

# Proposed Changes in Soviet Political Economy Textbook

**I**N September of last year there was a session of the academic council of the Institute of Economics in Moscow at which Academician K. V. Ostrovitianov reported on the changes to be made in the new (third) edition of the text-book on political economy. The following is extracted from the report of this session in *Voprosi Ekonomiki* (Questions of Economics), 1957, No. 11.

In opening the session the chairman explained that the authors of the new edition had made some important changes, after a critical examination of a series of questions posed by Stalin, especially in his *Economic Problems of Socialism in the U.S.S.R.*, and in the light of the Twentieth Congress of the C.P.S.U. In making these changes they had taken into account comments and suggestions made by Soviet and foreign economists. The chairman stressed that it would be necessary to produce not merely one but a whole series of text-books on political economy.

Academician Ostrovitianov started by mentioning a change in the third edition in the definition of productive forces. Under Stalin's influence this had previously been taken as including only the instruments of labour and the people who set them in motion; the authors had now reverted to the definition of Marx and Engels, according to which the productive forces included *all* means of production (e.g. including sources of energy, fuel, raw materials).

As regards the impoverishment of the workers under capitalism, two tendencies in the movement of the value of labour power were evident. In the course of technical progress and rising productivity of labour in branches producing consumption goods, or means of production for the creation of consumption goods, there took place a lowering of the value of labour power and a rise of surplus value, which constituted the characteristic trait of capitalist development. Alongside this there operated a counteracting tendency towards a raised value of labour power

as a result of growing intensity of labour and rising consumption-needs of the working class. In saying that in conditions of capitalism the general tendency appeared as the lowering of real wages, the authors at the same time noted the factors counteracting it, nearly all of which were connected with the struggle of the working class for higher wages and improved working conditions. It was also shown that the level of wages depended on the cyclical development of capitalism; periods of boom creating favourable conditions for the workers' struggle for higher wages; and at such times wages rose, while in conditions of crisis, depression and war they fell sharply.

In connection with the problem of absolute impoverishment, the text-book had in view such a category as the standard of life of the working class embracing the sum-total of all its conditions of life: real wages, unemployment, intensity of labour, length of the working day, economic crises, wars and militarisation, the situation of workers in colonial and semi-colonial countries. In the text-book it is made clear that a fall in the living-standard [in this wide sense] may accompany a rise in real wages, if the latter does not compensate for the increased expenditure of labour called forth by higher intensity of work.

The third edition emphasises that there are not two basic laws of capitalism—pre-monopolistic and monopolistic. There exists one basic law of capitalism, the law of surplus value, but the forms of its manifestation vary. In conditions of pre-monopoly capitalism its action is expressed primarily through an average profit-rate [on capital] and prices of production, whereas in imperialism there prevails monopolistically-raised profit and monopoly prices. The text-book shows that under the latter competition does not disappear but continues, even in sharper forms, thereby giving the possibility of transfer of capital from one branch of industry to

another and thereby giving rise to a tendency towards profit-rate equalisation. However, any such tendency is expressed in an extremely contradictory form, through constant and very long-term departures of profit from the average rate and of monopoly prices from prices of production; accordingly monopoly price plays the preponderant rôle.

In the old edition of the text-book the essence of state monopoly capitalism was reduced to the subordination of the state apparatus by the monopolies in order to utilise it for economic intervention in the interests of raised monopoly profit and the consolidation of the hegemony of monopoly capital. This formulation did not take account of the very important economic characteristic of state monopoly capitalism pointed out by Lenin, the essence of which consists in the fact that state monopoly capitalism represents a higher stage of capitalist "socialisation" (*obobshchestvlenie*) of production—thanks to which is prepared an economic pre-requisite for the building of socialism after the victory of the socialist revolution. This is emphasised in the new edition.

We have to reckon as a new phenomenon of post-war capitalism the rise of state capitalism of a special type in under-developed countries that are seeking independence. In the third edition of the text-book the progressive character of this type of state capitalism is shown, to the extent

that it is directed against the dominance of foreign monopoly capital in under-developed countries. At the same time the difference in principle from state capitalism in countries building socialism is pointed out.

In connection with the problem of a change in the cycle in the post-war period, the authors show that a narrowing of the sphere of capitalist domination (as a result of the widening of the socialist sphere) does not mean an absolute shrinkage of the capitalist market or the stopping of extended reproduction. In the text-book a series of factors which have produced changes in the cycle after the Second World War are analysed: renewal of basic capital, progress of technique, the accelerated arms race and the hunt of capitalists for high monopoly profits, militarisation of the economy, a strengthening of the uneven and discontinuous (lit. "taking the form of jumps") development of capitalism etc.

Other changes that were reported had to do with the political economy of socialism: with the formulation of its basic law, with commodity-production and the law of value (including the question of the commodity-character of means of production), with economic accounting etc. There followed a discussion in which some fifteen economists took part, some of them critical of the proposed changes in one respect or another.

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## Discussion on Theory of Crisis

# Even More on Crisis Theory

REG BEECH has rallied to the defence of the theory which tries to explain crises *solely* on the inability of the masses to buy the goods produced. His enthusiasm deserves a better cause than this already discredited theory.

Not all of Marxism is contained between the covers of the three volumes of *Capital*. Quite apart from the necessity that Communists should develop Marxism continuously, it is apparently necessary to remind Comrade Beech that Marx and Engels wrote other works well worthy of consideration.

Comrade Beech might, for example, turn with profit to *Anti-Dühring*. In the opinion of Engels, one of the classic errors of Dühring was his view that crises were due not to overproduction, but

rather to:

"the lagging behind of national consumption . . . artificially produced under-consumption . . . the restriction of the needs of the people in their natural growth."

Engels points out that the under-consumption of the masses is no new thing—it has existed just as long as there have been exploiting and exploited classes, not only during the period of capitalism:

"The under-consumption of the masses is therefore also a necessary condition of crises, and plays in them a rôle which has long been recognised; *but it tells us just as little why crises exist today as why they did not exist at earlier periods.*" [my italics.]

If Comrade Beech prefers to rely on Marx