

Mao Tsetung

A Critique of Soviet Economics

—Excerpts

Mao Tsetung drew up the following article based on a talk he gave in 1958 on Stalin's work, *Economic Problems of Socialism in the USSR*, which was circulating widely in China at that time. Coming just at the time of the Great Leap Forward, the talk was part of Mao's intensifying efforts to sum up the Soviet experience, including the restoration of capitalism there, to chart new paths for socialist construction in China, and to develop the theory of continuing the revolution under the dictatorship of the proletariat which paved the way for the Cultural Revolution. Following this article are Mao's notes on a Soviet political economy text book from the same period. —AWTW

Concerning *Economic Problems of Socialism in the USSR*¹

Provincial and regional committees must study this book. In the past everyone read it without gaining a deep impression. It should be studied in conjunction with China's actual circumstances. The first three chapters contain much that is worth paying attention to, much that is correct, although there are places where perhaps Stalin himself did not make things clear enough. For example, in chapter 1 he says only a few things about objective laws and how to go about planning the economy, without unfolding his ideas; or, it may be that to his mind Soviet planning of the economy already reflected objective governing principles. On the question of heavy industry, light industry, and agriculture, the Soviet Union did not lay enough emphasis on the latter two and had losses as a result. In the main they walked on one leg. Comparing the planning, which of us after all had the better adapted "planned proportionate development"? Another point: Stalin emphasised only technology, technical cadre. He wanted nothing but technology, nothing but cadre; no politics, no masses. This too is walking on one leg! And in industry they walk on one leg when they pay attention to heavy industry but not to light industry. Furthermore, they did not point out the main aspects of the contradictions in the relationships among departments of heavy industry. They exaggerated the importance of heavy industry, claiming that steel was the foundation, machinery the heart and soul. Our position is that grain is the mainstay of agriculture, steel of industry, and that if steel is taken as the mainstay, then once we have the raw material the machine

industry will follow along. Stalin raised questions in chapter 1: he suggested the objective governing principles, but he failed to provide satisfactory answers.

In chapter 2 he discusses commodities, in chapter 3 the law of value. Relatively speaking, I favor many of the views expressed. To divide production into two major departments and to say that the means of production are not commodities — these points deserve study. In Chinese agriculture there are still many means of production that should be commodities. My view is that the last of the three appended letters² is entirely wrong. It expresses a deep uneasiness, a belief that the peasantry cannot be trusted to release agricultural machinery but would hang on to it. On the one hand Stalin says that the means of production belong to state ownership. On the other, he says that the peasants cannot afford them. The fact is that he is deceiving himself. The state controlled the peasantry very, very tightly, inflexibly. For the two transitions Stalin failed to find the proper ways and means, a vexing matter for him.

Capitalism leaves behind it the commodity form, which we must still retain for the time being. Commodity exchange laws governing value play no regulating role in our production. This role is played by planning, by the great leap forward under planning, by politics-in-command. Stalin speaks only of the production relations, not of the superstructure, nor of the relationship between superstructure and economic base. Chinese cadres participate in production; workers participate in management. Sending cadres down to lower levels to be tempered, discarding old rules and regulations — all these pertain to the superstructure, to ideology. Stalin mentions economics only, not politics. He may speak of selfless labour, but in reality even an extra hour's labour is begrudged. There is no selflessness at all. The role of people, the role of the labourer — these are not mentioned. If there were no communist movement it is hard to imagine making the transition to communism. "All people are for me, I for all people." This does not belong. It ends up with everything being connected to the self. Some say Marx said it. If he did let's not make propaganda out of it. "All people for me", means everybody for me, the individual. "I am for all." Well, how many can you be for?

Bourgeois right is manifested as bourgeois law and education. We want to destroy a part of the ideology of bourgeois right, the lordly pose, the three styles [the bureaucratic, the sectarian, and the subjective] and the five airs [the officious, the arrogant, the apathetic, the extravagant, and the precious]. But commodity circulation, the commodity form, the law of value, these, on the other hand, cannot be destroyed summarily, despite the fact that they are bourgeois categories. If we now carry on propaganda for the total elimination of the ideology of bourgeois right it would not be a reasonable position, bear in mind.

There are a few in socialist society — landlords, rich peasants, right-wingers — who are partial to capitalism and advocate it. But the vast majority are thinking of crossing over to communism. This, however, has to be done by steps. You cannot get to heaven in one step. Take the people's communes: on the one hand, they have to develop self-sufficient production, on the other, commodity exchange. We use commodity exchange and the law of value as tools for the benefit of developing production and facilitating the transition. We are a nation whose commodity production is very underdeveloped. Last year we produced 3.7 trillion catties of foodgrains. Of that number, commodity grains amounted to about 800 or 900 billion catties. Apart from grain, industrial crops like cotton and hemp are also underdeveloped. Therefore we have to have this [commodity] stage of development. At present there are still a good many counties where there is no charge for food but they cannot pay wages. In Hopei there are three such counties, and another that can pay wages, but not much: three or five yuan. So we still have to develop production, to develop things that can be sold other than foodgrains. At the Sian Agricultural Conference this point was insufficiently considered. In sum, we are a nation whose commerce is underdeveloped, and yet in many respects we

have entered socialism. We must eliminate a part of bourgeois right, but commodity production and exchange must still be kept. Now there is a tendency to feel that the sooner communism comes the better. Some suggest that in only three or five years we will be making the transition. In Fan county, Shantung, it was suggested that four years might be a little slow!

At present there are some economists who do not enjoy economics — Yaroshenko³ for one. For now and until some time in the future we will have to expand allocation and delivery to the communes. And we will have to expand commodity production. Otherwise we will not be able to pay wages or improve life. Some of our comrades are guilty of a misapprehension when, coming upon commodities and commodity production, they want to destroy bourgeois rule every single day, e.g., they say wages, grades, etc., are detrimental to the free supply system. In 1953 we changed the free supply system into a wage system.⁴ This approach was basically correct. We had to take one step backward. But there was a problem: we also took a step backward in the matter of grades. As a result there was a furor over this matter. After a period of rectification grades were scaled down. The grade system is a father-son relation, a cat-and-mouse relation. It has to be attacked day after day. Sending down the cadres to lower levels, running the experimental fields⁵ — there are ways of changing the grade system; otherwise, no great leaps!

In urban people's communes capitalists can enter and serve as personnel. But the capitalist label should stay on them. With respect to socialism and communism, what is meant by constructing socialism? We raise two points: (1) The concentrated manifestation of constructing socialism is making socialist, all-embracing public ownership⁶ a reality. (2) Constructing socialism means turning commune collective ownership into public ownership. Some comrades disapprove of drawing the line between these two types of ownership system, as if the communes were completely publicly owned. In reality there are two systems. One type is public ownership, as in the Anshan Iron and Steel Works, the other is commune-large collective ownership. If we do not raise this, what is the use of socialist construction? Stalin drew the line when he spoke of three conditions. These three basic conditions make sense and may be summarised as follows: increase social output; raise collective ownership to public ownership; go from exchange of commodities to exchange of products, from exchange value to use value.

On these two above-mentioned points we Chinese are (1) expanding and striving to increase output, concurrently promoting industry and agriculture with preference given to developing heavy industry; and (2) raising small collective ownership to public ownership, and then further to all-embracing public ownership. Those who would not draw these distinctions [among types of ownership] would seem to hold the view that we have already arrived at public ownership. This is wrong. Stalin was speaking of culture when he proposed the three conditions, the physical development and education of the whole people. For this he proposed four conditions: (a) six hours' work per day; (b) combining technical education with work; (c) improving residential conditions; (d) raising wages. Raising wages and lowering prices are particularly helpful here, but the political conditions are missing.

All these conditions are basically to increase production. Once output is plentiful it will be easier to solve the problem of raising collective to public ownership. To increase production we need "More! Faster! Better! More economically!" And for this we need politics-in-command, the four concurrent promotions, the rectification campaigns, the smashing of the ideology of bourgeois right. Add to this the people's communes and it becomes all the easier to achieve "More! Faster! Better! More economically!"

What are the implications of all-embracing public ownership? There are two: (1) the society's means of production are owned by the whole people; and (2) the society's output is owned by the whole people.

The characteristic of the people's commune is that it is the basic level at which industry, agriculture, the military, education and commerce are to be integrated in our social structure. At the present time it is the basic-level administrative organisation. The militia deals with foreign threats, especially from the imperialists. The commune is the best organisational form for carrying out the two transitions, from socialist (the present) to all-embracing public, and from all-embracing public to communist ownership. In the future, when the transitions have been completed, the commune will be the basic mechanism of communist society.

Excerpt from Mao's notes on the Soviet political economy textbook:

PART I: CHAPTERS 20-23

21. So-called Full Consolidation

"... fully consolidated the collective farm system", it says on page 407. "Full consolidation" — a phrase to make one uneasy. The consolidation of anything is relative. How can it be "full"? What if no one died since the beginning of mankind, and everyone got "fully consolidated"? What kind of a world would that be! In the universe, on our globe, all things come into being, develop, and pass away ceaselessly. None of them is ever "fully consolidated". Take the life of a silkworm. Not only must it pass away at the end, it must pass through four stages of development during its lifetime: egg, silkworm, pupa, moth. It must move on from one stage to the next and can never fully consolidate itself in any one stage. In the end, the moth dies, and its old essence becomes a new essence (as it leaves behind many eggs). This is a qualitative leap. Of course, from egg to worm, from worm to pupa, from pupa to moth clearly are more than quantitative changes. There is qualitative transformation too, but it is *partial* qualitative transformation....

The present socialist economy in our country is organised through two different forms of public ownership, ownership by the whole people and collective ownership. This socialist economy has had its own birth and development. Who would believe that this process of change has come to an end, and that we will say, "These two forms of ownership will continue to be fully consolidated for all time?" Who would believe that such formulas of a socialist society as "distribution according to labour", "commodity production" and "the law of value" are going to live forever? Who would believe that there is only birth and development but no dying away and transformation and that these formulas unlike all others are ahistorical?

Socialism must make the transition to communism. At that time there will be things of the socialist stage that will have to die out. And, too, in the period of communism there will still be uninterrupted development. It is quite possible that communism will have to pass through a number of different stages. How can we say that once communism has been reached nothing will change, that everything will continue "fully consolidated", that there will be quantitative change only, and no partial qualitative change going on all the time.

The way things develop, one stage leads on to another, advancing without interruption. But each and every stage has a "boundary". Every day we read from, say, four o'clock and end at seven or eight. That is the boundary. As far as socialist ideological remoulding goes, it is a long-term task. But each ideological campaign reaches its conclusion, that is to say, has a boundary. On the ideological front, when we will have come through uninterrupted quantitative changes and partial qualitative changes, the day will arrive when we will be completely free of the influence of capitalist ideology. At that time the qualitative changes of ideological remoulding will have ended, but only to be followed by the quantitative changes of a *new* quality.

The construction of socialism also has its boundary. We have to keep tabs: for example, what is to be the ratio of industrial goods to total production, how much steel is to be produced, how high can the people's living standard be raised, etc.? But to say that socialist construction has a boundary hardly means that we do not

want to take the next step, to make the transition to communism. It is possible to divide the transition from capitalism to communism into two stages: one from capitalism to socialism, which could be called underdeveloped socialism; and one from socialism to communism, that is, from comparatively underdeveloped socialism to comparatively developed socialism, namely, communism. This latter stage may take even longer than the first. But once it has been passed through, material production and spiritual prosperity will be most ample. People's communist consciousness will be greatly raised, and they will be ready to enter the highest stage of communism.

On page 409 it says that after the forms of socialist production have been firmly established, production will steadily and rapidly expand. The rate of productivity will climb steadily. The text uses the term *steadily* or *without interruption* a good many times, but only to speak of quantitative transformation. There is little mention of partial qualitative change.

PART II: CHAPTERS 24-29

29. Contradictions Between Socialist Production Relations and Productive Forces

Page 433 discusses only the "mutual function" of the production relations and the productive forces under socialism but not the contradictions between them. The production relations include ownership of the means of production, the relations among people in the course of production, and the distribution system. The revolution in the system of ownership is the base, so to speak. For example, after the entire national economy has become indivisibly owned by the whole people through the transition from collective to people's ownership, although people's ownership will certainly be in effect for a relatively long time, for all enterprises so owned important problems will remain. Should a central-local division of authority be in effect? Which enterprises should be managed by whom? In 1958 in some basic construction units a system of fixed responsibility for capital investment was put into effect. The result was a tremendous release of enthusiasm in these units. When the centre cannot depend on its own initiative it must release the enthusiasm of the enterprise or the locality. If such enthusiasm is frustrated it hurts production.

We see then that contradictions to be resolved remain in the production relations under people's ownership. As far as relations among people in the course of labour and the distribution relations go, it is all the more necessary to improve them unremittingly. For these areas it is rather difficult to say what the base is. Much remains to be written about human relations in the course of labour, e.g., concerning the leadership's adopting egalitarian attitudes, the changing of certain regulations and established practices, "the two participations" [worker participation in management and management participation in productive labour], "the three combinations" [combining efforts of cadres, workers and technicians], etc. Public ownership of primitive communes lasted a long time, but during that time people's relations to each other underwent a good many changes, all the same, in the course of labour. □

Footnotes

1. This talk was reprinted in *A Critique of Soviet Economics* (Monthly Review Press, New York, 1977), which also contains Mao's critical comments on a Soviet political economy textbook from the same period, as well as another article by Mao on Stalin's *Economic Problems of Socialism in the USSR*.
2. "Reply to Comrades A.V. Sanina and V.G. Venzher", included in *Economic Problems*.
3. Recipient of Stalin's second letter, included in *Economic Problems*.
4. The wage system established in 1953 emphasised predominantly short-term individual material incentives. It established an eight-grade wage point system ranging from 139 to 390 wage points per month. Similar work in different regions would receive an equal number of work points, but the value of work points varied according to regional costs of living. By 1956, the wage point system had been replaced by a wage system, but the eight-grade structure was retained.
5. Experimental fields sought to develop new and advanced techniques, such as close planting, early planting, deep ploughing, etc. If successful in increasing output, the techniques would be popularised throughout China. By increasing production and thus the total wage fund, the experimental field concept could help undermine the ideological base of the graded wage system by demonstrating that specialists could learn from the peasants.
6. This is identical, in Chinese, to ownership by the whole people.