

# The Capitalist Character of the Relations of Production in the Soviet Union

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*The degeneration of property relations in the Soviet Union and in other revisionist countries was accompanied and interwoven with the degeneration of the relations of distribution, exchange and management. This degeneration of the elements of the relations of production has been a complete, complicated process, with reciprocal links and influences*

**“The Soviet society,” said Comrade Enver Hoxha at the 7th Congress of the Party, “has become bourgeois down to its tiniest cells, capitalism has been restored in all fields.” (Enver Hoxha, Report to the 7th Congress of the PLA, p. 215.) This conclusion of our party is the result of a thorough analysis of the concrete facts, aspects and directions of the whole process of the re-establishment of capitalism in the Soviet Union and other revisionist countries.**

As is known, the process of the restoration of capitalism in the Soviet Union and in the other revisionist countries began with the change in the character of the party and the state, with the counterrevolutionary transformation in the field of the political and ideological superstructure, with the betrayal of the teachings of Marxism-Leninism and of its teachings on the class struggle, first of all, As a result, the dictatorship of the proletariat was transformed into the dictatorship of the bourgeoisie, a ferocious fascist dictatorship of the new revisionist bourgeoisie, and the Soviet socialist state was transformed into a social-imperialist state.

But, although the process of the capitalist degeneration in the Soviet Union and the other revisionist countries began with the counterrevolutionary transformations in the field of the superstructure, this did not degenerate spontaneously, outside and independently of the relations of production, isolated from the entirety of the economic-social structure. The socialist relations of production in these countries, especially the relations in the field of distribution, had been violated in several separate aspects and directions. Through the extension of the system of bonuses and, in general, the extensive use of supplementary material stimuli, the conditions were created for the birth of differentials and disproportions in the field of distribution, for the creation of the stratum of bureaucrats and technocrats, who, as time confirmed later, became the main social support of the revisionist cliques which usurped the power of the working class in those countries.

Thus, this is a case of reciprocal interdependence and close connection between the degeneration of the superstructure and that of the base, in which the one drove the other forward, in which each encouraged the other, until, in the end, they assumed their final capitalist form, until capitalist transformations had been effected in all spheres of the political, ideological, economic and cultural life of these countries, until the Soviet society became bourgeois down to its tiniest cells.

The degeneration of the superstructure, and in the first place, the transformation of the dictatorship of the proletariat into the dictatorship of the bourgeoisie, was carried out and utilized by the Khrushchevite

renegade clique for definite aims. The realization of the process enabled this clique to go on to the degeneration of the entire system of socialist relations of production, on a broad scale and at a rapid pace, to their transformation into capitalist relations, to the capitalist transformation of the entire social life of these countries. The degeneration of the superstructure and the degeneration of the economic base in the Soviet Union and the other revisionist countries have been, by no means, short and immediate processes, but protracted processes, which, in their development, were interconnected with and stimulated one another. The outcome of all these processes was the complete degeneration of the relations of property, distribution, exchange and management, from socialist relations to capitalist relations.

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The core of the entire regressive process of the demolition of the socialist relations of production in the Soviet Union and the other revisionist countries, is the **degeneration of the property relations**, the transformation of the socialist property into capitalist property of a new type. “The changing of the character of the party and the state, the counterrevolutionary transformation in the field of the political and ideological superstructure,” Comrade Enver Hoxha teaches us, “could not fail to lead to changing the economic base of socialism, too.” (Enver Hoxha, Report to the 6th Congress of the PLA, p. 229.)

It is known that the relations of production, and especially the content of state property, alter according to the socio-economic order, according to the class character of the state. Property is the foundation on which the structure and the superstructure of society are erected. Capitalist private property constitutes the economic base of the capitalist state, which, in turn, determines the political and social content of this property.

The state property in the Soviet Union is a form of capitalist private property with a high level of concentration of production and capital. The revisionist bourgeoisie is the real owner of the state enterprises and, with the aid of the state, it exploits the working class and all the masses of working people of the country. Through this exploitation it strengthens its economic positions and, along with this, also, consolidates its political domination.

When we say that the state property in the Soviet Union is one form of the capitalist private property and the Soviet economy has been transformed into a capitalist economy, here we must bear in mind the fact that this type of economy is not of the classical type, but of a special type. The conditions are different from many standpoints, therefore the laws and the categories of the capitalist economy which act in the Soviet economy cannot possibly appear in their classical form, but appear in a special form, although in content they are entirely capitalist. It is a new type only in the road of its birth, in its role and mechanism, while in regard to its essence it is capitalist, just as in all the capitalist countries.

The Soviet economy today is developing on the basis of the laws and categories of the capitalist economy. The principal laws on the basis of which social production is “regulated” are the laws of the capitalist profit of the revisionist bourgeoisie and the law of value. In conformity with these laws, such categories as commodities, profit, the market, profitability etc., motivate the entire mechanism of the management of enterprises. The character of the Soviet economy is commodity production on a capitalist basis. The connections among enterprises are determined through the market. The production of commodities is carried out, in general, in the form of the free sale for the purpose of profit-making. The means of production are bought and sold without restriction. They have been transformed completely into

commodities. Labour power, also, has been transformed into commodity. In these conditions, when the commodity economy prevails and when the labour power is transformed into a commodity, that is, when the producers are freed from the means of production, the economy is bourgeois, it stands and develops on the rails of the bourgeois economy, stressed V. I. Lenin.

The Soviet revisionists declare that the state ownership in the Soviet Union has a social character. It is understandable that for the sake of demagogy they have not abandoned the Marxist-Leninist phraseology. But this does not change the content of things and phenomena in the least. K. Marx stressed that the question is not who is the nominal owner of the state enterprise, but who pockets the profits from this property. How can such ownership, which preserves very great inequality in the field of the distribution of material blessings among the different classes and strata of society, and which deepens this inequality day by day, be socialist? Can it be socialist ownership when the members of the class of the revisionist bourgeoisie, the directors of the enterprises, and others, have the right to dismiss the workers at will, when they can determine to their own liking the amount of workers' wages and the amount of the profit which they share for themselves, when they have the right to sell the means of production, to develop the free play of prices and capitalist relations with the other monopoly enterprises, and so on? It is self-evident that such ownership keeps the socialist label only for the sake of demagogy.

The presentation of the property in the Soviet Union in the form of state property in no way negates the exploitation of the working class by the revisionist bourgeoisie, but on the contrary, makes this exploitation still more pronounced and thorough-going. "The present Soviet state as a collective capitalist," points out Comrade Enver Hoxha, "administers the means of production in the name and in the interests of the new Soviet bourgeoisie. The socialist common ownership has been transformed in a state capitalism of a new type." (Enver Hoxha, Report to the 6th Congress of the PLA, p. 229.)

The main distinguishing feature of the capitalist ownership in these countries is that the principal means of production are collectively owned by the whole class of the new revisionist capitalists and are employed in their interests by exploiting the working class. Therefore the transformation of the socialist ownership into state capitalist ownership of the new type in the Soviet Union and in the other revisionist countries must be sought, in the first place, in the character of the real economic relations, in the purpose for which the property is used and in the economic categories which reflect its nature. In fact, in the Soviet Union and in the other revisionist countries, the laws and juridical dispositions which express this capitalist transformation have also been changed, though for the sake of demagogy some old juridical expressions are preserved. Because of many political, economic, historical and psychological factors and circumstances the degeneration of ownership in the Soviet Union and the other revisionist countries, could not be carried into effect through the division of property in the classical manner, by handing over ownership to the individual capitalists. On the contrary, such a thing was brought about by transforming the socialist property into capitalist state property and placing it in the hands of the new revisionist bourgeoisie. In the final analysis, it matters little to the working class whether the property is in the hands of individual capitalists or in the hands of united capital in the form of state monopolies. In either case exploitation is present, whether it be individual capitalist exploitation or collective capitalist exploitation.

The Marxist-Leninist theory teaches us that "capital is nothing without wage labour, without value, without money, without prices etc." Therefore the capitalist property relations in the Soviet Union and the other revisionist countries cannot be analysed apart from analysis of the economic laws and categories on which the capitalist property relationships have been built in these countries. In his work "Capital", Marx,

in analysing the essence of capitalist relations of production, emphasizes that these relations have two specific features: in the first place, the development of the commodity-money relations to the highest level, in which labour power, too, is transformed into a commodity, and in the second place, the fundamental and direct purpose of production is surplus value. These two features of the capitalist economy are essential to all aspects of the property relationships in these countries and are embodied in all the directions of their all-round degeneration.

The character and the content of ownership depend, in the last analysis, on the nature and the character of the state. Those who have the state machine in their hands also own the main means of production, and use the state machine as a powerful weapon to defend and consolidate their economic base and to increase their wealth and their capitalist profits. Speaking about this question, K. Marx stressed that “as long as the wealthy classes remain in power, any nationalization represents not the abolition of exploitation, but only the alteration of its form”. Formally and in outward appearance, the state property in the Soviet Union is called socialist property, but in reality there is nothing socialist about it, either in content or in form. The former socialist property has been alienated by the new Soviet bourgeoisie, which utilizes it as a means of enrichment and capitalist profits, by appropriating the surplus value created by the working class and the masses of working people.

The economic enterprises in these countries have unlimited freedom of action in the fields of production, distribution, capital investments and the use of fundamental funds. The competences which are vested in the directors of the economic unions, the industrial-agrarian complexes and the various enterprises in the use and administration of the means of production, including the right to sell those means; the competences in the field of relations of the exchange and distribution of products, selling them as their narrow interests dictate, in order to accumulate the maximum income and profit, clearly indicate the deep-going decentralization of the economy and its completely capitalist character.

The Soviet revisionists long ago set up joint enterprises, modelled on the capitalist monopolies, both within the Soviet Union and also in the other revisionist countries, thus appropriating part of the surplus value created by the working class and the working people of these countries, too. Such mergers in the form of trusts have been set up in many branches of production, in industry, in trade, in transport, in the extracting and processing industry, in the service sectors etc. Along with them, industrial-agrarian complexes of the capitalist type have been set up, too. All these forms of capitalist complexes and trusts devour many small and middle-sized enterprises which cannot stand up to the struggle of competition. Being unable to withstand this struggle, the latter end up either by merging with the unions of the monopoly type or by going bankrupt.

In the countryside, besides the capitalist collective form property, which in essence has the same features and consequences as the property of capitalist farmers in the agriculture of the countries of Western Europe, kulak ownership of land and the other means of production, the property of the collective farmer's private plot is widely predominant, too.

The collective farmer's private plot has gained superiority of development and has long been transformed into an economic-social terrain which ceaselessly gives birth to capitalist elements. The Soviet revisionist press wrote, a short time ago, that the lifting of restriction on the private economy of collective farmers, workers and officials increased production, and consequently the sale of agricultural products for the market. According to this press, the area of the collective farmer's private plot is now double what it was

ten years ago. In 1976, these plots produced over 12 million tons of grain. They carry an important weight on a national scale, and concretely in the production of potatoes 64 per cent, vegetables 42 per cent, meat 41 per cent, milk over 40 per cent, eggs 65 per cent, wool 20 per cent, and so on. From 1965 onwards, about 1/3 of the labour power in the Soviet agriculture has been engaged directly on the private plots. Besides this, the members of the collective farms spend 1/3 of their working-time working on their private plots. In round figures, the area of these private economies in the Soviet Union amounts to 7.5 million hectares of land.

The transformation of the character of ownership, and together with it, the transformation of labour power into a commodity, the all-round extension of the commodity – money relationships, the putting of the categories of capitalist commodity production at the basis of the economy of the revisionist countries, are clearly and concretely summed up in the alteration of the aim of social production. In the revisionist countries, just as in the capitalist countries, the sole aim of production is the drawing of maximum profits for the interests of the revisionist capitalist bourgeoisie through the exploitation of the working masses who are divested of the means of production. Speaking of these processes which have taken place in the revisionist countries, at the 5th Congress of the PLA Comrade Enver Hoxha stressed that the revisionists “have proclaimed profit as the sole and absolute purpose of the activity of their enterprises, as the main motor of production” (Enver Hoxha, Report to the 5th Congress of the PLA, p. 79).

One of the important elements in the entire process of the extension and deepening of the capitalist character of the relations of production is the transformation of labour power into a commodity. Marxism-Leninism teaches us that “capitalism is that stage of the development of commodity production in which labour power, too, becomes a commodity”. Precisely because this process of transformation of labour power into a commodity has been completed in the Soviet Union and the other revisionist countries, it is obvious that here we have to do with an economy in which the capitalist laws and categories pervade every aspect of it.

It is known that the economic laws operate through the activity of people. In the Soviet capitalist economy and that of the other revisionist countries, the entire activity of the bourgeois-revisionist class is guided by the principle of drawing the profit. All decisions in connection with investments, with the running of production, with hiring of labour, and so on, are taken proceeding purely and simply from the principle of ensuring the maximum profit by every means and in every way. The main relations of every capitalist enterprise with the state, with the budget, with the banks, and so on, are realized proceeding mainly from the index of profitability. It is self-evident that the revisionist bourgeoisie of all levels endeavours to increase the maximum profit in every way, by increasing the level of exploitation of the working class and the other masses of working people.

The absolutizing of the material stimulus, along with the all-round re-establishment of the capitalist laws and categories, such as production prices and average norms of profit, interest or capital etc., are clear expressions of the capitalist character of ownership in the Soviet Union and the other revisionist countries. As a result of all this the law of competition and anarchy of production prevail everywhere. These capitalist transformations emerge clearly also from an analysis of the concrete data of the Soviet capitalist economy on the norms of capitalist profit and surplus value.

In the recent years, as a result of the increased exploitation of the working people in general, the profits of the bourgeoisie have increased. Thus, in 1976, in the Soviet capitalist industry the norm of profit reached

36 per cent from 27.3 per cent in 1971. The Soviet press has admitted the fact that during the period from 1971 to 1975 a profit of 500 billion rubles was made, which is 1.5 times more than in the period 1966-1970.

With the intensification of work in the Soviet enterprises, which is done to cut down the capitalist costs of production and to increase the profits, thousands of workers are laid off every day. Thus unemployment is another burden with which the masses of working people are saddled. Although the official Soviet organs pretend that there is no one out of work in the Soviet Union, the fact is that this ulcer of every capitalist regime is manifesting itself, with some special features, mainly in its hidden form, in this country, too. The Soviet revisionist press, itself, has admitted that nearly 6 million able-bodied people do not have jobs, that millions of others work only 120-180 days a year, that 10 per cent of the women are leaving the enterprises every year etc. Meanwhile, hundreds of thousands of working people lose a great deal of time by being obliged to go from one enterprise to another to ensure a job. According to the newspaper "Pravda", the "wanderers", as it calls these people, lose about 70 million work days in industry, 20 million work days in agriculture and 5 million work days in transport, every year.

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The degeneration of property relations in the Soviet Union and in other revisionist countries was accompanied and interwoven with **the degeneration of the relations of distribution, exchange and management**. This degeneration of the elements of the relations of production has been a complete complicated process, with reciprocal links and influences.

The process of the re-establishment of capitalist relations of distribution is characterized by two main aspects: the working class, deprived of the means of production, during the distribution of income, began to receive only the value of its labour power in the form of capitalist wages, while the remainder of the new value created is appropriated by the new revisionist bourgeoisie in the form of surplus value.

The surplus value appropriated by the Soviet bourgeoisie takes different forms. This bourgeoisie itself, as the collective owner of the means of production, transforms a large part of this value into capital of the form of state monopoly capitalism. This part, like the means of production, it owns and appropriates as a class. Another part of the surplus value is distributed individually among the members of the bourgeoisie in the form of fat salaries and many bonuses which have been established for the new Soviet managers, and which are being increased from day to day.

One need only compare the second part of the surplus value, which is appropriated individually by the members of the Soviet bourgeoisie in the forms of "salaries and bonuses" with the wages of an ordinary worker, to understand the exploiting character of the capitalist relations of distribution in the Soviet Union and the other countries in which state power has been usurped by the revisionist cliques. Today, the salaries and bonuses of the top Soviet managers, without mentioning the élite of the party, the state, the army, the KGB and science, are 15-20 times higher than the wages of the ordinary workers.

The entire system of distribution which exists in the revisionist countries, the great number of supplementary bonuses, which in many cases are unlimited, under the label of "recognition of special merits of the managers", serves the individual appropriation by the new bourgeoisie of a part of the surplus value produced by the unpaid labour of the wage earners in these countries.

The degree of exploitation of the workers in any capitalist economy is measured with the norm of surplus value, which represents the ratio of the surplus value to the variable capital. In the statistics of the revisionist countries in this field, too, the size of the variable capital is falsified by including in it also the salaries of a part of the new Soviet bourgeoisie, which as is known, directly appropriates a part of the surplus value. However, even with these “adjusted” figures from the statistics of the Soviet Union and the other revisionist countries, it emerges that the norm of exploitation of the working class in the Soviet Union, during the year 1975, was 25 per cent greater than in 1960.

Comrade Enver Hoxha teaches us that just as private property gives birth to capitalism every day, every hour, so do “fat salaries” arouse the desire to create large, regular and irregular profits, create the desire to live, to eat, and to dress in the bourgeois manner. Precisely this phenomenon occurred in the Soviet Union and in the other revisionist countries, where, through the extension of “bourgeois right”, the capitalist relations of distribution have been established and now the new Soviet bourgeoisie owns private monetary capital of about 90 billion rubles, from which they receive 3-4 billion rubles a year in interest alone (Planovoje hozjaistvo”, No 7, 1976, p. 124).

It must be underlined that the degeneration of the relations of distribution in the Soviet Union and in the other revisionist countries was brought about through gross misrepresentation of the so-called need to strengthen the material stimulus, committing thousands of deliberate distortions and falsifications in this direction. By raising a great to-do about the material stimulus, the revisionists extended the “bourgeois right” which still exists under socialism beyond all limits, bringing about a great quantitative difference in this field. In this way, instead of narrowing the “bourgeois right” in the sphere of distribution, as Lenin instructed, through the extension and accentuation of high disproportions in material stimuli, they completely restored the right of bourgeois exploitation, the luxurious life of the new Soviet bourgeoisie. And at a time when profit and the number of the new bourgeois elements are increasing many times over, the ordinary Soviet citizen is consuming less than the necessary level: in meat and its by-products 29.5 per cent, in milk and its by-products 22.2 per cent, in eggs 26.4 per cent, in vegetables 40.4 per cent, in cotton fabrics 30 per cent, in woollen fabrics 30.5 per cent, in knitwear 50 per cent etc etc. (“Ekonomičeskie nauki”, No 10, 1976, p. 76). These are the things an average Soviet family goes short of, without mentioning here the real shortages of the other masses of workers and peasants who are lower paid and constitute the majority, for whom life is even more difficult. Along with the degeneration of the relations of distribution, in the Soviet Union and in the other revisionist countries the process of the degeneration of the relations of exchange and of the relations of management has been carried out, also.

The degeneration of the relations of exchange in the revisionist countries is closely connected with the entire process of the degeneration of commodity and money relations. In the sphere of commodity exchanges, commodities which are characteristic of capitalism such as labour power and the means of production, were introduced. At the same time, in the field of the relations of exchange all the capitalist categories were re-established, such as the predominance of anarchy of production and competition on the market, the establishment of exchanges according to production prices, decentralization and the free movement of prices, the deepening of non-equivalent exchanges, the extension and liberalization of exchanges with the rest of the capitalist world, and so on.

The non-equivalent exchange of goods is seen especially in the relations of exchange between the Soviet Union and the vassal countries. Through this means, Russian social-imperialism exploits the working masses of these countries. On the basis of 1975 figures the deficits incurred by the countries of Eastern

Europe in trade exchanges with the Soviet Union calculated in millions of dollars are as follows: East Germany 450, Czechoslovakia 171, Poland 55, Bulgaria 170 and Hungary 56. These deficits in the balance of trade exchanges between these countries and the Soviet Union are a concrete indication of the neo-colonialist policy of the Soviet social-imperialists. They are clear evidence of the discriminatory character of the long-term trade protocols which Moscow imposes on the other countries in order to plunder them.

An important role in the re-establishment of capitalism in the Soviet Union and the other revisionist countries was played by the counter-revolutionary measures of the revisionist chiefs for the degeneration of the socialist relations of management.

The socialist economy cannot exist and develop without unified and centralized management, without its harmonized development according to a unified state plan, without the broad participation of the working masses, and in the first place, of the working class, in running the country, without the struggle against the manifestations of bureaucracy and liberalism. Along with the degeneration of property, distribution and exchange, the revisionist traitors also destroyed these fundamental principles of management of the socialist economy, with the result that the management relations also degenerated into capitalist management relations.

“The change in the forms of the organization and administration of the economy into capitalist forms,” says Comrade Enver Hoxha, “have created a situation in the Soviet Union just, like that in Tito’s Yugoslavia” (Enver Hoxha, Speeches, 1967-1968, p. 299). Abandonment of centralized and planned development of the economy, the granting of complete autonomy to the economic enterprises on the so-called self-supporting basis, management of the economy according to an anarchic decentralization in which the capitalist levers of the market predominate and make the law, as well as other measures of this kind, led to the complete degeneration of the socialist relations of management into capitalist relations.

The entire activity of enterprises in the revisionist countries is assessed on the basis of the main index, which is the so-called return of profits on the funds invested. The fat bonuses of the new managers in these countries depend solely on the profits returned on the funds invested. The Soviet revisionists admit this openly, saying: “The fundamental principle of the new pay system is that pay and bonuses are determined according to the profits realized. Profit constitutes both the basis for the calculation of the wages and bonus fund and the fundamental source to finance it”.

The only regulator of production in the Soviet Union and in the other revisionist countries is the law of value and spontaneity of the market. Another index by which the work of enterprises is valued is the volume of sales. This is determined by the state of the market. Thus, in fact it is precisely the spontaneity of the market which regulates production. Meanwhile, the distribution of investment in the Soviet is carried out on the basis of the so-called standard co-efficient of capital investments which, in reality, represents the average norm of profit.

Along with these, the category of the capitalist production price, for which the revisionists, with a thousand tricks invent “socialist” names and justifications, operates throughout the whole Soviet economy. Through the decentralization of prices, prices which the enterprises themselves fix, “escalated prices”, and so on, in fact, the free play of prices operates completely in various forms. The capitalist category of interest on capital has been established throughout the entire Soviet economy.

In the economic enterprises of the Soviet Union, wholesale prices are built up in such a way as to ensure profit for the completely autonomous enterprises first of all. The capitalist scheme for the construction of production prices has been adopted as a basis for this. Thus, the price of the goods is calculated in this manner: the concrete expenditure (costs) are added to the average profit yield (calculated on the basis of the productive funds and not on the cost) that is, according to the formula  $C+V+P$ , which, in fact, is the capitalist formula for the average production price, which is intended to ensure equal profits for equal capital. Born on the basis of competition, the building up of prices in this manner contributes to the further deepening of the struggle of competition, which is becoming more open and fiercer between Soviet enterprises. To this must be added the fact that the setting of prices for a large number of products is within the competences of the enterprises themselves, which fix the prices depending on the state of the market. Of course, there are also centralized prices, but these, too, are calculated on the basis of supply and demand, on the basis of the laws of capitalist market.

On the other hand, it must be stressed that the degeneration of management relations is closely connected with the entire process of the degeneration of the leading cadres. The development of bureaucracy and technocratism among the cadres, their loss of the revolutionary spirit, their deviation from the proletarian principles and transformation into “apparatchiki”, created the social foundation in the Soviet Union on which the revisionist clique based itself and on which it is still based today. The degeneration of the cadres, their transformation into all-powerful «apparatchiki», the dying out of the working class control over their activity, transformed the Soviet working class from the leading force of the country into simply a productive force, a mere carrier out of orders, which is mercilessly exploited by the new revisionist bourgeoisie.

In this manner, the degeneration of all the elements of relations of production, considered as a complicated process with reciprocal influences, brought about the complete and final re-establishment of capitalism in the Soviet Union and the other revisionist countries. Precisely for this reason, Comrade Enver Hoxha has said that “the modern revisionists have completely destroyed the socialist system in their countries, transforming it into a capitalist system” (Enver Hoxha, Speeches 1972-1973).

The re-establishment of capitalism in the Soviet Union and the other revisionist countries has been accompanied by all the negative consequences of the capitalist economy. Despite the forced development of the war economy, a marked fall in the rates of economic development can be seen in the Soviet Union. Thus, in the period from 1971 to 1975, in comparison with the period from 1945 to 1960, the average annual rate of increase in national income declined 2.2 fold, that of industrial production almost 2 fold, and of the agricultural production 2.7 fold. During the period 1965-75 repayments of bank loans to enterprises, which were overdue, increased 2.5 fold. Failure on the part of the Soviet enterprises to liquidate obligations by the due date increased 28 per cent during the period from 1965 to 1975, while the total sum of all unliquidated overdue payments increased 78 per cent.

Now that the restoration of capitalism in the Soviet Union has been completed, it has resulted in the phenomenon which is characteristic of every capitalist economy, concretely, the increase of maximum profits for the capitalist class and the real decline of the economic effectiveness of social production, seen on the scale of the whole society (measured with the index of national income). Thus, according to some calculations, in the Soviet Union, during the period from 1960 to 1975, the effectiveness of social production as a whole fell 8.4 per cent, whereas in the branch of industry alone it fell 5.5 per cent.

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In their analysis of the betrayal of the revisionists of the Soviet Union and the other revisionist countries, our Party and Comrade Enver Hoxha were the first to warn of the re-establishment of capitalism in these countries. At the same time, our Party, consistently following its unerring Marxist-Leninist line, further deepened the measures for the all-round revolutionization of life in our country. "Socialist Albania," said Comrade Enver Hoxha at the 7th Congress of the Party, "provides a major example which shows that the emergence of revisionism and return to capitalism are not decreed by fate to be inevitable, as the bourgeois ideologists try to make out. It proves the vitality of socialism, the invincible strength of the ideas of Marxism-Leninism, which when they are consistently applied, carry the cause of the revolution and the dictatorship of the proletariat forward with sure steps. The correct understanding of this problem, the dialectical appreciation of it, is of great principled importance and is directly linked with the fate of socialism." (Enver Hoxha, Report to the 7th Congress of the PLA. p. 111.)