left margin, in pencil opposite the highlighted sentence, it is spread out: Important. On the right margin, the droppings are boldly crossed out in black ink.

^f But to the left and right margins in pencil, the sentence is marked with two short vertical lines. On the left margin there is a cross in pencil behind the line. On the right margin with a blue pencil of a litter: **Under**.

^g Spacing in the document.

^h Spacing in the document.

ⁱ On the right margin of the litter: **Under**. The first letter in the litter is written in pencil, then text, markings and underlining—in blue pencil.

called non-productive^j spheres are formed due to part of the surplus product created in the material production^k.

About Soviet Money and its Connection With Gold

In the discussion, two opposing points of view were expressed on the issue of Soviet money in connection with the formulation of the draft textbook that “Soviet money fulfills its function as a measure of value through its connection with gold” (p. 343).

1. Professors Mikhalevsky⁶, Atlas, Gusakov, Gatovsky, Zlobin and others consider the position of the authors of the layout to be basically correct. Soviet money has a gold content and is therefore a measure of value. The Soviet state, using the law of value, proceeded from the historical fact that gold acts as a universal equivalent. In this regard, when carrying out the monetary reform of 1922/24. the Soviet government established the gold content of the ruble. Subsequently, the gold content of the ruble was fixed indirectly through the establishment of the exchange rate of the Soviet ruble, first in francs, then in dollars. Since 1950, the government has established the direct gold content of the ruble and, accordingly, the ruble exchange rate in relation to foreign currencies.

Since the ruble has a gold content, our planning authorities, equating the value of specific commodities with money, thereby express this value in gold, systematically setting the prices of commodities.

As for [the stability of the Soviet currency, it], as Comrade Stalin pointed out, is secured not only by gold, but mainly by the enormous amount of commodity masses in the hands of the socialist

^j Light in the document.

^k In the left margin with a pencil of a litter: **1) Necessary labour = hard labour. 2) Surplus labour = labour of societies. 3) Earnings [inaudible] = income (net gross).**

⁶ Mikhalevsky Fadey Ilyich (1876-1952), Soviet economist, corresponding member of the USSR Academy of Sciences (1946). During the discussion—senior researcher at the Institute of Economics of the USSR Academy of Sciences. Research interests: theory and history of money, money circulation, credit.

state and put into circulation at fixed prices. This provision of Soviet money and the entire system of national economic planning gives the socialist state the opportunity to establish the quantitative ratio of goods to gold in accordance with the interests of the development of the socialist economy^a.

The fact that the Soviet currency has a gold content is now acquiring special practical significance in connection with the rapid growth of the international authority of the Soviet ruble, with the development and strengthening of economic relations between the USSR and the countries of people's democracies. Currencies of People's Democracies are guided by the Soviet ruble, which has a solid gold content, as evidenced, in particular, by the monetary reform in Poland.

2. Economists who take a different point of view (Ikonnikov⁷, Kronrod, Batyrev⁸ and others) argue that since under socialism there is no contradiction between [private and public labour], gold or any other commodity no longer acts as a measure of value, i.e., as money^b.

Changes [planned]^c in prices are completely free of any connection with changes [in the value of gold]. But since prices, [even in the final analysis, do not add up depending on the change in the value of gold] both domestically and in foreign trade relations,

^a In the right margin, pencil mark: **So**.

⁷ Ikonnikov Vladimir Vasilievich (1895-1983), Soviet economist, during the discussion headed the Department of Monetary Circulation and Credit at the Institute of National Economy named after V.I. G.V. Plekhanov (1943-1967). Research interests: money circulation, credit, banking systems.

⁸ Batyrev Vladimir Mikhailovich (1901-1969), Soviet economist, Doctor of Economics (1961). Teaching since 1932. Worked at the State Bank of the USSR (1932-1937, 1941-1956). During the discussion - Deputy Head of the Planning and Economic Department of the State Bank of the USSR. Research interests: theory of credit and money, problems of cost accounting in the USSR.

^b On the right bottom with a pencil of droppings: **Ha ha ha**.

^c Circled in blue pencil.

[therefore, gold no longer plays the role of the equivalent of money] in the USSR^d.

The measure of value for each individual product is the value of the aggregate of a commodity product, expressed as the sum of prices historically formed and systematically changed by the Soviet state. This value of the aggregate commodity product also plays the role of a universal equivalent in the socialist economy, that is, money. The socialist state in a planned manner establishes the Soviet monetary unit—the ruble, which is a fraction of the value of the social product. Its cost content is determined by the state, [based on objective conditions and tasks of economic development, through the planned determination of prices]^e. As a means of circulation, a means of payment, and a means of saving, the money of the socialist society is represented by bank and treasury notes^a.

The link between Soviet money and gold is established only for external economic relations.

On capitalist reproduction during the general crisis of capitalism^b.

Comrade A. I. Kats, who spoke at the discussion, [put forward a provision on narrowed reproduction], allegedly characteristic of the period of the general crisis of capitalism. He argued that after the First World War in the capitalist countries there was an absolute reduction in the number of employed workers, the cessation of the development of capitalism in the colonies, the absence of a massive transformation of agricultural production into commodity production, [absolute contraction of the market]^c, which makes it impossible to realise the accumulated surplus value ... The laws of

^d Underlined with a blue pencil. The paragraph is marked vertically in the right margin with a pencil”

line, followed by a pencil of droppings: **Not that.**

^e The words “planned flail” are circled in blue pencil.

^a Along the left margin in pencil opposite the given item of the litter document: **Transfer to page 5. Price plans. Need to be set in the context of 5-7 years, after which prices will level out.**

^b There are two crosses in the left margin in red pencil opposite the heading.

^c Circled in pencil. There is a cross in front of it in the left margin with a pencil.

capitalist reproduction turn into their opposite: “the self-expansion of value, which is a feature of capitalist accumulation, turns into its self-reduction,” expanded reproduction is replaced by narrowed reproduction. The capitalists seek to find a way out of this situation on the path of war and the militarisation of the economy^d.

T. Kats A.I. argued that Lenin’s position on the rapid development of capitalism during the period of imperialism, cited by the authors of the draft textbook, was no longer valid during the period of the general crisis of capitalism, and this position should be revised. He said: “The aforementioned statement of Lenin referred only to a certain period, was based on a well-known historical experience—precisely the period of the development of imperialism before the First World War, that subsequently the contradictions of imperialism became so aggravated that this statement must be revised on the basis of the further creative development of Lenin’s theory of imperialism—the authors did not have the courage to make such a statement ... “^e

^d In the right margin with a blue pencil, the paragraph is underlined with a few short vertical slashes. Above, in ink, there are three crosses underlined with a horizontal line. Above them with a blue pencil of a litter: **Question about races [irzb] of world market.** There are two check marks in the upper right corner of the mark in pencil.

^e In the upper margin with a pencil of droppings: **Thus it will develop into an independent, first-class force capable of entering the world market. And what guarantee is there that the incapacitated Germany and Japan after the Second World War are not economically [inaudible] in the coming years will not try to throw off the yoke of Anglo-French-American oppression? It is clear that there can be no guarantee here.** From a pencil mark through the entire sheet with an arrow to the right margin. On the right margin, in pencil, the editorial icon of a paragraph, followed by a label: **After the first world. the wars believed that Germany had finally come out of [unreported, presumably - the order] and would not rise anymore. They said that [irzb]. However, Germany nevertheless rose economically some twenty years after [irzb., Presumably - his] defeat. At the same time, attention is drawn to the fact that the United States and Britain themselves helped Germany to rise economically and raise its military-economic potential in order to later direct the forces of the rising Germany against the USSR.**

The panelists criticised the “theory” of contracted reproduction^a.

The concept of narrowed reproduction developed by Comrade Katz, they said, is a kind of “theory” of the automatic collapse of capitalism. T. Katz makes a gross mistake, trying to discover the internal law of self-destruction of capitalism [in isolation]^b from the contradiction and struggle of two systems: capitalism and socialism.

Comrade Katz’s position on the termination of the laws of capitalism and turning them into their opposite contradicts Lenin’s teaching that monopoly capitalism—imperialism does not eliminate the laws of capitalism, but is a direct continuation of the basic properties of capitalism in general^c.

It was pointed out that Comrade Katz is simplifying and incorrectly depicting the development of the process of decay of capitalism and the weakening of its internal forces, reducing the whole matter to a decrease in the absolute size of production. Lenin formulated the question of the growth of the productive forces of capitalism in organic connection with the law of uneven development during the period of imperialism, with the growth of decay and parasitism. The weakening of the internal forces of capitalism occurs as a result of the growth of its contradictions.

The speakers pointed out that the development of issues of capitalist reproduction in the modern [period, and in particular], the influence [of militarisation on] the capitalist cycle should be carried out proceeding from the law of uneven development of capitalism, which acquires the significance of a decisive force in the period of imperialism^d.

However, the rising Germany directed its forces primarily not against the USSR, but against England, America, France, like [nrzb]. Further litter is crossed out. On the left margin there are two crosses in blue pencil, two more under them.

^a In the left field in pencil: [irzb] **on the folder that they “can do anything”**. The arrow from the litter goes across the entire sheet to the right field: **That Germany is finally out of order and will not rise again.**

^b Circled, in the right field with a pencil opposite: ?

^c In the left field with a blue pencil, three crosses are placed.

^d On the left margin with a pencil: = and a check mark.

About possibility and inevitability intra-imperialist wars in the modern period^e

Academician E.S. Varga spoke at the section on capitalism with the statement [that the thesis of the inevitability]^f within imperialist wars [is outdated, that such wars are possible only in the abstract-theoretical, and concretely-practically—they are improbable]. He explained this by the fact that:

a) the contradictions [between the camp of socialism and the camp of capitalism are currently stronger] than within the imperialist contradictions^g;

b) in the imperialist camp, the United States has an overwhelming superiority over all capitalist countries and does not need a war to subjugate them. On the other hand, the USA is strong enough to prevent the war between the European imperialists^h;

c) “The experience of the first and second world wars taught the leadership of the imperialist states that an intra-imperialist war has very bad consequences for the imperialists”ⁱ

“Is Lenin’s [thesis about the inevitability of intra-imperialist^a wars for a new redivision of the world still correct today?”]^b—^c asks

^e There is a cross in the left field in blue pencil.

^f Pencil arrow to the litter in the right field, the litter is crossed out with a pencil.

^g In the left field, two crosses are placed in blue pencil opposite the paragraph.

^h In the left margin, a blue pencil marks a cross in front of the paragraph.

ⁱ In the left field, two crosses are placed in blue pencil opposite the paragraph.

^a Document in bold. Strikethrough, pencil arrow on the right margin to pencil mark: **between imperialist countries**.

^b The words “for a new division of the world” are underlined with simple and blue pencils.

^c The hyphen is crossed out with a blue pencil.

Comrade Varga and replies: “I think that the thesis about the inevitability of intra-imperialist wars is [outdated]”^d.

This point of view was joined in his speech by Comrade Rubinshtein M.I.^e.

Comrades speaking in the debate noted that Lenin’s thesis characterises the economic and political [essence of imperialism], which [cannot live without wars and plunder]. This thesis cannot become obsolete as long as imperialism exists. The possibility of preventing war at the present time as a result of the struggle of peoples for peace is determined not by the fact that the nature of imperialism is changing, but by the fact that the camp of peace, democracy and socialism is growing and gaining strength^f.

T.T. Varga and Rubinstein essentially oppose [the law of uneven development of capitalism]^g, declaring it [inoperative]^h at the present time. But this law is also valid in the modern period, as a result of which imperialist contradictions are aggravated and inter-imperialist wars, both theoretically and practically, are quite possible. Varga’s point of view, which means the denial of the law of uneven development of capitalism in the modern period, in fact leads to the recognition of the possibility of creating a single capitalist super-state under the auspices of the United States. In this regard, one of the speakers (Comrade Glushkov) recalled what Comrade Stalin said in 1921 about Chicherin’s position⁹: “He overestimated the moment

^d Along the right margin, the paragraph is underlined with a vertical line in pencil, followed by a pencil mark: **NOT**; underlined by three lines, to the right in pencil: **Of course the chances of such wars have not increased, but decreased. But the inevitability of such wars remained, and such wars “far away” can in no way be considered excluded.**

^e On the right margin, pencil mark: Not that.

^f From the paragraph with a pencil along the bottom margin there is a line to the right margin, a paragraph mark, with a pencil mark: **Of course (inserted into the text above) the probability of war between the capitalist camp and the socialist camp.**

^g Underlined with blue pencil.

^h Circled in pencil.

⁹ Chicherin Georgy Vasilievich (1872-1936), Soviet diplomat, People’s Commissar for Foreign Affairs of the RSFSR and the USSR (1918-1930).

of unification of the imperialist leaders and underestimated the contradictions that exist within this ‘trust’”. (Vol. 5. Pages 41-42)ⁱ.

About the source of differential rent

In the draft textbook, differential rent under capitalism is viewed as an excess surplus value created by the labour of agricultural workers (p. 172). This point of view is shared by the overwhelming majority of economists.

Comrade Paltsev, Candidate of Economic Sciences, spoke at the discussion with a different position.

He believes that differential rent is not created by the labour of agricultural workers, but is part of the surplus value created in all branches of production and appropriated by landowners. As such, land owners are involved and in the exploitation of the entire working class, taking part of the total surplus value in the form of differential rent and even part of the wages of industrial workers.

Comrade Paltsev, Candidate of Economic Sciences, spoke at the discussion with a different position.

He believes that differential rent is not created by the labour of agricultural workers, but is part of the surplus value created in all branches of production and appropriated by landowners. By virtue of this, landowners participate in the exploitation of the entire working class, taking part of the total surplus value in the form of differential rent and even part of the wages of industrial workers.

A number of those who spoke at the discussion (Tsagolov, Sokolov¹⁰, Ostrovityanov, Pashkov and others) criticised Comrade Paltsev’s position. In their opinion, differential rent under capitalism

ⁱ On the top margin in pencil above the paragraph of the note: **6. The question of the inevitability of wars between capitalist countries.** In the right margin, the paragraph is marked with two crosses in blue pencil. On the left margin, pencil marks: **1 = 9.2 = 9.3 = 8, 4-4, 5-2**, underlined, **below: 30.**

¹⁰ Sokolov Mikhail Kuzmich (?-?), Soviet economist, during the discussion—Head of the Department of Moscow State University.

is only a special form of excess the surplus value created and realised in agriculture, due to the fact that under the capitalist monopoly of the economy on land, the price of production of agricultural products is determined by the cost of labour under the worst conditions of production. Comrade Paltsev's point of view reproduces the position of Bulgakov, criticised by Lenin in his work "The Agrarian Question and Critics of Marx".

On the foundations of feudal society and on ["non-economic coercion"]^a

The draft textbook proceeded from the assumption that [the main form is feudal ownership of land].

In contrast, some economists and historians argue that the basis of feudalism is non-economic coercion. So Acad. Strumilin put forward the position that "Feudal exploitation of peasant labour was built by methods of non-economic coercion on the basis of the increasing appropriation of communal lands by the feudal lords and the gradual attachment of the peasants themselves to these lands appropriated from them." He believes that the peasants under feudalism were the owners of the land and were forced to work for the feudal lord only as a result of forced coercion. Prof. M.V. Nechkina (Institute of History of the Academy of Sciences of the USSR) asserts that "non-economic coercion is one of the laws of the development of feudal society." Prof. N. Tsagolov (Institute of Economics of the USSR Academy of Sciences) said: "In order for the production process to repeat itself on a feudal basis, you need a stick, a club; without a club, the reproduction process cannot be repeated again."

This position was opposed by A. Sidorov (pro-rector of Moscow University), who showed that the economic basis of the exploitation of peasants by feudal lords is a large feudal property, and noted that the idea of non-economic coercion, as the basis of feudalism, is promoted by bourgeois historians. At the same time, he pointed out

^a In the left margin there is a cross in blue pencil opposite the heading.

that the textbook should cover in more detail the question of the personal dependence of the peasant on the landowner^b.

About the place of the chapter “Capital and Surplus Value”

A group of economists (A. Leontiev, G. Kozlov, and others) make a proposal: to expound the topic “Capital and Surplus Value” after the chapter on commodity production, that is, before considering capitalist simple cooperation and manufacture and the machine period of capitalism. This proposal is motivated by the fact that the scientific characterisation of capitalist production, and especially of the machine period of capitalism, is allegedly impossible without showing that the driving force of capitalist development is the pursuit of surplus value.

About the Scheme of the Section of the Textbook “Socialist Mode of Production”

On the question of the structure of the section “Socialist mode of production” a number of proposals have been put forward:

1. Many participants in the discussion focused on the scheme included in the proposals for improving the draft textbook.

The following changes are expected to be made in the structure of the textbook layout:

a) in accordance with the Marxist principle of [primacy]^a of production, section “B” (“Socialist system of the national economy”) begins with a special chapter “Material and production base of socialism”, in which to analyse the main features of the socialist mode of production, the productive forces of socialism in their connection with socialist relations of production;

b) thereafter give the chapter “Socialist ownership of the means of production—the basis of the production relations of socialism”;

^b On the right margin, in blue pencil, mark: **Extra-economic coercion = ‘[could]’ exists, but it does not solve the issue.**

^a Underlined in blue pencil.

c) after these chapters, it is supposed to give a special chapter “The nature of the economic laws of socialism. The economic role of the socialist state”;

d) the chapter “Planning of the national economy. Commodity and money under socialism “is meant to be divided into two chapters:” Planning of the national economy. “ “Commodity, value and money in a socialist society”;

e) after analysing in the previous chapters the main categories of production and the formation of basic income is supposed to set out in a special chapter “The National Income of a Socialist Society” the question of the gross social product as a whole and the national income of a socialist society;

2. Kronrod, Paltsev and Gusakov proposed a different section structure, consisting of the following chapters:

“A. The transition period from capitalism to socialism^b .

I. Socialist revolution and transitional relations of production.

II. Patterns of the transition period.

III. The victory of socialism in the USSR.

B. The economic system of socialism^c

IV. The main features of the economy of the first phase of communism.

V. Material and technical base of socialism.

Vi. Socialist property.

Vii. Planning of the national economy.

VIII. Goods and money in a socialist society.

IX. Labour force and socialist cooperation of labour.

X. State enterprise and agricultural artel.

XI. Wages in socialist society and income received by collective farmers for workdays.

XII. Credit and money circulation under socialism.

XIII. The finances of a socialist society.

XIV. Socialist reproduction.

XV. Gradual transition from socialism to communism.

^b Bold in the document.

^c Bold in the document.

C. Economy of People's Democracies^d

XVI. People's democracy as a form of the dictatorship of the proletariat and the implementation of the foundations of the NEP in the countries of people's democracies.

XVII. Economic transformation in the People's Republic of China.

XVIII. [Creation of an international]^e socialist division of labour.

* * *

V. I. Lenin and J. V. Stalin are the creators of the political economy of socialism.

* * *

3. T. T. Anchishkin and Sidorov propose the following structure for this section:

I. The transition period from capitalism to socialism in the USSR.

II. The victory of socialism in the USSR. Features of the transitional period in the countries of the native democracy.

III. The political and economic foundation of a socialist society.

IV. The state plan for the development of the national economy is the basic economic law^a.

V. Commodity, value and money.

VI. Socialist production. Socialist cooperation of labour.

VII. Wages and salaries on collective farms.

VIII. The funds of the socialist economy and their circulation.

IX. Self-accounting, cost and profit.

X. Differential rent in the USSR. Collective farm income.

XI. Trade turnover.

^d In the document in bold.

^e On the left margin with pencil litter: **No**.

^a In the left margin, a cross is marked in pencil with two short vertical lines on the sides. Pencil on the right margin: **II ha-ha**.

XII. Credit, banks and money circulation in the USSR.

XIII. National income, its distribution and use.

XIV. Finance and budget of the socialist state.

XV. Socialist reproduction in general.

XVI. Gradual transition from socialism to communism in the USSR.

D. Economy of the People's Democracies and the Coexistence and Struggle of the Two Camps^b

XVII. The economy of the European and Asian countries of people's democracies.

XVIII. The socialist and capitalist system of the world economy, their relationship.

* * *

V. I. Lenin and J. V. Stalin—the creators of the political economy of socialism.”^c

RGASPI. F.558. Op. 11.D. 1248.L. 56-60. Typescript.

^{bb} Bold in the document.

^{cc} In the left margin, in red pencil, mark: **This should be excluded.**

41. INFORMATION ABOUT THE VIEWS OF SCIENTISTS, PARTICIPATING IN THE DISCUSSION

A.RUMYANTSEV—Director of
the Institute of Economics of the
Ukrainian Academy of Sciences

He believes that the section of the textbook—The Socialist System of the National Economy should begin with a description of communist production. The section of the economy of the countries of people's democracies should be given not at the end of the textbook, but ascribed to the transitional period, since the countries of people's democracies are going through a transitional period. The laws of the Soviet economy and their specific manifestations are poorly revealed. The section of the political economy of socialism is built primarily on the description of facts, and not on the analysis and generalization of the practice of socialist construction in the USSR. The layout bypasses the issues of economic mutual assistance between the USSR and countries of people's democracies; that these relations are fundamentally different from the economic relations between the countries of capitalism. The section on expanded

VYGOTSKY S.L. — Lecturer at the Academy of Social Sciences under the Central Committee of the All-Union Communist Party (Bolsheviks)

GATOVSKY L. M. — and about. head sector political economy
Socialism Institute the economy

Academy of Sciences of the USSR A.A. ARUTYUYAN — Head. economised, department of the Ministry of Foreign Affairs of the USSR

I. I. KUZMINOV — teacher Political Economy of the Department of Political Economy of the Academy of Social Sciences under the Central Committee of the All-Union Communist Party of Bolsheviks

KRONROD Ya.I.—senior employee of the Institute of Economics of the USSR Academy of Sciences

reproduction does not show the role of science and technology.

The layout is considered to be good basis for the tutorial. For the most important the issues of political economy are already clear.

To discuss the textbook, in their opinion, no necessity.

The overall impression of the layout is good. Counts wrong that the topic is Trade and Credit connected together. All specific mechanism imperialism is given vaguely.

Some laws of socialism are given weak - the law of continuous production growth. The work of a friend is not taken into account Stalin — Marxism and basic questions of linguistics.

There is too much material in the layout economic history. Historical overview economic development is divorced from political savings. When explaining the

law of value the authors have mechanically combined several points of view. There are major mistakes and shortcomings in the coverage of questions of the theory of Soviet money and monetary circulation.

The textbook is written motley. There is a significant number of chapters that are poorly written. The idea of loan capital is confused. The author did not succeed in the division of socialism. In terms of its level, it is not higher than the previous layouts. There is no inner unity in this section. There is no main idea that would connect all the chapters into a single whole.

Bypassed the issue of [main]^a law socialist society—[about planning].

ANCHISHKIN I.A.—senior scientific employee of the Institute of Economics of the Academy of Sciences of the USSR

NEYMAN

STRUMILIN S. G.—Head of the Department. sector of the Institute of Economics of the USSR Academy of Sciences

Authors of the layout, listing the reasons the need for the law of value in USSR, do not indicate the main one - the presence of capitalist environment. When Marx and Engels wrote that under socialism the law of value would not work, they proceeded from the victory of socialism

^a Next to the word “basic” in pencil:?, to the right with a pencil of a note:
This is not the basic law.

simultaneously in all or most of the capitalist countries, and this was correct. But it turned out that socialism won in one country. Based on this, Comrade Stalin concluded that it was necessary to preserve the law of value and commodity-money relations in the USSR. Ignoring the capitalist environment, the authors of the layout gave a superficial and incorrect explanation of the essence of the discovery Comrade Stalin of the operation of the law of value in the USSR.

The layout states that labour under capitalism has a private character, which is not true, labour under capitalism is a private matter for the worker.

The model does not show the historical process of the growth of social labour under capitalism. The layout does not sufficiently show the role of Comrade Stalin in the development of political economy.

He believes that the authors have succeeded in the layout. Required clarification of a number of formulations.

Basically considers that the layout can be adopted as a

P. A. KHROMOV - Head. sector of the Institute of Economics of the USSR Academy of Sciences

G. A. KOZLOV - Head of the Department of Political Economy of the Higher Party School under the Central Committee of the CPSU (B)

DYACHENKO V.P. - Deputy.
Institute Director of the
Economics of the USSR
Academy of Sciences

ATLAS Z.V. - Head Department
of the Moscow Financial
Institute

textbook of political economy, but requires clarification and development of certain topics. Believes that the section - Pre-capitalist formations is well written. The disadvantage of this section is that the eastern countries have been omitted and very little material about Russia has been given. It is hardly correct to limit the examples in the section—Pre-capitalist formations—to one country—England.

In the sections industrialisation and collectivisation in the USSR, the material is presented in a shallow manner and requires improvement.

SOBOLEV - Head. lecturer
group Department of Propaganda
and Agitation of the Central
Committee of the CPSU(B)
TRAKHTENBERG I.A.- senior
scientific employee of the
Institute of Economics of the
Academy of Sciences of the
USSR

YAKOVLEV - Head
Department of Moscow
Financial Institute CHULOK –

Some of the laws of capitalism are given in a simplified manner. For example, the textbook states that under capitalism paper money circulation prevails. In reality, this refers to imperialism. The practical significance of certain categories of capitalism is not shown.

scientific employee of the
Institute of the USSR Academy
of Sciences
(to the specified comrades layout
and invitations
were not sent to participate in the
discussion. By them
submitted to the Central
Committee of the CPSU (b) their
comments in writing)

M. I. RUBINSHTEIN - Senior
Researcher employee of the
Institute of Economics of the
Academy of Sciences of the
USSR

Layout Section—Socialist
System—is descriptive, few
specific materials. Controversial
issues are completely bypassed.
In the section capitalism, the role
of the state. In this [question, the
authors did not go further
“Capital”].

There is little material on state
capitalism. The tendency of
modern capitalism. The
theoretical level of chapters on
socialism is insufficient,
especially in the sections—self-
financing, Soviet trade, loans and
banks.

In the layout, the chapter on the
countries of people's
democracies is poorly written.
The peculiarity of the
development of the countries of
people's democracies was not
emphasised. The emphasis is on
the fact that in common with the
USSR. The section of socialism
is laid out in the layout very
calmly, there is no struggle with
difficulties, for example, when
solving the problems of
industrialisation and
collectivisation of agriculture. In
the “Short course on the history
of the CPSU (B)” there is no
such lack, it clearly shows how

difficulties in construction were
overcome
socialism.

According to these comrades, the
layout was drawn up
unsatisfactory and unsuitable as
the basics of the tutorial. The
layout is full of gross errors,
testifying to the authors'
departure from the Marxist
theory.

There are irregularities in the
presentation of the material. The
first part of the tutorial is better
written than the second part.

RGASPI. F. 558. Op. 11.D. 1248.L. 74-78. Typescript.

42. PROPOSALS OF THE COMMISSION OF THE BUREAU OF THE PRESIDIUM OF THE C.C. CPSU ON L. YAROSHENKO

(Approved by the Bureau of the Presidium of the CC CPSU on
25 January 1953)

The Commission of the Bureau of the Presidium of the CC heard the explanation of L. Yaroshenko in connection with his letter to the C.C. dated 20 December 1952.

As is known, at the November economic discussion in 1951, L. Yaroshenko came forward with positions alien to Marxist science, borrowed by him from Bogdanovist-Bukharinist “concepts”. The complete groundlessness and anti-Marxist essence of these positions were thoroughly exposed in Comrade Stalin’s work *“Economic Problems of Socialism in the USSR”*.

Having suffered failure in his attempts to drag views hostile to it into Marxist-Leninist science, L. Yaroshenko on 31 May 1952 addressed Comrade Stalin with a letter in which he stated that he agreed with the criticism of Comrade Stalin, recognised the erroneousness of his views, and decisively renounced them.

After the approval by the XIX Party Congress of Comrade Stalin’s work *“Economic Problems of Socialism in the USSR”*, Yaroshenko sent to the Presidium of the C.C. CPSU a declaration dated 20 December 1952 of a character directly opposite to his previous declaration. In this latest declaration Yaroshenko, double-dealing before the Party and completely without mention of his declaration of 31 May, clean refused to recognise the presence of any errors whatsoever in his previous speeches and statements to the C.C. AUCP(b).

Thus, Yaroshenko came out against the famous decision of the Party Congress on the work of J. V. Stalin. The entire conduct of L. Yaroshenko is false, calculated to deceive the Party, and testifies to the fact that he is not acting alone, and behind his back there are undoubtedly other hostile elements hiding.

At the meeting of the Commission of the Bureau of the Presidium of the CC, L. Yaroshenko conducted himself insincerely, deceitfully, and refused to reveal his anti-Party connections.

Based on the foregoing, the Commission came to the following conclusions:

1. To expel L. Yaroshenko from the ranks of the Communist Party as a double-dealer and a degenerate.

2. In case of L. Yaroshenko's refusal to reveal his anti-Party connections—to arrest him.

Since Yaroshenko refused to reveal his anti-Party connections, it became necessary to arrest him.

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