

I. M. MRAČKOVSKAYA

FROM REVISIONISM TO BETRAYAL

A CRITICISM
OF OTA ŠIK'S
ECONOMIC VIEWS

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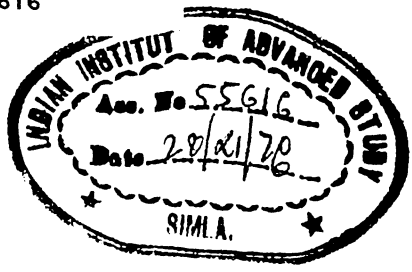
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И. М. МРАЧКОВСКАЯ
ОТ РЕВИЗИОНИЗМА К ПРЕДАТЕЛЬСТВУ
На английском языке

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INTRODUCTION

Many important events have taken place in Czechoslovakia since this book was first published in Russian in 1970.

Particularly outstanding among them was the 14th Congress of the Communist Party of Czechoslovakia in May 1971, which marked a serious and responsible moment in the history of socialist Czechoslovakia and which, as Leonid Brezhnev said, "can be rightly called the congress of victory over the enemies of socialism in the Czechoslovak Socialist Republic, the congress of the triumph of socialism".¹

While preparing for that congress the Communist Party of Czechoslovakia (CPC) marked its 50th anniversary, and the celebrations showed that the social forces devoted to socialism had won.

The Marxist-Leninist nucleus of the Communist Party of Czechoslovakia, around which all the sane forces in the Party and society rallied, led the country out of the crisis into which it had fallen in 1968 and early in 1969 as a result of the actions of domestic counter-revolutionaries inspired from abroad. The resolutions of the 14th Congress of the CPC noted that "conditions have been created for the peaceful life and labour of our people, the socialist state and its bodies are fulfilling their functions, and public organisations are operating in a socialist spirit. Planned economic management has been restored, prices and the market have been stabilised, plan targets for production and the growth of the national income have been overfulfilled and the economy has begun to develop dynamically".²

¹ *Pravda*, May 27, 1971.

² *Nová mysl*, No. 7, 1971, p. 1041.

In 1968-1969 Czechoslovakia became one of the main arenas of the revolutionary struggle between the forces of social progress and the forces of reaction and counter-revolution. Two ideologies clashed in that struggle: the bourgeois and the socialist ideologies. During that struggle the Communist Party disproved all theories aimed at weakening the positions and leading role of the working class, the most progressive social class. In that bitter clash between the two ideologies the revisionists sided with the bourgeoisie, were one of the main instruments the counter-revolutionaries and their imperialist helpers used in the attempt to undermine the socialist system from within, to return Czechoslovakia to the "fold" of capitalism. Guided by Marxist-Leninist theory, the Communist Party of Czechoslovakia launched a merciless struggle against revisionism and won this battle for socialism.

At the 14th Congress of the Communist Party of Czechoslovakia, Gustav Husak, the First Secretary of the Central Committee of the Party, noted that "all historical victories of the Party are linked with its faithfulness to Marxism-Leninism, with the creative implementation of that teaching in our conditions, with the merciless struggle against revisionist and opportunist distortions".¹

The Party did not rest content after it had won the decisive victory over the enemies of socialism; and it does not intend to show complaisance in future, and to relax caution with respect to the class enemy and its revisionist helpers and allies. The resolutions of the 14th Congress say that "the chief danger, which has to be fought tooth and nail is Right opportunism and revisionism. One of the key tasks the Party faces today is to complete the defeat of the Rights in the ideological field".²

The struggle of the CPC against the enemies of socialism, including the revisionists and opportunists, is of enormous international significance.

The lessons of these events will be studied for a long time to come all over the world, both by the friends of socialism and by its enemies. The struggle the CPC waged and continues to wage against revisionism in economic theory and

¹ *Nová mysl*, No. 7, p. 983.

² *Ibid.*, p. 1043.

practice is therefore highly instructive. Ota Šik was one of the main representatives of revisionism and of the Right forces in the Czechoslovak Socialist Republic and this book is intended to show the erroneousness of his economic views.

**"AMENDMENTS"
TO MARX AND
ANTI-SOCIALIST PRACTICE**

In the modern, class-antagonistic world a sharp struggle is being waged between the proletarian and bourgeois ideologies, between Marxism-Leninism and all sorts of bourgeois and petty-bourgeois trends, schools and views. Revisionism has always sided with the bourgeois ideology. It has always served as the theoretical justification of opportunism. By splitting the working-class movement and deceiving a certain part of the working people, the revisionists divert them from the decisive, principled struggle against the bourgeoisie and thus strengthen the hand of the latter. As early as in June 1920 Lenin said in his report to the Second Congress of the Comintern: "It has been shown in practice that working-class activists who follow the opportunist trend are better defenders of the bourgeoisie than the bourgeois themselves. Without their leadership of the workers, the bourgeoisie could not remain in power."¹

In the attempts in 1968-1969 to divert Czechoslovakia from her socialist course, the domestic counter-revolutionaries, with the active support by imperialist reaction, extensively utilised the whole gamut of revisionist, Right opportunist methods to fight Marxism-Leninism. The Right forces allied themselves with all other anti-socialist elements and became the main propagandists of counter-revolutionary ideas in Czechoslovakia and the principal instrument of the counter-revolutionaries. The activities of the Right bloc "gave imperialism the opportunity to attempt to reach in the Czechoslovak Socialist Republic the aims, the ways for the achievement of which it had for a long time elaborated in the fight against the socialist world in accordance with its global strategy and tactics. For this reason the Right bloc, who sought to undermine the leading structures of

¹ V. I. Lenin, *Collected Works*, Vol. 31, p. 231.

the Party, the socialist state and society, was given all political, moral and material support by the imperialist forces".¹

This is how the relations between the Right forces in the Czechoslovak Socialist Republic and imperialist reaction are defined in the *Lessons To Be Drawn From the Development of the Crisis in the CPC and Czechoslovak Society After the 13th Congress of the CPC*, a document of great theoretical, political and practical importance, adopted by the Plenary Meeting of the CC CPC in December 1970 and approved by the 14th Party Congress. This document reveals the strategic aims and tactics of the Right forces and gives a characteristic of the specific class and socio-political roots of Right opportunism and revisionism in the Czechoslovak Socialist Republic, and also outlines the immediate tasks of the struggle for the complete abolition of their influence.

Lenin drew attention to a specific feature of revisionist tactics, namely, that they do not dare to come out openly against Marxism, and "frequently appeal from Marx who is understood wrongly to Marx who is understood rightly".² Deviations from Marxism are often camouflaged as a struggle against "dogmatism", as a "creative" development of Marxism. Adapting themselves to the situation, the revisionists often changed their tactics, attacking Marxism now from the Right, now from the "Left". In both cases they paved the road for opportunism and ultimately both the Right and Left opportunists slipped to anti-Communist and anti-Soviet positions, and betrayed the interests of the working class.

In our days revision of Marxism both from the Right and from the "Left" attacks all the component parts of Marxism: philosophy, political economy and scientific communism. In the economic field the revisionists attack the basic theoretical principles of the science, as well as its methodology.

Political economy is a science in which partisanship is

¹ *Lessons To Be Drawn From the Development of the Crisis in the CPC and Czechoslovak Society After the 13th Congress of the CPC. Document Adopted by the Plenary Meeting of the CC CPC in December 1970*, Politizdat, Moscow, 1971, p. 20.

² V. I. Lenin, *Collected Works*, Vol. 15, p. 38.

unavoidable since it reflects the interests of definite classes and serves a definite class. As in the times of Marx and Lenin, so today, no economist can adopt supra-class, allegedly impartial positions in questions of economic theory. The logic of the struggle is such that he ultimately sides either with the proletariat and defends its ideology, i.e., Marxism-Leninism, or with the bourgeoisie and its ideology. Although some ideologists of the petty-bourgeoisie preserve a semblance of independence, they generally propagandise bourgeois ideology in the working-class movement. A petty-bourgeois ideologist is like Proudhon of whom Marx wrote that "he wants to soar as the man of science above the bourgeois and the proletarians; he is merely the petty bourgeois, continually tossed back and forth between capital and labour".¹

Leonid Brezhnev noted at the International Meeting of Communist and Workers' Parties held in Moscow in 1969 that the experience of the struggle against imperialism at the present stage teaches us that "it is more important than ever to recall Lenin's warning that any relaxation by Communists in ideological work, any standing aloof from it, redoubles the influence of bourgeois ideology".²

All deviations from the basic principles of Marxism-Leninism, no matter under what banner, are concessions to bourgeois ideology and sooner or later lead to revisionism and reformism. The development of Ota Šik's views is typical in this respect. He began with "amendments" to and "corrections" of Marxism-Leninism, passing them off as struggle against dogmatism. Soon, however, he construed his own special "model" of Czechoslovak socialism which Gustav Husak, the First Secretary of the CC of the Czechoslovak Communist Party, aptly defined as "a Social-Democratic brew of petty-bourgeois theories". This model of socialism was a theoretical justification of the schemes and reforms Ota Šik and his followers were introducing into Czechoslovakia's economy. The reform was greatly admired in the West and Ota Šik gained widespread popularity there. The ideologists of the West called it a creative

¹ Karl Marx, *The Poverty of Philosophy*, Moscow, 1959, p. 126.

² *International Meeting of Communist and Workers' Parties*, Moscow, 1969, Prague, 1969, p. 163.

approach to Marxism. At the same time, it will be remembered, the people of Czechoslovakia had to pay a high price for these reforms which were intended to abolish the socialist relations of production in Czechoslovakia. G. Husak noted at the 14th Congress of the CPC that as a result of the spread of revisionism in theory and practice and conciliatory attitude towards it "the Party leadership had stopped managing the national economy and had permitted the initiative to pass to Right adventurists of the Šik type, who disregarded the working people's vital interest and cleared the road for petty-bourgeois spontaneity, for the replacement of public ownership by group ownership, and for a spontaneous market, and thus weakened the influence of the Party and the state in economic management and development. This road would ultimately have abolished the socialist relations of production".¹

The Right opportunists tried to implement the model of socialism constructed by Ota Šik under the guise of an economic reform.

Actually, however, the revisionist, Right opportunist interpretation of the reform had nothing to do with the genuine content and aims of the economic reform as defined in Party decisions. The *Lessons To Be Drawn From the Development of the Crisis* clearly say that in the struggle for their aims the Right anti-socialist forces "were trying to carry through a revisionist variant of the economic reform".²

Let us describe Šik's "model of socialism" in general outline.

Ota Šik and other theoreticians of the Right forces went so far as to cast doubt on the Marxist understanding of socialism. They criticised the socialism existing in the USSR and other socialist countries, notably socialist ownership of the means of production—the economic basis of socialism. Their attacks were spearheaded against state ownership of the means of production. They expressed regret that the nationalisation carried out in the course of the socialist revolution, which deprived the exploiter classes of the right of ownership, "had not established new owners", but had

¹ *Nová mysl*, No. 7, 1971, p. 991.

² *Lessons. . .*, p. 40.

made the means of production the property of the people as a whole, of the state. At the same time it is commonly known that under socialism, the first phase of communism, ownership by the entire people, i.e., socialist ownership taking the form of state ownership, satisfies the demand for the development of the productive forces to the highest possible degree, and is the leading form of socialist ownership. Alongside with co-operative ownership it forms the economic basis of socialism. Ota Šik wrote: "I cannot deny that our idea of what socialist society is and what it should be is still extremely abstract."¹ This shows that the Marxist idea of socialism did not find favour with Ota Šik and Co.

The steps taken by the Šik group did not fall in with the aims pursued by the CPC in the economic reform and, moreover, encroached upon the objective laws in keeping with which the socialist economy functions. In fact, they were intended not to strengthen and develop the socialist relations of production, but to erode the economic, political and ideological basis of socialism. Their aim was to transform socialist Czechoslovakia into a "democratic socialist" society of the West-European type, that is, to transform Czechoslovakia into a typical bourgeois state.

Ota Šik and his group worked out a programme to create in the near future a "new model of socialism" in Czechoslovakia. The programme had the following basic aims:

1. To abolish socialist ownership of the means of production by the people as a whole and to replace it, in the first stages, by ownership by production collectives. State ownership of the means of production was demagogically pictured as a bureaucratic usurpation of the rights of production collectives, as an isolation of the direct producer from all creative participation in economic management. Ota Šik said in this connection: "Instead of making the people as a whole the true owners of the means of production and the entire wealth of the land, conservative views—simplified and absolute—of socialism simply led to their being taken over by the state, and the people were deprived of any genuine control over the real wealth."²

The liquidation of public socialist ownership was linked

¹ *Tribuna*, No. 47, 1969, p. 1.

² *Nová mysl*, No. 9, 1968.

by them with the abolition of the economic functions of the socialist state, notably of its function of centralised planned management of economic development. Their plans assigned to the socialist state only the role of the information centre, engaged in forecasting economic development on the basis of an *a posteriori* study of the spontaneous action of commodity-money relations. The state was to supply enterprises only with essential information and with “prognostications of future proportions”. In 1968 Ota Šik wrote in this connection the following: “Our projects begin to advance also the idea that the state be relieved of its entrepreneur functions and that these be passed on to the direct executors of those functions.”¹

2. To dissociate the Party from leadership in socialist construction. Šik and his followers maintained that the Party should on no account be charged with the management of economic development and should therefore have no economic departments in its apparatus. It was to confine itself to the “study” of the social structure, people’s interests and requirements, and their political consciousness. Šik was very categorical in this respect. He was willing to tolerate “management of development on the basis of a definite analysis” by the state, but strictly opposed the execution of that function by the Party, believing that the Party should “study the development of the structure, people’s interests and requirements, and establish how this development influences their political consciousness, their political attitudes”,² and no more. Thus, he essentially proposed that the revolutionary Party, managing the socialist transformation of society, be transformed into something like an institute for sociological research.

3. To establish in the economy the petty-bourgeois anarcho-syndicalist principle of ownership of the means of production by the production collective, to decentralise the means of production. This demand for the economic independence of the enterprise meant that the means of production were to become the property of enterprises, which, in its turn, meant that a competitive struggle was to be unleashed between various enterprises, that some

¹ *Nová mysl*, No. 9, 1968.

² *Tribuna*, No. 47, 1969, p. 7.

enterprises would become monopolies on the domestic market and would be able to establish high monopoly prices for their output, i.e., that some enterprises would grow rich at the expense of others.

As the enterprises became the collective owners of the means of production economic antagonisms inevitably emerged between individual enterprises, and between the enterprises and society as a whole. Politically this was fraught with the danger of disuniting the working class and of eroding the moral and political unity of socialist society. Lenin categorically opposed such anarcho-syndicalist tendencies which appeared in the first years of Soviet power in the USSR. The Communist Party headed by him proved that such tendencies were theoretically untenable, politically and practically harmful. Lenin wrote in this connection that "any direct or indirect legalisation of the rights of ownership of the workers of any given factory or any given trade on their particular production, or of their right to weaken or impede the orders of the state authority, is a flagrant distortion of the basic principles of Soviet power and a complete rejection of socialism"¹.

4. In the sphere of international economic ties the new "model of socialism" provided for the liquidation of the monopoly of foreign trade, for the unrestricted access of West European capital and commodities to Czechoslovakia. This was intended to wrest her from the socialist world and to make her part of the so-called neutralist zone or else of the world capitalist economic system. In his book *Plan and Market Under Socialism* Ota Šik wrote that the import of commodities should be used to exert a competitive pressure on the prices of commodities produced at home, that state control over imports should be abolished, that the privileges granted to domestic production should also be abolished, and that currency should be freely sold to production and trading enterprises so as to enable them to import on their own. These measures essentially meant the liquidation of the monopoly of foreign trade.²

Later, in November 1969, in a talk with functionaries

¹ V. I. Lenin, *Collected Works*, Vol. 42, pp. 100-01.

² Ota Šik, *Plán a trh za socialismu*, Praha, 1968, p. 323 (further this book will be referred to as *Plan and Market Under Socialism*).

of the Common Market countries Ota Šik was even more outspoken. He said that the reform pursued, in particular, the aim of making the enterprises dependent on a competitive market open to foreign commodities.

5. The implementation of these principles demanded a complete change in the correlation between planned centralised management and spontaneous money-commodity relations. The granting of absolute independence to enterprises essentially abolished the leading role of the principle of public socialist ownership of the means of production, and hence also of the centralised planned management of the socialist economy, and gave free play to spontaneous market relations.

The economic policies pursued by the Šik group were aimed at crushing all obstacles to the spontaneous development of market relations. As a result the unrestricted interplay of market forces pushed centralised planned economic management into the shade for some time. This lowered the economic growth rates and the labour productivity, increased the labour turnover and gave rise to disproportions in the economy. The economy as a whole, including also the credit and monetary system, essentially got out of control, and this unleashed inflationary processes and worsened the position of the working masses.

All these economic aspects of the new "model of socialism" were to play a decisive role in changing the political system in Czechoslovakia. Ota Šik wrote: "If we endeavour to create a smoothly functioning market mechanism which is to act as an opponent, as it were, to the state plan, an opponent that will correct all subjective mistakes, it is essential to transplant that principle also to the political field."¹

Practically, this would have meant a transformation of the socialist state, headed by the Communist Party, into a many-party parliamentary state, in which the leading role of the working class and the Communist Party would have been abolished. Comparing the economy and politics with communicating vessels, Ota Šik stated unambiguously: "The deeper the changes in the economy, the more noticeable will they reflect also on our political mechanism."²

¹ *Nová mysl*, No. 9, 1968.

² *Ibid.*

Such, in general outline, was the programme Šik and his followers tried to implement, endangering thereby the socialist achievements of the Czechoslovak people.

At the 24th Congress of the CPSU Gustav Husak characterised the harm done to socialism in Czechoslovakia by the mistakes of the former CPC leadership. He said: "The deviation from the basic Leninist principles, from the general laws of socialist construction, was the main cause for the development of the crisis and the gradually intensifying onslaught of the counter-revolutionary forces in Czechoslovakia in 1968.

"As regards its scale and scope that onslaught threatened not only the revolutionary achievements of the working class but also the very existence of the socialist system."¹

Moreover, it was not only an onslaught against the socialist system in Czechoslovakia, it was part of the global attack mounted by the aggressive forces of imperialism on the positions of socialism in Europe, on the positions of the entire world socialist system and the international communist movement.

That is why the resolutions of the 14th Congress of the CPC noted that "international assistance by our allies was at that time essential, and to grant it was the only correct decision, one falling in with the general interests of the Czechoslovak working people, the international working class, the socialist community and the class interests of the world communist movement".²

That assistance reinforced the sane forces in Czechoslovakia and they succeeded in foiling the attempt at a counter-revolutionary coup, smashed the Right opportunist and revisionist forces, led the country out of the crisis and mobilised the Czechoslovak people for the further consolidation and development of socialism.

When the Marxist-Leninist nucleus of the Party took over the leadership of the CPC it mounted an intense ideological attack against the deviationists. In the Party press—*Tribuna*, *Rudé právo*, *Život strany* and other newspapers—the Czechoslovak Marxists showed the theoretical and practical fallacy of revisionist and Right opportunist views

¹ *Pravda*, April 2, 1971.

² *Nová mysl*, No. 7, 1971, p. 1040.

and the harm that had been inflicted to socialist construction in Czechoslovakia. Thus, for example, a series of articles in *Rudé právo* noted as early as July 1969 that Šik's "model of socialism" was in fact "a process gradually changing the quality of socialism, which means a transition even without armed counter-revolution to a social system which even if it cannot yet be classified as capitalism, contains strong restorative tendencies" and which, "as regards its content and from a methodological viewpoint as well, has become a source of anti-socialist trends".¹

A series of articles in the weekly *Tribuna* revealed that Šik's model was hostile to socialism in all its main aspects: the economic, political and ideological. It was economically hostile to socialism because it led to the liquidation of socialist ownership and planned economic management, and inevitably opened the door to inflation and spontaneous economic development. It was politically hostile to socialism because it sought to abolish the principle of proletarian internationalism and ultimately pushed Czechoslovakia towards a break with the world socialist system. It was ideologically hostile to socialism because it was based on revisionism.

The Plenary Meeting of the CC CPC, held in January 1970, which criticised revisionism from Marxist-Leninist positions, played a major role in the rout of the Right forces. The decisions of the Plenary Meeting on economic questions noted that the actions of the revisionist and anti-socialist forces in 1968 and early in 1969 had inflicted serious harm to the Czechoslovak economy by intensifying the disproportions in it and lowering its effectiveness. These forces undermined the leading role of the Party, the system of management of the socialist economy and the role of the plan as such, interfered with economic management and the system of control at all levels, and weakened the influence of the state on foreign trade. The anti-socialist forces sought to weaken the economic relations between Czechoslovakia and other socialist countries. The Plenary Meeting set forth the immediate tasks of the Party connected with the restoration of the economic-organisational function of the socialist state and the Communist Party's leading role in socialist construction. It restored the system of planned economic

¹ *Rudé právo*, July 25, 1969.

management, the main features of which were defined by the Plenary Meeting's decisions as follows: public ownership of the means of production, utilisation of the objective economic laws of socialism and democratic centralism.

The economic departments in the CC CPC, in regional and district Party committees were reopened and constructive measures taken to boost the role of all Communists in socialist construction. The decisions of the January (1970) Plenary Meeting provided for the exchange of Party membership cards. This was used to purge the Party ranks of revisionists—a step strengthening the Party's fighting ability and unity.

The Plenary Meeting of the CC CPC held in December 1970 adopted a number of important decisions which helped to further consolidate the leading role of the Communist Party in the life of the country and to rally the working people to the Marxist-Leninist policy of the Communist Party. In a comparatively short time, since April 1969, much had been done to eliminate the economic, political and ideological consequences engendered by the counter-revolutionary activity of the Right forces.

An important measure in the ideological field was the theoretical conference on the subject "Surmounting Revisionism in Economic Science and Practice", held on the eve of the 14th Congress of the CPC. The conference was sponsored by the Higher Political School of the CC CPC, the Higher Economic School and the Committee for Scientific Management. This was essentially the first meeting, after the crisis, of a large body of economists working in the theoretical and practical fields. The conference helped to purge revisionist views from theory and practice. It achieved the purpose for which it had been called since it "helped to expose the basic revisionist views in political economy, their ideological and theoretical sources, and also their consequences to the national economy",¹ as the theoretical and political journal of the CC CPC noted.

The 14th Congress of the CPC defeated the enemies of socialism in all the spheres, including the ideological. Gustav Husak said in his concluding speech: "We have come out of a deep political, social and economic crisis. The Marxist-

¹ *Nová mysl*, No. 7, 1971, p. 1156.

Leninist teaching and the forces faithful to it, faithful to the principles of proletarian internationalism, have won the struggle against the Right anti-socialist forces.”¹

In what way did the Right forces in Czechoslovakia revise Marxism-Leninism and how was this revision used for a theoretical justification of their anti-socialist, counter-revolutionary practices?

The greatest harm was done to socialism by the application of revisionist theories in the economic field. Since Ota Šik was the main conductor of revisionist ideas in economic science, we shall focus attention mainly on the faulty argumentation he used to attack Marxism-Leninism in his book *Economics, Interests, Politics*. At the same time we shall endeavour to show how this methodology was reflected and developed in *Plan and Market Under Socialism* and Šik's other writings and speeches. We wish to make it clear that this book is not intended to give a systematic analysis of all of Šik's false conceptions in the political economy of socialism, notably of his conception of market relations. We also do not set ourselves the task of making an exhaustive analysis of the harm inflicted to Czechoslovakia's socialist economy by the practical implementation of Šik's false “model of socialism”. Czechoslovak Marxists are doing that, and they can cope with that task better than anybody else.

Thus, what were Šik's principal deviations from Marxism-Leninism in the methodological field?

Šik's revisionist conceptions of socialism centred mainly on the problem of socialist ownership of the means of production and the problem of commodity-money relations under socialism. His distorted interpretation of the essence and role of ownership of the means of production in the system of socialist production relations predetermined his false understanding of the essence and role of commodity-money relations under socialism.

Ota Šik began his revision of Marxist economic theory in 1958 in a series of articles in which he made “a tentative attempt to publish his views on market relations”. In these articles he already criticised the concept “relations of production” and “ownership”, and thus prepared the “theoretical” foundation for his conception of commodity-money relations under socialism.

¹ *Pravda*, May 30, 1971.

In 1962 he published the book *Economics, Interests, Politics*, which he called his "main theoretical work". Dispensing with false modesty, Ota Šik gave a high evaluation to this book, saying in the introduction: "We hope that this general theoretical research . . . will be instrumental in developing our Marxist political economy. . . ."¹

Šik's book served as the theoretical basis for the collection of articles *On the Problem of Socialist Commodity Relations*, the first edition of which appeared in 1964, and which was republished in 1965. In 1968 a "radically amended" (Ota Šik) third edition of the collection was published under the new title of *Plan and Market Under Socialism*. In the introduction to that book the author wrote that the new edition had been published because "it was necessary to amend it so as to show the changes in planning and in the concrete forms of the interaction between the plan and the market under socialism in greater detail". Why did the author find it necessary to amend the book radically? He found it necessary because "not only draft plans but also objective market relations, in their relatively independent development, are once again inevitably *becoming the point of departure* for the drawing up of optimal plans, and they simultaneously correct subjective mistakes in plans".² The view that market relations become the point of departure for the drawing up of plans is the central idea of the book *Plan and Market Under Socialism* and of Šik's entire new "model of socialism". Not subordination of the market to the plan, but of the plan to the market—this idea forms the basis of his conception of a spontaneous market economy.

This idea, supplemented by an entire system of concrete political steps and recommendations for transforming socialist Czechoslovakia into a "democratic socialist" society according to the West-European pattern was developed by

¹ O. Šik, *Economics, Interests, Politics*, p. 41. A Russian translation of that book appeared in Moscow in 1964. The introduction by Y. A. Kronrod criticised some of Ota Šik's most obvious mistakes. It should be noted that the quotations given in the text have been translated into English from the Russian translation. The pages containing the passages quoted are given in brackets.

² O. Šik, *Plan and Market Under Socialism*, p. 7. (Emphasis mine. —I.M.)

Šik throughout 1968 and 1969 in numerous articles in the periodic press, and also in his speeches on radio and television. Šik's programme for the "regeneration" of socialist Czechoslovakia into a "democratic socialist" society was crowned by his article "Constants of Socialism", published in *Nová mysl* in September 1968.

Later, being already in emigration, his many speeches and writings, and the introduction to the series of his speeches on the Prague television prior to August 1968, all proved him to be an avowed anti-communist. He expressed anti-communist views also in a speech made at the end of 1970 in the US Congress Subcommittee for Foreign Affairs and the interview given by him in May 1971 to the notorious *Americké listy*, an extremely reactionary and anti-communist journal published in New York, enlisting the collaboration of such rabid anti-communists as Ferdinand Peroutka, Ota Rambousek and many others who betrayed the Czechoslovak people.¹

Revisionism, ideological subversion and anti-socialist practice did not emerge overnight, like thunder from a blue sky. The ideological subversion was prepared gradually, behind the back of the CPC long before the 1968 events.

In the introduction to his *Plan and Market Under Socialism* Ota Šik tells frankly how he prepared the theoretical subversion against Marxism-Leninism, and with it also the subversion against socialism in Czechoslovakia. His first and immediate aim was to "render harmless" the "main, basic" (as Ota Šik calls them) categories of Marxism, determining the class approach to the solution of the practical problems of socialist construction. Among them are the categories "relations of production" and "ownership of the means of production". Distorting the essence of these basic Marxist categories, Šik expounds his conception of market relations. The tactics he uses have nothing in common with a genuine scientific analysis. Pretending to criticise Stalin Šik takes up the battle against the Marxist understanding of the categories "relations of production" and "ownership". He reproaches many Marxists of interpreting these basic categories in a simplified and dogmatic manner and, hence, of failing to understand the causes, essence and

¹ For particulars see *Tribuna*, Nos. 2 and 23 for 1971.

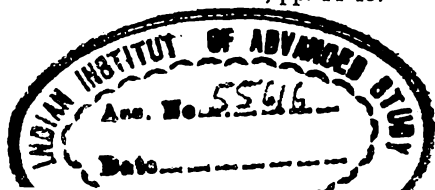
role of commodity-money relations under socialism. For this reason he “considered it necessary before giving his views on socialist market relations, to make first and foremost a deeper analysis of the above basic and most general Marxist economic categories and thus to refute the false Stalinist methodology”.¹

Šik believed that he had fulfilled that task in his book *Economics, Interests, Politics*. In this book he attacked the Marxist viewpoint on “relations of production” and “ownership” and thus laid the foundation for his theory of market relations and for the practical implementation of that theory in Czechoslovakia.

Problems of the methodology of economic science hold a central place in *Economics, Interests, Politics*. It looks into such basic economic categories as ownership, economic relations, productive forces, division of labour, economic interests, and so on. The reason for it, Šik says, is that Marxist writings give “a somewhat simplified interpretation of some of the above basic categories, which does not correspond to their understanding by the founders of Marxism-Leninism” (p. 39). He maintains that this interpretation is dogmatic and appeals for an “honest” fight against a simplified understanding of “traditionally habitual” categories and principles. “Only an honest analysis,” Šik writes, “one that is not influenced by a simplified understanding of traditionally habitual categories and propositions, one helping to reveal the essence of phenomena and actions, will make it possible to do away with dogmatism” (p. 42).

Šik’s “analysis” of these methodological problems became the basis for his revisionist conception of the socialist relations of production and, notably, of commodity-money relations under socialism. Later, in 1968, in his *Plan and Market Under Socialism* he snugly wrote that the methodological principles relating to the categories “relations of production” and “ownership”, which he had evolved as early as in 1962, had lost none of their relevance in 1968. He said that in his *Economics, Interests, Politics* in 1962 he had been unable to express his views freely because of the “political atmosphere” in the country, that it had been “necessary to avoid utilising these concepts (“market”, “market mechan-

¹ O. Šik, *Plan and Market Under Socialism*, pp. 14-15.



ism", "competition"—*I.M.*) and to work gradually and carefully in order to change the social consciousness. However, he continued, "since then scientific knowledge has grown, and intensive propaganda has greatly changed social consciousness and most of the ideas which were then only hesitantly expressed have now become obvious, and a component part of social consciousness".¹ To carry on such "intensive propaganda" Šik and his group established a monopoly on all propaganda, they spread their revisionist conceptions and prevented all economists holding other views from expressing their opinions and from criticising Šik and his followers.

When Šik still pretended to be a Marxist and camouflaged his revisionism with Marxist terminology, he particularly emphasised the danger of dogmatism. However, he did not attack really existing dogmatism, for example, the dogmatism of the Maoists. His criticism of allegedly obsolete or dogmatic propositions generally sounds unconvincing because in declaring some category obsolete or "traditionally habitual", Šik does not prove that it has really historically outlived itself and no longer reflects objective economic reality. The revisionists have always accused everybody standing on Marxist positions of dogmatism. Revolutionary practice alone can be a criterion of the truth of any Marxist proposition. Replying to all revisionists, Lubomír Štrougal said at the meeting in Prague dedicated to the 99th anniversary of Lenin's birth the following: "In accordance with Lenin's teaching we do not consider ourselves guilty of dogmatism when we adhere to the basic Marxist-Leninist principles which have been tested by the practice of the international revolutionary movement. We do not stubbornly defend propositions once proclaimed but later refuted by facts. Social development, however, has never refuted the basic principles of Marxism-Leninism, but, on the contrary, practical developments have substantiated them over and over again."²

Šik fights dogmatism, even if in words alone, but he does not attack reformism or frankly apologetic bourgeois theories at all. His book dedicated to problems of the Marxist-Lenin-

¹ O. Šik, *Plan and Market Under Socialism*, pp. 7-15.

² *Kommunist*, No. 7, 1969, p. 14.

ist methodology of political economy contains no criticism of Right opportunist and bourgeois theories in the methodological field: there is no criticism, for example, of the "exchange conception", of the "subjective-psychological" school, and so on.

The International Meeting of Communist and Workers' Parties held in Moscow in 1969 noted that Communists should work to ensure the triumph of Marxism-Leninism, fight in accordance with the concrete situation against Right and "Left" opportunist distortions of theory and politics, against revisionism, dogmatism and "Left" sectarian adventurism.

Ota Šik's theoretical position is a Right revisionist one, camouflaged with pseudo-Marxist phraseology. His revisionism in theory paved the road for the Right opportunist, anti-socialist practices of the counter-revolutionary forces who tried to divert Czechoslovakia from the socialist road of development.

**ŠIK'S REVISION OF THE
BASIC METHODOLOGICAL PRINCIPLES
OF MARXIST-LENINIST
ECONOMIC SCIENCE**

One of Šik's most important deviations from Marxism is the counterpositioning of the theory of Marxism to its method. He believes that one can separate the theory of Marxism-Leninism from its method. The views expressed by him on some theoretical and practical problems of Marxism-Leninism show that he "recognises" Marxism-Leninism only as a method of cognition.

When at the close of 1968 Šik told West German and Swiss TV viewers of the further reforms that were to have been carried out in Czechoslovakia even bourgeois journalists were puzzled and one of them asked him whether "such an economic system complied with the theses of Marxism-Leninism". Šik answered: "It all depends on what is meant by 'theses of Marxism-Leninism'." As for himself, he said that he considered Marxism-Leninism only a "method of cognition"¹.

¹ See *Pravda*, December 28, 1968.

The founders of Marxism-Leninism never set up their method against the results of research carried out by that method. Lenin emphasised that "Marx blended his philosophy and political economy into an *integral* materialist world outlook".¹ Šik insists on a philosophical approach to economic research. Indeed, his main book contains a profusion of "philosophy", but more often than not it has nothing in common with Marxist-Leninist philosophy. His deviation from the dialectic-materialist method of the research of economic phenomena, his slipping to positions of subjective idealism have led to his eclecticism and the revision of some of the basic categories of the Marxist-Leninist theory. The categories "productive forces", "relations of production", "ownership", and others have been "critically" revised and changed to such an extent that they have lost their true content, i.e., the content reflected in the definitions given in the works of the founders of Marxism-Leninism.

Šik wrote that "in our analysis of such categories as economic interests, politics and especially economic politics, we have attempted to define some new propositions elaborated in the course of that work" (p. 41). We shall see, however, that these "new" propositions are nothing but concessions to subjective sociology in one of the basic methodological questions.

In their time the revisionists in Russia used to say: "Perhaps we have gone astray, but we are seeking." Lenin answered as follows: "It is not *you* who are seeking, but *you who are being sought!* You do not go with your, i.e., Marxist (for you want to be Marxists), standpoint to every change in the bourgeois philosophical fashion; the fashion comes to you, foists upon you its new falsifications adapted to the idealist taste."²

While criticising the revisionists, Lenin noted that Marxist philosophy is like an all-steel cast article, and that not a single basic premise can be removed from it without deviating from objective truth, without falling into idealism. Lenin particularly stressed the need for consistent struggle against all sorts of loopholes leading to idealism. Lenin showed that there was only one alternative: "Either materialism consistent

¹ V. I. Lenin, *Collected Works*, Vol. 20, p. 193.

² *Ibid.*, Vol. 14, p. 343.

to the end, or the falsehood and confusion of philosophical idealism.”¹ This criterion should also be adopted for an appraisal of Ota Šik’s positions. When analysed from Marxist positions Šik’s conceptions do not hold water because “falsehood and confusion” are characteristic of them.

That Šik has embraced eclecticism and subjective sociology can be seen most clearly, firstly, from his interpretation of the correlation between the objective and the subjective in social development and, secondly, from his view on the main driving force of social development.

Šik makes concessions to subjective sociology in the question of the *correlation between the objective and the subjective in social development*. He writes that the interrelation between the objective and the subjective in social development has not been sufficiently studied. Claiming to have revealed this “shortcoming” of Marxism, he says that he was “unable fully to bypass questions relating to psychology, although the given work does not claim to give a detailed explanation of specific phenomena of a psychological nature”, and he sets the task of “breaching the gap between the sciences studying laws of social development and the sciences studying, first and foremost, various specific traits of individuals” (p. 41). He deals with that question in the Chapter “Needs and Interests”, which looks into general problems of the relation between psychology and economics. He advances the thesis that “the main, immediate, objectively conditioned stimuli of economic activity are the needs and interests of people” (p. 328). He does not give a politico-economic explanation of the content of the categories “needs” and “interests”, but uses only definitions from text-books on psychology. He defines the content of the category “needs”, for example, as follows: “Need . . . is a felt lack of something, which, when reflected in man’s consciousness, evokes a striving to do away with that lack” (p. 330). The category “interests” is defined by him as a relatively stable “*concentration of the mind on the satisfaction of definite objectively conditioned needs, which are either satisfied far from fully and therefore constantly focus man’s attention, or which, owing to the strength of the emotions and feelings*

¹ Ibid., p. 338.

they evoke, evolve a special and progressively growing stronger desire" (p. 345).

It thus appears that phenomena relating to man's mind, to his psychology, to man's emotions and desires, i.e., subjective factors, are "the main and immediate incentives for economic activity", that is, that they determine social being. "The feelings and notions thus emerging," Šik writes, "direct the activity of people at obtaining the corresponding articles, that is, at transcending the contradiction necessarily arising in the process of the metabolism between man and nature" (pp. 331-332). However, these statements fully contradict the basic propositions of Marxism saying that matter is primary and consciousness is secondary, that material social production is the economic basis, that it determines social consciousness.

Ota Šik seeks to bolster his position in the question of the relation between the objective and the subjective by referring to Marx's philosophico-economic manuscripts of 1844. It will be remembered that the manuscripts of 1844, which served as a basis for *The German Ideology*, show the process of formation of Marx's philosophical views, of his dialectico-materialistic method, that they, as Marx himself said, refer to a time when he and Engels were "still settling scores with their former philosophic conscience". In these works some economic categories are considered from moral-ethical rather than from economic positions. Quoting extensively from the manuscripts of 1844, Šik fails to show how Marx developed his views on the problem of the interrelation between the objective and subjective in such works as *The Poverty of Philosophy*, *A Contribution to the Critique of Political Economy* and *Capital*. These works contain a detailed analysis of the question about the relation between production, exchange, distribution and consumption and resolve the question about the stimuli of production and the relation between the objective and subjective in social development.

Marx and Lenin did not regard the problem of economic "needs" and "interests" as an independent problem, but as an indissoluble part of the specific features of various systems of productive relations. They always strictly observed the principle that social consciousness is conditioned by social being and that of the primacy of relations of

production over relations of distribution, exchange and consumption. However, Šik ignores these basic methodological principles in the question of the relation between the subjective and the objective, formulated by Marx. He bypasses also in silence the further development of that problem in Lenin's works *Who the "Friends of the People" Are and How They Fight the Social-Democrats, The Economic Content of Narodism and the Criticism of It in Mr. Struve's Book*.

Ignoring the heritage of the founders of Marxism-Leninism, Šik maintains that the problem of the subjective and objective has been insufficiently studied by Marxism and under that pretext attempts to include psychological categories into political economy. This was characteristic of the subjective-psychological school in political economy (Karl Menger, William S. Jevons and Böhm-Bawerk). Revisionists of all kinds always willingly used the ideas of that school. Thus, they advanced the idea of replacing Marx's theory of labour value by Böhm-Bawerk's theory of the "marginal utility of economic boons" according to which value is determined not by labour, but by the subjective-psychological evaluation of the utility of things. This "amendment" of Marx's theory of labour value sought to deprive the categories "value" and "surplus value" of their objective, real content, which is independent of the psychological evaluation by people. The prominent Russian revisionist Pyotr Struve, for example, interpreted surplus value as a moral-psychological category. He believed that there was no essential difference between the exploitation of, say, horses, machines and people, that "the difference lies only in that people adopt a different psychological attitude towards an exploited human being than they do towards an exploited machine".¹

The use of psychology for an explanation of economic phenomena is typical also of modern bourgeois economics. Thus, for example, the American economist Joseph Alois Schumpeter maintains in his book *Historical and Economic Analysis* that psychology is essentially the basis of all social sciences. The prominent bourgeois economist John Maynard

¹ P. Struve, *Die marxische Theorie der sozialen Entwicklung—*
"Archiv für soziale Gesetzgebung und Statistik", 1899.

Keynes also extensively uses psychological categories to explain economic phenomena.

Lenin always resolutely opposed the subjective-psychological school in political economy and fought all attempts of the revisionists to reconcile Marx's teaching with the ideas of that school. He criticised foreign and Russian revisionists who maintained that "the Gossen-Jevons-Böhm theory of marginal utility is no less just than Marx's theory of labour value"¹ and "it would not be amiss to correct Marx's theory of value, too, in accordance with Böhm-Bawerk".²

Lenin believed that it was one of Marx's deepest insights that he always adhered to strict materialist positions in the study of economic processes and did not explain them by phenomena of social consciousness, including psychological categories. This, in fact, was proof of Marx's consistent materialism.

Reaffirming Marx's teaching about socio-economic formations, Lenin noted that one of the most impressive aspects of that teaching was that Marx "took one of the social-economic formations—the system of commodity production—and on the basis of a vast mass of data (which he studied for not less than twenty-five years) gave a most detailed analysis of the laws governing the functioning of this formation and its development. This analysis is confined exclusively to production relations between members of society: without ever resorting to features outside the sphere of these production relations for an explanation."³

Lenin fought tirelessly against an eclectic blending of categories of social being with those of social consciousness (see *Materialism and Empirio-Criticism*, which gives an exhaustive analysis of Bogdanov's mistakes). Since Ota Šik's arguments for the application of psychology to the study of economic phenomena greatly resemble Bogdanov's line of argumentation, let us look briefly at Lenin's criticism of Bogdanov's mistake. Bogdanov wrote that in the struggle for their existence people cannot unite other than with the help of consciousness: without consciousness—no sociality. "Hence, *social life in all its manifestations is a consciously*

¹ V. I. Lenin, *Collected Works*, Vol. 4, p. 196.

² *Ibid.*, Vol. 15, p. 34.

³ *Ibid.*, Vol. 1, p. 141.

psychical life... Sociality is inseparable from consciousness." This line of thought led to the conclusion that "*social being and social consciousness are, in the exact meaning of these terms, identical*".¹

Bogdanov's above propositions were criticised by Lenin. He emphasised that social being and social consciousness were not identical. Political economy, Lenin wrote, studies the laws of social being, the basis of which is social production. Moreover, it studies not the aspect of social production that reflects the interaction between man and nature, not the productive forces as such, but the social interrelations between people concerned with production, that is, people's relations of production. These relations form objectively, that is, independently of the will and consciousness of the agents of social production themselves. Although every one of these agents acts quite consciously, he may not become aware of the final result of that activity.

Lenin noted that social consciousness is always a reflection of social being, but that it is not identical with the consciousness of individuals. Social consciousness itself is reflected in people's individual consciousness only approximately and ultimately. The subjective activity of people, as also their social psychology, is only a result of their social being. Lenin wrote in this connection: "Social being and social consciousness are not identical, just as being in general and consciousness in general are not identical. . . . People in their intercourse are *not conscious* of what kind of social relations are being formed, in accordance with what laws they develop, etc. For instance, a peasant when he sells his grain enters into 'intercourse' with the world producers of grain in the world market, but he is not conscious of it; nor is he conscious of the kind of social relations that are formed on the basis of exchange."²

Šik's deviation from Marxism in the question of the interrelation between the objective and the subjective in social development and his sliding to positions of subjective sociology was manifested in 1968-1969 during the implementation of the economic reform in Czechoslovakia, when he and his group, who were heading the economic and

¹ Ibid., Vol. 14, p. 322.

² Ibid., p. 323.

planning bodies, adopted and often implemented volitional and economically unfounded decisions. This is a typical example showing the evolution from subjective sociology in theory to voluntarism in practice.

Similar subjective-idealistic positions were adopted also by the Slovak economist Eugen Löbl. He proclaimed the primacy of social consciousness over social being with even greater frankness. In his books *Considerations About Mental Labour and the Wealth of the Nation* and *The Intellectual Revolution*¹ he proceeds from the primacy of the spirit, the intellect in the whole life of human society. "The history of mankind is a function of the intellect," Löbl proclaims. One of the chapters in the first book is called—*National Wealth as a Function of the Intellect*.

This inferred denial of the existence of objective economic laws is followed by the statement that the transformation of society depends on the will and consciousness of outstanding historical figures. In his books, Löbl depicts a future world built in accordance with "general human", "supra-historical", "supra-class" ideals.

Since intellectuals are, as it were, the bearers of intellect, they are assigned a leading role in society. Löbl regards the working class and the peasantry as primitive masses unable to progress and believes that the scientific and technological revolution dooms them to extinction. Löbl's theories, as also those of Ota Šik, were used to justify voluntarism in economic policy, to deny the objective need for planned management of the economy and the leading role of the working class in socialist construction. These theories bring grist to the mill of international revisionism and are spearheaded against the world communist movement. Löbl has joined the ranks of the Austrian philosopher Ernst Fischer, the French philosopher Roger Garaudy and others.²

Šik's "amendments" to the Marxist understanding of the *driving force of social development* are another serious deviation from Marxist methodology.

¹ The former was published by the Slovak Academy of Sciences in 1967. The second in West Germany, when its author had already emigrated, in 1968. See the criticism of his erroneous views in *Život strany*, No. 20, 1970.

² See *Život strany*, No. 20, 1970, p. 43.

Marxism considers the contradiction between the productive forces and the relations of production, which takes the form of class struggle in antagonistic societies, the main source of social development. This proposition was formulated by Marx in the Introduction to *A Critique of Political Economy*. "At a certain stage of development, the material productive forces of society come into conflict with the existing relations of production or—this merely expresses the same thing in legal terms—with the property relations within the framework of which they have operated hitherto. From forms of development of the productive forces these relations turn into their fetters. Then begins an era of social revolution."¹ This view of the laws of social development accurately defines the driving force and reflects the true content of social development. Ota Šik considers this view "traditionally habitual". First of all, he says, "a dismemberment of the processes at work in nature or society testifies in itself to a certain metaphysical approach. . . ." (p. 51).

He then asserts that the explanation of the driving forces of social development too is simplified. He does not accuse any one in particular of a simplified approach, and does not say particularly what approach he refers to, he simply advances his own definition of the main driving force of social development. "*The main contradiction, determining the development of human society,*" he writes, "*is the contradiction between nature and society,* a contradiction that develops as nature acts upon people and people upon nature in the process of its adjustment to their requirements" (p. 59). (Emphasis mine.—*I.M.*).

Developing this thesis, he formulates the proposition that nature and society are a "natural-social material substance", while "the economy is a component part of the entire natural-social substance". The contradiction between nature and society in general is supposed to act "within the social economy, between nature, which essentially represents the object of labour and the work medium with respect to people, and the producers, who act upon it with the help of instruments of labour" (p. 60).

This thesis has its roots in the desire to avoid an analysis

¹ Karl Marx, *A Contribution to the Critique of Political Economy*, Moscow, 1970, p. 21.

of the interaction between the relations of production and the productive forces and of the antagonisms this contradiction breeds in bourgeois society. It boils down to a study of the interrelation between man and nature, a study of the technical and technological aspects of production and, at best, a study of the organisation of production. The main fault of the thesis according to which the contradiction between nature and society is the driving force of social development is its metaphysical and ultimately idealistic approach to the explanation of social development. To seek the driving force of that development outside of society is to seek the cause for its development not in the struggle of the opposites endemic in society, but in external factors, in external impulses, and is, in fact, a repetition of the mistakes committed by Bogdanov and Bukharin in their time, which were destructively criticised and condemned by Lenin.

According to Bogdanov's theory there is a definite eternal equilibrium between nature and society, an energy balance, which spontaneously determines both the interrelation between nature and society and the proportions within social production. This view was at the root also of Bukharin's theory of a spontaneously forming economic equilibrium, of his "drift" theory, advocating non-intervention by the Party and the socialist state in the economy. In its time it served as the theoretical foundation for the Right opportunist line opposing the industrialisation of the USSR and the collectivisation of agriculture. The theory asserted that industrialisation and collectivisation would disturb the internal equilibrium in the economy and thus lead to economic catastrophe. It was proposed to rely on the spontaneous action of economic laws, notably on the law of value (or the law of "labour expenditure"), which, it was said, would ultimately by itself, spontaneously re-establish the equilibrium in society and between nature and society.

The Communist Party of the Soviet Union rejected this faulty theory, which served as a justification for the Right opportunist restorative practices. It worked out a correct economic policy by relying on the Marxist-Leninist principles of social development, notably on the one stating that the main driving force of social development, including also the development of socialist society, were the internal con-

traditions of society, the contradictions between the productive forces and the relations of production. Industrialisation and collectivisation smashed the old spontaneously formed proportions, brought the relations of production into correspondence with the development of the productive forces, and at the same time unlocked the door for the further development of the productive forces and the improvement of the relations of production, for the progressive development of socialist society.

Lenin's thesis about the internal contradictions in socialist society and Lenin's criticism of Bukharin's position on that question served as the theoretical basis of that policy. Bukharin adopted Bogdanov's conception of an equilibrium between nature and society mechanically and denied that non-antagonistic contradictions existed in socialist society and were the source of its movement and development. Lenin opposed that thesis. In the place in Bukharin's book *The Economy of the Transition Period* stating that antagonisms and contradictions are endemic only in capitalism, Lenin wrote on the margin: "Extremely inaccurate. Antagonism and contradiction is by no means identical. The former will disappear, the latter will remain under socialism."¹

The practice of socialist construction in the USSR and other socialist countries has proved the correctness and viability of this Marxist-Leninist proposition. It helps the Marxist-Leninist Parties, heading socialist construction, opportunely to discover non-antagonistic contradictions in the socialist economy and to rectify them through the scientifically founded economic policy of the socialist state.

* * *

Ota Šik's revision of the basic methodological principles of Marxist-Leninist economic science, his slipping to positions of subjective sociology and idealism predetermined his revisionist views on the question of the regulator of production under socialism.

It will be remembered that when the Soviet state was still very young the Right opportunists insisted that the law of value was the spontaneous regulator of the proportions

¹ *Lenin Miscellany XI*, p. 357 (in Russian).

in the socialist economy and therefore opposed a policy restricting the market forces. In their programme of economic reconstruction the Right forces in Czechoslovakia relied essentially on this Right opportunist conception. In the book *Plan and Market Under Socialism* Ota Šik expounds the "theoretical" basis for this conception and defines concrete ways for the transformation of Czechoslovakia's socialist economy into an unrestricted market economy. The book "proves" consistently, step by step, that proportions in the national economy can be established only by the spontaneously operating market mechanism, that is, through the operation of the law of value. Pretending to criticise bureaucratic methods of economic management, he casts doubt on the objective need for centralised planned economic management by the socialist state and the Party. The fact that the Czechoslovak economy did not develop intensively after 1965 is essentially blamed on planned economic management, on the restriction of the spontaneous action of the law of value.

Running down socialist planning, Šik asserts that planning, since it is carried out by people, is always subjective. He believes that market relations based on the operation of the law of value are the only objective economic criterion for the correctness of plans. Ota Šik doubts the possibility of planned development not only in the socialist economy of Czechoslovakia, but also in the economies of other socialist countries.¹ In his view proportions in the national economy are fixed not as a result of the conscious use by the socialist state of the specific socialist law of planned, proportionate development and other laws of socialism, but as a result of the spontaneous action of the universal economic law of proportionality, operating in all economic formations. Similar views were once expressed by Bukharin and other Right opportunist theoreticians.

Šik ignores the specific economic laws of socialism, which objectively demand planning, and are consciously applied in the economic policy of the socialist state. Pretending to criticise Stalin's erroneous views, he denies that the economic law of planned, proportionate development operates under socialism. He asserts that planning was understood in a simplified way because it was interpreted as "something that

¹ See O. Šik, *Plan and Market Under Socialism*, p. 99.

must ensure only proportionate development", and that proportionate development itself was presented in a simplified way. The false interpretation of these concepts formed, in Šik's view, under the influence of "Stalin's formula of the so-called law of planned, proportionate development of the national economy".¹

Šik thinks that planning should rely not on the specific economic laws of socialism, but on the whole aggregate of so-called universal economic laws operating in all socio-economic formations, at all stages of the development of human society. In this connection he writes: "We must purposefully, systematically secure the taking into account notably of definite universal economic laws, which assert themselves to some degree or other at all stages of the development of social economy, under all socio-economic conditions. . . . Socialist economic activity should, first and foremost, secure their implementation."²

He names four such economic laws operating in all formations: the law of the development of use values, the law of proportionality, the law of the economy of time and the law of reproduction. The definitions of these laws are so general and banal that they fail to reveal the specific features of any social formation. For example, the general law of proportionality says that society has to produce various use values in a quantity necessary to satisfy its requirements.³ He tries to pass this truism off as an economic law discovered by him, as one expressing the eternal links and interrelationships of people's productive relations. Under capitalism that law operates through the medium of the law of value. "... We can, for example, say," Ota Šik writes, "that the action of the law of value is a form in which the general law of production development manifests itself in economic proportions under capitalism" (p. 235). Thus, Šik asserts that the law of proportionate development operates under capitalism in the form of the law of value.

However, it is not proportionate development that is endemic in capitalism but disproportions in the economy. Karl Marx criticised Proudhon in *The Poverty of Philosophy*

¹ Ibid.

² Ibid., pp. 99-100.

³ Ibid., p. 101.

for his attempt to transform the law of value under capitalism into the law of proportionality. Marx proved convincingly that the operation of the law of value leads to violent competition between individual enterprises and industries and that as a result "there is no ready-made constituted 'proportional relation', but only a constituting movement". Under capitalism "measure by time, called by M. Proudhon the 'law of proportion', becomes transformed into a law of *disproportion*".¹ The dream of establishing proportionality on the basis of the law of value is nothing but the eternal dream "of an honest man who would like commodities to be produced in proportions which would permit of their being sold at an honest price. In all ages good-natured bourgeois and philanthropic economists have taken pleasure in expressing this innocent wish."²

However, as Marx wrote back in 1847, i.e., over a century ago, even then that dream of the petty-bourgeois had become unfulfillable, since with the advent of large-scale industry the operation of the law of value infallibly led to cyclic disproportional development and to economic crises of overproduction, and progress in the development of the productive forces could be obtained only at that price. In this connection Marx exclaimed:

"Fuit Troja. This true proportion between supply and demand, which is beginning once more to be the object of so many wishes, ceased long ago to exist. It has passed into the stage of senility. It was possible only at a time when the means of production were limited, when the movement of exchange took place within very restricted bounds. With the birth of large-scale industry this true proportion had to come to an end, and production is inevitably compelled to pass in continuous succession through vicissitudes of prosperity, depression, crisis, stagnation, renewed prosperity, and so on.

*"Those who, like Sismondi, wish to return to the true proportion of production, while preserving the present basis of society, are reactionary, since, to be consistent, they must also wish to bring back all the other conditions of industry of former times."*³

¹ Karl Marx, *The Poverty of Philosophy*, Moscow, 1959, p. 65.

² *Ibid.*, p. 67.

³ *Ibid.* p. 75. (Emphasis mine.—I.M.)

Everything Marx said about Proudhon and Sismondi relates fully also to Ota Šik. Moreover, we know that Šik and his followers, "to be consistent", endeavoured to restore conditions in the industry of socialist Czechoslovakia characteristic of the epoch of untrammelled competition, which can be seen from their demand to denationalise the public, socialist property in industry, the demand to pass the ownership of the means of production to producers' collectives.

Although Ota Šik mentions that commodity-money relations under capitalism differ from those under socialism, he sees no difference essentially between them and even gives identical reasons for their emergence both under socialism and under capitalism.

Ota Šik maintains that the existence of commodity production under capitalism and under socialism has common roots, which are deeper than Marx was able to realise, because he believed that it was due solely to the contradiction between private and social labour. Actually, Ota Šik asserts, the contradiction between private and social labour "is only a definite historical form in which this most hidden contradiction is expressed". This contradiction is endemic in the very process by which people appropriate the products of nature and is evoked, first and foremost, by the division of labour, which is the basis both of socialist and capitalist commodity production. Ota Šik writes: "As we noted, private and socialist commodity-money relations have definite common basic roots. Labour is expended in dissociated group co-operatives in conditions of an advanced division of labour. . . . This is social labour, but because of the existence of definite mutually contradictory partial interests there can be no guarantee that it will always be socially necessary labour."¹ Šik believes that it is impossible to abolish these contradictions by planned management; they can be abolished only through the "consistent utilisation of market relations, which help to transcend the contradiction between concrete and socially necessary labour and which will economically compel enter-

¹ O. Šik, *Plan and Market Under Socialism*, p. 204.

prises consistently to expend labour in accordance with the socially necessary labour".¹

Šik repeatedly emphasises that no plan is able to secure proportionality directly from a single centre, that this can be achieved only indirectly. "In our society," we read, "the development of the productive forces *cannot be directly guided by a single central social agency...*" It can only "realise the need for definite economic links between economic processes" and "by means of planned management of these economic processes *indirectly* guide also the development of the productive forces".²

In Šik's view the economic processes directing the development of the productive forces and determining the proportions in socialist society are first and foremost market relations. In the end Šik arrives at the conclusion that the law of value is the regulator of production, but since he is reluctant about saying this in so many words, he formulates his conclusion as follows: "Thus, there is no simple answer to the question of whether the law of value is the regulator of proportions or not."³

Šik criticises those who hold a negative view of the "regulating role of the law of value", of the "self-regulating mechanism", and explains that "we have to do with an objectively necessary process ensuring the long-term co-ordination in the development of use value and value in conditions when the development of these two aspects of social production (the production of value and use value of commodities—*I.M.*) cannot be preliminarily co-ordinated by society in a planned way".⁴ He holds that the plan has a secondary role to play in this—that of "foreseeing" and not of "forming" future proportions. Such foresight should take the influence of demand and of prices into account and the latter should correspond to the value of commodities as disclosed by the demand for them: "This, in fact, is the planned consideration of the law of value in ensuring the establishment of the basic production proportions over a long period of time" and for this reason, Šik writes, "there is no sense at all in bandying words over whether

¹ O. Šik, *Plan and Market Under Socialism*, p. 206.

² *Ibid.*, p. 110.

³ *Ibid.*, p. 212.

⁴ *Ibid.*, pp. 212-213.

this means a recognition or non-recognition of the regulating role of the law of value with respect to the establishment of the basic proportions in socialist production.”¹

Socialist political economy has never denied that the law of value should be used under socialism for the planned establishment of the necessary proportions in production, but this does not mean that planning should only passively take account of the law of value and “project” future proportions in keeping with the operation of that law. This, however, is precisely how Šik sees the relation between “plan” and “market”.

The report of the Presidium of the CC CPC at the January (1970) Plenary Meeting of the CC CPC noted that the Rights, headed by Ota Šik, had deviated from the Communist Party’s line providing for a dialectical combination of a planned and a market economy, with the leading role belonging to the former, that they had greatly extended the function of the market as the regulator of the proportions in economic development, while constantly pushing the plan into the background so that it had finally become no more than a document containing non-committal information and projections.

The implementation of Šik’s conception of the market as the regulator of socialist production disorganised the mechanism for the centralised planned management of the national economy. The branch ministries stopped managing enterprises and general directorates too lost their control function. The enterprises refused to consider the national economic plan even as a non-obligatory target. Lack of control in price formation released inflationary processes. All this brought a sharp drop in industrial output.

An analysis of the grim consequences of the practical implementation of Šik’s theories was given by Czechoslovakia’s Marxists soon after the revisionist leaders and their patrons had been ousted from the leadership of the Party and the country. In September 1969, L. Šupka, the head of the economic department of the CC CPC, said in an interview to the *Tribuna* newspaper: “Views about the economic role of the market and categories connected with it turned out to be the weakest link in the so-called

¹ *Ibid.*, p. 215.

Czechoslovak version of the economic development model. Its authors only emphasised the importance of a market equilibrium and drew their views on it from the different stages of capitalist development. They were unable to propose a concrete mechanism for economic management. Instead of establishing an equilibrium on the domestic market, Šik's recipes made its establishment extremely unlikely. . . . The illusion that the independence of enterprises, free price formation, a foreign loan and uncontrolled foreign trade could secure an equilibrium on the market and make the koruna convertible suffered fiasco."¹

The January (1970) Plenary Meeting of the CC CPC condemned the anti-socialist practices of the Right forces aimed at unleashing the free interplay of market forces in Czechoslovakia's economy and decisively emphasised the need for a restoration of "the role of the national economic plan as the basic instrument for the single purposive management of economic processes". At the same time the decisions of the Plenary Meeting stressed that commodity-money relations should be used according to plan and that the system of instruments based on the use of socialist commodity-money relations (prices, interest, credit, etc.) should be developed, in accordance with the plan, in order to channel the initiative of productive-economic units and enterprises at the effective satisfaction of social requirements. The decisions also demanded that the principle of making collectives and individuals materially interested in production development should be correctly applied.²

**ŠIK ON THE PRODUCTIVE FORCES,
RELATIONS OF PRODUCTION
AND THE SUBJECT-MATTER
OF POLITICAL ECONOMY**

Marx, Engels and Lenin never regarded the method they had evolved for the study of social phenomena, let alone the conclusions obtained during their research by that method as complete and eternally relevant. Lenin wrote:

¹ *Tribuna*, No. 36, 1969.

² *Rudé právo*, February 2, 1970.

“We do not regard Marx’s theory as something completed and inviolable; on the contrary, we are convinced that it has only laid the foundation stone of the science which socialists *must* develop in all directions if they wish to keep pace with life.”¹

Lenin obviously had in mind a development of Marxism reflecting above all the development of life itself and not scholastic exercises, new combinations and reshufflings, the construction of “new” systems consisting of previously discovered categories and laws.

If newly disclosed categories and laws are correct generalisations of new processes really taking place in society, their discovery should be regarded as a genuine contribution to Marxism. For example, the development of capitalism evolved new economic phenomena. The concentration and centralisation of capital led to the emergence of monopolies, changed the role of the banks, brought finance capital into being, formed a “surplus” of capital in the developed countries and evolved the export of capital. The domination of the monopolies led to the economic division of the world between monopoly associations and later to the territorial division of the world, which unleashed the struggle for its redivision between the imperialist powers. These new features of the capitalist economy were generalised by Lenin, who convincingly proved that imperialism is the highest and final stage of development in the capitalist socio-economic formation. This was a truly scientific and creative development of Marxism. Lenin, however, did this without destroying a single basic element of the Marxist teaching, on the contrary, he did it on the basis of that teaching, which he used for the study of the capitalist relations of production at the turn of the century. Only on that basis was Lenin able to create his theory of imperialism.

After Lenin’s death other Marxists developed his teaching on the general crisis of capitalism as the crisis of this socio-economic formation as a whole. In order to develop the theory of the general crisis of capitalism, modern Marxists did not find it necessary to discard such basic “traditionally habitual” propositions of the Marxist teaching as the theory of socio-economic formations, of the productive

¹ V. I. Lenin, *Collected Works*, Vol. 4, pp. 211-212.

forces and the relations of production in their interrelationship, of property, and of the relation between production, distribution, exchange and consumption. The same can be said also about the political economy of socialism. The foundation for that teaching was laid by Lenin. After his death, other Marxists developed the teaching about the categories and laws of the political economy of socialism, relying on Lenin's legacy. Modern Marxists develop Marxism creatively and in so doing do not reject the views of the founders of Marxism-Leninism on the basic categories and laws of social development, but, on the contrary, use them as their building bricks.

Ota Šik does not analyse in his works new phenomena in the economy of capitalism or socialism. His book *Economics, Interests, Politics* contains no generalisations of new facts or statistical data. It attempts to "concretise" the concepts themselves, to revise "traditionally habitual" categories, and to reshuffle the whole system of economic categories and laws. His reshuffling does not reflect the development of the objective world. His revision of logical categories and laws is evoked not by real changes in the existing relations of production, but is an attempt to revise the "traditionally habitual" Marxist system of relations of production and artificially to evolve a new system of economic relations, new concepts of economic categories and laws.

Šik begins his book with a revision of the category "economy". He seems to have considered that not a single one of such Marxist concepts as "socio-economic formation", "mode of production", "economic basis" really explains the concept "economy", and he therefore tries to give his own definition of that phenomenon. "... The category 'economy,'" he writes, "should be understood as the economy of the entire, more or less *closed, producing-consuming social organism...*" (p. 54). In another place Ota Šik writes: "... The economy is a component part of the entire natural-social substance..." (p. 60. Emphasis mine.—*I.M.*). As we see, Šik defines the category "economy" by economy. The author fails to explain what exactly his concept "economy" is supposed to mean. The concept "producing-consuming organism" is also not explained, nor does his identification of economy with economy (in the sense of the German word *Wirtschaft*) give us a clue. In his attempt to use Marx's

authority to bolster up his theories, Šik gives a quotation from the Introduction to *A Critique of Political Economy*: "When we regard some country from the viewpoint of political economy, we begin with its population, its division into classes, the distribution of the population between towns, villages and marine trades, between the various production branches, with its exports and imports, yearly production and consumption, commodity prices, etc." Did Marx really believe that all the enumerated phenomena characterise the country's economy and did he include them in his definition of economy? Šik does not deal with that aspect of the question. Yet, when Marx enumerated all the above elements, he emphasised that it was not this that should be the subject of politico-economic research: "It would seem correct to begin with the real and the concrete, with truly existing prerequisites, hence, in political economy, for example, with the population which is the basis and the subject of the entire social production process. *However, a closer look shows that this would be wrong.*"¹ And further on: "Thus, if I were to begin with the population, this would give a chaotic picture of the whole. . . ."² Our view of the aggregate would be no less chaotic if we were to characterise the economy of some country or some industry with the help, for example, of the following definition given by Ota Šik: ". . . The aggregate of all concrete, constantly changing kinds of economic activity in their interrelation with all the material wealth and natural resources being created and moved, as well as the economic relations between people emerging under the given circumstances, form the concrete economy of a definite social complex" (p. 51).

Finally, a definition of the economy that includes the social consciousness into the economy, is contradictory to Marxism. The social economy, Ota Šik writes, is part of the "natural-social substance" which includes "part of nature people directly transform in the process of production and . . . part of the social being and consciousness. . ." (p. 60). Thus, Ota Šik's definition of the economy includes social consciousness, even if only in part.

¹ K. Marx, *Grundrisse der Kritik der politischen Ökonomie*, Band I, Moskau, 1939, S. 21. (Emphasis mine.—I.M.).

² *Ibid.*

All these definitions of the economy are an eclectic combination of different concepts of the economy borrowed from bourgeois economists, concepts which were criticised already by Marx. Šik's definitions of the economy are not based on the Marxist-Leninist teaching on socio-economic formations, the mode of production and the economic basis. Economic processes and relations are interpreted in a very embracive manner. They include technical and technological factors, phenomena of the human psychology and volitional relations. The concrete formula saying that the economic basis—the aggregate of relations of production, corresponding to a definite stage in the development of the productive forces—forms the basis of society, and that the ideological, juridical and political superstructure corresponding to it rises on that basis, is replaced by Ota Šik by a hazy formula of a “closed producing-consuming organism”, of a “natural-social substance”, which also includes social consciousness. Ota Šik's definition of the economic formation excludes what is most important—the source of social development, that is, the interrelation and interdependence of the productive forces and the relations of production, and makes no mention of the social revolution as the method by which the conflict between them is resolved in antagonistic formations.

Let us recall shortly how Lenin regarded talk about society “in general”: “. . . From the standpoint of the old (not old for Russia) economists and sociologists, the concept of the economic formation of society is entirely superfluous: they talk of society in general, they argue with the Spencers about the nature of society in general, about the aim and essence of society in general, and so forth.”¹ Lenin noted that subjective sociology was confusing the definitions of society because it rejected the Marxist teaching about socio-economic formations and that only “the analysis of material social relations at once made it possible to observe recurrence and regularity and to generalise the systems of the various countries in the single fundamental concept: *social formation*”.² Lenin emphasises that this is “the only scientific understanding of history” and quotes the well-known defini-

¹ V. I. Lenin, *Collected Works*, Vol. 1, p. 137.

² *Ibid.*, p. 140.

tion of the socio-economic formation given by Karl Marx: "In the social production of their existence, men inevitably enter into definite relations, which are independent of their will, namely relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness."¹ After that he formulates the general law of the development of social formations—the law of the correspondence of the relations of production to the nature of the productive forces.

As we see, there is nothing new in Šik's definitions. They only repeat old bourgeois interpretations of the concept "economy". Alongside with these bourgeois definitions we have also Marxist formulations of some of the aspects characterising the concepts "economy" and "socio-economic formation". In short, we have to do with an attempt to mask revisionism by a use of Marxist terminology.

Šik also deviates from Marxism in the interpretation of the *productive forces* and the *relations of production*.

Šik admits that production has two aspects, but he wrongly describes them as the technological and the economic aspects. He interprets the first as "the technological mode of creating use values" and thus reduces the productive forces to equipment, to the technology of production. He confines the economic aspect of production to the relations by which material values move from the sphere of production to the sphere of consumption. "... Since all produced material values," Šik writes, "can move from the sphere of production to the sphere of consumption only through the medium of definite economic relations, hence, production should be regarded not simply as a definite labour and technological process, but as social production, that is, production developing in the presence of definite economic relations, which evoke and determine consumption, its method and motives" (p. 69).

We cannot agree with that definition. Production is social not only because its products must pass through the

¹ Karl Marx, *A Contribution to the Critique of Political Economy*, Moscow, 1970, p. 20.

sphere of exchange and distribution to reach the sphere of consumption. Production must assume a definite social form. Attempts to describe production as a natural exchange between man and nature, which is taking place irrespective of the social form of production, have always been characteristic of bourgeois economists who endeavour to slur over the differences between socio-economic formations.

Production has a social character not because the produced material values can move from the sphere of production to the sphere of consumption only through the medium of definite economic relations, by which the author in the given case understands relations of distribution and exchange, but because "all production is an appropriation by the individual of articles of nature within the framework of definite social forms and through their instrumentality".¹ Ota Šik, as we shall further show, purges the social form of production from political economy or, in other words, the form of ownership of the means of production by means of which people enter into relations with each other in carrying on production.

The failure to regard production as a social process leads him to an anti-Marxist interpretation of the category "productive forces". Ota Šik does not admit that the productive forces are of a social nature. In his view the productive forces are nothing but the technical aspect of production. "... If we should abstract ourselves from the economic relations," he writes, "under which production develops, there will remain only its technical aspect, that is, the activity of people possessing definite productive skills, experience and knowledge, which, through the medium of definite instruments of labour, act upon the object of labour and create use values" (p. 69). And further on: "Substantial changes in the technical aspect of production sooner or later lead also to qualitative changes in the economic relations" (p. 71). Hence, in his interpretation the aspect of social production that constitutes the productive forces of society is reduced to the "technological aspect" of social production.

Such a reduction of the productive forces to the techno-

¹ K. Marx, *Grundrisse* . . . , S. 9.

logical aspect of production was repeatedly criticised by Lenin.

Bukharin's and Bogdanov's theory of economic science was also based on the wrong premise that the productive forces are nothing but the technological aspect of production. Bukharin wrote: "... By the productive forces Marx apparently understood the material and *personal* elements of production, and, *accordingly*, the categories of the productive forces are *not* economic *but* technological categories." Lenin decisively opposed that view and made the following note opposite that statement: "In fact, there is no 'accordance' at all, for 'personal' (an unprecise term) is not 'technological'."¹

If it were possible to reduce the productive forces to equipment, to technology, and the relations of production to man's organisation of that equipment, we should be unable to discern between, for example, the economic system in the developed capitalist countries and that in the developed socialist countries. Moreover, we should have to draw the conclusion that the economic system, for example, in a country like the USA, represents a higher stage of social development than the economic system of some socialist countries.

Ota Šik's interpretation of the concept "productive forces" is also artificial and ambiguous. He feels that the discussion about the content of the category "productive forces", which was carried on in Marxist literature several years ago was a sheer waste of time. It will be remembered that economists and philosophers arrived during that discussion at the unanimous conclusion that the objects of labour are part of the content of the category "productive forces". Ota Šik sides with the viewpoint rejected during that discussion. He subdivides the productive forces into two categories: (1) the productive forces of social labour and (2) the universal productive forces. In the "productive forces of social labour" he includes only the objects of labour which have undergone previous processing, i.e., those that are the result of past social labour. They constitute what he calls an "abstraction from the forces of nature". The "productive forces of social labour" are a component part of the

¹ *Lenin Miscellany X*, p. 37 (in Russian).

“universal productive forces” which include “all matter and all the forces of nature used by people for the production of material values” (p. 74). In his further references to the productive forces he has in mind “the productive forces of social labour”, which he characterises as the technological aspect of production. It is precisely the development of the technological side of production that leads, in Ota Šik’s view, to qualitative changes in economic relations. He particularly insists that “the essence of this process is a technical relation between the direct producers and the means of production”. Such an interpretation, he believes, makes it possible “to give a truly scientific explanation of the changes and development of *economic relations*” (p. 78. Emphasis mine.—*I.M.*). This interpretation of the productive forces, which excludes the main productive force—people with their productive skills—has been reproduced by Ota Šik in one of his most recent works, published in Switzerland under the title *Democratic Socialism*. In that book he also speaks of the “alienation of people from the productive forces”.

Šik also seeks to amend the Marxist understanding of the *relations of production*. He rarely uses the term “relations of production”, preferring the term “economic relations”. However, what does he understand by them? Here is his definition: “Relations, involved in all kinds of economic activity carried on by people (in production, exchange and the distribution of use values, which ultimately ends in consumption), are what we call *economic relations*” (p. 55). In another place the definition of economic relations is given more concretely as follows: “. . . We have to do with a great abstraction, with disclosing the most *general* processes that comprise the most general essence of all economic relations at all stages of social development. They are: *the co-operation and division of labour, the distribution of the means of production, the exchange of activity among people, and the distribution of articles of consumption*” (p. 89).

What is wrong with these definitions? Firstly, the relations of production are reduced only to the co-operation and division of labour. He excludes from the relations of production the relations of people arising in the process of production with respect to the means of production, that is, excludes relations of ownership of the means of production. He includes the latter in the relations of distribution and

considers the means of production in connection with the distribution of material values. However, as we shall see, the distribution of the means of production is considered by Šik not in the social aspect, not as a distribution of means of production between social groups or classes, but as a distribution called forth by production technique and production technology. Moreover, he condemns economists who "include some specific forms of ownership in the economic relations" (p. 293). Further in the book we shall show the erroneousness of that view in greater detail, and also the political consequences the adherence to that view had for Ota Šik.

Secondly, the above definitions of the relations of production show that Šik holds a simplified view of the interdependence between production, exchange, distribution and consumption and sees only the superficial relations between these processes. In his view, production creates articles of consumption, exchange distributes them, and the whole process ends with the consumption of the produced articles. However, this is an extremely simplified view of the interrelations of such important categories of Marxist political economy as production, distribution, exchange and consumption. Referring to such a primitive view of the relations between these different spheres of the relations of production Marx said the following: "This, naturally, is a superficial connection" and then went on to reveal the really existing deep interrelations between the various aspects of the relations of production, emphasising the primacy of production over all other aspects of the relations of production.

A simplified interpretation of the links between the various aspects of the relations of production made, as we shall further see, Ota Šik attempt to "revise" the entire system of the relations of production and, notably, led him to deny the primacy of production, and create his own system of relations of production, very different from the one "traditionally habitual" in Marxism.

In Ota Šik's book *Economics, Interests, Politics* we do not find a characteristic of any historically definite mode of production as a unity of the productive forces and the relations of production. He artificially broke up the relations of production of all pre-socialist modes of production into single elements: "co-operation and division of labour",

“distribution of the means of production”, “exchange of activity” and “distribution of the articles of consumption”. After that he attempted no less artificially to unite all these elements of the relations of production, typical of the different economic formations, into special sections under the headings Division of Labour, Distribution, Exchange, etc. He, thus, used the “through-method” to look at every one of these elements, at its manifestations at the different historical stages of social development. In so doing he believes that he has adhered to the Marxist principle of the unity of the historical and the logical. In this connection he writes the following: “An analysis has been made on the basis of the Marxist method of the historical and the logical, which has helped *to reveal general concepts and categories*. Special attention should be given to the fact that they reflect the most essential economic links endemic in the process of social development” (p. 40. *Emphasis mine.—I.M.*). Thus, we see that Šik’s intention was to deduce “general concepts and categories”, endemic in social development in general.

In our opinion this method is at fault notably because it mechanically dissects the “live organism” of the socio-economic formation into “component” parts, and then unites them, no less mechanically and arbitrarily, and then tries to deduce on that basis *general laws* supposed to apply to all epochs and all countries.

The founders of Marxism-Leninism condemned that method and Ota Šik must have known it, for he often quotes *The Poverty of Philosophy* and *Anti-Dühring* and *What the “Friends of the People” Are and How They Fight the Social-Democrats*. Lenin always emphasised that, in contradistinction to metaphysics, dialectical materialism regards society as an organic unity of all its elements. Society, Lenin said, should be regarded “as a living organism in a state of constant development (and not as something mechanically concatenated and therefore permitting all sorts of arbitrary combinations of separate social elements), an organism the study of which requires an objective analysis of the production relations that constitute the given social formation and an investigation of its laws of functioning and development”.¹ This was emphasised also by Marx in

¹ V. I. Lenin, *Collected Works*, Vol. 1, p. 165.

his criticism of Proudhon: "The production relations of every society form a whole,"¹ and further: "In constructing the edifice of an ideological system by means of the categories of political economy, the limbs of the social system are dislocated. The different limbs of society are converted into so many separate societies, following one upon the other. How, indeed, could the single logical formula of movement, of sequence, of time, explain the structure of society, in which all relations coexist simultaneously and support one another?"²

A metaphysical approach to a study of the relations of production has neither theoretical nor practical value. Of what good, for example, is a "through" analysis of the relations of distribution or exchange if it ignores the relations of the ownership of the means of production, that is, those specific only of the given stage of social development?

Ota Šik did not analyse the really existing relations of production and their laws. Criticising the Narodnik Mikhailovsky, Lenin said: "... He presented us with a utopia contrived by senselessly plucking individual elements from various social formations..."³ These words can be applied to Ota Šik with no less relevance.

Ota Šik believes that he has depicted "economic processes as mutually influenced and mutually conditioned" (p. 209). In our view the method for the research of the relations of production used by Ota Šik can be used only for what Šik calls "breaking the chain of their mutual influence and mutual mediacy".

On the other hand, that method has helped to reveal the "eternity", the constant repetition of definite relations throughout the history of mankind, notably of the relations involved in the exchange of commodities. It can hardly be considered accidental that Ota Šik refers to commodity production under socialism to illustrate his thesis. He assumes that commodity relations are governed not by historical, but by "constantly existing" causal relationships. Since we have to do with phenomena observed in all social formations, these "constantly existing causes" naturally evoke

¹ Karl Marx, *The Poverty of Philosophy*, Moscow, 1959, p. 110.

² *Ibid.*, pp. 123-124.

³ V. I. Lenin, *Collected Works*, Vol. 1, p. 190.

commodity relations not only in pre-socialist formations, but also under socialism. As we saw above, Ota Šik includes the division of labour, separating producers from each other, into these general, constantly existing causes.

In accordance with the interpretation of the productive forces and the relations of production given above, Ota Šik "amends" also the Marxist definition of the *subject-matter of political economy*.

Lenin repeatedly spoke about the subject-matter of political economy and emphasised that political economy is a social science studying first and foremost the social relations of production and not production in general. In his review of Bogdanov's book *A Short Course of Economic Science* Lenin said: "From the outset the author gives a clear-cut and precise definition of political economy as 'the science that studies the social relations of production and distribution in their development' (3), and he never deviates from this point of view, one that is often but poorly understood by learned professors of political economy who lapse from 'the social relations of production' to production in general and fill their ponderous courses with a pile of empty banalities and examples that have nothing to do with social science."¹ In defining the subject-matter of political economy Ota Šik slips to the positions of the bourgeois economists criticised by Lenin.

Firstly, he includes into the subject-matter of political economy categories relating to the labour process in general, namely, labour and technological processes; secondly, looking on the production process as a purely labour and technological process, he excludes the main thing from the relations of production, the thing that determines the social aspect of the production process—the ownership of the means of production—and thus reduces the relations of production to relations of distribution, exchange and consumption.

Ota Šik alleges that "political economy can and does analyse the nature of the development of the given concrete economy not in general, but only in connection with an understanding of the internal, determinant content of the economic relations, *that is, of the labour and technological processes proper*" (p. 56. Emphasis mine.—I.M.).

¹ V. I. Lenin, *Collected Works*, Vol. 4, p. 46.

Marx and Lenin never identified economic relations with labour and technological processes, let alone included "labour and technological processes proper" into the subject-matter of political economy. They always protested against an inclusion of the technique and technology of production into the subject-matter of political economy. Marx emphasised that political economy is not technology. Lenin, accusing Sismondi of an unscientific understanding of the subject-matter of political economy noted that the inclusion into its subject-matter of categories relating to the labour process in general is used to obscure historically definite social forms of economic activity and for transforming political economy into an extra-historical science. He wrote: "Its subject is not by any means 'the production of material values', as is often claimed (that is the subject of technology), but the social relations between men in production. Only by interpreting 'production' in the former sense can one separate 'distribution' from it, and when that is done, *the 'department' of production does not contain the categories of historically determined forms of social economy, but categories that relate to the labour process in general: usually, such empty banalities merely serve later to obscure historical and social conditions.*"¹ It is this obscuring of the historical and social conditions that is typical of Ota Šik. Ignoring the basic relations of production—the relations of the ownership of the means of production—he thereby ignores "*historically determined forms of social economy*". Thus, he transforms political economy into a set of categories and rules suitable for *all* historical epochs and countries.

Šik ignores specific economic laws. Even when he considers the specific features of the socialist economy and commodity-money relations under socialism, he deduces them from the universal economic laws and not from the specific economic laws of socialism.

Ota Šik expounds his views on the productive forces, relations of production and the subject of political economy in a very involved way and claims to have made a creative contribution to the development of Marxism.

Ota Šik insists on accuracy and clarity in the formulation of the basic categories but his book abounds in simplifica-

¹ Ibid., Vol. 2, p. 202.

tions and vulgar formulas. Let us look for example at the following: "... First to be realised in the process of production are the productive forces of society, which are transformed into products, into material wealth" (p. 84).

The Russian revisionist P. Struve once claimed to be a champion of "precise concepts" and "clear distinctions". Like Šik, he criticised Marxist "traditionally habitual" concepts under that pretext. As we see, all this culminated in scholastic phrase-mongering and revisionism. Lenin characterised Struve's attempts at criticism as follows: "... the 'strict evolution of precise concepts and clear distinctions'. The familiar motive of the celebrated 'criticism', which so often amounts to nothing more than verbal scholasticism. . . ." ¹ The same applies to Ota Šik. Under the pretext of making formulations "more precise" Šik introduces in most cases "amendments" distorting the content. This can be seen particularly clearly from his treatment of the system of economic relations and economic laws, notably of the problem of ownership.

ŠIK'S REVISIONIST INTERPRETATION OF THE RELATIONSHIP BETWEEN PRODUCTION, DISTRIBUTION, EXCHANGE AND CONSUMPTION

In his characteristic of the relations of production Marx pointed out that they are social relations forming between people in connection with production. He emphasised that the relations of the ownership of the means of production are basic in the system of the production relations. In this connection he said: "Definite production thus determines definite consumption and hence definite distribution, definite exchange and *definite relations between these different aspects towards one another.*" ²

The form of ownership of the means of production in which the process of production takes place is the basis of all the other aspects of the relations of production—distribution, exchange (circulation) and consumption. On the one

¹ V. I. Lenin, *Collected Works*, Vol. 20, pp. 190-191.

² Karl Marx, *Grundrisse der Kritik der politischen Ökonomie*, Band I, Moskau, 1939, S. 20.

hand, distribution, exchange and consumption are necessary elements of social production and form part of it, on the other hand, however, every one of these elements acts independently. Production dominates all of them. For example, distribution is part of production since it is an element preceding it, and there must be a definite distribution of the means of production and labour among people if there is to be social production. At the same time, however, distribution of the finished product can become an independent resultant relation, an intermediate link between production and consumption. Marx therefore concludes: "Exchange and consumption cannot be of dominant importance—that much is clear. The same applies to distribution and to distribution of products. In its capacity of distributing the factors of production, it is an aspect of production itself."¹ Marx concludes that "production dominates, both over itself in the contradictory definition of production, as well as over the other elements".² This interrelation between production, distribution, exchange and consumption determines the whole system of the relations of production. Ownership of the means of production—the main relation of production—predetermines the nature of distribution, exchange and consumption.

In his criticism of Proudhon, Marx noted that a complete and comprehensive characteristic of ownership can be given only if an analysis is made of the entire aggregate of the relations of production of a given mode of production: the relations of production, distribution, exchange and consumption. At the same time Marx considered the relation of the ownership of the means of production the basic relation of production, the main social condition of production.

Private capitalist ownership of the means of production, for example, forms the basis of capitalist relations of production. The entire aggregate of the relations of production of bourgeois society rests on it and falls with it. For this reason the question of ownership of the means of production is the main question of the proletarian revolution. The building, development and improvement of the new, socialist relations of production begin with the establish-

¹ *Ibid.*

² *Ibid.*

ment of public ownership of the means of production. That is why we believe Ota Šik to be wrong in studying the relations of distribution, exchange and consumption in isolation from the basic relation of production, the basic condition of production, from the form of ownership of the means of production dominant in a given society.

Since Šik denies that the category "ownership of the means of production" is important in itself, he fails to regard the relations of ownership as dominant in production, as relations determining distribution, exchange and consumption, and thus deviates from the Marxist principle of the primacy of production over distribution. Denial of the primacy of production in the system of the relations of production has always been typical of bourgeois political economy, including also the Social-Democratic theoreticians.

According to Ota Šik the specific features of a mode of production are determined not by the domination of the form of ownership of the means of production, but by the form of distribution of the means of production preceding it. He writes: "... If we say that there exists definite private production, this means that that given form of production must be preceded by a definite distribution process, as a result of which the means of production are distributed in a way ... that, on the one hand, there will be owners of the means of production and, on the other, people not possessing them..." (p. 288). In this connection he considers that the task "of Marxist political economy consists precisely in explaining the emergence of the initial process of distribution and exchange, in explaining its cause and manner of its development..." (p. 288). To prove this view he refers to Marx's proposition that the distribution of the means of production preceding production forms its prerequisite.¹ But in so doing he only proves once again that he interprets Marx arbitrarily and that this interpretation distorts Marx's views. It should be realised that a few lines below the above quoted passage, Marx wrote: "... It would seem that it is not distribution that is organised and determined by production, but, vice versa, production organises and determines distribution."²

¹ See Karl Marx, *Grundrisse*... , S. 16-17.

² *Ibid.*, S. 17.

Distribution itself is but one of the elements of the functioning of production. Before output is distributed, it must be produced, and this makes it necessary for the means of production and the producers to be correspondingly distributed, but this distribution, as Marx points out, "is from the very beginning an element of production". Marx writes in that connection: "The structure of distribution is fully determined by the structure of production. Distribution itself is a product of production—not only as regards the product being distributed, for it is only the products of production that can be distributed, but also as regards its form, for a definite mode of participation in production determines specific forms of distribution, the forms in which people participate in distribution."¹

Continuing his polemic against champions of the primacy of distribution over production, who argued that the distribution of the means of production had preceded production, Marx criticised the primitive view that new economic relations emerged as a result of plunder and violence. "However, for robbery to be possible, there must be something that can be robbed. And the mode of robbery itself is once again determined by the mode of production. For example, some stock-jobbing nation cannot be robbed in the same mode as a pastoral nation."² Marx considers various historical cases of the emergence of a new mode of production as a result of a policy of conquest and emphasises that even in those cases the new distribution conditions emerged as a result of the development of production itself, and, having once emerged, were reproduced by that same process of production. He wrote: "In all cases it was precisely the mode of production, be it of the victors or of the vanquished, or one that emerged as a fusion of both, that determines the new distribution being established. Even though the latter acts as a prerequisite for the new production period, it is itself also a product of production—and not of an historical period in general, but of a definite historical production."³

The anti-Marxist view on the primacy of distribution over production is expressed by Ota Šik particularly clearly

¹ *Ibid.*, S. 16.

² *Ibid.*, S. 19.

³ *Ibid.*, S. 18-19.

when he looks at the emergence of private ownership. He considers that the reason for its emergence are not changes in the social relations of production, but changes in the distribution process: "No ownership relation of private persons with respect to the means of production could—apart from exceptions which do not prove anything—emerge other than through the medium of distribution processes and only thanks to these processes could the corresponding persons become private owners. The specific features of distribution processes determine also the specific features of the owners themselves, and not vice versa" (pp. 304-305. Emphasis mine.—I.M.). To substantiate this proposition Ota Šik quotes from *Anti-Dühring*, where Frederick Engels writes precisely of the opposite, namely, that, "wherever private property evolved it was the result of altered relations of production and exchange, in the interest of increased production and in furtherance of intercourse—hence as a result of economic causes".¹ Engels notes that before the means of production can be distributed they must be produced. Engels wrote about the primacy of production over distribution the following: "... Distribution, in its decisive features, is always the necessary result of the production and exchange relations of a particular society, as well as of the historical conditions in which this society arose ... when we know these relations and conditions, we can confidently infer the mode of distribution which prevails in this society."²

As we have seen, Ota Šik holds entirely different views on that matter. He believes it methodologically wrong to deduce forms of the exchange of activity from the dominant form of ownership of the means of production. In the book *Plan and Market Under Socialism* Ota Šik makes a "step forward" in his revision of Marxism as compared with his *Economics, Interests, Politics*. In the latter he did not openly come out in favour of the primacy of circulation over production, even though, as we have shown, his entire approach to the system of the relations of production was based on the primacy of distribution and circulation over production. In the book *Plan and Market Under Socialism*, however,

¹ Frederick Engels, *Anti-Dühring*, Moscow, 1962, p. 224. (Emphasis mine.—I.M.)

² *Ibid.*, p. 212.

he frankly defends the primacy of distribution over production.

Criticising the "distributive theory", which explains the existence of commodity relations under socialism only by the need for the distribution of the created products of labour, Ota Šik notes that even though Stalin criticised that theory, he approached that criticism from erroneous methodological positions. Šik objects to Stalin's main argument, namely, that distribution cannot determine the nature of the exchange, that the mode of distribution is determined only by the form of ownership. He says that Stalin's criticism of the "distributive theory" was one-sided, based on a wrong understanding of ownership, since "Stalin postulated the primacy of production without taking the internal dialectical interrelations of the separate phases of the reproduction process into account".¹ In arguing against the basic Marxist thesis about the primacy of production over circulation, Ota Šik thereby demonstrates that he belongs to the revisionist camp since the primacy of circulation over production has always been the basic methodological principle of all revisionists.

Ota Šik maintains that the question about the relations of ownership of the means of production is fully exhausted by the consideration of the relations of distribution and, in particular, the distribution of the means of production. He writes, for example, that "there is no appropriation outside the distribution and exchange of the means of production" (p. 287). Maybe, however, he speaks of the distribution of the means of production and actually means relations between people with respect to the appropriation of the means of production? Maybe we are just arguing about words? In a special paragraph, dedicated to the question of the distribution of the means of production, he considers distribution not in its social, class aspect (that is, fails to establish the interrelations of the main classes with respect to the means of production), but looks at it from the viewpoint of the demands of production technology and technique. Accordingly, the distribution of the means of production is subdivided by him into two kinds: (1) the distribution of the means of production designed for industrial production

¹ O. Šik, *Plan and Market Under Socialism*, p. 31.

and (2) the distribution of the means of production used in agriculture.

This artificial division of the distribution of the means of production into two kinds has been introduced by Šik by analogy with the division of the means of production into such that have "emerged naturally" and such that have been "created by civilisation", as given in *The German Ideology*. In that work Marx and Engels considered the specific features of the emergence and development of private ownership in industry and agriculture. They showed that the emergence of private ownership, and following it also of the capitalist relations of production, proceeded more rapidly in industry. The material prerequisites for the future revolution are created quicker in industry, as also the subjective factor for it, that is, the proletariat, which emerges and develops in industry. Owing to its position in production the proletariat can fight against private ownership of the means of production consistently and to the end. The authors of *The German Ideology* pursued the aim of showing that the proletariat is the only class able to fight consistently for the destruction of private ownership.

It is impossible to understand on what grounds Ota Šik considered that that paragraph from *The German Ideology* could be used to justify a division between the distribution of the means of production in industry and their distribution in agriculture, and that this division should be regarded as a basic methodological principle. In it Marx and Engels explain the specific features of the emergence of private ownership of the means of production in industry and agriculture, but do not at all discuss the distribution of the means of production in these branches as a methodological problem. Ota Šik ignores everything that relates to methodology and was later developed theoretically by Marx and Engels, but concentrates his attention on things they used to illustrate a specific question.

Moreover, he quotes only from the beginning of the book, in which emphasis is laid on the influence of natural conditions on the formation of private ownership in agriculture, but ignores the subsequent text of the chapter on Feuerbach and, particularly, the paragraph dealing with the influence of private ownership on the development of the internal contradictions of capitalism and the objective requirement

for a destruction of the capitalist ownership of the means of production as a *sine qua non* for a destruction of the capitalist division of labour. At the end of that paragraph Marx and Engels summarise their main views on the interdependence of the productive forces and the relations of production as the source of social development, reveal the historical mission of the proletariat, and also express valuable views on the nature of the coming communist revolution. But Ota Šik ignores all this. One cannot but admire Šik's ability to concentrate attention on details where this suits his purpose, and to close his eyes to everything that contradicts his views.

In his description of the progress made in the distribution of the means of production, Ota Šik operates predominantly with materials from the *World History*. The emergence of the capitalist principle governing the distribution of the means of production is described by Šik superficially and with a surprising lack of seriousness.

His description does not even hint at the processes described with such force by Marx in the 24th chapter of the first volume of *Capital*.

Marx defines distribution, including the distribution of the means of production, by the relations of production, notably by the dominant form of ownership of the means of production, but Ota Šik considers that the emergence of private ownership and classes can be explained "only by analysing the development of the distribution of the means of production". In Šik's view the reasons for the qualitative change in the distribution of the means of production, distinguishing the different epochs from each other, are fully determined by the technological conditions of production. In that connection he writes the following: "The historical specifics and qualitative changes in the distribution of the means of production are thus always determined by changes in the technological conditions of production, in the character of the means of production and their productive purpose" (p. 153). This means that the emergence of private ownership is explained by the distribution of the means of production, while the qualitative changes in the distribution of the means of production are explained by changes in the technological conditions of production. The logical consequence of the above is that the emergence of private owner-

ship and classes is the result of changes only of the technological conditions of production.

Thus, Ota Šik once again arrives at the conclusion that the development of the relations of production and changes in the modes of production depend not so much on the development of the internal contradictions in society and particularly the contradiction between the productive forces and the relations of production, as on the interrelations between man and nature. After all, the technological conditions of production are the conditions in which the labour process, which is an interaction between man and nature, unfolds.

The problem of consumption too is analysed by Ota Šik in the spirit of bourgeois political economy. Since in his analysis of the system of economic relations Šik does not consider production as part of the entire aggregate of the elements of the production relations, he connects consumption only with distribution and exchange.

Marx, however, deals with the problem of consumption in direct relation with production. Productive consumption, Marx said, "is identical with production", while consumption *per se*, that is, personal consumption, is also an element of production—is consumptive production. "Production mediates consumption for it creates the substance without which consumption would have no object. However, consumption too mediates production for only it creates the subject for the products, the subject for which they are products".¹ Hence, both productive and personal consumption are aspects of the production, or economic, relations of people.

Ota Šik holds a different view. In accordance with his views he should consider productive consumption in the section dealing with the "distribution of the means of production", but all that section contains is a reference saying that he will deal with the question in "another work". As regards personal consumption, he deals with it in the sections "Distribution" and "Exchange". He does not consider personal consumption an economic activity because it does not create material values which can be exchanged. He writes: "The activity of some person linked with his

¹ Karl Marx, *Grundrisse* . . . , S. 12.

consumption alone must not be regarded as his contribution to the aggregate socially useful activity" (p. 169).

Why should the inclusion of personal consumption into economic activity depend upon whether the results of that consumption are exchanged or not? Obviously, Ota Šik does not consider anything that is not part of "exchange" or "distribution" an economic relation. How can the reproduction of the labour power, the basic element of the productive forces, for example, be explained if personal consumption is excluded from economic activity? Are we entitled to exclude personal consumption from the reproduction of social capital? If we do, how can we explain the exchange between departments I and II of social production? Ota Šik does not explain all that.

The workers' personal consumption is essential to the reproduction of the labour power, this specific commodity of the capitalist mode of production. The workers' personal consumption is an essential element of the entire reproduction process, since it restores the labour power—the aggregate of physical and spiritual abilities of the worker, which makes it possible to use that labour power in the new production process. Besides, personal consumption is a condition essential for the consummation of production. A railway nobody uses, which is not "consumed", is only a potential railway. Marx noted that consumption creates production in two respects: (1) the product really becomes a product only through consumption, (2) consumption creates the need for new production. "No production without requirement. It is precisely consumption that reproduces requirement."¹

This exclusion of personal consumption from the categories of political economy is not Ota Šik's invention. He has borrowed it from bourgeois political economy. Marx wrote that consumption, which is regarded by bourgeois political economy "not only as the ultimate point, but also as the ultimate aim is *essentially outside of political economy*, except that it, in its turn, has a reactive effect on the initial point and again provides a start to the whole process".²

Ota Šik repeats views that were typical of bourgeois political economy a century ago. It is interesting to note

¹ Ibid., S. 13.

² Ibid., S. 11. (Emphasis mine.—I.M.).

that in declaring personal consumption a non-economic activity, he calls the first universal economic law "the law of the development of use values", by which he understands the indubitable fact that "use values satisfying people's requirements must always be created in the production process". This statement of the question, in which personal consumption is, on the one hand, excluded from the sphere of economic activity and, on the other, production for the sake of satisfying personal requirements is considered the first universal economic law, seems completely illogical.

**ŠIK'S REVISION OF THE
MARXIST-LENINIST UNDERSTANDING
OF OWNERSHIP OF THE MEANS
OF PRODUCTION**

Marx adheres to the principle of the primacy of production over distribution, exchange and consumption. This can be seen from the fact that he considers the relations between people with respect to the means of production (that is, the relations of ownership of the means of production) as the basis of all the other aspects of the relations of production. In the book *Economics, Interests, Politics*, Ota Šik categorically objects to that principle, calls it a harmful dogma advanced by Stalin, one having nothing in common with Marxism-Leninism and being "an obstacle to resolving problems emerging in socialist economic practice" (p. 287). Ota Šik, as it were, "dissolves" the category of ownership in the aggregate of economic relations and denies that ownership of the means of production is an independent economic category and the basis of the relations of production. In keeping with this view he even asserts that people who believe that capitalist ownership of the means of production is the basis of the economic relations of capitalism are not Marxists and are guilty of a metaphysical approach (see p. 281).

At the same time the recognition of the ownership of the means of production as the basic relation of production forms the theoretical basis for the proletariat's tactics in the socialist revolution, one of the key tasks of which is to substitute public (the whole people's) ownership of the means of production for the private capitalist form of ownership.

The principle of the primacy of production over distribution is also the theoretical basis of the struggle waged by the dictatorship of the proletariat for the all-out strengthening, development, improvement and increase of public socialist ownership of the means of production as the economic foundation of socialist society.

Criticising the Marxist viewpoint on the question of the ownership of the means of production as the basic relation of production, Ota Šik asserts that this viewpoint identifies the economic category "means of production" with people's relations towards objects, things, which is proof of a metaphysical approach to the evaluation of phenomena.

Marxists have never identified economic categories—ownership, capital, profit, ground rent—with people's relations towards things, they have always regarded them as an expression of people's relations of production. They have shown that people's relations of production are always relations of people over things, and not relations of people towards things, as Ota Šik erroneously insists. By posing the question in that way Marx was able to reveal the secret of commodity and money fetishism under capitalism. Under socialism money or things do not dominate over people, but people dominate over them. However, people's relations of production are always connected with things. In his review of Marx's *A Critique of Political Economy*, Engels wrote: "... Economics is not concerned with things but with relations between persons, and in the final analysis between classes; these relations however are always *bound to things* and *appear as things*."¹

The relations of ownership also assume the form of relations between people over things, notably over the means of production. Capitalist ownership, for example, is not incorporeal, it is a materialised relation of production, just like all other relations of production, such as surplus value, the national income, etc.

Lenin drew attention to this fact in his criticism of Bulgakov. When Bulgakov objected to Marx's thesis that rent was the excess of surplus value over average profit and maintained that surplus value "is primarily not a material

¹ Karl Marx, *A Contribution to the Critique of Political Economy*, Moscow, 1970, p. 226.

thing but a concept serving to express a definite social relation of production”, Lenin replied as follows: “This contrasting of a ‘material thing’ to a ‘concept’ is a striking example of the scholasticism which is now so freely offered in the guise of ‘criticism’. What would be the use of a ‘concept’ of the share of the social product if there were not definite ‘material things’ corresponding to that concept?”¹

This is equally applicable also to the category “ownership”. One cannot fight for the destruction of the capitalist relations of production in general. This struggle becomes a struggle for the possession of real, material bourgeois property, which exists in the form of factories, banks, railways, etc., belonging to definite capitalists or capitalist monopolies. How could one struggle for the destruction of capitalist ownership if it is “dissolved” in the aggregate of the relations of production? By the same token socialist property can be consolidated, developed and defended only if one bears in mind the real forms of its existence (enterprises, the land, etc.).

Sik dissociates the category “ownership” from the objects of ownership (property) and then advances the proposition that ownership cannot materialise since it is not a thing, but a constantly renewing relation of production. He insists that if that relation is connected with a thing, if it is materialised, this is tantamount to an attempt to stop “the true movement, the *constant change of objects* at the disposal of definite subjects” (p. 280).

He asserts that all those who say that the capitalist ownership of the means of production is the basis of capitalist relations, that is, that the capitalists have means of production while the workers have not, are guilty of a non-Marxist interpretation. He alleges that such an understanding of capitalist ownership returns us “to a metaphysical approach making an understanding of the true essence of ownership impossible” (p. 281).

Sik’s view does not hold water. Marx never regarded the relations of production in a static state. He always considered the whole system of the relations of production in a dynamic state, a state of constant movement, in the process of continuous reproduction. This is precisely why we cannot isolate

¹ V. I. Lenin, *Collected Works*, Vol. 5, p. 128.

a Marxist understanding of the relations of production from Marx's views on reproduction. The production, distribution, exchange and consumption of material values take place in the reproduction process as it passes through these individual stages. At the same time, reproduction embraces the entire aggregate of the relations of production: the relations of ownership of the means of production, the distribution of the created values, including also the means of production, the exchange of activity and consumption, both personal and productive. In the first volume of *Capital* (Chapter 21) Marx shows convincingly that in the reproduction process, if it is considered a constantly renewing production process, there proceeds, alongside with the reproduction of material values, also the reproduction of the capitalist production relations, notably of the basic production relation—the capitalist ownership of the means of production by the capitalists and the absence of such ownership by hired workers. He wrote:

“The separation of labour from its product, of subjective labour power from the objective conditions of labour, was therefore the real foundation in fact, and the starting-point of capitalist production.

“But that which at first was but a starting-point, becomes, by the mere continuity of the process, by simple reproduction, the peculiar result, constantly renewed and perpetuated, of capitalist production.”¹

We fail to see here even a shade of the metaphysics of which Šik accuses Marxism.

Finally, it is impossible to agree with Šik's interpretation of the place in Marx's *Capital* dealing with the problem of ownership. He says that “Marx never regarded ownership as an initial category and he never began his description of capital with it” (p. 323). Indeed, Marx began his *Capital* with a description of the commodity and not of the capitalist form of ownership of the means of production. However, his analysis of the commodity, the economic cell of bourgeois society, presupposes an awareness of the fact that commodity circulation is the result of a definite economic structure of society.

As an economic category the commodity is the concen-

¹ Karl Marx, *Capital*, Volume I, Moscow, 1965, p. 570.

trated expression of the production relations of people, which were analysed by Marx already in the first chapter of the first volume of *Capital*. He shows that the circulation of commodities is nothing but an expression of the contradiction of simple commodity production between private and social labour. Owing to the domination of the private ownership of the means of production, labour is the private matter of every commodity producer. At the same time it is social, since there is a social division of labour. This constitutes the main contradiction of simple commodity production, which requires an exchange of activity between producers. This exchange of activity proceeds with the help of the exchange of commodities. Thus, the exchange of commodities and the commodity itself are expressed as the materialised production relation of producers isolated from each other by the private ownership of the means of production.

We believe that the argument that Marx did not begin his analysis of the capitalist mode of production with ownership, which is the basic condition of production, is not convincing. First, Marx considered that such abstract categories as commodity, value and surplus value, abstract and concrete labour, money, the commodity "labour power", express definite capitalist productive relations of people, notably relations of the ownership of the means of production. Second, it should be remembered that Marx was setting forth the results of his deep research and was not writing a popular textbook on political economy. In the letter to Kugelmann he recommended uninitiated readers to begin the study of *Capital* with the 26th chapter, "The So-Called Primitive Accumulation", in which he describes the history of the emergence of capitalist ownership of the means of production and the historical trends of its development. Marx concludes the first volume of *Capital* with that chapter, because it gives a synthesis of all the production relations of capitalism, which have for their basis the capitalist ownership of the means of production. He shows these relations of production, typical of capitalism, in their movement: their emergence and development to the stage when material conditions and subjective factors arise that make it necessary to replace these relations with new, more progressive relations that satisfy the requirements of the development of the productive forces to the fullest. Marx emphasises

that capitalism presupposes a divorce of the means of production from the direct producer and the transformation of the labour power into a commodity. He goes on to show that this main condition for capitalist production is reproduced by the whole course of development of capitalism on a constantly growing scale: "The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers."¹

However, the historical tendency of the development of capitalism is such that extended reproduction of that basic production relation ultimately makes the capitalist ownership of the means of production a fetter to the development of the social productive forces. The prerequisites for the inevitable revolutionary destruction of these capitalist conditions of production mature in the womb of capitalism with the inevitability of a natural law.

The basic capitalist relation of production—private capitalist ownership of the means of production—is destroyed as a result of socialist revolution. It is replaced by public ownership of the means of production which is the basic production relation of the socialist mode of production and which now, again with the inevitability of a natural law, reproduces itself in the course of the socialist process of reproduction and determines the new character of all other aspects of the production relations inherent in the given mode of production (the relations of distribution, exchange and consumption).

Šik asserts that the concepts "society owns the means of production", "the means of production belong to society", etc., are not Marxist and rely fully "on the idea of economic relations put forward by Stalin", that this method "does not correspond to the method of Marx, Engels and Lenin" and that "if we fail to reveal all the faults of that method we shall be unable to do away with abstractness and sketchiness in the political economy of socialism, which is incompatible with the building of new, socialist society and is an obstacle

¹ Karl Marx, *Capital*, Volume I, Moscow, 1965, p. 714.

to the solution of problems arising in socialist economic practice" (p. 287). He says that the view that the concept "ownership" is the basis of economic relations has become "a dogma obstructing the solution of many economic problems of socialism" (p. 307).

The denial of the fact that ownership of the means of production is the basic production relation led Šik to the assertion that the socialist nationalisation of the means of production does not as yet mean an emergence of socialist ownership" (p. 323). No Marxist ever asserted that the development and improvement of socialist ownership is consummated by socialist nationalisation. However, the experience of the Soviet Union and of the countries building socialism shows that the socialist relations of production emerge in the process of the socialist nationalisation and develop and improve in the course of socialist construction.

Šik's revisionist interpretation of ownership led him to adopt the view that the confiscation of privately owned means of production and the creation in Czechoslovakia of public, state property "is a social evil that has deprived the man in the street of the possibility creatively to apply himself to economic management".¹ "The economy and social life in general," Šik alleges, "are managed from the inaccessible summits of power, without the creative participation in that management of the man in the street."²

Proceeding from the above, Šik asserts that the concept of alienation applies under socialism. In the book *Democratic Socialism* he alleges that the domination in socialist society of public, state ownership of the means of production alienates the people from the objective conditions of production, that the people are not the true owners of the results of their labour, of their productive forces, are not the masters of their relations.

The problem of "alienation" is currently much discussed by bourgeois philosophers, sociologists and economists. Bourgeois ideologists consider this phenomenon an eternal category, a consequence of the division of labour, which is a result of the contradiction between nature and society. They maintain that in modern conditions alienation is inten-

¹ *Nová mysl*, No. 9, 1968.

² *Ibid.*

sifying as a result of the scientific and technological revolution and that it applies both to capitalist and socialist society.

Some bourgeois sociologists regard the fact that mankind has split the atom and that this unravelling of the secret of the atom "has turned against man himself" as the supreme form of alienation. The cause of alienation, these sociologists believe, should therefore be sought in the contradiction between man and nature, and the class structure of society has nothing to do with it.

The revisionists agree with this bourgeois interpretation of alienation. Moreover, they assert that Marx explained its emergence by the progressive division of labour. They refer to Marx's early works, notably to his *Economic and Philosophic Manuscripts of 1844* and to his *The German Ideology*.

In these works Marx and Engels studied the categories "alienated labour" and "division of labour". But to ascribe the view that the "alienation of labour" is based on the division of labour in general to Marx, is to distort Marx's views.

Marx linked alienation not with a division of labour in general, but with a division of labour based on the private ownership of the means of production. It was in this sense that Marx and Engels equated division of labour, private ownership and alienation in *The German Ideology*. They wrote: "Division of labour and private property are, moreover, identical expressions: in the one the same thing is affirmed with reference to activity as is affirmed in the other with reference to the product of the activity."¹ It was in this sense that Marx wrote about the alienation of labour in capitalist society. In a society of producers, separated by private ownership, *The German Ideology* says, "man's own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him".² This "alienation of labour" has reached its peak in society based on capitalist exploitation.

In *The German Ideology* Marx and Engels foresaw that alienation born of separation due to "class interests" would be destroyed "with the abolition of the basis of private property, with the communistic regulation of production

¹ Karl Marx and Frederick Engels, *The German Ideology*, Moscow, 1968, p. 44.

² *Ibid.*, p. 45.

(and, implicit in this, the destruction of the alien relation between men and what they themselves produce)".¹ Only a society that is based on public ownership and has developed the productive forces to a level making impossible a spread of poverty, destroys the antagonism between labour and the individual and does away with the category "alienation".

Marx's and Engels's prevision has been brilliantly confirmed by the development of the socialist relations of production. As a result of the improvement of the socialist relations of production and the development of the productive forces to a level that makes it possible to abolish poverty, all working people in the advanced socialist countries are increasingly becoming the undivided masters of their relations and of the fruits of their labour. The category "alienation" has been abolished in socialist society once and for all.

At the 24th Congress of the CPSU Alexei Kosygin noted that the category "alienation" has been destroyed in Soviet society long ago and that the people have really become the creators and owners of all the wealth they are creating. In his report to the Congress A. Kosygin said: "Consequently, in a developed socialist society accelerated national-economic development goes hand in hand with a rapidly rising living standard for the people. This stems from the nature of the socialist mode of production, which has done away with the alienation of the product of labour from its producers, and with the appropriation by the exploiting classes of the results of the working people's production activity."²

The reiteration by the revisionists of the bourgeois assertion that public socialist ownership evolves alienation in socialist society shows clearly that they have alienated themselves from the interests of the people.

In his book *Plan and Market Under Socialism* Šik attacks the Marxist understanding of ownership under socialism. He also distorts the Marxist interpretation of ownership.

He once again accuses Marxists of regarding ownership as a "relation of people towards things" and of seeking to "deduce relations of people towards each other" from it.³

¹ Karl Marx and Frederick Engels, *The German Ideology*, Moscow, 1968, p. 47.

² *24th Congress of the CPSU*, Moscow, 1971, p. 135.

³ O. Šik, *Plan and Market Under Socialism*, pp. 22, 25.

He once again repeats his own definition of ownership, which includes phenomena of the economic basis and the volitional and legal relations of people. He asserts that ownership should be regarded as "the process of the appropriation of nature by means of a definite social mode of production that is constantly manifested in the volitional and legal relations of people towards things and through the medium of these things towards each other".¹ Thus, the relations of ownership of the means of production are dissolved in this vague general definition of ownership that includes also elements of the superstructure. Proceeding from these positions Ota Šik believes that ownership of the means of production has nothing to do with the socialist relations of production.

In this connection Šik falsely illuminates the question of the economic basis of the Czechoslovak Socialist Republic, "adapts" it to his view on ownership. Šik insists that "in the new Constitution of the Czechoslovak Socialist Republic there is no proposition placing socialist ownership next to the socialist economic system" (p. 326). The Constitution clearly states that "the socialist system of economy, excluding all forms of the exploitation of man by man, forms the economic basis of the Czechoslovak Socialist Republic". This statement proceeds from the recognition of the fact that socialist ownership of the means of production forms the basis of the socialist system of economy. This is obvious if we have to do with real socialism and not the bourgeois *Ersatz*—"democratic socialism"—Ota Šik obviously has in mind when he reproaches the Constitution of the Czechoslovak Socialist Republic.

In 1968 Šik transplanted the problem of ownership from the theoretical to the practical aspect. In the book *Plan and Market Under Socialism* he already interprets socialist ownership of the means of production as a mechanical aggregate of group ownership of the means of production of individual enterprises. Their relative economic independence is turned into absolute independence. Economic decentralisation is made the basic principle and the possibility of direct centralised management of the socialist economy is thus denied along with the economic function of the socialist

¹ Ibid., pp. 24-25.

state and the leading role of the Party in socialist construction. Thus, Ota Šik now frankly advocates decentralisation of the ownership of the means of production and a decentralised model for the management of the socialist economy.

The Right forces in Czechoslovakia attempted to counterpose group ownership of the means of production by the staffs of enterprises to public, state ownership. Ota Šik wrote: "In our projects we are also beginning to advance the idea of freeing the state from its entrepreneur function, which we propose to pass on to the direct executors of that function."¹

After he had left Czechoslovakia, Šik no longer concealed his true views and said that he had dreamt of transforming socialist Czechoslovakia into a "democratic socialist society", and that the main role in that programme for the restoration of capitalism had been assigned to the change in the form of ownership of the means of production—the replacement of state socialist ownership by group ownership, as represented by the staffs of enterprises.

What was Ota Šik's idea of such group ownership? In an interview transmitted by Basel and West German television, he said that group property, that is, the enterprises owned by their staffs, were to have been placed outside the control of the socialist state. They were intended to become a "form of private property, owned not by a single person, but by a group of persons". These big concerns, big trusts were to "function not on the basis of state plans", but on a "competitive basis".²

The Rights had worked out and consistently implemented a series of steps to replace state, public, socialist ownership by group ownership. The first step in this direction was the creation at enterprises of so-called working people's councils, who were eventually to become the owners of these enterprises. In January 1968, Ota Šik, then Vice-Chairman of the Government, sanctioned without first consulting the Party, the distribution of thousands of copies of the draft Law of the Socialist Enterprise. The draft deprived state and Party bodies of their function of managing enterprises. The directives of central economic and planning bodies

¹ *Nová mysl*, No. 9, 1966.

² See *Pravda*. December 28, 1968.

were to be regarded as non-obligatory recommendations. The relative independence of the enterprise thus became absolute economic independence.

The enterprises took advantage of the lack of control on the part of the central bodies—disoriented and inactivated by the new instructions—and sought to raise their gross incomes establishing prices that did not correspond to the social production outlays. The “profits” of enterprises began to grow without a corresponding increase in production and labour productivity. This released a wave of inflation that constituted a real danger to the economy. Enterprises began to compete with each other and this threatened to disunite the working class, to set up its separate contingents against one another, and to set up the working class as a whole to the Communist Party, that is, to undermine its leading role in socialist construction.

This setting up of so-called working people’s councils at enterprises had nothing in common with the demand for true freedom and democracy, which the Right opportunists proclaimed in order to mask their anti-socialist actions. Steps were taken to ensure that the leading role in the councils would be played by the technical elite and people actively implementing Right opportunist ideas. The Working Group set up by the Department for Industry of the CC CPC to study that question reported that some 300 enterprise councils had been set up during that period. On those councils workers accounted for only 20.8 per cent; engineering and technical personnel and economists for 74.5 per cent. About 60 per cent of the people on the councils were Party members, however, they were so-called “progressists, i.e., revisionists and Right opportunists who had broken with Marxism-Leninism”.¹

The document *Lessons To Be Drawn From the Development of the Crisis* characterises the actions of the Rights in this field as follows: “In order to deceive the working class, the majority of which had until then refused to fall for Right demagogy, and to draw it over to his side, Ota Šik, without the knowledge and consent of Party and state bodies, advanced the demand to create working people’s councils

¹ For details see the Appendix to *Hospodářské noviny*, No. 27, 1970, M. Lange’s article “The Truth About Enterprise Councils.”

(at enterprises—I.M.). This proposal was part of the conception aimed at destroying the system of economic management and at abolishing the socialist system of planning, at creating a counterweight to the Party organisations at enterprises, and thus to weaken them.”

The actions of the Right forces violated the economic laws of socialism and led to a state bordering on economic catastrophe. At the same time they demagogically proclaimed that the only way out was to obtain major dollar credits.

The anarcho-syndicalist demagogy about the transfer of the means of production to the direct producers was a tactical manoeuvre intended to restore private ownership. At the same time the Rights sought to give the green light to private enterprise. In June 1968 Šik, then Vice-Chairman of the Government, said on the Czechoslovak television: “I can see no reason why we should not promote the development of small enterprise. Why should five or ten enterprising citizens be prevented from uniting and setting up flexible non-bureaucratic production enterprises. The government will promote such initiative by low-cost credits and other privileges.”¹

The *Lessons To Be Drawn From the Development of the Crisis* qualify that practice as an attempt artificially to create a socio-economic breeding ground for counter-revolutionary elements: “Under the pretext of meeting consumer requirements, the Rights endeavoured to introduce private enterprise so as to provide petty-bourgeois elements with an economic basis of their own that would help them to disintegrate socialism. Ota Šik and his friends in the West today frankly admit that they hatched such counter-revolutionary plans in the economic field.” At present the Federal Government and the Party are taking steps to abolish the consequences of that deformation in the socialist economy.²

Thus, having begun with “amendments” of the Marxist understanding of ownership, Ota Šik made the problem of ownership the main issue in his programme of practical counter-revolutionary measures aimed at the liquida-

¹ *Rudé právo*, October 6, 1970.

² See *Rudé právo*, March 27, 1971 and *Tribuna*, Nos. 4 and 5, 1971.

tion of the socialist system in the Czechoslovak Socialist Republic.

The entire policy of the Right forces in Czechoslovakia was aimed at transforming socialist Czechoslovakia into an ordinary bourgeois state, which the Right Social-Democrats chose to call a "democratic socialist" state. In 1968 Šik wrote in this connection: "The deep regeneration of our society, which we are used to call the 'revival process', has been at work for several months now. Yet few have stopped worrying about the fate of democratic socialism."¹ Šik, this fighter for "unambiguous" and "clear" concepts naturally knew only too well what social system was called "democratic socialist" in Marxist writings. At the International Meeting of Communist and Workers' Parties held in Moscow in 1969 Gustav Husak, First Secretary of the Central Committee of the CPC, characterising the views spread by the anti-socialist forces in Czechoslovakia, noted that at the critical moment they had interpreted socialism in a way that distorted its essence and was ultimately aimed at its liquidation. Husak emphasised that their understanding of socialism "associated the concept of socialism with pluralist bourgeois democracy and the reformist model of so-called 'democratic socialism' from the programmes of Right Social-Democratic Parties".² Ota Šik used that term deliberately. He really dreamt of establishing "democratic socialism" in Czechoslovakia. That is why he said on Basel radio that a drawing closer between capitalism and socialism could be expected in future. Indeed, a society developing according to his "model of socialism" would strongly resemble the social system of any bourgeois country.

Why did Ota Šik stubbornly oppose the Marxist thesis that ownership of the means of production is the basic relation of production determining all other aspects of social production: the relations of distribution, exchange and consumption? Why did he equally stubbornly accuse of anti-Marxism and oversimplification all those who linked the existence of commodity production and its specific features with definite forms of ownership?

¹ *Nová mysl*, No. 9, 1968.

² *International Meeting of Communist and Workers' Parties, Moscow, 1969*, Prague, 1969, p. 408.

Let us look at these questions in somewhat greater detail. The form of ownership of the means of production determines the form of exchange of activity. Private ownership of the means of production presupposes private exchange. Private exchange is regulated solely by the spontaneous action of the law of value and other economic laws evolved by private ownership. Private exchange of the results of all productive activity (commodities intended for productive purposes and commodities for personal consumption) proceeds spontaneously on the basis of the law of value through the clash of personal interests, the fluctuation of the supply and demand, price fluctuations, through constant deviations from the proportions needed by society and through crises. This inevitably evolves class antagonisms.

Karl Marx wrote in this connection the following: "In general, the form of exchange of products corresponds to the form of production. Change the latter, and the former will change in consequence. Thus in the history of society we see that the mode of exchanging products is regulated by the mode of producing them. Individual exchange corresponds also to a definite mode of production which itself corresponds to class antagonism . . . the respectable conscience refuses to see this obvious fact."¹ Did Ota Šik's conscience, just as the respectable conscience of a bourgeois, of whom Marx wrote, refuse to recognise that fact, or did he, on the contrary, understand it and therefore try to change the form of ownership? To judge by his actions, he did it deliberately in order to open the door to private exchange and class antagonisms. All his activity was aimed at releasing the interplay of market forces and at thus providing a basis for the transformation of Czechoslovakia's socialist economy into "a free market economy".

Private ownership of the means of production excludes the possibility of planned, proportionate economic development, i.e., centralised management of production on a national scale. The modern social productive forces, however, demand such management, and in the capitalist countries it takes the form of state-monopoly measures by the bourgeois state, of attempts to prognosticate and programme the economy, regulate prices, pursue an investment policy,

¹ Karl Marx, *The Poverty of Philosophy*, Moscow, 1959, p. 78.

etc., on a national scale. In the capitalist world, however, monopoly ownership of the means of production and private capitalist interests set narrow limits to centralised management, and it operates, of necessity, in the interests of the capitalist class. Lenin noted that monopoly trusts did not, do not and cannot plan fully. Public ownership of the means of production requires centralised management not only of production, but also of the exchange of activity.

Public ownership of the means of production lends the exchange process a planned nature, since it is effected not between private owners of the means of production, but within socialised production. Under social production there are two forms of socialist ownership—ownership by the whole people, as represented by state enterprises, and co-operative ownership, as represented by the collective owners of the means of production—the collective farms, and other producer co-operatives. In both cases labour bears a directly social character in its concrete form. The expenditure of that labour is envisaged by society, the proportions of the expenditure of labour in the various spheres of social production are determined in a planned way.

The fact that the social product assumes the form of a commodity under socialism does not mean that socialist commodity production is identical with capitalist commodity production. Under capitalism commodity production is spontaneous and its development is governed by the law of value and other specific economic laws of capitalism, notably the law of surplus value, the general law of capitalist accumulation, the specific laws of capitalist reproduction, etc.

Under socialism commodity production develops according to plan and its development is determined notably by the basic economic law of socialism, the law of planned, proportionate development, and the economic law of distribution according to work done. The law of value and the value categories connected with it are used according to plan. The socialist form of ownership of the means of production limits the sphere of action of the law of value. Under socialism labour power and land cannot be bought or sold. The commodity form is not the only form through the medium of which people exchange activities in socialist society; along with other instruments, it is used for the planned management of the socialist national economy.

Ota Šik does not wish to see these distinctions, and maintains that commodity relations alone are economic relations, and that they must not be "hedged in" or limited by the plan. Šik, therefore, wants enterprises to possess not relative, but full economic independence, which is tantamount to an abolition of public socialist ownership of the means of production.

Ota Šik calls for the abolition of public socialist ownership of the means of production precisely because it limits the interplay of market forces and requires conscious, planned, centralised management of economic development. He does not say so outright, but calls for a "democratisation" of economic management, i.e., for the granting of unlimited economic independence to enterprises.

He manipulates the Marxist theory of ownership, including the category of ownership of the means of production in order to implement his main idea, which is to abolish socialist ownership of the means of production—the basis of the socialist mode of production—and theoretically to justify its replacement by group ownership. This also prompts him to give a distorted interpretation of legislation in the Czechoslovak Socialist Republic. He writes, for example, that the legal clause on socialist ownership of the means of production should be understood also in the sense that "the authorities guarantee the execution of the will of authorised public bodies (both state and local special economic bodies, for example, the bodies for the management of national enterprises, etc., including the direct participation, in the established form, of people in this execution of the will) as regards the disposal of these means of production, the mode of their utilisation and consumption in socialist production" (p. 325).

As we see, the accent is placed on the execution of the will of staffs of enterprises as regards the disposal of the means of production. After that he expresses vague ideas about the "inevitably growing economic contradictions" and the forms for their resolution, saying that "economic management is a form of resolving questions concerned with the disposal of the means of production".

The programme for the extension of the rights of enterprises advanced by Ota Šik would have led not only to the decentralisation of management, but also to the decentralisa-

tion of public socialist ownership—its transformation into group ownership by staffs of enterprises. In the article “The New System of Planning and Economic Management” Ota Šik regarded the measures aimed at economic decentralisation as the basis for the subsequent transformation of Czechoslovakia into a “democratic socialist” society. He wrote: “We have in mind the serious process connected with the democratisation of the economy, which is the main contributing factor to the general process of socialist democratisation.”¹ In his *Democratic Socialism*, published after he had left Czechoslovakia, he wrote that industrial enterprises should be subjects of the market, and that the market should release enterprise and initiative.

Small wonder, therefore, that the Western press, notably the United Press International, was full of praise for these reformist measures promoting spontaneity in Czechoslovakia's economy by abolishing centralised control, establishing free competition and liquidating the foreign trade monopoly—measures which in aggregate were to divert the Czechoslovak Socialist Republic from the socialist road of development.

The demand to abolish public socialist ownership is reactionary both in the practical and in the theoretical aspects for it reflects the ideology of the petty bourgeois. Even in the capitalist countries the monopoly bourgeoisie is now compelled to nationalise some enterprises, sometimes even whole industries, because the development of the productive forces and capitalist socialisation of production require the concentration and centralisation of production and its management from a single centre. Šik, however, wants to turn the clock back, wants to return to decentralisation and the isolation of individual enterprises, to make the means of production group property, that is, to return to the free competition era.

However, the era of free competition and of small enterprises has become a thing of the past. Monopoly capital has held sway in the capitalist world for three-quarters of a century now. Production is growing increasingly social throughout the world. In the capitalist world this process is

¹ *Economic Reforms in the Socialist Countries*, Collection, Prague, 1967, p. 161.

expressed by the growth of state-monopoly ownership. In the imperialist countries the bourgeois state is compelled to act as an entrepreneur, to concentrate in its hands a large share of the production and distribution of the social product. The state endeavours to programme and to regulate the capitalist economy. Bourgeois states are compelled to carry out centralised capital investments on an increasing scale, especially such into new equipment and research. They are forced to do so by a number of factors, notably by the fact that the capital needed for the technological application of the modern achievements of science has greatly increased. For example, the capital of individual monopolies, and even the national capital of individual countries does not suffice to develop the atomic industry and to explore outer space. European atomic industry was born within the framework of Euratom, a Common Market body. In the USA that industry was created at state expense.

All West European capitalist powers are compelled to conduct economic activities on a national scale. Moreover, to make it more effective, they form closed economic blocs like the EFTA and the EEC. These interstate economic alliances were set up to strengthen the positions of the monopolies in the competitive struggle between the imperialist powers and individual monopoly groupings, and to act as a weapon in the economic and political struggle against the socialist world.

At present capitalist socialisation, the intervention of the bourgeois state into the economy and into the reproduction of social capital, has attained the maximum possible in capitalist conditions. In such countries as Britain, France, Italy and the Federal Republic of Germany over 20 per cent of all employed work at state enterprises. The state budgets of the imperialist powers redistribute over 30 per cent of the national income.

Coincidentally, we observe the continued concentration and centralisation of capital and production in the hands of private monopolies. In a number of branches giant private monopolies have cornered a large share of production. For example, 93 per cent of the US car production is in the hands of three huge motor companies, and General Motors alone accounts for over 53 per cent of the national output. Three successors of the I. G. Farbenindustrie account for

40 per cent of West Germany's chemical output. The Anglo-Dutch Unilevers produces and markets 90 per cent of the margarine in Western Europe. The food industry monopoly Nestlé, belonging to small Switzerland, has spread its influence to 34 countries; its enterprises in 218 countries employ over 86,000 workers.

That process has assumed an enormous scale in such branches of heavy industry as iron and steel, oil, electric, electronic and radio appliances production. The state officially encourages the concentration of production and capital. Naturally, the growing socialisation of production in the imperialist countries is used by the capitalist monopolies for their selfish aims.

Things are quite different in socialist society, where the nature of the socialisation of production is determined by public socialist ownership of the means of production. It removes the barriers the private-capitalist relations of production raise to the development of the productive forces. Yet, Šik proposes that a socialist country, in which the socialisation of production proceeds in keeping with socialist principles, and which participates in international socialist economic organisations, such as the Council for Mutual Economic Assistance (CMEA), should do away with state control over enterprises, decentralise economic management and return to atomised production, to the epoch of "free competition" between individual "independent" enterprises. Does this not resemble the reactionary utopian theories of Proudhon, Sismondi and the Russian Narodniks (Populists), whom Marx, Engels and Lenin criticised so destructively?¹

It is therefore not surprising that we read statements in a critical vein about Šik's economic projects even in bourgeois publications, which fully support Šik's demagoguery for political reasons. For example, the editor of *Frankfurter Allgemeine* wrote on July 8, 1970, about Šik's idea of transferring the management of enterprises to working people's councils the following: "In any case, it remains unclear how this is to secure the continued work of the enterprise's

¹ Marx wrote of Proudhon in this connection: "... To desire the correct proportions of past ages with the means of production of our time—this means to be a reactionary and a utopian at one and the same time." Lenin used these words to describe Sismondi and the Russian Narodniks (See V. I. Lenin, *Collected Works*, Vol. 2, pp. 210-211).

manager and constant links with his electors without complications between them.”

Šik himself, feeling that his arguments lack conviction, was compelled to admit that it was difficult to foresee all the consequences his reform would entail: “I hope,” he wrote, “that we shall not encounter a short-sighted approach all that often.”¹

The West German newspaper *Allgemeine Zeitung* expressed the view that Šik’s “model of development will never become so universal as to be able to produce a wonder or even to remove conflicts”.²

One cannot but agree with the opinion of the authors of the series “Essays Criticising Ota Šik’s Political Activity Abroad”³ that “the obvious weakness of his theory did not fail to escape the notice of bourgeois theoreticians, who openly gave him to understand that they considered themselves ‘more Marxists than Šik himself’. In the West this turncoat is used to discredit socialism. The road to science and scientific work has been barred to him. In that field all prominent bourgeois economists keep at a distance from Professor Ota Šik. Bourgeois economists defend their scientific positions”.⁴

Thus, as we have shown above, all these manipulations by the Right forces of socialist ownership had the ultimate aim of restoring the capitalist system in the Czechoslovak Socialist Republic. However, the Marxist-Leninist nucleus of the CPC, which took over the leadership in April 1969, restored Leninist principles of economic management.

This was achieved through the implementation by the CPC of a series of constructive measures in economic management. In January 1970, Gustav Husak described the economic measures of the CPC as follows: “We are revising the whole economic policy which was based on the conception of *de facto* unplanned, essentially spontaneous development, a conception, which Šik and Co. had introduced into practice and which opened enormous possibilities for machinations at social expense. We are returning

¹ *Život strany*, No. 25, 1970, p. 46.

² Quoted from *Život strany*, No. 20, 1970, p. 45.

³ *Ibid.*, No. 25, 1970, p. 48.

⁴ *Ibid.*

to the system of planned management of the socialist economy."¹

The Plenary Meeting of the CC CPC in January 1970 played a particularly important role in restoring Leninist principles in Czechoslovakia's economy. At the plenary meeting all the manipulations by the Rights of socialist public ownership, notably of the state ownership of the means of production, were subjected to destructive criticism. The report "Main Tasks of the Party's Economic Policy" said the following in this connection: "The basic principle underlying socialist management is public ownership of the means of production. It determines the nature of the socialist relations of production, the method of distribution, the nature of economic processes and the planned development of socialist society. In socialist society the state is the political organisation of the working people and the instrument of their power, hence, state ownership—a form of public ownership—is the most progressive form of ownership under socialism. A weakening of that form of ownership is against the objective interests of the working people."²

During the relatively short time that has passed since then much has been done to do away with the consequences of the counter-revolutionary activity carried out by the Rights in the economic field.

The decisions adopted by the 14th Congress of the CPC and especially the directives on the development of the national economy for the fifth five-year plan period will promote the further dynamic development of Czechoslovakia's economy, and will help to strengthen its basis—public socialist ownership of the means of production.

ŠIK ON THE DIVISION OF LABOUR

We saw above how Ota Šik "dissolved" the category of ownership in the aggregate of economic relations, and how he denied the category "ownership of the means of production" the right of independent existence. He accused all those who considered that category the foundation of the relations of production in a given mode of production of a metaphysical approach. All this predetermined Šik's objec-

¹ *Pravda*, January 7, 1970.

² *Rudé právo*, January 29, 1970.

tivist, supra-class, amorphous explication of the whole system of economic relations. We already noted that in considering the system of relations of production, Šik did not mention that the relations of ownership of the means of production are the basic element determining the nature of the relations of production, the specifics of a given mode of production, and the social and class structure of society.

Šik describes the division of labour as the basic relation of production and regards it as supra-historical, maintaining that the principles underlying it apply in all epochs and in all countries. "... One of the basic processes, leading to the emergence of economic relations between people," he writes, "is the division of labour" (p. 112). He insists that the division of labour evolves economic relations between all members of society and is "the basis of all socio-economic relations". Šik begins his analysis of the production (economic) relations with co-operation. He studies it in isolation from the forms of ownership of the means of production which have evolved co-operation, and endeavours to deduce features typical of all forms of co-operation from the forms of labour common to all socio-economic formations. He says that the development of co-operation depends on "the technical nature of the corresponding labour and production processes" (p. 102). He discerns two basic types of co-operation: (1) co-operation on a social scale and (2) partial, group co-operation. The first form is typical of primeval and socialist societies (although in the latter we have "a qualitatively higher stage of co-operation"). The second form of co-operation is found in slave-owning, feudal and capitalist societies. However, he does not show the effect this or that form of ownership of the means of production has on the specific features of group co-operation at the various stages of historical development.

Since, Šik says, co-operation is an expression of the social division of labour, he does not deal with it at length, but focusses attention mainly on the latter.

Šik attaches cardinal importance to the division of labour, regarding it as the basis of all relations of production. He sees it as an all-embracing, eternal law, and defines it as follows: "The division of labour means a dismemberment of the aggregate social labour process, which is always directed at the production of different use values..." (pp.

103-104). Šik (exactly as Proudhon before him) seeks the essence of that process in the etymology of the word "divide", in its linguistic sense: "a division of what was united before". His definition does not clarify whether he speaks of the division of labour in society, i.e., the social division of labour, or the division of labour in the workshop (in production). Admitting that the division of labour assumed a class character at a definite stage of social development, Ota Šik draws the conclusion that it is the most general basis for a division of society into classes. Šik does not say at what stage the social division of labour assumed a class content and why that happened, even though in the passages from Marx given in the notes to the book, the division of labour is considered in close connection with definite forms of ownership.

Šik does not link the division of labour with concrete property relations. He considers it possible "to abstract himself from that circumstance" and speaks only of general principles of the division of labour without connecting them with any form of ownership. Moreover, he considers it a gross methodological error to connect the two, and accuses of a metaphysical approach all those who place the division of labour "next to the form of ownership, *instead of approaching a definite mode of the division of labour as the nucleus, which in indissoluble connection with other economic processes, constitutes the basis of the existence of definite forms of ownership*" (p. 110).

Thus, Ota Šik deduces ownership from the division of labour, or to put it more precisely, from "the development of the technological aspect of labour". He writes: "Without co-operation and the division of labour we could not explain how *the development of the technological aspect of labour leads to the emergence of different economic relations and, hence, also of various forms of ownership*" (p. 110. Emphasis mine.—I.M.). Such, in general outline, are Ota Šik's views on the essence and role of the division of labour in the system of production relations.

Let us now decide to what extent these views correspond to the basic methodological principles of Marxism, to what extent the division of labour is part of the system of production relations, and what aspect of these relations it comprises.

Seeing that Šik quotes liberally from Marx's early works in presenting his conception of the division of labour, let us give some thought to the development and formation of Marx's views on the division of labour, and at the same time look at Šik's attitude towards Marx's scientific legacy.

In the course of their perennial assiduous labour Marx and Engels gradually discarded the views held by classical bourgeois political economy and worked out their own theory and method of political economy, differing fundamentally from all formerly existing ones. At the same time they elaborated economic categories and terms in which to clothe their concepts. They repeatedly refrained from publishing works they had completed because they intended to carry on further research into various phenomena, and to polish up the formulas defining their concepts. In 1845 Marx refrained from publishing the two volumes of his *A Critique of Politics and Political Economy*, which he had already prepared for publication, even though he had signed a contract for their publication with a publishing house. Marx's *Economic and Philosophic Manuscripts of 1844* give us a definite idea about that work. Marx and Engels wanted to publish a book criticising bourgeois German philosophy before giving their views on political economy. "This is necessary," Marx wrote, "to prepare the public for my viewpoint on political economy, which is diametrically opposed to the German science that has existed up to now."¹ *The German Ideology*, written jointly by Marx and Engels, was such a work. However, this manuscript, as also the preceding one, was not published by Marx and Engels. Marx attached great importance to *The German Ideology*, regarding this work important to the formation of his philosophic, politico-economic views, but as he himself later wrote, the principal aim of the book was to "clear up the matter for themselves", and its economic content was evaluated by Engels in 1888 as follows: "... I have once again ferreted out and looked over the old manuscript of 1845-46. The section dealing with Feuerbach is not completed. The finished portion consists of an exposition of the materialist concep-

¹ Karl Marx and Frederick Engels, *Collected Works*, Vol. 27, pp. 398-399 (in Russian).

tion of history which proves only how incomplete our knowledge of economic history still was at that time.”¹

The formulation of the category “relations of production” given in *The German Ideology* (“forms of communication” or “civil society”) was later abandoned by Marx and Engels. The concept “socio-economic formation” had not yet been finally formulated. True, the history of socio-economic formations is already shown as the history of the emergence and development of forms of ownership. However, in this work there is yet no delimitation between the concepts “private ownership” and “division of labour”. The division of labour itself is not yet differentiated into the social division of labour and the division of labour in the workshop. They are considered as one and the same thing.

Ota Šik uses the views of Marx and Engels expressed in their early works to bolster up his conception of the division of labour. At the same time he seldom refers to Marx’s study of that problem in *The Poverty of Philosophy* and in *Capital*. This “selective”, biased approach to Marx’s scientific legacy tends to depreciate its value.

Why did Ota Šik have to push Marx’s and Engels’s views on the division of labour, expressed in their early works, to the foreground when these views, to quote Marx, only served to “clear up the matter for themselves”, and to ignore Marx’s research into the problems of the division of labour and its kinds in his later works, *The Poverty of Philosophy* and *Capital*?

Does this not indicate his desire, that moving also some bourgeois philosophers and economists, to counterpose Marx’s early works to his later works? However, even in Marx’s and Engels’s early works we do not find a counter-positioning of the division of labour to ownership, as we do in Ota Šik’s writings. Marx and Engels linked the two concepts and considered the development of the division of labour in connection with the development of the forms of ownership, which can be seen from their essay on the development of the forms of ownership in *The German Ideology*, where the history of the development of the division of labour is considered against the background of the

¹ Frederick Engels, *Ludwig Feuerbach and the End of Classical German Philosophy*, Moscow, 1969, p. 6.

development of the forms of ownership. "The various stages of development in the division of labour are just so many different forms of ownership..."¹ they wrote. The same thought is expressed also in their study of the disintegration of feudal ownership and the emergence and development of capitalist ownership: "These different forms are just so many forms of the organisation of labour, and hence of property."² In *The German Ideology* Marx and Engels did not study the division of labour in general, but the social division of labour, and even though they had not yet formulated the difference between the social division of labour and the division of labour in the workshop, they closely linked the development of the division of labour with that of the forms of ownership. If we should assume that in considering the division of labour in this work, Marx and Engels disregarded concrete forms of ownership, we should have to regard their book not as a piece of concrete research but as a random agglomeration of historical facts.

Later, in *The Poverty of Philosophy*, Marx criticises Proudhon for trying to make the division of labour "an eternal law". In this connection he wrote: "The division of labour is, according to M. Proudhon, an eternal law, a simple, abstract category. Therefore the abstraction, the idea, the word, must suffice for him to explain the division of labour in different historical epochs. Castes, corporations, manufacture, large-scale industry must be explained by the single word *divide*. First study carefully the meaning of 'divide,' and you will have no need to study the numerous influences which give the division of labour a definite character in every epoch."³

This criticism of Proudhon applies in equal measure to Šik, who in the wake of Proudhon endeavours to make the division of labour an eternal law, and seeks the essence of that process in the etymology of the word "divide".

In *The Poverty of Philosophy* Marx, criticising Proudhon, strictly distinguishes between the division of labour in society and the division of labour in the workshop, noting that the main difference between them in capitalist society

¹ Karl Marx and Frederick Engels, *The German Ideology*, Moscow, 1968, p. 33.

² *Ibid.*, p. 78.

³ Karl Marx, *The Poverty of Philosophy*, Moscow, 1959, pp. 127-128.

consists in the following: "While inside the modern workshop the division of labour is meticulously regulated by the authority of the employer, modern society has no other rule, no other authority for the distribution of labour than free competition."¹

The problem of the division of labour was further developed in the *Manuscripts of 1857-1859* and in *A Critique of Political Economy*. Particular attention is given to the division of labour in the workshop. It is considered a factor characterising the productive forces, their state and development level. Marx writes: "The association of workers, co-operation and the division of labour as the basic conditions of labour productivity, the same as all productive forces of labour, that is, the forces determining the degree of the labour intensity and, hence, the degree of its extensive realisation, act as the *productive force of Capital*. . . Likewise also *science*."²

At the same time, the division of labour in the workshop, characterising the state of the most important element of the productive forces—the labour power and the forms of its utilisation—was never reduced by the founders of Marxism-Leninism to production technique and technology alone. On the contrary, they always emphasised the social nature of the productive forces. They showed that the productive forces include labour power as its most important element. The productive forces become productive forces only when labour power functions, when labour power is consumed, that is, when labour is in progress. The labour process can proceed only when there is a definite interaction between people, that is, it can proceed only in a definite social form.

Lenin particularly emphasised the social aspect of the productive forces and the fact that it is precisely this aspect that makes them a category of political economy. "It is not labour that is a definite category of political economy, but only the social form of labour, the social organisation of labour, or, in other words, the mutual relations of people arising out of the part they play in social labour,"³ he wrote.

¹ Ibid., p. 151.

² "From Marx's Manuscript *A Critique of Political Economy*", *Voprosy filosofii*, 1967, No. 6, p. 97.

³ V. I. Lenin, *Collected Works*, Vol. 6, p. 265.

The division of labour is the social form within the framework of which labour power functions. The development of these social forms tends to raise labour productivity. The division of labour depends on the development of the instruments of labour, but no less influence is exerted on the forms in which it functions or on the consumption of labour power by the interrelations of people with respect to the ownership of the means of production, that is, by the relations of production in the presence of which the productive forces develop.

Hence, the functioning of the productive forces is linked not only with the specifics of the equipment and technology, but also with the forms of ownership of the means of production, which lend a specific character to a form of labour organisation existing in different socio-economic formations, i.e., to the division of labour. For example, the division of labour under capitalism differs from the division of labour under communism.

Marx includes the social division of labour in the relations of distribution. According to his definition it is "the distribution of the members of society between different kinds of production (the subordination of individuals to definite relations of production)".¹

Marx finally drew a line between the division of labour in society and that in the workshop in his *The Poverty of Philosophy* and later in *Capital*. Marx showed that the division of labour in the workshop characterises the development of the productive forces, while the division of labour in society characterises one of the aspects of the relations of production, namely, the relations of distribution, or, to be more accurate, the distribution of the labour power between the branches of social production. Marx develops here not general principles, suitable for all epochs and all countries, but defines the difference between the division of labour in the workshop and the social division of labour in capitalist society, based on the private capitalist ownership of the means of production, and notes that "division of labour in the interior of a society, and that in the interior of a workshop, differ not only in degree, but also in kind".² He

¹ Karl Marx, *Grundrisse*. . . , S. 17.

² Karl Marx, *Capital*, Moscow, 1965, Vol. I, p. 354.

characterises the social division of labour under capitalism in great detail, shows the antagonistic character of the capitalist relations of distribution, based on private capitalist ownership of the means of production.

Marx writes that in capitalist society we observe the domination of anarchy of production and, "a constant tendency to equilibrium, of the various spheres of production, is exercised, only in the shape of a reaction against the constant upsetting of this equilibrium". The proportions are established as a "nature-imposed necessity, controlling the lawless caprice of the producers, and perceptible in the barometrical fluctuations of the market-prices".¹ Marx notes here also that the social division of labour did not and will not always lead to commodity production with its anarchy. In the event of social ownership of the means of production, production would develop according to a preconceived plan. He referred to the primeval communities in India to prove his point.

Marx always emphasised that the dominant form of ownership of the means of production determined both distribution and exchange. He noted that private exchange was not the result of the social division of labour, even though it may take place only in a society in which there is a division of labour. However, the division of labour itself is not the cause of private exchange. Its cause is to be sought in the domination of private ownership of the means of production, which divides the commodity producers in that society. Marx pointed out that private exchange presupposed a division of labour, but that it would be wrong to assume that division of labour presupposes private exchange. Under socialism, for example, we observe a developed social division of labour; however, the domination of public ownership of the means of production determines the specific nature of the commodity-money relations in that society.

Although under socialism, too, the exchange of activity takes the form of an exchange of commodities, it differs from capitalist commodity circulation in that it is not private exchange, not a spontaneous process, determining the proportions of social production irrespective of the will and consciousness of people. Public ownership of the means of

¹ *Ibid.*, p. 356.

production predetermines the emergence of specific laws of socialism, notably of the basic economic law and the law of planned, proportionate development. Under the influence of those laws, commodity production under socialism acquires specific features and develops according to plan and the demands of the basic economic law of socialism. The public form of ownership makes it objectively possible to use commodity relations and value categories—prices, credit, economic accounting, etc.—according to plan and in the general social interest.

The denial of the fact that the social division of labour depends on the dominant form of ownership of the means of production made the revisionists, including Šik, mechanically transplant the specific features and consequences of the capitalist division of labour to the socialist economy.

Ota Šik ignores the influence the social form of production exercises on the division of labour and therefore denies the directly social character of labour under socialism and identifies the causes of commodity production under socialism with those responsible for it under capitalism.

Šik's analysis of the social division of labour ignores also the forms of ownership of the means of production. For this reason he regards the social division of labour as the main cause of commodity production both under socialism and capitalism. He does not see that commodity production under socialism and under capitalism are due to entirely different causes. In his view the existence of commodity production under the two systems has a common basis, namely that "labour is expended in isolated group co-operatives in conditions of a developed division of labour". Indeed, the division of labour predetermines a relative independence of enterprises or, as Šik calls them, of "group co-operatives". However, public ownership of the means of production far from dividing, links all these "group co-operatives" and thus lends labour a directly social character. The socialist economy on a country-wide scale becomes, to use Lenin's expression, a single office and a single factory developing on the basis of planned management from a single centre.

Šik accuses Marx of not having seen that there is an even deeper contradiction which is at the root of all commodity production and says that "the contradiction between social and private labour is a definite primary historical form of

the manifestation of this contradiction", and that it applies also to socialist economy.¹ All these arguments advanced by Šik have the aim of proving that the existence of "group co-operatives", that is, of the division of labour between socialist enterprises evolves under socialism a contradiction between private and social labour and, hence, is that same deeper cause for the existence of commodity production both under socialism and capitalism.

It should be noted that some modern bourgeois economists and sociologists, too, try to prove that commodity production is an essential and natural consequence of the division of labour at all stages of social development.

Šik attempted to pass off this brew of petty-bourgeois theories of consumer socialism as a creative development of Marxism. Actually it was a deviation from the Marxist theory of labour value and money and at the same time a reactionary-utopian transplantation of conditions prevailing in pre-capitalist socio-economic formations to a modern setting. The revisionists used every possible distortion to create the semblance of a theoretical justification for their opportunist practices.

Lenin gave much attention to questions concerned with the division of labour. He linked the development of the internal market under capitalism with those of the social division of labour and specialisation. He did not treat the social division of labour as an "eternal law" outside of time and space, but considered it in connection with the concrete economic processes at work in post-reform Russia.

Lenin always categorically opposed all attempts to exaggerate the importance of the division of labour, to transform it into a general "formula of progress". It was this false approach to the division of labour that was characteristic of Mikhailovsky, an ideologist of the Narodniks, whom Lenin criticised. Lenin wrote that in considering the division of labour Mikhailovsky had evolved "a general 'formula of progress', instead of analysing the definite forms assumed by the division of labour in different formations of social economy and at different periods of development".²

Skvortsov, who in *Nauchnoye obozreniye* wrote a review

¹ See Ota Šik, *Plan and Market Under Socialism*, p. 20.

² V. I. Lenin, *Collected Works*, Vol. 2, p. 231.

on Lenin's book *The Development of Capitalism in Russia*, also failed to understand the Marxist view on the division of labour. The reviewer confused the concept "social division of labour" with the division of labour in the workshop and was therefore unable to understand the social class structure in Russian industry during the manufacturing stage of capitalism.

Criticising all these erroneous views, Lenin expounded his conception of the division of labour in great detail. He not only defended Marxist positions in that question, but also developed Marx's principles theoretically.

Lenin particularly insisted on the need to distinguish between two kinds of division of labour: the division of labour in society and in the workshop. In this connection he wrote: "... The critic (Skvortsov.—*I.M.*) reveals his failure to understand the elementary difference between division of labour in society and division of labour in the workshop: the former creates ... *isolated commodity-producers*, who, independently and separately from one another, produce different products which enter into exchange; *the latter does not alter the relation of the producers to society, but merely transforms their position in the workshop.* That is the reason, so far as I can judge, why Marx sometimes speaks of 'social division of labour' and at others simply of division of labour."¹

Like Marx before him, Lenin insisted that the social division of labour depended on the form of ownership. He emphasised that the transformation of the natural economy into the commodity economy was the result not of the social division of labour in general, but of the social division of labour in conditions of private ownership of the means of production, which isolates the commodity producers. He wrote that "the transformation of the natural economy of the direct producers into commodity economy ... is due to the appearance of the social division of labour—the specialisation of isolated [N.B.: this is an essential condition of commodity economy], separate producers in only one branch of industry"²

Lenin emphasised that the division of labour in produc-

¹ V. I. Lenin, *Collected Works*, Vol. 3, pp. 618-619.

² *Ibid.*, Vol. 1, p. 93.

tion should not be considered the only feature, for example, of the manufacturing stage of the development of capitalism, that it can characterise it only from one angle, and that the emergence of the social system of manufacture, as a stage in the development of capitalism, requires also other conditions, including the concentration of the ownership of the means of production in the hands of the capitalists and the reduction of "those who work to the status of wage-workers engaged either in a master's workshop or in their own homes".¹ Thus, Lenin not only connected the division of labour with a definite form of ownership, but considered the latter decisive to a characteristic of the specific division of labour in the various social formations.

Šik has no use for the distinction between the division of labour in society and in the workshop, and even objects to such a distinction. He writes that it is necessary to reject "the views, widely held, that the division of labour is a *singular*, purely mechanical process in the course of which there emerge concrete forms of labour, different branches of production, etc., and that the *mode by which people are distributed among various professions, branches, etc., is another and quite different specific process*" (p. 127). Obviously, Šik rejects the Marxist view on the distinction between the division of labour in the workshop and the social division of labour.

Thus, Šik does not distinguish the division of labour in production from that in society. He considers the vague category of division of labour "in general" the basis of all other economic relations and essentially identifies the mode of division of labour with the mode of production. He writes: "... The mode of division of labour determines the structure of society, the requirements and interests of people, the development of their economic activity, and thus constitutes one of the basic social processes, without an understanding of which one cannot possibly comprehend the specifics of all other economic processes..." (p. 127). This makes the division of labour to all intents and purposes the basic relation of production. From this follows that the qualitative changes in the division of labour must lead to qualitative changes in the relations and mode of produc-

¹ V. I. Lenin, *Collected Works*, Vol. 2, p. 435.

tion, that is, in the final analysis, to the replacement of one economic basis by another.

This is incompatible with Marx's teaching on the need for a revolutionary replacement of the capitalist relations of production by the socialist relations of production. Sik denies that the division of labour undergoes a qualitative change within the same formation, for example, the capitalist. He writes: "The point is, first and foremost, that the capitalist mode of division of labour cannot change qualitatively within the framework of the capitalist formation" (p. 127). This we cannot agree with.

The division of labour has undergone qualitative changes under capitalism: simple co-operation was replaced by manufacture, the latter by machine production. At the same time the essence of the capitalist relations of production—the exploitation of wage-workers by the capitalist—remained unchanged. Only the Marxist-Leninist teaching on the two forms of the division of labour shows how qualitative changes in the division of labour ultimately lead to the maturing of material prerequisites for the emergence of new relations of production.

The productive forces develop within the framework of the capitalist socio-economic formation. This is expressed in the qualitative changes proceeding in the division of labour in production. Under simple capitalist co-operation there were only individual cases of a division of labour between workers, in the manufacturing stage this division predominated, in the capitalist factory it transforms the worker into an appendage of the machine. However, the division of labour in production, in its turn, affects the development of the social division of labour. Marx wrote in this connection that if the division of labour in manufacture requires a definite maturity of the division of labour in society, it, in its turn, influences the social division of labour. He noted that the social division of labour is promoted by the development of the territorial division of labour, and also by the extension of the world market and the colonial system; and that both are part of the general conditions for the existence of the social division of labour.

Karl Marx gave concrete examples to show how the development of the productive forces influences the development of the relations of production. Qualitative changes in

the division of labour lead to changes in the productive forces, which ultimately demand a change in the relations of production. The material prerequisites for the creation of new relations of production mature within the framework of capitalism. This can be seen particularly clearly from the development of the modern productive forces.

The development of the division of labour is simultaneously a development of specialisation, and this makes production social to an even higher degree. Every branch of production is linked by a thousand strings to other branches of production, depends on them and works for their benefit. However, the dominance of capitalist ownership of the means of production exacerbates the contradiction between the planned organisation of production at individual enterprises and the anarchy of production on a social scale. Private capitalist ownership of the means of production continues to isolate these enterprises and even whole production complexes from each other and, hence, precludes a planned distribution of labour and the means of production on a social scale. This contradiction is further aggravated under imperialism. It reflects a contradiction between the productive forces and the relations of production and can be resolved only by a revolutionary replacement of capitalist ownership of the means of production by public, socialist ownership.

The view that the division of labour is all-decisive, the confusion of its two kinds, the denial of its connection with a definite form of ownership, led the revisionists to a denial of the class nature of modern bourgeois society, to the theory that all classes are being ousted by an "engineering and technical elite standing above all classes".

These theories, which are as old as the capitalist world, have become very popular in the West. Their purpose is to belittle the role of the working class in the struggle for the revolutionary transformation of society.

Marx and Lenin proved in their time that only the working class, deprived of ownership of the means of production, is able to oppose the interests of the bourgeois class consistently and to the end. The subjective striving of the proletariat to destroy the domination of the bourgeoisie and to set up a new, socialist society, is in line with the objective course of historical development. Working side by side at large-scale capitalist enterprises, at industrial centres,

the working class is shaken from its isolation and seclusion, and discards all petty-bourgeois, narrow-minded ideas. The entire history of its struggle against capitalism teaches it to organise and to fight the bourgeoisie irreconcilably, that is, to fight for the destruction of the capitalist mode of production consistently and to the end. After the triumph of the socialist revolution the working class continues, throughout the period of the transition from capitalism to socialism and during the building of communist society, to be the only force able to head the struggle of all working people for the building of communism. The intelligentsia is supplemented under socialism primarily by the working class and "the mission of the socialist intelligentsia", as Gustav Husak rightly noted at the 14th Congress of the Communist Party of Czechoslovakia, "is to place all its creative energy at the service of the people and the all-out development of socialist society". As regards the thesis about an intellectual "elite", allegedly called upon to manage society, these "bourgeois and philistine views on the position of the social classes and strata have been rejected by us because we have learned from our own experience to what catastrophes they lead".¹

ŠIK'S "AMENDMENTS" TO THE SYSTEM OF ECONOMIC LAWS

Šik's confused views about the productive forces and the system of the relations of production, about the economic basis and socio-economic formations in general, are supplemented by false views about economic laws. Actually Šik recognises only universal economic laws, operating in all social formations and considers specific economic laws a special form of the manifestation of universal economic laws.

According to the Marxist-Leninist teaching on economic laws, the latter reflect the most important causal relationships between economic phenomena, those underlying their development. To reveal causal relationships between economic phenomena means to formulate economic laws, that is, laws in accordance with which these economic phenomena

¹ *Pravda*, May 26, 1971.

develop. An enormous role in the cognition of economic laws is played by scientific abstractions, which Marx, building on the concrete multiformity of economic phenomena inherent in a given concrete social formation, for example, the capitalist, used to deduce the essence of economic phenomena, the causal relationships between them, and to formulate this essence as economic categories and economic laws. Scientific abstractions enabled Marx deeply to understand the essence and laws of the development, for example, of the capitalist socio-economic formation. Hence, economic categories and economic laws are but scientific generalisations, a reflection in our consciousness of real economic processes.

Attaching enormous importance to scientific abstractions in the matter of understanding the objective world, including economic reality, Lenin at the same time warned against the danger of false abstractions, isolated from reality and distorting it. He revealed the gnoseological roots of such "nonsensical" abstractions. He wrote that abstraction is an act "complex, split into two, zig-zag-like, which *includes in it* the possibility of the flight of fantasy from life; more than that: the possibility of the *transformation* (moreover, an unnoticeable transformation, of which man is unaware) of the abstract concept, idea, into a *fantasy*".¹ Lenin noted that such a flight of fantasy from life is not always made "unconsciously". More often than not it is dictated by the interests of the dominating classes. Cognition, Lenin noted, does not proceed along a straight line, but is "a curve, which endlessly approximates a series of circles, a spiral. Any fragment, segment, section of this curve can be transformed (transformed one-sidedly) into an independent, complete, straight line, which then (if one does not see the wood for the trees) leads into the quagmire, into clerical obscurantism (where it is *anchored* by the class interests of the ruling classes)".²

Attempts to reduce such abstractions from life to the absurd are typical of Ota Šik. In his analysis of the economic laws he "dissolves" specific economic laws in universal economic laws, which operate at all times and in all epochs and, allegedly, determine "evolution at all stages of social development".

¹ V. I. Lenin, *Collected Works*, Vol. 38, p. 372.

² *Ibid.*, p. 363.

The founders of Marxism-Leninism recognise the existence of universal economic laws, governing the transition from one socio-economic formation to another. Among the most important of them Marx considered the law of the correspondence of the relations of production to the character of the productive forces, the law of the growing productivity of labour, and others. But, at the same time, the founders of Marxism-Leninism pointed out that these universal laws manifest themselves in a specific form in every formation. For example, under capitalism the law of the correspondence of the relations of production to the nature of the productive forces manifests itself as an antagonistic contradiction between the social character of production and the private capitalist form of appropriation, and is resolved by social revolution. Under socialism the correspondence of the relations of production to the nature of the productive forces is achieved by means of planned economic development, which is brought about by the utilisation by the socialist state of the economic laws operating under socialism.

In this connection the founders of Marxism-Leninism attached enormous importance to the elucidation not so much of the universal conditions of all production, "with the help of which no single real historical stage of production can be understood",¹ but to the scientific cognition of the specific laws of definite socio-economic formations. Frederick Engels wrote: "Political economy is therefore essentially a *historical* science. It deals with material which is historical, that is, constantly changing; it must first investigate the special laws of each individual stage in the evolution of production and exchange, and only when it has completed this investigation will it be able to establish the few quite general laws which hold good for production and exchange in general."²

Engels said in this context the following: "Anyone who attempted to bring the political economy of Tierra del Fuego under the same laws as are operative in present-day England would obviously produce nothing but the most banal commonplaces."³ This is precisely what Ota Šik is

¹ Karl Marx, *Grundrisse...*, S. 10.

² Frederick Engels, *Anti-Dühring*, Moscow, 1962, p. 204.

³ *Ibid.*, pp. 203-204.

trying to do. He writes that "there are definite general interrelations between economic processes, which determine their evolution at all stages of social development. These interrelations manifest themselves during the implementation of economic processes irrespective of the latter's specific forms. These are the so-called general economic laws" (p. 234). In order to reveal these general economic laws it is essential to abstract oneself "from definite specifics in the development of economic processes, from specifics distinguishing the development of the latter in different historical epochs" (p. 234). He goes on to say that specific laws are nothing but a specific expression of general economic laws (see p. 235).

Why did Ota Šik have to accentuate the universal economic laws? He provides an answer to that question himself: he did it in order to "understand the continuity of the process of social development and to escape the temptation of investing *definite* economic relations with specific interrelationships that are really general" (p. 235). This is a further example of Šik's methodology, which consists in "submerging" specific laws in general or universal economic laws. Marx warned in his time against such attempts. Saying that "*production in general* is an abstraction, but a rational abstraction, since it really emphasises the general, sets it down and therefore helps us avoid repetitions", Marx especially emphasised that "it is precisely the distinction from . . . the universal and general that constitutes their development. Definitions valid for production in general should be singled out precisely so that the unity arising already out of the fact that the subject-mankind and the object-nature are identical should not make us forget the essential distinctions between them. The whole wisdom of modern economists, who try to prove the eternity and harmoniousness of existing social relations, consists in forgetting this".¹ As we know, Marx consistently observed the principle of separating the specific from the general.

Lenin considered the fact that in his *Capital* Marx revealed the economic law of the development of modern society, whereas "all the economists who preceded him spoke

¹ Karl Marx, *Grundrisse*. . . , S. 7.

of society in general”¹, one of Marx’s deepest insights. Lenin observed that principle in all his economic researches. His book *Imperialism, the Highest Stage of Capitalism* contains a profound study of the specific laws of capitalism at the imperialist stage of capitalist development.

Ota Šik is worried about some general law being considered specific, but he is not in the least worried about a specific law of some formation, for example, of capitalism, being considered a universal economic law, operating in all formations, including also the socialist. At the same time, as we have seen, specific laws, for example, the law of spontaneous market relations prevailing under capitalism, have been transplanted by Ota Šik to the socialist economy.

In *Economics, Interests, Politics*, Ota Šik formulates three universal economic laws allegedly operating in all socio-economic formations: the law of the development of use values, the law of the development of production in economic proportions, and the law of the economy of time. In the book *Plan and Market Under Socialism* he adds to these three laws a fourth—the so-called law of reproduction.

Ota Šik did not manage to squeeze in the basic economic law, that of the correspondence of the relations of production to the character of the productive forces, in his chapter about economic laws. He replaced it by the law of the contradiction between nature and society, which we discussed at the beginning of the book.

In accordance with his conception that the struggle between nature and society is the basic law underlying all social development, he establishes the basic “most important interrelation”, that is, the basic universal economic law. He calls it “the law of the development of use values” and formulates it as follows: “Hence, production must always involve the creation of use values, which satisfy people’s requirements, irrespective of whether that need is the conscious aim of the agents of production or not” (p. 243).

However, this statement can hardly be called an economic law. All it does is to reflect the general conditions of man’s existence, his interrelation with nature. An economic law to qualify as such must reflect the interrelationships in the economic basis, in the aggregate of the relations of produc-

¹ V. I. Lenin, *Collected Works*, Vol. 1, p. 136.

tion, explaining the movement and development of people's interrelations concerned with production. The objectively existing nexus between the relations of production and the relations of consumption could, for example, be called such a law.

Such a law, reflecting the nexus between the relations of production and the relations of consumption was given in broad outline by Marx in his introduction to *A Contribution to the Critique of Political Economy* and was finally formulated by Lenin in the work *On the So-Called Market Question*. That law was formulated in Marxist political economy as the law of growing requirements. The growth of requirements stimulates the development of production, which in its turn creates new requirements, stimulating the further growth of production. Such an economic law really exists and operates in all socio-economic formations and can be called a universal law, even though it assumes specific forms at each historical stage.

We have spoken about the law of proportionality in connection with the question of the regulator of production, and shown that it cannot be considered a universal economic law, since it does not operate, for example, under capitalism.

Another thought-up "new" law is formulated by Ota Šik as follows: "Under all economic relations we find an objective economic nexus, which we call the economy of time, and which is directly expressed by the degree to which the productive forces are used" (p. 255).

We cannot agree with Ota Šik that the economy of time is a law applying in all socio-economic formations. Marx noted that the law of the economy of time applies only to collective production; however, Šik says nothing about that. "... Economy of time," Marx wrote, "just as the balanced distribution of labour time between the various branches of production, remains the first economic law on the basis of collective production. This becomes a law to an even higher degree."¹ As regards other socio-economic formations, for example, the capitalist, it is not economy of time that is typical of it, but its predatory waste, the waste of live as well as of embodied labour. Let us but remember the millions of unemployed in the modern capitalist world, whom

¹ *Marx-Engels Archive*, Vol. IV, p. 119 (in Russian).

capitalism condemns to idleness. This is proved also by the constant underemployment of productive capacities, the mass destruction of the productive forces during economic crises, the parasitism of the exploiter classes and their hangers-on. In view of all the above is it not ridiculous to say that the law of the economy of time is characteristic of capitalism?

Even the author of that law doubts it for he writes: "Under definite economic relations such economy can be carried out outside of the economic framework and at first glance it may therefore appear that the law of the economy of time does not operate at all" (pp. 259-260).

Indeed, no such law operates under capitalism. It begins to operate only under socialism and, as Marx says, becomes "a law to an even higher degree".

The desire to reveal "new truths" made Ota Šik formulate this imaginary universal law and forget the law of growing labour productivity that really exists in all socio-economic formations and was formulated by Marx and frequently mentioned by Lenin. Superficially it may seem that that law does not differ from the law of the economy of time. In reality, however, this is not so. Marx and Lenin proved that under capitalism there is no general economy of time, that such economy is practised only as regards the materialised time the capitalists possess in the form of fixed or circulating capital, and the embodied and live labour represented by it. In that case the capitalist is really thrifty and endeavours to obtain the maximum of embodied labour in the form of commodities for a minimum of paid-for live and embodied labour. The methods of extracting absolute and relative surplus value and the corresponding labour organisation in the form of capitalist co-operation, manufacture or the capitalist factory are but different stages in the growth of labour productivity under capitalism.

The law of growing labour productivity operates also in the communist socio-economic formation, which is demonstrated by the high rate of growth of labour productivity in all countries having embarked on the socialist road of development, a rate unattainable under capitalism. That law guarantees that the communist socio-economic formation will ultimately triumph over capitalism.

The so-called law of reproduction is still another one of Šik's universal economic laws. He formulates it as follows:

“Social production must ultimately serve non-productive consumption and its growth, and must on no account turn into ‘production for the sake of production’. This determines the basic relations between the production of the means of production and articles of consumption (the law of reproduction).”¹ This universal law is just as abstract as the three discussed above.

Šik may not have found space in his book *Economics, Interests, Politics* for a study of the specific economic laws of socialism, but it is strange, to put it mildly, that he did not find space for a special analysis of the basic features of the socialist economy, of its relations of production, its economic categories and specific economic laws in a book like *Plan and Market Under Socialism*, which is specially dedicated to the problems of socialist economy. All we find in it is an analysis of the operation of the law of value under socialism, which from a Marxist viewpoint also leaves much to be desired.

This must have happened because Šik, who professes to recognise the existence of the specific economic laws of socialism, actually proceeds from the assumption that universal economic laws are the only ones that really exist and can provide a key to an understanding of the laws of socialism. Šik, therefore, insists that not the specific laws of socialism, but universal economic laws, are of prime importance to economic policy and to overcoming the “intensifying economic contradictions”. In this connection he wrote with a great deal of irritation that this was able “to put an end to all the ‘chatter’ about laws, to all the talk that justified everything by laws . . . but failed to explain the objectively conditioned interrelations themselves” (p. 243).

He maintains that the socialist economy develops not on the basis of the specific economic laws of socialism, but on the basis of universal economic laws, operating at all times and in all countries, and that the economic policy of the socialist state should, first and foremost, ensure the implementation of these laws.

In *Plan and Market Under Socialism* he wrote: “We should secure the purposive and systematic consideration notably of definite universal economic regularities, which

¹ O. Šik, *Plan and Market Under Socialism*, p. 101.

manifest themselves more or less distinctly at all stages of the social economy, under all socio-economic conditions”, and further, “socialist economic activity must, first and foremost, ensure their implementation” (p. 100). What is the class meaning of this approach? The aim, as he himself admits, is “to escape the temptation of investing definite economic relations with specific interrelationships that are really universal” (p. 235). If one discards the pseudo-scientific dressing and translates that sentence into simple, class language, it could be expressed as follows: the task is to find general laws applying both under socialism and capitalism, to show that the two socio-economic systems are identical in socio-economic respects, that is, to lay a foundation for the convergence theory now so popular in the West. As of 1968 Šik has become an open adherent of the convergence theory and has joined the chorus of bourgeois and Social-Democratic theoreticians, including John Kenneth Galbraith, Roger Garaudy, Jan Tinbergen, and others.

It will be remembered that the essence of this theory is that the capitalist relations of production are gradually transforming and losing their antagonistic character, and that this is happening without a socialist revolution and without a proletarian dictatorship. At the same time, it says, socialism is also degrading and coming to resemble capitalism. This, it is alleged, will evolve a new society, one resembling neither capitalism nor socialism. This hybrid is the “new industrial society” or “democratic socialism”, or “socialism with a human face” or “humane socialism”, as the various authors style it.

There are many variants of the convergence theory. Šik’s variant is most frankly expounded in *Democratic Socialism*.

He maintains that “at present we observe in individual capitalist countries developments which may lead to the abolition of capitalism and the emergence of a new system by different means and in different forms than those envisaged by orthodox Marxism”. He concludes that “this would mean a transition to some new social system, differing from the existing capitalist as well as socialist systems”.

In the light of the above statement it is quite clear why Šik essentially rejects such a really existing universal economic law as the law of the correspondence of the relations

of production to the character of the productive forces, discovered by Karl Marx. Vague hints to the effect that that law was unfounded were contained already in *Economics, Interests, Politics*. In it he says, for example: "Until now we have only been able to observe the fact that the social economy develops and changes. The causes of that development have not been revealed. It should be noted that simplified interpretations are used to explain the driving forces of that development and that there are differences in the understanding of some basic categories" (p. 59). In *Plan and Market Under Socialism* this law is not even mentioned. Finally, the book *Democratic Socialism* states already in a categorical form that "the proposition about the correspondence of the relations of production to the productive forces is general and abstract".

Why does Šik deny that this law exists? He does it because Marx's formulation of the law, as given in the *Preface to A Contribution to the Critique of Political Economy* and in the seventh paragraph of the 24th chapter of the first volume of *Capital*, states concretely what the driving force of social development is, as well as the method (social revolution) by which the contradictions facing social development in antagonistic socio-economic formations are resolved. Marx's formulation clearly points out that the contradiction between the productive forces and the relations of production is juridically expressed in relations of ownership, notably ownership of the means of production. This, in its turn, explains the class structure of capitalist society, the struggle between the proletariat and the bourgeoisie, which ends in the expropriation of the expropriators and the establishment of the proletarian dictatorship. However, *Democratic Socialism* does not even mention these things, so "unpleasant" for the bourgeoisie. Moreover, that book, written when Šik already was an émigré in Switzerland, begins with such assurances as: "The aim of the analysis is not to create difficulties or problems for social groups interested in the perpetuation and preservation of existing systems." But the "expropriation of the expropriators", the socialist revolution and the dictatorship of the proletariat refuse to reckon with "difficulties" and "problems", which in their course must inevitably arise for the capitalist exploiters. The "convergence" theory sows illusions that "universal welfare" will

be established in the capitalist world without such "inconveniences".

What difference is there in that case between Ota Šik's conceptions and those of bourgeois economists, whom Marx, Engels and Lenin castigated so mercilessly in their time? The only difference is that the bourgeois economists did not conceal their true face, whereas Šik attempts to pass himself off as a Marxist and uses Marxist terms as a cloak.

CONCLUSION

The revision by Ota Šik of the basic propositions of Marxist-Leninist political economy was a part of his revision of the entire Marxist-Leninist theory. In this connection we should glance briefly at Šik's revision of the Leninist teaching about the leading role of the Communist Party in socialist construction.

It will be remembered that socialism emerges not spontaneously, but as a result of the organised and systematic activity of millions of working people in accordance with the scientific programme of socialist construction. This programme can be worked out and implemented only by the working-class party, whose ideology is Marxism-Leninism. Only that party, guided by the theory of scientific socialism, can transform the theoretical propositions of Marxism-Leninism into economic policy and mobilise all working people for the fulfilment of that policy.

Lenin noted that "by educating the workers' party, Marxism educates the vanguard of the proletariat, capable of assuming power and *leading the whole people* to socialism, of directing and organising the new system, of being the teacher, the guide, the leader of all the working and exploited people in organising their social life without the bourgeoisie and against the bourgeoisie".¹

The experience of socialist construction in the USSR and other socialist countries has fully corroborated Lenin's proposition that the leading and organising activity of the Marxist-Leninist Party is the main condition making it possible for the working class to exercise a decisive influence

¹ V. I. Lenin, *Collected Works*, Vol. 25, p. 404.

on the development of the new society. Lenin warned, and the facts have proved him right, that any attempt to weaken the leading role of the Communist Party is so much grist to the anti-socialist elements, and is fraught with the danger of restoration of capitalism.

The Right forces in Czechoslovakia, one of whose leaders was Ota Šik, attempted to weaken the leading role of the CPC. Šik began with "amendments" to Lenin's teaching about the Party's leading role in socialist construction, and ended up with open attacks against the party under whose leadership Czechoslovakia's working people had attained great successes in socialist construction. This was one of a series of attacks launched by the Right forces, aimed at depriving the people of the Czechoslovak Socialist Republic of their socialist gains.

After January 1968 the Right opportunists openly opposed the leading role of the CPC in socialist construction. In the economic field the attack was led by Ota Šik.

Šik's positions on the Party logically evolved from his false philosophic conception. Marxism teaches that our cognition of the objective world is authentic and accordingly scientifically founded tactics are worked out for the leadership of socialist construction, whereas Šik, standing on neo-Kantian positions in that question, declared that general class interests and, notably, the interests of the working class are a "thing in itself" and cannot be accurately established. He said that since the comprehension of general class interests was a mental activity "a full crystallisation of the interests of classes, for example, the interests of the working class, can never be attained". The social body of a class, for example, of the working class, can therefore "reflect the general content of the interests of its class only approximately". And even if it could cognise the interests of the class it would be able to act only in accordance with the interests of the majority of that class "but never in accordance with those of the entire class" and even then only "for a short span of time". Moreover, it may happen that that body acts against those interests, since ultimately, the general class interests can never fully coincide with the actions of class bodies (see pp. 424-425).

Šik considers that it is only logical that the aims proclaimed by a political party and the interests of the

classes it represents do not coincide. He says: "The aims proclaimed by a political party, a leader, etc., are not aimed at an actual realisation of the given economic interests or their sufficiently consistent implementation" (p. 449). In his view this proposition applies not only to bourgeois parties but also to the Communist parties: "One should not . . . exaggerate the adequacy of the interests *cognised* and *defended* by the Communist parties to the working class's objectively and really developing interests" (p. 469).

Later, in his article "Constants of Socialism", he suggested that it was undeniable and had been fully proved that the Czechoslovak Communist Party and its political leaders did not reflect the interests of the working class and all working people of the Czechoslovak Socialist Republic and he thus negated all the gains the Czechoslovak people had made in socialist construction during 25 years under the leadership of the Communist Party.

Such attacks against the Communist Party had been attempted in the past also in the USSR. They were made by enemies of socialism, notably by the Trotskyites and the "workers' opposition". The Communist Party of the Soviet Union disproved all their theories and consolidated its ranks, and as a result the country is now successfully building communism under its leadership.

The Communist Party of Czechoslovakia also found strength to repel the anti-Party Right opportunist forces. The April (1969) Plenary Meeting of the CC CPC was a turning point in the life of the Communist Party of Czechoslovakia. In his speech at the 14th Congress of the CPC Leonid Brezhnev noted that "at the April Plenary Meeting of the CC CPC in 1969 the Czechoslovak Communists said once and for all 'no' to the Right revisionists, 'no' to those who helped the enemies of socialism. This was a decisive step aimed at restoring the Marxist-Leninist character of the Party. The new leadership of the CPC elected at the Plenary Meeting placed itself at the head of the struggle waged by the same forces in the Party and in society for the consolidation of the socialist system, for overcoming the aftermath of the venture launched by the counter-revolutionaries".¹

¹ *Pravda*, May 27, 1971.

The plenary meetings of the CC CPC held in January and in December 1970 played an enormous role in reinforcing the leading role of the Communist Party in socialist construction and in liquidating the critical position in the Party and the country.

The 14th Congress held in May 1971 and the celebrations of the 50th anniversary of the CPC coinciding with it demonstrated to the world the complete ideological and political unity of the Party and its unanimity as regards the evaluation of the period between the 13th and 14th Congresses, and future plans.

The 14th Congress adopted an extensive programme for the development and consolidation of socialism in the Czechoslovak Socialist Republic. The widespread creative initiative of the people directed at the fulfilment of the Congress's decisions shows that they support the political line and economic programme of the CPC.

In the directives of the Fifth Five-Year Plan, adopted by the Congress, great importance is attached to the further rise in the working people's standard of living. The national income will grow by more than 5 per cent a year. The further development of industry will play a decisive role in developing the productive forces. The most progressive branches will grow at a comparatively higher rate. Thus, for example, by 1975 the country's output of electric power will increase by 39 per cent. Engineering, the basis for the development and modernisation of all other economic branches, will grow particularly quickly. Such branches as electrical engineering, electronics, computers, automation equipment, etc., are to grow at an accelerated rate. The chemical industry too will develop apace.

Agriculture, supplying now about 80 per cent of the food consumed in the country, will be built up during the five-year period so as to satisfy the country's requirements in food staples. Housing construction is forging ahead, an underground railway is being built in Prague, and all welfare services are improving.

The directives of the five-year plan attach great importance to the improvement of economic management, to the implementation of the economic reform in accordance with Leninist principles of socialist construction. The further

extension of economic co-operation with the socialist countries, notably within the CMEA framework, will play an important role in developing the Czechoslovak economy. Czechoslovakia participates actively in the Comprehensive Programme for the Further Extension and Improvement of Co-operation and the Development of Socialist Economic Integration Between the CMEA Member-Countries, adopted at the 25th session of the CMEA.

The fulfilment of the decisions of the 14th Congress of the CPC will be a further step towards consolidating and developing socialism in Czechoslovakia, towards strengthening the might of the world socialist system as a whole.

In February 1972 a Plenary Meeting of the CC CPC discussed the progress made in the fulfilment of the 14th CPC Congress' decisions in the economic field. The discussions demonstrated that the programme for the development of socialist society, mapped out by the Congress, enjoys the working people's full support. "The progress made in the fulfilment of the Congress' decisions," the Plenary Meeting's resolution reads, "confirms that our Party stands firmly on Marxist-Leninist positions, on positions of proletarian internationalism, that it is united, able for vigorous action, and that the leading role is fully ensured to it."¹

* * *

We have shown above that as regards fundamental questions of Marxist-Leninist methodology, Ota Šik stands on anti-Marxist positions. He preaches eclecticism, subjective sociology and neo-Kantianism. G. V. Plekhanov's evaluation of the views of Professor Masaryk can be fully applied to Šik's ideas on the methodology of economic science. Plekhanov described Masaryk's book *Philosophic and Sociological Foundations of Marxism* as follows: "He has borrowed a few things also from the 'formulations' of Mr. Nik. Mikhailovsky and other Russian 'critics' of historical materialism. . . .

"All these borrowings, verbosity and pedantism in

¹ *Zivot Strany*, No. 4, 1972, p. 4.

Mr. Masaryk's 'criticism' of Marx's historical views make him greatly resemble . . . Mr. Eduard Bernstein."¹ The same can be said of Ota Šik's philosophical and economic views.

Šik's position and activity between 1968 and 1969 outside of Czechoslovakia were severely condemned by the Central Committee of the CPC. It will be remembered that the May 1969 Plenary Meeting of the CC CPC stated that his activity abroad was contrary to the political line of the Central Committee, that he had taken political and ideological positions providing bourgeois propaganda with arguments for attacks against the CPC and that he was inflicting serious harm to the interests of Czechoslovakia. However, despite this serious warning Šik continued these actions incompatible with the principles and policies of the Communist Party of Czechoslovakia and the Czechoslovak Socialist Republic, and was, as a result, expelled from the CPC in October 1969. Ota Šik betrayed Marxism-Leninism and his country. He emigrated from the Czechoslovak Socialist Republic and began openly to abuse Marxism, socialism and socialist Czechoslovakia, and turned into a "specialist" on anti-communism. In April 1970 Šik spoke at the Economic Symposium at Zurich, which was attended by the prominent bourgeois economist John Kenneth Galbraith. Šik castigated socialism in a manner that made even Galbraith declare that he felt himself more of a Marxist than the Marxist Šik.² Thus, having begun with "amendments" and "clarifications" of the basic propositions of Marxism-Leninism, he ended up with a gross betrayal of Marxism-Leninism and socialism.

The interest in Ota Šik has flagged and he is now willing to do practically anything to gain the limelight. This led him finally to the US Congress. On December 8, 1970, United Press International reported that Šik had spoken to the Senate Sub-Committee on Foreign Economic Policy. What did Ota Šik tell the American Congressmen? UPI reports: "Ota Šik, the former Vice-Chairman of the Czechoslovak Government, told the American Congress that the Soviet leadership endeavours to provoke military conflicts between nations, to worsen the international situation and to renew

¹ G. V. Plekhanov, *Works*, Vol. XI, Moscow, Petrograd, 1923, p. 382 (in Russian).

² *Práce*, April 7, 1970.

'cold war' politics." He also complained to the Congress that the Soviet system educates people in hatred for Western imperialism and constantly wages struggle against all sorts of "revisionists", "anti-socialists", "liberal-opportunists" and "capitalist agents".

Tribuna, the weekly of the CC CPC, commenting on the above, wrote: "This activity is typical of all renegades. He was unable to sell Czechoslovakia for half a million dollars, now he sells himself."¹

As regards revisionism and counter-revolution, the weekly noted, there was no need to think them up. "Revisionism is as old as the working-class movement, yet it must be systematically exposed. Counter-revolution and revisionism are the weapon which the bourgeoisie, doomed to extinction, uses to fight all revolutionary action."²

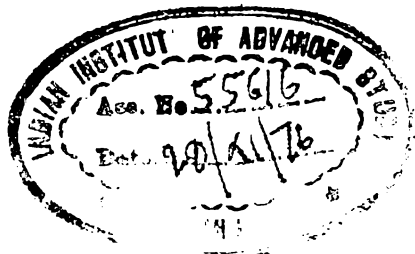
During the period of the preparations for the 14th Congress of the CPC Ota Šik felt the need to draw attention to himself. Together with other anti-communists, the traitors Pelikán and Goldstücker, he held a press-conference in Paris at which bitter tears were shed over the fate of their followers remaining in the Czechoslovak Socialist Republic. Let us mention in passing that the official press reported that despite their heavy political crimes they were free and materially provided for.

Early in May 1971 Šik published an article in conjunction with a group of zionists in the notorious anti-communist magazine *Problems of Communism*, published in the USA.

Finally, in May 1971, already after the 14th Congress of the CPC, he "consented" to give an interview on the subject "The Socialist Economy of Czechoslovakia and Its Catastrophic State" to the archreactionary, anti-communist magazine *Americké listy*, published in the United States. He was not in the least abashed by the fact that he found himself in the same company with such avowed anti-communists as Ferdinand Peroutka and Ota Rambousek. In that interview he predicts, recanting his old song, that a catastrophe will overtake the Czechoslovak economy unless market elements are given free play. Of course, he does not mention

¹ *Tribuna*, No. 2, 1971, p. 20.

² *Ibid*.



that he and his followers, who had given free play to market forces, pushed the country's economy to the brink of catastrophe in 1968.

In commenting that fact, the weekly of the CC CPC concludes: "The interview given to *Americké listy* proves the further moral degradation of Ota Šik."¹

All that remains to him now is to sink even deeper into the quagmire. Such is the fate of all traitors!

¹ *Tribuna*, No. 23, 1971.

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This pamphlet tells how Ota Šik revised the basic categories of Marxist-Leninist political economy (ownership, productive forces, relations of production, and so on) and how this revision was used by the Right forces as a theoretical basis for their anti-socialist practices in Czechoslovakia's socialist economy.



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