

The Collapse of the Soviet Economy and the Triumph of Capitalism: Marxian Visions & Papal Sentiments

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I. Introduction

Farther away than longer ago, the author has explored this issue in another forum before virtually an entirely different audience (Nitsch, 1999). Not much of consequence has changed since then. From the point of view of the living, the timeframe is the year 1989 up to mid-1991. The Marxian visions — ranging from the *Paris Manuscripts of 1844* through the last edition of Engels' *Anti-Dühring* (1894) — it might be thought (by those called dilettantes) are cemented in history. The questions addressed are (1) whether the events of 1989 in the USSR and what has followed on their heels sound the death knell for Marx's system, destine/doom it to the

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tomb with him; and, (2) whether the sitting pope, John Paul II, as some addicted to the confusion of fact and fantasy contend, accepts the inevitable — acquiesces in that triumph of capitalism — and welcomes categorically privatisation and marketisation, the transition from state-owned/collective to private property and the supercession of market over plan.

Social Catholicism vs. social Marxism,¹ the foremost two vying ideologies of the social-economic sphere, stage a new joust. Traditionally, beginning with Leo XIII (1891) vs. Marx-Engels (1844-78 sq.), the lines seem more sharply drawn. And, apart from ceremonial trappings, the clash is between no less than dogmatic religions. To orthodox or other than "nominal" Marxists, Marxian dogma becomes in effect and essence a processal-God, immanent in the exfoliation of human society and no less demanding of its faithful than the personified deity of Roman Catholicism (cf. Nitsch and Malina [1989], sub "Marxism and Christianity: Marx's Door Is Open," esp. pp. 39-41).

II. Marx's System Doomed to the Tomb with Him?

The concomitant collapse of the Soviet economy and disintegration of the USSR (*CCCP*) brought not only *real*-political relief that the Cold War was done (and won); but, as well, the ideological satisfaction on the part of anti-Marxists that said collapse sounded the death-knell for social Marxism (Marxian political economy). The presumption here is that Marx himself (or Marx-Engels) somehow envisioned/advocated what evolved and came to be known as that "real socialism" noted above — viz. the extant Soviet economic system in praxis, *praxeologically*. Collective-/state-ownership of the means of production and command central planning (*die Planwirtschaft*) — all down the tube?

First off, the adept Marxologist or Marxian worthy of the tag would know that, praxeologically, *true* socialism had not been realised in the USSR as of the events of 1989. Private property had, but the State as such (*der Staat als Staat*) had not, become sublated (*aufgehoben*); or, as Lenin (Marx-Engles et al. [1970], pp. 733-47) reputedly had put it, had not "withered away."² Private property as *such* was abolished (*abgeschafft*), not merely *aufgehoben* (sublated); i.e., had been eradicated and arrogated by the State as instrument of "the dictatorship of the proletariat." Such marketplace/mechanism as existed at the time of the revolution of November 1917, likewise transformed root-and-branch/*de-fond-en-comble* (cf. Proudhon, 1947, Vol. I, p. 5) into comprehensive-command central planning by the same agency? Oppressor-state → liberator-state → administrator-state in 30—something years? But still, the State as such; again, *der Staat als Staat* as per Engels (1878 sqq.)?

As fate and Marx would have it, what came last went first. That is, in any very effective or meaningful sense, in the transformation first came the administrator-state, whence nationalization/collectivization; and, then, the command-planning mechanism — alias, the administrative command economy (Gregory and Stuart, 1998, p. 477a, s.v.; et cp. H. Pesch SJ's "*die Planwirtschaft*," as per Nitsch, 1996, pp. 171 and 175 [n. 5]). Thus, to the extent that *that* progression hangs together in a reversal, first down the tube and into the tomb goes the CP mechanism; whence, the socialised (nationalized/collectivized) means of production (*Produktionsmittel*); and, *der Staat als proletarisch Staat*. It is the central-planning institution which is focal — because pivotal — here; not that of the mode of ownership/property (*Eigentumsweise*), nor that of (Hegel's) *politische Staat*. The good-judgment and right-reason exercised in this delimitation will become

apparent when the Pope's stance is brought into the inquiry.

The question to which we now turn is Karl Marx on central planning as we know it, as it was practiced in the USSR/Russia as of the events of 1989. Did he advocate or otherwise envisage *that* central planning (the ACE/*Planwirtschaft*) as such? Did he ever say (write or utter) *anything at all* about it? Was it in his vision/ scenario of future society — of his Kommunismus α or β (1844); or, his transitory (primitive/*vulgär*) or ultimate (\equiv *true*) socialism?

III. What Marx Said/Meant

As best we know, the closest verbally Marx ever came to envisioning, foreshadowing or embracing the prospect of central planning was his allusion in *Kapital* (I. Bd. | Vol. I, 1867 sqq.) to that day when free, associated workers would take the work-process and their destiny in general into their own hands "*unter deren bewusster planmässiger Controle*" (1867, S. 40; ital. supplied). A literal translation seems awkward, if one wants to preserve the key term/phrase intact. So, the reader is left to his/her own devices with the original German (loc. cit.), to wit:

Die Gestalt des gesellschaftlichen Lebensprozesses, d.h. des materiellen Produktionsprozesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt frei vergesellschafteter Menschen unter deren bewusster *planmässiger Controle* steht.

There it is in immediate context. Basically the location is the opening chapter of the whole *Kritik*, "Waare und Geld | Commodities and Money," more particularly the opening section thereof on "Die Waare | Commodities"; whence, what is highlighted in subsequent editions as a subsection

(e.g., 1872, §4, S. 47), "Der Fetischcharakter der Waare und sein Geheimniss | The Fetishism of the Commodity and Its Secret."

The subsequent German editions of Marx's *Hauptwerk* (2nd, 1872; 5th, 1903) are readily enough available for the further scrutiny of the reader.³ But for convenience here and now, several more —plus the singularly critical premier French edition (1872) — are presented below, each with an apropos English translation juxtaposed. Such a variety of English renderings were chosen for the matching in the sake of preventing a "monopoly" and dispelling any suspicion of any "conspiracy." The *pièce de résistance*, I peradventure, will be the official Russian version juxtaposed by the expert English translation of Ernest Raiklin of Northern Iowa University.

First, we note the German/French versions and their English counterparts, as reproduced (p. 4 *infra*) intact from Nitsch (1998b, p. 5). The "or What" part of that caption is not pursued here, though it was an integral aspect of that more open-ended inquiry — in particular, what happens to the State as such (Engels' *der Staat als Staat*).

What the writer did in effect before (Nitsch 1997/99), he does indeed here and now; viz., *defy* the reader to find anything in the original German and French that can be translated into "central planning" (*Planwirtschaft*) as we know (Pesch intended) it; but, that most especially of the command variety as practiced in the (former) USSR as remained in place Russia on the heels of the dissolution thereof. The very stipulation of "freely associated men | frei gesellshafteter Menschen" clearly means the absence of the capitalist commander; and, of a monolithic State as well.

Now, the most one is going to wrench/wring, squeeze/tease from the "tempting" term, "planmäßiger" here is "planned; according to plan, as planned"; from

"bewußter," "conscious, deliberate." Aside from the orthographic evolution — from "Controle" (1872) to "Kontrolle" (1964/'84) — that substantive pretty well stands on its own and speaks for itself; yes, "control." So, putting it together for ourselves literally, what we have is "under their deliberately planned control." It is interesting that the unofficial American (Kerr, 1906) and quite official Russian (Progress, 1954/58) versions are identical. The neo-Marxist Anglican rendering (1976), while ending on a literal note (viz. the predicate "steht | stands"), would appear best to convey Marx's intent.

Taking (rendering) literally the French to which that self-proclaimed (by Fowkes) "new translation" is juxtaposed, we have (beginning with "le jour"), "the day where there will be manifested the work of freely associated men, consciously active/operating and masters of their own social movement." That (first) French version/edition must be taken very seriously because (1) after the traducteur (Joseph Roy) had done his job, it was "entirely revised" by Marx himself; and, (2) the new substantive ideas/formulations/etc. Marx got in that process were incorporated in the 2nd German edition of 1872, the "Afterword | Nachwort" to which was appended in 1873. Accordingly, below we reproduce Marx's French anew and juxtapose *thereto* his second (and subsequent) German venture. It readily can be seen that the third (1883) edition, the last Marx (d. March 1883) could touch before Engels edited it, and the fifth like it are faithful to the second *verbatim*.

Marx went to the tomb before that 3rd appeared in print, and 20 years before Engels' 5th came out. Is it necessary to ask now, "Where's the central planning, *die Planwirtschaft*?" 'Tisn't there; nor, anywhere else in Marx's/Marx-Engels' writings. Engels later (1878-94) picks up on that theme in a significant way. Resisting the

temptation to reproduce here the full context presented previously (1998b, pp. 8-11), but refusing to deny same to the reader, that is deferred to App. 1.

Marx's Vision of FUTURE SOCIETY:
Does He Envision/Advocate 'Central Planning';
or WHAT?

An Inkling from
'The Fetishism of Commodities and the Secret Thereof'
Der Fetischcharakter der Waare und sein Geheimniss

3. Aufl. (1883)

Die Gestalt des gesellschaftlichen Lebensprocesses, d.h. des materiellen Produktionsprocesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt *frei vergesellschafteter Menschen unter deren bewusster planmässiger Kontrolle steht*.

5. Aufl. (1903)

Die Gestalt des gesellschaftlichen Lebensprocesses, d.h. des materiellen Produktionsprocesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt *frei vergesellschafteter Menschen unter deren bewusster planmässiger Kontrolle steht*.

Chas. Kerr (1906)

The life-process of society, which is based on the process of production, does not strip off its mystical veil until it is treated as production by *freely associated men*, and is consciously regulated by them in accordance with a *settled plan*.

Progress (1954/58)

The life-process of society, which is based on the process of material production, does not strip off its mystical veil until it is treated as production by *freely associated men*, and is *consciously regulated by them in accordance with a settled plan*.

Tr. Roy & ent.rev.Marx (1872)

La vie sociale, dont la production matérielle et les rapports qu'elle implique forment la base, ne sera dégagée du nuage mystique qui envoile l'aspect, que le jour où s'y manifestera l'œuvre d'hommes librement associés, agissant consciemment et maîtres de leur proper mouvement social. [t. I, p. 91]

New Left Review (1976)

The [mystical] veil is not removed from the countenance of the social life-process, i.e. the process of material production, until it becomes production by freely associated men, and stands under their conscious and planned control. [p. 173]

MEW (1964/'84), Bd. 23, S. 94: Die Gestalt des gesellschaftlichen Lebensprozesses, d.h. des materiellen Produktionsprozesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt *frei vergesellschafteter Menschen unter deren bewusster planmäßiger Kontrolle steht* [Uns. Ital.]

Engels (*Anti-Dühring*) is writing of the day when man will become subject of those inexorable/quasi-natural social forces whose object he has been under the capitalist mode of production.

Aber einmal in ihrer Natur begriffen, können sie in den Händen der assoziierten Produzenten aus dämonischen Herrschern in willige Diener verwandelt werden... Mit dieser Behandlung der heutigen Produktivkräfte nach ihrer endlich erkannten Natur tritt an die Stelle der der gesellschaftlichen Produktionsanarchie *eine gesellschaftlich-planmäßige Regelung der Produktion* nach den Bedürfnissen der Gesamtheit wie jedes einzelnen; damit wird die kapitalistische Aneignungsweise, in der das Produkt zuerst den Produzenten, dann aber auch Aneigner knechtet, ersatz durch die in der modernen Produktionsmittel selbst begründete Aneignungsweise der Produkte einerseits direkt gesellschaftliche Aneignung als Mittel zur Erhaltung und Erweiterung der Produktion, andererseits direct individuelle Aneignung als Lebens und Genußmittel.

But when once their nature is understood, they can, in the hands of the *producers working together*, be transformed from master demons into willing servants. ... With this recognition, at last, of the real nature of the productive forces of today, the social anarchy of production gives place to *a social regulation of production upon a definite plan*, according to the needs of the community and of each individual. Then the capitalist mode of appropriation, in which the product enslaves first the producer and then the appropriator, is replaced by the mode of appropriation of the products that is based upon the nature of the modern means of production; upon the one hand, direct social appropriation, as means to the maintenance and extension of production — on the other, direct individual appropriation, as means of subsistence and enjoyment.

From the Critical 1st French & 2nd German Editions:
An Aspect of True Socialism

Le Capital (1872a)

La vie sociale, dont la production matérielle et les rapports qu'elle implique

Das Kapital (1872b)

Die Gestalt des gesellschaftlichen Lebensprocesses, d. h. des materiellen Produktions-

forment la base, ne sera dégagé du nuage mystique qui envoie l'aspect, que le jour où s'y manifestera l'œuvre d'hommes librement associés, agissant concieusement et maîtres de leur propre mouvement social. (t. I, p. 91)

processes, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt *freivergesellschafteter Menschen unter deren bewusster planmäßiger Kontrolle steht*. (I. Bd., S. 57)

Surely, with Engels seeming to pick up (our italics) where Marx left off, we have a generality capable of embracing the central planning mechanism in the process of becoming *abgeschafft*, literally "abolished." With a slightly different twist, "eine gesellschaftlich—planmäßiger Regelung der Produktion," may as well be rendered, "a socially planned regulation of production," accordingly as stipulated. Is that tantamount to saying "centrally planned regulation of production by the State"? Who's in charge, who's running the show? That revolutionary dictatorship of the proletariat in the *Gotha Programme (1875)*? Again, is this a glittering generality that can accommodate whatever one wants to read into or out of it — including pinning the moribund institution in question on Marx or the inseparable Marx-Engels duo?

If not, all is not lost. Forget the fact that the self-destructive capitalism from whose ashes primitive socialism or Kommunismus α — liberated masses, liberator-State, etc. — was to emerge was far from extant in Russia at the time selected for the "Revolution." But, bear in mind that Russia was the material embodiment of central-planning socialism, of "Real Socialism «*socialismo reali*»" (J.P.II, 1991, #35; AAS, LXXXIII [1991], 837). That being the case, if the system was truly Marxian, then perhaps the answer to our question is to be found in what

was to become the official Russian version of that suggestive passage in *Das KAPITAL*.

The contemporary Russian version is reproduced on the following page, with the expert English rendering of colleague Ernest Raiklin at Northern Iowa University juxtaposed. That volume bears the photocopy of the title page of the first German edition (1867) at p. 6; whence (p. 15), that of the Russian edition of 1872 (as best can be told) amidst the Russian translation of the "Nachwort" of the 2nd German edition signed/date-lined *Карл Маркс /Лн, 9юн, 24 января 1873 г.3.*

Engels' "Preface" to the third German edition ("Zur dritten Auflage") signed/date-lined "London, 7 november 1883" appears in Russian dress at pp. 27-29. It is presumed here that he had nothing to do with either the first Russian edition (1872) or that (1983) employed here. He was, of course, fluent enough in both German and English tongues, but we spare him here of the Russian.

Karl Marx | Маркс, Карл.
КАПИТАЛ, ТОМ.
ПЕРВЫЙ. Москва: 1983.

Сторй общественного
Жизненного процесса, т.е.
мате-риального процесса
производства, сбросит с себя
мистиуе-ское туманное
покрываывало лишь тогда,
когда, когда он станет
продуктом свободного
общественного союза
дюдей и будет находиться
под их сознательным
контродем.

Ernest Raiklin, Assoc. Prof.
Econ., University of Northern
Iowa (1998).

The system of the social life-
process, i.e. the material
process of production will
strip off its mystical veil only
then when it becomes a
product of a free association
of people and comes under
their [people's] conscious
planned control.

Thus, we rely on Professor Raiklin's rendering afresh the English from the Russian. Is the system articulated here one of brain-washed/homœopathicised [*homöopathi-scheniert*] helots appendaged to the assembly line by the liberator-State under direction of the RDP? Consistent with that? A prominent delimitation of economics, distinguishing it from the other social sciences, has it focusing on "a limited range of human activity: *rational behavior* and *market exchange*" (Hirshleifer and Glazer, 1992, p. 6). The institution/organon in question is the marketplace, usually regarded as "free" from (of) government regulation (interference). Rational as intended here would seem to embrace knowledgeable/rightly-informed as well as intelligent/conscious behavior. Marx and Engels certainly had that in mind of their "freely associated producers," cognizant of social forces taken under their control.

What's the real difference? Marx, and Engels after him, as should be well known, focuses on *production* / the work-place; our capitalistic exponents, on *exchange* / the market-place, that façade (alias, "mystical veil") which masks the real determination of (so-called) "market" prices, wages and profits, confusing value—determination with its *validation* (alias, "valorisation").

If market exchange, the market-place/mechanism, goes down the tube with successful marketization, what goes with it? Thus, e.g., division of labor too? We know that Marx refuted Smith in the latter's regarding DoL as the unintended but inexorable consequence of the human—natural "propensity to truck, barter, and exchange one thing for another" (*WN*, Bk. I, ch. II, incipit). No, Marx showed with material evidence (India), DoL is quite possible without market-exchange; but, the latter is not without DoL. M-E is no necessary condition for DoL; but, DoL *is* for M-E.

It is more than interesting that an accomplished Marxologist like Tom Bottomore produce such *A Dictionary of Marxist Thought* (1991) with no entry on "Central Planning" / "Planning, central" as such, whatsoever. That's saying, to that authority (and with the approbation of his Editorial Board), CP — command or otherwise — is *not central* to Marxism — classical/orthodox, neo—/re-formed. At the same time, a Baker's 2½ pages (153b-156a) are devoted to "division of labour" per Simon Mohun. Here, quoting from Vol. III, Chap. 48 of *Capital*. Taking his lead (p. 156b), we supply our own quotation (English | German) of Marx (1978 | 1894, p. | S. 820 | 828).

<p>Freedom in this field [production] can only consist in socialised man, the associated producers, rationally regulating their interchange with Nature, bringing it under their communal control, instead of being ruled by it as by the blind forces of Nature; and achieving this with the least expenditure and under conditions most favourable to, and worthy of, their human nature.</p>	<p>Die Freiheit in diesem Gebiet [Produktion] kann nur darin bestehen, daß der vergesellschafteter Mensch, die associierten Produzenten, diesen ihren Stoffwechsel mit der Natur rationell regeln, unter ihren gemeinschaftliche Kontrolle bringen, statt von ihm als von einer blinden Macht beherrscht zu werden; ihn mit dem geringsten Kraftaufwand und unter den ihrer menschlichen Natur.</p>
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Sounds/looks familiar. Still the freely associated workers, now rationally (previously consciously) and communally in control, now in turning the tables by

subduing and marshalling the forces of nature optimally to their own advantage (previously of their life-/work-process). In full appreciation for the "tip" from Mohun, we conclude with the further indebtedness for his *ergo* (loc. cit.), to wit: "Thus instead of 'despotism' controlling the division of labour in production, that division will be controlled by democratic planning by the [frei vergesellschafteter] producers themselves."

Did Marx say, mean all that? Sounds like something I once said/wrote (Nitsch 1964, pp. 107-9). Anyone ever hear/read of "Real Socialism" *qua* "state capitalism"? Ernest Raiklin would say "Amen" to that; and/or, just as soon drink to it.

IV. John Paul II and the Triumph/Blessing of Capitalism

Our inquiry into the destiny of Marx's "system" was restricted to the central-planning organon now falling to the axe of "marketization." To ask whether the "privatization" (yet to come) enjoys Papal Blessing (in particular, of course, the Benediction of John Paul II) is little more than rhetorical. To Marx, of course, *Privateigentum* in land and the (human-made) means of production is anathema, the root of it all. (Cf. J.-J. Rousseau's "Discours sur l'Inégalité," 1755; and, Smith's justification/explication of "the accumulation of stock [read "capital"] into private hands" and the privatization of the land originally held in common by the landlord, collecting rent even on the natural fruits thereof — and loving it [*WN*, Bk.I,Ch.VI; 1937, pp.47-49]). But, even the papal affirmation of the naturalness of private property, is coupled with the moral-theological instruction that it be social in use; i.e., however "private" property may be, it is endowed with a *social function*.⁴ Every papal encyclical letter, it may be said, re—defines/re—establishes "tradition." Let us just say this

at this point, the *aufhebung*/"sublation"—type (Hegelian-Marxian) critique done by a sitting pope on that tradition as most recently re—defined/established (one hesitates to say "revised"), will be at best a "two-thirds" job; i.e., there will be the affirmation/upholding of that with which the sitting pope agrees; a transcendence/super-session — by way of clarification, taking into account new/different conditions, etc. — with an improved/better teaching; but, there will be no negation/refutation/denial of what is "wrong" in the teaching of a predecessor "of happy memory."

With this, we leave the question of J.P.II on privatization (private property) in abeyance. He has his own way of nuancing it in a gestalt/systemic (system-components) way, to which we shall return in concluding this section.

He is much more blunt on the matter of marketization, "the magic of the marketplace" as Ronald Reagan (Oct. 1981, as per Newfarmer, p. 182) once had it; alternatively, the "free market" vs. the command-plan. In *Centesimus Annus* (1991a,b,c,) #34 we find the nod he allegedly gives to the former. But, let's hear him out and not cut him too short. We first read what he says, to wit:

34. It would appear that, on the level of individual nations and of international relations, *the free market* [liberum commercium] is the most efficient instrument for utilizing resources and effectively responding to needs. But this is true only for those needs which are "solvent" [de eis necessitatibus, quae «ad solvendum sunt»], insofar as they are endowed with purchasing power, and for those resources which are "marketable" [de opibus quae «ad vendendum» sunt], insofar as they are capable of obtaining a satisfactory price. But there are many human needs which find no place on the market. It is a strict duty of justice and truth not to allow

fundamental human needs to remain unsatisfied, and not to allow those burdened by such needs to perish.

Before continuing with the Supreme Pontiff, lest there be those business-like (also called straight-laced) economists here who find his modes of expression a bit quaint, we turn to a professional (academic) economist with the proper jargon to put this in our jargon. In his centerpiece presentation to the Catholic Economic Association in late 1963, Richard Abel Musgrave (1964) exposed the celebrated "Pareto optimum" as *in se* an essentially hollow "victory" if achieved. After a brief (2-sentence) preamble he continued (p. 1):

The conventional view of the private sector in efficiency terms—i.e., allocation of resources to secure a Pareto optimum—assumes the distribution of income to be given. Unless this underlying state of distribution, which verifies [≡ makes *solvent*] the pattern of consumer preferences, is considered proper [≡ just], the functioning of the competitive market as a securer of efficient resource allocation has no unique merit.

The pope is not alone; nor, "illiterate, economically speaking" (J.M. Keynes' reputed expression of the way in which he "was surprised to find the President of the United States" upon a return to London from a visit with FDR). Firmly in the realm of moral theology, we allow J.P.II to continue unaided (1 May 1991, p. 67).

It is also necessary to help these needy people to acquire expertise, to enter the circle of exchange, and to develop their skills in order to make the best

use of their capacities and resources. Even prior to the logic of a fair exchange of goods and the forms of justice appropriate to it, there exists *something which is due to man because he is man*, by reason of his lofty dignity. Inseparable from that required "something" is the opportunity to survive and, at the same time, to make an active contribution to the common good of humanity.

Here, the principle/exigency of "commutative justice" (the "fair exchange" *qua* quid-pro-quo in the marketplace) is coupled with that (less understood) of "social (*alias* contributive) justice" (cf. Nitsch, 1998c, pp. 148-50). The more positivistic economist's equivalent/measure of "equity," of course, is "equality"; whence, we distinguish, as the first order of analysis, between equality of outcome (in terms of income, well-being, want-satisfaction) and equality of opportunity. That's what J.P.II's pontificating about in that last sentence. Strictly speaking, social justice is a reciprocal principle/exigency, viz.: (1) everyone's right to participate in the common good according to his/her needs/desires/etc.; and, simultaneously, (2) everyone's obligation to contribute thereto in accordance with his/her ability. Sounds Marxian. It is, but we'll find it praxeologically in *Acts* (4:32-37) an even 18 centuries earlier.

The Pope has been cut a bit short above; but, time and space advise leaving further pursuit of his teaching in this vein to the curious themselves. In the course of the subsequent ##, capitalism (or aspects thereof) gets its (get their) "just desserts"; and, on such as systemic alienation and exploitation, Marxism takes it licks. But, neither is an unmixed/un-nuanced blessing/scourging. Thus, in #40 (p. 78), the Pope declares, "It is the duty of the State to provide for the defense and preservation of goods such as the natural and human environments, which cannot be

safeguarded simply by market forces." The shifting duty of the State from the "time of primitive capitalism" to "the new capitalism" of the here and now are clearly articulated, viz.: from that "of defending the basic rights of workers," to that "of *defending those collective goods* which, among others, constitute the essential framework for the legitimate pursuit of personal goals on the part of each individual." In continuation —> conclusion, hark champions of the "free market."

Here we find a new limit on the market: there are collective and qualitative needs, which cannot be satisfied by market mechanisms. [—>] Certainly the mechanisms of the market offer secure advantages: [now some grist for the free-marketeers mill; whence, a German *aber*, to wit:] Nevertheless, these mechanisms carry the risk of "idolatry" of the market, an idolatry which ignores the existence of goods which by their nature are not and can-not be mere commodities.

Scoring a (qualified 1-1½ for capitalism vs. the Marxist critique/solution and Marx's analysis (*in re* alienation and exploitation in "capitalist bourgeois societies" *unter deren Produktionsweise*) in #41 (pp. 78-81), we turn to the Pope's closing of his circle (#42, pp. 81-92) and thusly return to *our* question.

42. Returning now to the initial question: can it perhaps be said that, after the failure of Communism, capitalism is the victorious social system, and that capitalism should be the goal of the countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third

World which are searching for the path to true economic and civil progress.⁵

The answer is obviously complex. If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human creativity in the economic sector, then the answer is certainly in the affirmative, even though it would perhaps be more appropriate to speak of a "business economy", "market economy" or simply "free economy" [etsi forte magis proprium est loqui de «oeconomia administrationis», vel «oeconomia mercatus», vel simpliciter «oeconomia libera»]. But if by capitalism is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative.

The Marxist solution has failed, but the realities of marginalization and exploitation remain in the world, especially the Third World, as does the reality of human alienation, especially in the more advanced countries. [Marxismi solutio male desit sed manent in mundo quaedam condiciones derelictionis (praesertim in Tertio Mundo), necnon alienationis humanae (praecipue in Nationibus exultioribus), contra quas Ecclesia vocem suam fortiter attollit.]

V. Conclusion

The guiding questions of this inquiry have been, in the light of the events of and since 1989, (1) is Marx's system doomed to the tomb with him; and, (2) do privatization and marketization enjoy Papal blessings? Answers peradventured in the light of the evidence examined and cited by way of further substantiation here are necessarily provisional; still, are worth the risk. Here they are.

(1) To the extent that what is meant by "Marx's system" is the central-planning mechanism of "Real Socialism" which is on its way "down the tube" under the so-far victorious marketization; then, that is no part of Marx's vision, nothing over which he would weep, cannot be construed as his vision of that day when society's "material production is treated als Produkt frei vergesellschafteter Menschen unter deren bewußter planmässiger Kontrolle steht." That does not describe the "life-process of society" in the USSR 1989.

(2) The Pope's position is at best/worst, equivocal/ambivalent. On privatization/denationalization, yes, he's in favor; but, the first to remind/affirm that "of its nature private property also has a social function ... based on the law on the *common purpose of goods*" (#30). Marketization, yes; but, within the restraints of social justice and the State as providing for those wants untended/untendable by the market.⁶ This view/teaching is demonstrably Smithian (cf. *WN*, end of Bk. IV = 1789, Vol. II, pp. 42f. = 1937, pp. 651f). This pope has a vision/version of future society *beyond* those of Adam Smith and Karl Marx, as I (Nitsch, 1989b, pp. 1-2 and 13 [n. 3]) once started to write.

Endnotes

¹The author is wont to qualify "social Marxism" to purge the issue/conflict of its theistic/atheistic baggage. For what it's worth, Marx was an (and his devotees remain) atheist(s). But, he (and Engels) *did* (authored) Political Economy (*politische Ökonomie*), *not* "atheology," the science of atheism. His *Kritik der politischen Oeconomie* (1867-83) consisted in the *Aufhebung* (\equiv "sublation") of bourgeois, *Vulgärökonomie*, the "classical political economy" of Smith, Ricardo, Senior, et al. It takes not long if needs be to document his metaphor about Jews clogging the pores of Polish society; nor, his caustic sentiments regarding the salvific efficacy of "the social principles of Christianity." And, what was it that he denounced as the very "opiate of the people"? Yet, he was much kindlier toward — even defensive of — the historical Jesus of Nazareth. In the case of Platonism, he once wrote (1839/1975, p. 495), the dynamic process begins with a reality (like extant Athens?) and dead-ends in an idea (the normative *polis* \equiv ideal city-state). With Jesus, on the other hand, the process commences with an idea(l) and metamorphoses into a reality. Moreover, he (*ibid.*, p. 494) differentiated, while Plato was fully responsible for his end-product, Jesus was not responsible for extant Christianity *qua* (we may presume) that which those who call themselves Christians do — to paraphrase and coin a term (*Begriff*), *Real-christentum*. (Cp. J.P. II [1991a | 1991b, ##12-13 ["Real Socialism" @ pp. 27-28 | "«socialismum realem»" [= the dative case, @ p. 809] et "«socialismo reali»" [p. 810].)

²The expression (*Begriff*) is enthusiastically attributed to Engels, if not (as at p. 734) to Marx earlier as well. Both linguistic and further reductive/translational problems rear their heads here. For example, what

Engels said is that "der Staat", when its very *raison d'être* ceases to exist, "stirb ab." And, when Marx is represented in the following manner, who is saying what is far from clear; to wit, we read (p. 734) "that, unlike the Anarchist doctrine of the 'abolition' of the State, according to Marx the State "withers away." Did Marx, too, say that "der Staat ... stirb ab"; or, is that (which?) what Lenin (and/or his translator/redactor) says Marx *meant*? Several echelons of knowledge are involved here as in exegesis generally, viz.: (1) what actually was said in the original tongue; (2) what the speaker/writer *himself* meant; and, (3) what he uttered/wrote meant to his *listeners/readers*. Another e.g. Above I wrote, "The expression (*Begriff*)." Lenin is doing the attributing. Did he or the present writer employ the term in parentheses? What language is it? Was it (one of) Lenin's tongue(s).

³The first German edition cited here is that of Alfred Marshall on deposit in the MARSHALL Library of Economics CAMBRIDGE [UNIVERSITY], as examined and had photocopied by the writer on his visit there during the Spring semester of 1985. Invariably, upon that revelation, the exclamation is fired, "Did he (Marshall) *write* anything (in it)?" Yes, I reply, in a margin appears "NO!" Where? Alongside the discussion of "value," in particular "Tauschwerth" vis-à-vis "Gebrauchswerthe" at pp. 2-3; i.e., at the very outset of the opening section on "Commodities" in that opening chapter on "Commodities and Money."

⁴See esp. John XXIII (1961/1962), ##104-120 = pp. 37-42; et cf. NCCB, 1985, pp. 37-42 and 125-29.

⁵A perennial question administered on the comprehensive examination to students in our M.A. in International Relations program electing to take my course in Comparative Economic Systems for their

"ECO" posits the student as the Economics Minister of an UDC, and demands, "which of the systems/models studied would you recommend for its development and why?" Now, in retrospect, I might say, "as its path to true ... progress?"

⁶Cf. my earlier conclusion (Nitsch, 1996b, p. 10) at this juncture, viz.: "It well might be that J.P.II's favorable judgments on capitalism in CA exceed the other sort [as per Anon., 1991, 418ff], but those 'anchi critici' are neither to be ignored completely nor overly disparaged." The "other critics", I add here, are those who essay to encapsulate in a precise manner what the Encyclical does say about capitalism.

In Retrospect: An Apologia / Follow-up (Appended 24 April 2000)

In the question/comment-&-response session which followed the presentation, one of the inquisitors/commentators demanded, to the following effect: Who says/believes Marx envisioned/advocated central planning as it existed in the Soviet Union at the time in question; and, what difference does what the Pope thinks/says make? My defense was (to the effect that), I think I can show you convincing evidence, can adequately document that collapse being regarded as the death-knell for Marx's system; and, what the Pope says/thinks exerts a significant influence on millions/billions of Catholics (et al.?) around the world.

In retrospect, I might remind (and emphasize) that my paper was not prepared for that very practical/nuts-&-bolts type of session. It was prepared for one dealing with ideological and praxeological perspectives on economies *in* transition; and not, the \$-&-¢ (actually, *Zloty* &c.) "economies of transition."

Now, given the benefit of hindsight, it might have done well to mention that, in the previous version/presentation of that same analysis (Nitsch, 1999), that (pesky) question never reared its (ugly) head.

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