

ON THE METHOD OF THE POLITICAL ECONOMY OF SOCIALISM

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I. The Views of the Authors of *Political Economy (A Textbook)* on the Object and Method of Political Economy

In his criticism of my book *Political Economy of Socialism*, Iwao Ito of Niigata University wrote; "*Political Economy (A Textbook)*, edited in the USSR, may be the first attempt in the world at a systematic grasp of the socialist economy. I feel, however, that this textbook left a number of problems unsolved and unclear. This is, I think, the result of the fact that the authors of the textbook analyze the socialist economy without precisely giving the method of the political economy of socialism."¹ Mr. Ito has certainly pointed out the significant defects of the book. But his criticism may be unexpected one to the authors, because they gave at the very beginning of the book explanations of the object and method of political economy.

In the first and second editions of *Textbook*, the introductory chapter lacks title and sub-titles. However, in the third edition, published in September, 1958, the introductory chapter was given the title, "The Object of Political Economy", and was divided into five sections, entitled "Production of Material Goods is the Basis of Social Life"; "Productive Forces and Relations of Production"; "A Definition of Political Economy"; "The Method of Political Economy"; "The Class Nature of Political Economy". Though corrections were made to the title and formation of the chapter, in the text itself the third edition contains only some revisions which appear to me of small importance. Therefore it may be said, that from the time of publication of the first edition (1954), the authors had rather decisive views concerning the object and method of political economy. Nevertheless, Ito's criticism does not appear to me out of order when he indicates the lack of methodology in *Textbook*. Further, in so far as the authors attempted to give methodology, they gave a mistaken one. I shall leave justification for this statement to the second and later parts of this article, and discuss first the views of the authors of *Textbook*.

In the section "A Definition of Political Economy", bearing in mind the famous formula of F. Engels, the authors write: "Political economy is an historical science. It is concerned with material production in its historically determined social form, with the economic laws which are inherent in particular modes of production."²

¹ Iwao Ito, *On the Method of Political Economy of Socialism; Some Questions to Professor Soejima*; Hokei Ronshu of Niigata University, VIII, 1, p. 1.

² Институт экономики АН СССР, *Политическая экономия (Учебник)*, Третье, переработанное издание, Москва, 1958, стр. 11. Cf. English translation from the second edition, *Political Economy (A Textbook)*, edited by C.P. Dutt and Andrew Rothstein, London, Lawrence, 1957, p. xvii.

The authors then explain the meaning of the economic laws, recognition and utilization of the objective economic laws by human beings. After these explanations, they return to the matter of what political economy is, quoting Engels' famous passage. Political economy investigates, as Engels wrote, "the special laws in 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."³ From this passage the authors derive the following characteristic conclusion. "Consequently, the development of the various social formations is governed both by their own specific economic laws and also by those economic laws which are common to all formations.....Hence social formations are not only marked off one from another by the specific economic laws inherent in each given mode of production, but also are linked together by a few economic laws which are common to all formations".⁴

Up to date mankind has known five principal types of relations of production: primitive communal system, slavery, feudalism, capitalism, and socialism. Political economy makes these forms of society its subject matter. "Thus, political economy is the science of the development of the social productive, i.e., economic, relations between men. It elucidates the laws which regulate the production and distribution of material wealth in human society at the different stages of its development."⁵

The authors of *Political Economy* then turn to an explanation of the method of such a political economy. "The method of Marxist political economy is the method of dialectical materialism. Marxist-Leninist political economy applies the fundamental propositions of dialectical and historical materialism to the study of the economic structure of society".⁶

Now one may well ask just what is meant by the application of the fundamental propositions of dialectical and historical materialism to the study of the economic structure of society. I myself would like to know the answer, an answer which the authors of *Textbook* fail to give. They follow up the above passage with the statement that political economy must depend on the power of abstraction since it cannot carry out testing and experimentation under laboratory conditions as almost all natural sciences do. Because of the fact that the economic phenomena are very complex, we must reveal "through theoretical analysis" the deeper processes which lie hidden beneath the surface. What is obtained as a result of such scientific analysis are the economic categories.

Next, the authors of *Textbook* give a description of the "method of Marx". "Marx's method consists of ascending from the simplest of economic categories to more complex ones, which corresponds to the progressive development of society on an ascending line, from lower stages to higher."⁷

The above represents, in general, the basic conceptions of the object and method of political economy of the authors of *Textbook*.

At first glance, it might appear that, apart from over-simplification, or at worst, an excessive popularization, there is nothing with which to quarrel, because these

³ F. Engels, *Anti-Dühring*, English Translation. Foreign Languages Publishing House, Moscow, 1954, p. 204.

⁴ Политическая экономия (Учебник), стр. 12 (cf. the above mentioned English edition, p. xviii).

⁵ Op. cit., стр. 13 (Cf. English ed., p. xviii).

⁶ Op. cit., стр. 13 (Cf. English ed., p. xix)

⁷ Op. cit., стр. 14 (Cf. English ed., p. xix)

conceptions are written in accordance with the classical propositions of Marx-Engels-Lenin concerning the object and method of political economy. I, however, do not think so. The authors do indeed formally base these conceptions on the words of Marx-Engels-Lenin, but their interpretations of these words are so vulgar, shallow, superficial and therefore so un-scientific that their (the authors') ideas are interspersed with a number of misunderstandings. I shall attempt to prove this in several aspects.

II. Engels' Views on Political Economy in the Wider Sense

In attempting to systematize political economy in the wider sense, almost all Marxists would undoubtedly take as their authority the famous passages by Engels in *Anti-Dühring*. The Soviet economists I now criticize do just so. It must be noted, however, that Engels' well-known propositions in *Anti-Dühring*, Part II, "Political Economy," Chapter I, "Subject Matter and Method" do not give an exhaustive and complete exposition on the matter in which we are interested.

Engels writes in this chapter as follows: "Political economy, in the widest sense, is the science of the laws governing the production and exchange of the material means of subsistence in human society". However "the conditions under which men produce and exchange vary from country to country, and within each country again from generation to generation. Political economy, therefore, cannot be the same for all countries and for all historical epochs". The inhabitants of Tierra del Fuego live under quite different conditions from those under which present day Englishmen live. "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."⁸

Needless to say, these classical passages from Engels are essentially correct. At the same time, however, I cannot consider all nine of Engels' passages as being beyond dispute. It would be closer to the truth to say that they contain words of considerable ambiguity, and these best described as in error. Correct propositions are mixed with ambiguous ones—propositions which must not be directly relied upon in an attempt at systematizing the political economy of socialism. I shall discuss this later, and consider next other important statements by Engels.

"Political economy.....as the science of the conditions and forms under which the various human societies have produced and exchanged and on this basis have distributed their products—political economy in this wider sense has still to be brought into being. Such economic science as we possess up to the present is limited almost exclusively to the genesis and development of the capitalist mode of production: it begins with a critique of the survivals of the feudal forms of production and exchange, shows the necessity of their replacement by capitalist forms, then develops the laws of the capitalist mode of production and its corresponding forms of exchange in their positive aspects, that is, the aspects in which they further the general aims of society, and ends with a socialist critique

⁸ F. Engels *Anti-Dühring*, pp. 203-204.

of the capitalist mode of production, that is, with a demonstration that this mode of production, by virtue of its own development, drives towards a point at which it makes itself impossible".⁹

This conception by Engels is accepted by the Soviet economists in *Textbook*.¹⁰ However, I doubt whether Engels' statements are beyond dispute? Can they really be accepted unconditionally? I do not believe so.

In the first place, Engels did little more than offer a general conception of political economy in the wider sense, without touching at all on the position and role of political economy in the narrow sense within the system of political economy in the wider sense. Further, Engels' explanation of just what political economy in the narrow sense is, cannot be considered accurate. However, since Engels, when he wrote *Anti-Dühring*, felt no obligation to systematize political economy in the wider sense, he should not be blamed for offering such a general explanation of political economy in the wider sense. Further, it should also be considered, that Engels wrote these passages in 1877-78, just after political economy in the narrow sense had made a great stride towards its final establishment as a truly scientific learning through the publication of the Volume I of K. Marx's *Capital* (1867). It is, accordingly, inevitable that there are some shortcomings in Engels' views. Of course, I do not deny that the passages from Engels quoted above certainly possess historical value. However, it would not only be a serious dereliction but also lead to grave error, if one did not go a little beyond Engels' statement in attempting to systematize political economy in the wider sense, in particular political economy of socialism.

If we may be previous with our conclusion, the shortcomings of *Textbook* are as follows. The authors state, that society from the time of slavery up to capitalism, was a class society dependent on the exploitation of men by men, while socialist society is a society in which such exploitation is abolished. So far, so good. Here, indeed, is a principal distinction between socialism and previous social forms. However, there is not even a hint in the explanations in *Political Economy* that the socialist society is the so-called "kingdom of freedom", as Engels characterized it. On the contrary, the authors of *Textbook*, just a page earlier, generally emphasize the objective nature of economic laws and dwell on the recognition and utilization by human beings of those objective laws and on the class nature of their utilization. Here the explanation reads as if objective economic laws could be utilized in a capitalist society—albeit for the gain of the bourgeoisie—in the same way that objective laws are utilized in socialist society for the benefit of social development.¹¹ The authors of *Textbook* thus airily miss one of the most characteristic distinctions between socialism and the social forms preceeding it.

This grave defect is, I believe, related to the authors' fundamentally erroneous conceptions of the method of political economy in the narrow sense.

⁹ Op. cit., p. 208.

¹⁰ Cf. Политическая экономия, стр. 13. (Cf. English ed. p. xviii)

¹¹ Cf. op. cit., стр. 12.

III. *The Method of Political Economy in the Narrow Sense*

There are the famous passages from Marx on the method of political economy—passages which, although a little long, we quote in the original.

“Es scheint das Richtige zu sein, mit dem Realen und Konkreten, der wirklichen Voraussetzung zu beginnen, also z. B. in der Ökonomie mit der Bevölkerung, die die Grundlage und das Subjekt des ganzen gesellschaftlichen Produktionsakts ist. Indes zeigt sich dies bei näherer Betrachtung falsch. Die Bevölkerung ist eine Abstraktion, wenn ich z. B. die Klassen, aus denen sie besteht, weglasse. Diese Klassen sind wieder ein leeres Wort, wenn ich die Elemente nicht kenne, auf denen sie beruht, z. B. Lohnarbeit, Kapital etc. Diese unterstellen Austausch, Teilung der Arbeit, Preise etc. Kapital z. B. ohne Lohnarbeit ist nichts, ohne Wert, Geld, Preis etc. Fange ich also mit der Bevölkerung an, so wäre das eine chaotische Vorstellung des Ganzen und durch nähere Bestimmung würde ich analytisch immer mehr auf einfachere Begriffe kommen; von dem vorgestellten Konkreten auf immer dünnere Abstrakta, bis ich bei den einfachsten Bestimmungen angelangt wäre. Von da wäre nun die Reise wieder rückwärts anzutreten, bis ich endlich wieder bei der Bevölkerung anlangte, diesmal aber nicht als bei einer chaotischen Vorstellung eines Ganzen, sondern als einer reichen Totalität von vielen Bestimmungen und Beziehungen. Der erste Weg ist der, den die Ökonomie in ihrer Entstehung geschichtlich genommen hat. Die Ökonomen des 17. Jahrhunderts z. B. fangen immer mit dem lebendigen Ganzen, der Bevölkerung, der Nation, Staat, mehreren Staaten etc. an; sie enden aber immer damit, daß sie durch Analyse einige bestimmende abstrakte, allgemeine Beziehungen, wie Teilung der Arbeit, Geld, Wert etc. herausfinden. Sobald diese einzelnen Momente mehr oder weniger fixiert und abstrahiert waren, begannen die ökonomischen Systeme, die von dem einfachen, wie Arbeit, Teilung der Arbeit, Bedürfnis, Tauschwert, aufsteigen bis zum Staat, Austausch der Nationen und Weltmarkt. Das letztere ist offenbar die wissenschaftlich richtige Methode.”¹²

These passages from Marx show us the course of historical development of political economy from its birth to its establishment as a truly scientific learning. At the same time, they accurately provide a scientific method of political economy. It should be noted, however, that the method of Marx explained in these passages is a method of political economy in the narrow sense, that is, the political economy of capitalism. Although this is clear and hardly requires any warning, the authors of *Political Economy*, strangely enough, have forgotten this self-evident truth.

In *Textbook*, as we saw, are given two propositions concerning the method of political economy. One is that “the method of Marxist political economy is the method of dialectical materialism”, and the other is that “Marx’s method consists of ascending from the simplest of economic categories to more complex ones”. Let us consider next, where these propositions coincide with and where they diverge from Marx’s correct theses. For the sake of convenience, let us begin with the second proposition.

According to the authors of *Textbook*, the ascending movement from the simplest of economic categories to more complex ones “corresponds to the progressive development of society on an ascending line, from lower stages to higher”. Here emerges

¹² K. Marx, *Zur Kritik der politischen Ökonomie; Einleitung*. Dietz; Berlin, 1951, ss. 256–257.

that ambiguity which is one of the important characteristics of *Textbook*. What did the authors mean by the words "progressive development of society on an ascending line from lower stages to higher"? Firstly, if by saying so they wish to point out the progressive movement of human society from a primitive communal system through slavery and feudalism to capitalism, and the inevitable replacement of capitalism by socialism, they have demonstrated a lack of understanding not only of Marx's method but also of the whole system of Marx's *Capital*. Secondly, even if it is interpreted as meaning that the process of logical development corresponds to the process of historical development of, for example, capitalism from its earlier stage through the stage of prosperity to that of its downfall, this passage may be incorrect. In *Capital*, beginning with an analysis of the commodity, Marx proved the inevitability of money in the process of development of forms of value; and by logically tracing the functions of money, Marx unavoidably arrived at the transformation of money into capital. This process of logical development corresponds to the process of historical development in which the development of exchange of commodities inevitably gave birth to money, and the development of circulation of commodities and currency unavoidably gave birth to capital. Similar correspondence between logical and historical development can be seen in other aspects. However, for the overall system of *Capital*, i. e. the system of the political economy of capitalism, it is impossible to assert the correspondence between logical and historical development in as simple a form as that explained by the authors of *Political Economy*. How do they understand and interpret the passage in Marx's *Einleitung zur Kritik der Politischen Ökonomie*, which reads: Es wäre...untunlich und falsch, die ökonomischen Kategorien in der Folge aufeinander folgen zu lassen, in der sie historisch die bestimmenden waren. Vielmehr ist ihre Reihenfolge bestimmt durch die Beziehung, die sie in der modernen bürgerlichen Gesellschaft aufeinander haben, und die gerade das umgekehrte von dem ist, was als ihre naturgemäße erscheint oder der Reihe der historischen Entwicklung entspricht. Es handelt sich nicht um das Verhältnis, das die ökonomischen Verhältnisse in der Aufeinanderfolge verschiedener Gesellschaftsformen historisch einnehmen....Sondern um ihre Gliederung innerhalb der modernen bürgerlichen Gesellschaft".¹³

It is obvious that the description in *Political Economy* directly contradicts the above-quoted scientific teaching of Karl Marx.

Now let us examine the other proposition concerning the method of political economy presented in *Textbook*. The statement by the authors that the "method of Marxist political economy is the method of dialectical materialism..." might be considered as quite reasonable. However, what is meant by the words "method of dialectical materialism"? It goes without saying that the Marx's method is dialectical, as he himself states this in the *Afterword* to the second edition of *Capital*. Still it does not follow from this, that the dialectical method is to "apply fundamental propositions of dialectical and historical materialism to the study of the economic structure of society".

V. I. Lenin in a work of his younger days "*What the 'Friends of the People' are*", after quoting famous passages in *Vorwort* to *Zur Kritik der Politischen Ökonomie* on the fundamental propositions of historical materialism (which Marx described as the general conclusion that became the key to his study of political economy) wrote:

¹³ K. Marx. *Zur Kritik der Politischen Ökonomie*, s. 265.

"This idea of materialism in sociology was in itself a stroke of genius. Naturally, for the time being it was only a hypothesis, but one which for the first time created the possibility of a strictly scientific approach to historical and social problems. Hitherto, being unable to descend to such simple and primary relations as the relations of production, the sociologist proceeded directly to investigate and study the political and legal forms, stumbled on the fact that these forms rise out of certain ideas held by men in the period in question—and there they stopped; it appears as if social relations were established by men consciously....Materialism removed this contradiction by carrying the analysis deeper, to the origin of these very social ideas of men".¹⁴

According to Lenin, historical materialism was, for the time being, no more than a hypothesis at the time it was formulated early in the 1840's. Marx, of course, never did apply to the study of political economy the propositions of historical materialism which still remain a hypothesis. Instead, he, thenceforth devoted himself almost entirely to the study of political economy, making dialectical and historical materialism only a key to that study. Lenin expresses it as follows:

"Marx, having expressed this hypothesis in the 'forties, set out to study the factual (*nota bene*) material. He took one of the economic formations of society—the system of commodity production—and on the basis of a vast mass of data (which he studies for no less than twenty-five years) gave a most detailed analysis of the laws governing the functioning of this formation and its development". Thus the economic law of motion of capitalist society was disclosed in Marx's *Capital* (Volum I, 1867). "Now—since the appearance of *Capital*—the materialist conception of history is no longer a hypothesis, but a scientifically demonstrated proposition."¹⁵

In my opinion, the dialectical method of Marx in *Capital* lies in that he begins with the analysis of "the commodity form of the product of labour—or the value form of the commodity" as the economic cell-form in bourgeois society, ascends in logical development, step by step, more concrete and complex matters, and logically reconstructs the capitalist mode of production in the overall system of his *Capital*, ending with the chapter "Classes" (Vol. III, Part VII, Chapter 52). He was able to do this not by the application of the fundamental propositions of historical materialism to the analysis of the capitalist economy, but only by the study of political economy for more than 25 years—what is more, not only by the study of a mass of factual materials, as Lenin indicated, but also by a close study of preceding economic theories. By saying so, of course, I do not mean that the fundamental propositions of historical materialism had no great significance for Marx when he worked out the overall system of *Capital*. In fact, to begin with "the commodity form of the product of labour,—or the value form of the commodity" was made possible only when Marx was guided by the historical materialism he himself had established. Indeed, A. Smith and D. Ricardo made the commodity the starting point of their analysis, but they did not recognize the significance of why the commodity should be taken as the starting point. Also, they were not conscious of the historical nature of the commodity form of labour products, for they considered the commodity form as an ultra-historical, natural form of labour products. Marx, however, clearly recognized the fact that the overwhelming majority of labour products take commodity form as

¹⁴ V. I. Lenin. *Selected Works in two Volumes*, Vol. I, Part 1, FLPH., Moscow, 1952, pp. 106-107.

¹⁵ *Op. cit.*, pp. 108 110.

a fundamental characteristic of capitalism, in contrast to both earlier and later social forms. This cognition was connected with the fact that Marx, who had fundamentally established historical materialism, had already taken the standpoint of communism, which asserts the overthrow of capitalism. Because the authors of *Political Economy* are utterly lacking in such considerations, they are unable to recognize the special significance of the political economy of capitalism within the system of political economy in the wider sense. Thus, they seem to assert that, in attempting to analyze every economic system it is possible to directly elucidate elemental economic features of various social forms, by the aid of the power of abstraction, by means of abstraction from secondary features.

IV. *The method of Political Economy of Socialism*

Now let us return to Engels' fundamental proposition concerning political economy in the wider sense. He wrote, as quoted above, in his *Anti-Dühring* (p. 204), that "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". It seems that this proposition has been accepted by a majority of Marxists as self-evident. However, I am afraid that Engels' description is too general, and, therefore, includes considerable defects. The most serious of these is that no consideration is given to the special significance and role of political economy in the narrow sense within the whole system of political economy in the wider sense.

Engels says that political economy in the wider sense "must first investigate the special laws of each individual stage in the evolution of production and exchange". In general, this may be correct. However, depending only on this proposition, it is impossible to answer the important question of why political economy has evolved step by step with the birth and development of capitalism. In other words, it is impossible to explain the reason why "political economy, as it made its appearance in history, is in fact nothing but the scientific insight into the economics of the period of capitalist production"¹⁶. In my opinion, a methodology which does not include elucidation of such a pertinent historical fact is inadequate.

It would be utterly improper to try to explain the facts that political economy made its appearance in the period of the collapse of feudalism, i. e., at the time of earliest stage of capitalism, and that it developed with the growth of capitalism, by means of the advance of human knowledge in general, by the enlightening and the progressive nature of capitalism as opposed to dark and anti-scientific nature of the feudal period. The point is that the modern period required the advance of human knowledge, while for the medieval period, Catholic doctrine was all-in-all. Political economy was born as a result of the needs of a new-born society. Specifically, on the one hand, political economy could arise as a systematized science only when the production and distribution of the material means of subsistence ceased to be regulated by extra-economic factors;

¹⁶ F. Engels, *Anti-Dühring*, p. 315. As is known, the chapter "From the *critical history*" of this book is penned by Marx.

on the other hand, because of the fact that step by step with the formation of the above conditions, social relations grew more and more extensive and complex, a new ruling class—the bourgeoisie—that began to appear on the historical arena at that time, found it necessary to investigate the economy of society in order to maintain and extend their dominance. In other words, political economy was formulated as a systematized science in step with the development of commodity production and circulation—with the formation of new capitalistic relations of production and distribution. As is well known, a capitalist society of commodity production was established in its purest type in England in the 1860's. It should be noted that even at the time, when the economic liberalism flourished almost perfectly in England, the political superstructure did not cease to influence the economic foundation. However, in this period, the influence of the political superstructure was exercised rather in a negative way—in the form of excluding its positive influence upon the economy, that is, in the form of giving the utmost free scope to the production and exchange of commodities as logically required by the development of commodity production (*laissez-faire*). In short, in those times, the very conditions for understanding the economy through the purely economic considerations were really provided.¹⁷ It is not of small significance that Marx devoted himself to the study of political economy about the middle of nineteenth century, and was able in the whole three volumes of *Capital* “to lay bare the economic law of motion of modern society” —i.e. systematize the basic principles of political economy.¹⁸

Further, I think that Engels' above-quoted proposition contains the erroneous idea that the general laws common to production and distribution in general were not established until the specific laws of production and distribution for each of the stages of development of society were investigated. It is true that the purpose of *Capital* is to explain only the economic law of motion of capitalist society; but the fact that there are specific laws inherent to the development of capitalism does not exclude the recognition of the fact that capitalism must also operate under what Engels calls the “general laws which hold good for production and exchange in general”. “The special laws of each individual stage in the evolution of production and exchange”—in particular, the specific laws of capitalist society—are nothing more than the special form of manifestation of those general laws, or in my version, of “the general economic laws which hold good under any social form,” or in the words of Marx, of “natural laws”. Therefore, the establishment of political economy in the narrow sense by Marx in *Capital* means that, at the same time, a key to understanding the laws of economic development under other social forms is made available.¹⁹

If we interpret Engels' terms as they are, it follows, on the one hand, that we are unable to understand these general laws until we elucidate the economic laws of primitive communal system, ancient society, feudalism, capitalism (and socialism). On the other hand, it leaves unsolved the important question of what method to use when we try to explain the economic laws of development of societies before and after capitalism, in

¹⁷ In passing, it should be mentioned that, through the final establishment of political economy by Marx, such sciences as politics, jurisprudence, history etc. were for the first time given methodologies which are indispensable for them to be established as branches of the social sciences.

¹⁸ Although only the first volume of *Capital* was published during Marx's life, he had already basically formulated the whole system of *Capital* in three volumes at the time when the first volume was published in 1867.

¹⁹ Cf. my book, *Political Economy of Socialism*, Tokyo, 1958, p. 9.

other words, when we systematize political economy in the wider sense—in particular, political economy of socialism. It was not by accident that the authors of *Political Economy (A Textbook)*, who uncritically took the above-mentioned imperfect proposition as a basis, in attempting to systematize political economy in the wider sense were compelled to “apply the fundamental propositions of dialectical and historical materialism to the study of the economic system of societies”.

Marx wrote in *Einleitung zur Kritik der Politischen Ökonomie*: “Der bürgerliche Gesellschaft ist die entwickelteste und mannigfaltigste historische Organisation der Produktion. Die Kategorien, die ihre Verhältnisse ausdrücken, das Verständnis ihrer Gliederung, gewährt daher zugleich Einsicht in die Gliederung und die Produktionsverhältnisse aller der untergegangenen Gesellschaftsformen, mit deren Trümmern und Elementen sie sich aufgebaut, von denen teils noch unüberwundene Reste sich in ihr fortschleppen, bloße Andeutungen sich zu ausgebildeten Bedeutungen entwickelt haben etc.: Anatomie des Menschen ist ein Schlüssel zur Anatomie des Affen. Die Andeutungen auf Höheres in der untergeordneten Tierarten können dagegen nur verstanden werden, wenn das Höhere selbst schon bekannt ist. Die bürgerliche Ökonomie liefert so den Schlüssel zur antiken etc....Man kann Tribut, Zehnten etc. verstehen, wenn man die Grundrente kennt.....”²⁰

As has been clearly stated, because the economic laws of motion of capitalist society were elucidated by Marx, because the economic categories expressing capitalistic economic relations were also ascertained and the capitalistic economic structure logically grasped, by means of these scientific cognitions, we are able to understand social forms prior to capitalism. For instance, because we are already acquainted with surplus value and capitalistic ground-rent, we are able to understand relations between feudal lords and serfs.

How then about the socialistic economic structure? Actually, neither Marx nor Engels knew about it. How should we understand the socialistic mode of production and its economic laws of development? Here we encounter the problem of the most important characteristic of socialist society—correctly speaking, communist society in the wider sense—as compared with previous social forms. It is not the abolition of exploitation of men by men; human beings did not know exploitation in remote antiquity. Of course, it is extremely important that under socialism exploitation of men by men be finally abolished. I have no intention to underestimate the significance of this. In my opinion, however, the final abolition of exploitation acquires appropriate significance only when it is considered in connection with the most essential and basic characteristic of socialist society. That characteristic is that by seizure of the means of production by society human beings become masters of their own social organization, and come to possess the ability to control the extraneous objective forces that have hitherto governed history; namely that human beings make the ascent “from the kingdom of necessity to the kingdom of freedom”.

Needless to say, I state this opinion with Engels' famous passages in mind, beginning at “With the seizing of the means of production by society, production of commodities is done away with.....” and ending with the words “It is the ascent of man from the Kingdom of necessity to the Kingdom of freedom”²¹

²⁰ K. Marx, *Zur Kritik der Politischen Ökonomie*, ss. 262–263.

²¹ Cf. Engels, *Anti-Dühring*, pp. 392–393.

In the *Vorwort* to *Zur Kritik der Politischen Ökonomie* Marx writes: "The bourgeois relations of production are the last antagonistic form of the social process of production; at the same time the productive forces developing in the womb of bourgeois society create the material conditions for the solution of that antagonism. This social formation brings, therefore, the prehistory of human society to a close".²² Marx states in these sentences that, with the liquidation of the final form of class antagonism, with abolition of the final form of exploitation of men by men ends the prehistory of mankind and a new page will be opened in the history of mankind. *Textbook* seems to be in agreement with this. However, comparing Marx's overall conception of the fundamental characteristics of socialist society with that of the authors of *Textbook*, serious differences are apparent.

Marx describes the future society in other places as follows: "...a community of free individuals, carrying on their work with the means of production in common, in which the labour-power of all the different individuals is consciously applied as the combined labour-power of the community."²³ This characterization of socialist society by Marx is in accord with the previously quoted statement by Engels in *Anti-Dühring*. The words "free individuals" in Marx's passage mean not only individuals "free from exploitation", but also "free individuals" in the sense that human beings ascend from the kingdom of necessity to the kingdom of "freedom". This is the heart of the matter. The authors of *Textbook* point out that the socialist economy is a planned economy, but in their opinion a planned socialistic economy is only possible as a result of the so-called law of balanced, proportionate development of the national economy (закон планомерного, пропорционального развития народного хозяйства), which arises and functions with the establishment of common ownership of means of production. Thus, by placing improper emphasis on the objective nature of those economic laws of socialism which are merely the inventions of their imagination, they overlook the most basic characteristic of socialism. This characteristic is that all the constituents of the new society who jointly seized the means of production establish their own "free" social combination on the basis of that possession, and by this means, can develop their own 'free' society in a conscious and planned way.

The political economy of socialism aims to investigate the economic system of socialism, which actually exists and concerning which we, unlike to Marx and Engels, have some knowledge. At present a third of the population of the world live under the conditions of socialism. We must therefore always be mindful of the existing socialist states in attempting to systematize the political economy of socialism. However, that in a socialist society, 1) labour power ceases to be a commodity, 2) exploitation of men by men is abolished, 3) everybody works according to his ability and is paid according to his work, 4) social production and distribution are carried out in a conscious, planned and systematic way, 5) it is possible to secure the maximum satisfaction of the constantly rising material and cultural requirements of the entire society through the continuous expansion and perfection of socialist production on the basis of still higher techniques, 6) the socialist production is essentially a non-commodity production,—these six essential points which characterize the economic system of socialism can and must be explained before detailed

²² Marx-Engel, *Selected Works in two Volumes*, Vol. 1., Moscow 1950, p. 329.

²³ K. Marx, *Capital*, Vol. 1., p. 28.

analysis of the existing socialist societies is attempted.²⁴ As Professor Kozo Uno rightly pointed out, "...because the general rules in a socialist society, in contrast with capitalism, were already given in the system of principles of political economy, they are scientifically comprehensible before the socialist society come into being".²⁵

The members of society, with the seizing the means of production, are able to form their own social organization consciously and planconformingly. On the other hand, together with the establishment of political economy in the narrow sense as a truly objective science by Marx, the general principles of the future socialist society were elucidated. The new society is constructed and strengthened in the light of these principles. In this way human beings move from the kingdom of necessity to the kingdom of freedom. In so far as socialist society has these characteristics, the political economy of socialism must be established in such a way that it reflects them. The authors of *Political Economy* failed to present such a system that reflects the distinguishing features of socialist society. Rather, they wipe out the most basic characteristics of socialist society as compared with preceding societies by improper emphasis on the objective nature of economic laws in general, including the economic laws of socialism, and by an erroneous explanation of the class nature of utilization of objective economic laws.

²⁴ This is the reason why I gave these essential characteristics of the socialist structure of national economy at the beginning of my system of political economy of socialism. (See *Political Economy of Socialism*, Part II, Chapter I.)

²⁵ Kozo Uno "*Das Kapital*" and Socialism. Tokyo, 1958, p. 180.