

# Fundamentals of Political Economy

The following excerpts are taken from *Fundamentals of Political Economy*, a textbook produced in Shanghai in 1974 under the leadership of Mao's line, which was directed at youth and students going to the countryside as part of the on-going battle to prevent capitalist restoration. The first half treats the economics of capitalist society, and the second, from which the present excerpt is taken, those of socialist society. This half draws together in one place Mao's pathbreaking analysis of the road of socialist construction.—AWTW

## The Serious Lesson of the Restoration of the Capitalist Ownership System in the Soviet Union

Since the Khrushchev-Brezhnev renegade clique restored bourgeois dictatorship, the socialist public ownership system established under proletarian dictatorship has been completely transformed into a new system of ownership by the bureaucratic monopolist bourgeoisie. This is a serious lesson. The event demonstrates that after the establishment of the socialist public ownership system, the two possibilities of advance in the communist direction or retreat in the capitalist direction still exist.

Marxism tells us that the nature of the ownership system of the means of production is ultimately determined by which social group possesses the means of production and which social groups they serve. How should we observe such possession and service? In *Capital*,

Marx quoted Aristotle's remark that "the status of the master rests not so much on he who purchases the slave as on he who lords over him." Marx continued, "the status of the capitalist is established not so much by his ownership of the capital — which provides him the power to purchase labour — as by his power to employ the labourer, that is, the wage earner, in the process of production."

Today, a glimpse at the way the Soviet proletariat and labouring people are employed will demonstrate the substance of Soviet revisionism, that is, that Brezhnev and his associates, wearing a cloak of socialist public ownership, have usurped the Soviet people's means of production to serve the bureaucratic monopolist bourgeoisie.

In the regulations governing the socialist state-operated production enterprises, the Soviet revisionists stipulate: "The authority over production and management shall be exercised by the manager (administrator or director) in conjunction with other responsible personnel designated in accordance with the division of their duties." The manager of the enterprise has the authority to determine the level of employment and the strength of the personnel; to recruit or dismiss employees; to grant awards or mete out penal-

ties; to fix wage scales and bonuses; to sell, rent, or lease the means of production of the enterprise; and to appropriate various "economic incentive funds" which are stipulated by the Soviet revisionist leadership as being reserved for the enterprise's own allocation.

The Soviet revisionist "Regulations Governing the Model Collective Farms" stipulate that the chairman of the collective farm possesses the authority to rent, lease, or transfer the land owned by the state; to appropriate farm funds, or even to freely buy or sell the means of production, such as agricultural machines; and to decide the labour remuneration and bonuses of the farm members, hire outside people to work at the farm, and so forth. These "managers", or "farm chairmen", have this and that power. What powers do the labouring people have? None. Their ownership rights to the means of production have all been expropriated by the bureaucratic monopolist bourgeoisie. By reducing the labouring people of the Soviet Union to wage labourers "in the production process", the bureaucratic monopolist bourgeoisie has proved that it is the bureaucratic monopolist bourgeoisie. According to Soviet revisionist magazines, the monthly piecework wages of a lathe operator in a state enterprise in the Soviet Union are as low as 50 to 60 rubles. Medium wages are 70 to 80 rubles. But what the manager, plant director, and other bureaucratic monopolist bourgeois elements get in the way of wages, bonuses, subsidies, and other "legal" means is more

than ten times, or even several tens of times, that of the worker. The net monthly income of an ordinary farmer is less than 60 rubles. But the monthly income of a farm chairman is generally about 600 rubles. Some reach more than 1,000 rubles. One old Soviet worker with more than thirty years of experience said: "We have a lot of millionaires here. They are different from us not only in standard of living but also in language." A manager of the construction trust of the Soviet revisionist Ministry of Agriculture frantically exclaimed: "The trust is my home. I am the master. I do what I like." The kind of tree determines the kind of flower, and the kind of class determines the kind of talk. From their different standpoints and different angles, the labouring people and the bureaucratic monopolist bourgeoisie demonstrate one point: The bureaucratic monopolist bourgeoisie has become the lords in production. Like the capitalists, they "do what they like". On the other hand, the broad masses of labouring people have been reduced to wage labourers in production. They are enslaved and exploited and are suffering miserably.

The fact that the socialist public ownership system of the Soviet Union has completely degenerated is shocking. This demonstrates that after the socialist public ownership system is established, it will not automatically consolidate and become perfect; there will be a long process of struggle.

The ownership system is not an object; it is a social relationship. The socialist public ownership system embodies, for the labouring people, a social relationship in which the means of production are equally possessed and everybody is a master. On the other hand, it also embodies a relationship in which the proletariat and the labouring people expropriate the expropriator and rule over and transform all members of the exploiting class. In these social relationships, the proletariat and the labouring people must consolidate their gains obtained through expropriation, strengthen the rule over, and the transformation of, members of the exploiting class in order to consolidate and perfect the socialist public ownership system by constantly sweeping away the corrosion and sabotage of the exploiting class.

On the other hand, the bourgeoisie and all exploiting classes will resist this kind of rule and transformation in order to transform the socialist public ownership system into a capitalist private ownership system through constant corrosion and sabotage. The contradictions and the struggles between the proletariat and the bourgeoisie on the question of the ownership system are multifaceted. But they are mainly manifested in the struggle for leadership over the economy which is based on a socialist public ownership system. Whoever seizes leadership becomes the de facto master of the ownership relations. Once the leadership falls into the hands of the bourgeoisie or its agents, the socialist public ownership system not only cannot be consolidated or improved, it will certainly degenerate. It is exactly because a handful of persons in power in the Soviet Union taking the capitalist road has stolen the leadership of the economy based on a socialist public ownership system that the socialist public ownership system has been transformed into an ownership system of the bureaucratic monopolist bourgeoisie and that the proletariat and the labouring people of the Soviet Union have been transformed from masters of a socialist public ownership system into slaves of an ownership system of the bureaucratic monopolist bourgeoisie. Since the Khrushchev-Brezhnev renegade clique usurped the supreme power of the Soviet Union's Party and state, capitalism has been completely restored.

#### **Struggle for the Consolidation and Development of the Socialist Public Ownership System**

After the establishment of socialist public ownership, the issue of the ownership system has still not been completely resolved. There still exist the two possibilities of advancing toward socialism or retreating back to capitalism. This reveals to the proletariat and the broad masses of labouring people an historical task: they must constantly struggle for the consolidation and development of the socialist public ownership system.

To consolidate and develop the socialist public ownership system, it is necessary first of all to ensure that the socialist economic leadership is

in the hands of the Marxists and the broad labouring masses.

The socialist public ownership system demonstrates that the proletariat and the labouring people are the masters of the means of production. But, how can one tell whether they are in fact masters of the means of production? That depends on their role in the production process. In capitalist society, the labourer is used in the production process as labour power by the capitalist. Through the use of labour power, the capitalist extracts as much surplus value from the labourer as possible. The labourer is merely a paid slave. The capitalist is the real master. This leads to acute opposition between the worker and the capitalist. In socialist society, the role of the labourers in the production process is completely different. They participate in the production process as masters. They create wealth for society through conscious labour. Then, who organises this production process? Ultimately, it should be the labourer himself. Naturally, this does not mean that all labourers directly organise and manage production. The broad labourers appoint representatives through the state and the collective, or they elect representatives to organise production. But here a problem arises: If the broad labourers delegate to their representatives the power to organise production, can these representatives represent the interests of the proletariat and the labouring people in organising production? After the labourer has delegated his power to organise production to a representative, is there any power left to the labourer himself? This problem has occurred in history. At the end of the primitive commune, public servants of society elected by commune members gradually became masters of society, and this finally led to the disintegration of the ownership system of clan communes and the emergence of private ownership. This reflected a progressive movement in history at that time. In today's Soviet Union, those who organise production do not represent the interests of the proletariat and the labouring people at all. They represent instead the interests of the bureaucratic monopolist bourgeoisie. The socialist public ownership system of the bureaucratic

monopolist bourgeoisie has become the economic basis of Soviet society. This is a big historical retrogression. Under China's proletarian dictatorship, similar conditions have appeared in certain areas. Before the Great Proletarian Cultural Revolution, the real leadership of some units, though nominally under the socialist public ownership system, had been usurped by a handful of renegades, special agents, and capitalist-roaders. Or it was still in the hands of former capitalists. As a result of the Great Proletarian Cultural Revolution launched and led by Chairman Mao personally, the leadership of these units was returned to the broad labouring masses who held high the red banner that "it is right to rebel against reactionaries", and "lessons from history are noteworthy". The Tenth National Party Congress summed up rich experience and lessons and clearly pointed out: "Leadership in the base organisation must be strengthened so that the leadership is really in the hands of the Marxists, the workers, the poor and lower-middle peasants, and other labouring masses. The task of consolidating the proletarian revolution must be put into effect in every base unit." This has decisive significance in consolidating and developing the socialist public ownership system.

To ensure that the leadership of the enterprise under the state economy and the collective economy is in the hands of the Marxists, the proletariat and the labouring people must engage in a resolute struggle with the renegades, special agents, and capitalist-roaders who have usurped the leadership and win it back. This type of struggle cannot be resolved with one Great Cultural Revolution. In their futile restoration attempt, the bourgeoisie will try everything to usurp the leadership of the state and the collective economy. At the same time, the representatives (cadres of various levels) of the proletariat and the labouring people who control the leadership of the state and the collective economy must strengthen the transformation of their world outlook and try hard to become Marxists so that they can truly represent the interests of the proletariat and the labouring people. If they do not work hard in this direction, it is possible that under the influence of

the bourgeois world outlook, they may go against the interests of the proletariat and the labouring people in the process of organising production. Some people are interested in material incentives, profit, and restrictive measures in their operation and management of the socialist economy. In other words, they do not treat the labouring people as the masters of the socialist enterprise. This will inevitably impede and weaken the socialist public ownership system. If this trend continues, the socialist public ownership system will degenerate. In the Great Proletarian Cultural Revolution, the broad masses and cadres criticised and repudiated this tendency. But, under certain conditions, things that have been criticised and repudiated can appear again. At the beginning of 1974, some of the workers in the No. 5 Loading and Unloading District of the Shanghai Harbor Affairs Bureau posted a big-character poster entitled, "Be the Masters of the Wharf, Not the Slaves of Tonnage." It pointed out: "The leadership does not treat the workers as masters of the wharf. Instead they are treated as the slaves of tonnage. This is a reflection of the revisionist line in running an enterprise." These words hit the crux of the consolidation and development of the socialist public ownership system and are of universal practical significance.

In order that the leadership of the state economy and the collective economy really be in the hands of the Marxists, it must also really be in the hands of the workers, poor and lower-middle peasants, and other labouring masses. These two aspects are inseparable. Since the labouring masses are the masters of the socialist economy, it does not mean that they no longer have the right to interfere once the leadership has been delegated to a few representatives. The revisionist "one-man management system" championed by the Soviet revisionists is an institutionalisation of this viewpoint. Facts have demonstrated that this is a chloroform spread by the bourgeoisie and its agents in order to usurp leadership. Engels once pointed out: "The inevitable result of individual management of industries is private ownership." If the leadership of the enterprise under the socialist ownership system is not in

the hands of the workers, poor and lower-middle peasants, and other labourers, the revisionist "one-man management system" will proliferate. Under the revisionist "one-man management system", the labouring masses are in effect separated from the means of production. They listen to the orders from the "head". Without leadership over the enterprise, they are no longer masters of the enterprise. If this develops, they will be treated as pure labour power in the production process by the "head". The labouring masses will no longer have the right to question whether this production process serves the interests of the proletariat and the labouring people. This way, socialist enterprises will gradually slide into the mudhole of capitalism. But when leadership of the enterprise is really in the hands of the Marxists and the workers, poor and lower-middle peasants, and other labouring masses, the position of the labouring masses as masters of the enterprise will surely be guaranteed. As masters, they will fully mobilise socialist activism. If some bad people usurped leadership of the enterprise, the labouring masses would take it back under the Party's leadership. This has been proven more than once by the practice of China's socialist revolution, especially since the Great Proletarian Cultural Revolution. It will be proven again.

The crux of the question concerning who controls the leadership of the socialist economy lies in whether or not the line implemented by the departments in charge of the production operation or economic management represents the interests of the proletariat and the labouring people. The revisionist line always goes against the interests of the proletariat and the labouring people. It fosters material incentives, profit, and restrictive measures. On the other hand, according to socialist principles, the Marxist line always insists on having revolution guide production and strengthening operation management by relying on the masses as the masters. Therefore, firmly adhering to the Marxist line and criticising and repudiating the revisionist line is the ultimate guarantee for the consolidation and development of the socialist public ownership system. □