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# COMMUNIST REVIEW 7

Central Organ of the International Bureau for the Revolutionary Party

## MARXISM AND THE AGRARIAN QUESTION



THE COBAS MOVEMENT IN ITALY  
AUSTERITY ATTACKS IN AUSTRIA  
COMMUNIST TACTICS IN CAPITALISM'S PERIPHERY

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# Editorial

These are hard times for revolutionaries. As capitalism's global crisis staggers on its debt-laden course the prospect of international proletarian revolution appears almost an impossible dream. In the heartlands the process of economic restructuring, which has given the ruling class a breathing space in the crisis, continues without any effective opposition from those who bear the brunt of its effects: the working class. In the periphery bourgeois chatter about sacrifices for "national development" has given way to demands for even greater sacrifices and austerity to alleviate debt payments. Millions are starving and dying. Despite the increasingly desperate, violent and often protracted battles on the part of individual sections of workers (such as the Peruvian tin miners who were on strike for almost 3 months from October to December) even the bankrupt ruling classes of capital's weakest areas retain a firm grip on the situation. Everywhere the working class remains divided against itself: locked in the grip of ruling class ideology - the nation, trade union, race, whatever. Above all, the international working class is without an independent political weapon. When workers struggle they must enter the battle without a party to call their own, without a political programme and without political leadership.

Yet for Marxists there are two aspects of the present situation which remind us how the balance of class forces can change. The first is the continuing existence of the day-to-day class struggle: a concrete reminder that, despite the power of capitalist ideology and propaganda, the working class is OBLIGED to struggle against the economic attacks of capital. The second is the almost molecular but clearly-observable widening of the International Bureau's circle of international contacts and sympathisers: a sign that the necessity to clarify the programmatic basis for the future world proletarian party is being recognised by more and more political elements as they emerge on to the proletarian political scene.

The comrades of GIK (Internationalist Communist Group) in Austria are a case in point and the publication here of one of their articles marks a breakthrough for serious revolutionary politics into the German-speaking world. It is a breakthrough which has not been limited to Austria. Readers of WORKERS VOICE will already have seen the anti-war leaflet we published of the

IRK (International Revolutionary Communists) who are based in West Germany. Over the past year the IBRP has had several discussions with comrades from both groups and we are now encouraged by their decision to produce a joint magazine (Kommunistischen Politik - due out in the Spring) which will broadly reflect basic revolutionary positions and will be able to serve as a focal point for political clarification wherever German is spoken.

We mentioned the extension of the proletarian political arena and widening of interest in the politics of the IBRP. At the same time we have to recognise that the political development of newly-emerging elements does not always follow the straightforward path we would prefer to see. Some time ago we welcomed the appearance of a publication of IBRP articles in Farsi which roughly translates into English as COMMUNIST NOTES. Since then the Iranian comrades who translated our texts have been beset by problems of existence peculiar to the political exile. This has slowed down the process of political clarification. Now, however, we can welcome the second edition of COMMUNIST NOTES: a voluminous effort of 96 pages for which we must thank the comrades involved. (Articles include the PCInt's Platform, Draft Theses on the Countries of Capitalism's Periphery, Crisis and Imperialism (a text adopted by the PCInt's Vth Congress) and the second part of A Critique of the CPIran.)

Thanks also to the comrades of Comunismo in Mexico who, although apparently now travelling along a different political trajectory from our own, have at any rate contributed to the debate on the tasks of communists in capitalism's periphery with their reply to the Draft Theses which we published in COMMUNIST REVIEW 3.

Much of the contents of this edition is taken up by the agrarian question. The necessity for us to deal more fully with this issue became clear after discussions with our comrades in India some two years ago revealed the paucity of our existing positions. For revolutionaries in places like India defining a strategy and tactics towards the agricultural proletariat and semi-proletariat, as well as the peasantry, is a pressing requirement. In this sense the discussion on the agrarian question complements the discussion on the Theses on the Periphery. However, the issue is by no means confined to the periphery and the text here

continued on p.48

# THE COBAS IN ITALY: ANALYSIS OF AN EXPERIENCE

Towards the end of the 1970s the industrial apparatus in Italy underwent a profound restructuring aimed at introducing the latest generation of technology into the productive process. The automation of industry, unlike previous restructuring, involved the total organisation of labour. This restructuring's impact on the workers was greater as it occurred in a weak market tending towards stagnation and even contraction. The increase in productivity induced by automation caused a surplus of workers in most factories and this unleashed a chain reaction of redundancies. But things also changed for those still employed: exploitation was much increased through rhythms of work which reduced breaks to the minimum, the shifts were extended and there was frequent recourse to night work and the movement of labour from one job to another. In Italy people talked of a climate in the factories like that of the '50's, when the workers suffered the most brutal exploitation, under the weight of the post-war reconstruction and the launch of the industrial boom.

After this industrial restructuring the Italian bourgeoisie turned its attention to its state sector. In Italy, this sector is particularly backward and inefficient. The figures for the public deficit for 1986 show the enormous weight of the state sector in the budget.

in its state sector its backwardness is typical of countries in the periphery in terms of quality, efficiency and costs of management. The Italian bourgeoisie understood that the competitiveness of its entire economic system depended upon its dealing with the state sector. This operation started in late 1985 and by 1987 it was affecting the workers, through the negotiations concluded by the unions for the renewal of the public employees' contracts. After a decade of real wage and personnel cuts, skilfully obtained through block contracts, the latest contractual renewal (realised by the union three years after it was legally due) has pushed the restructuring of wage levels and working conditions even further forward. This has resulted in a further worsening of conditions for workers generally, and especially for sectors like the railways and schools. These sectors reacted to this attack on them by fighting the agreements reached by the unions with the government.

The resentment which had built up against the unions over years exploded and led to a new phenomenon: entire sectors of workers organised their own forces in their own assemblies and started strikes, repeatedly over several months, against the unions' agreements and policies. For the first time in Italy a movement of struggle, involving mass participation by the workers, had

PUBLIC SPENDING DEFICIT AS % OF GNP: 1986						
USA	CANADA	JAPAN	G.BRITAIN	FRANCE	W.GERMANY	ITALY
3.43	5.45	1.5	3.07	2.85	1.0	12.47

Although the Italian bourgeoisie has managed to be the most competitive in some fields of production,

been created, which openly rejected union organisations, policies and agreements and which

sought to follow an autonomous path for the realisation of the workers' interests.

The movement also provided itself with the instrument for promoting and organising its struggles: the Base Committees (comitati di base - COBAS). These Committees made it possible for the workers to oppose the union structure.

The COBAS developed primarily among railway engineers and schoolteachers. This reflected the fact that the new labour contract hit these workers the hardest. The contract imposed large increases in workloads, reductions in weekly rest days and a harsher shift system on the engineers and introduced a hierarchical wage structure into the schools where the concrete basis for such does not in fact exist.

It is interesting to ask what produced the COBAS and why this very same phenomenon was not produced in the factories where the restructuring certainly weighed more heavily upon the working class.

First of all, it is necessary to say that in the factories too, when they were being restructured, the workers mobilised themselves and struggled. Fiat, for example, was occupied for more than a month in 1980. However, that wave of struggle was directed and completely controlled by the union. At that time the union agreed on the restructuring plans with the industrialists and also succeeded in mobilising the workers behind false aims, against the "bad management" - as the union said of these plans. In other words, the union controlled the workers' response and deflected it into demands for a "democratic" management of the restructuring, of the reorganisation of labour, of the imposition of new work rhythms etc. The implementation of the plans was to hinge round the union's inspection of managerial decisions and was supposed to guarantee the worker against any discrimination and one-sidedness in the bosses' decision. The union's manoeuvre succeeded because of the great prestige it still enjoyed amongst the workers, prestige accumulated between 1969 and 1975, when the relatively healthy state of Italian capitalism allowed a wave of struggle to be followed by an increase in real wages. In those years the union had been able to convince workers that it was pursuing objectives favourable to them by obtaining contracts which in a certain sense raised their quality of life. In reality, the claims it put forward were aimed at increasing internal demand and helping Italian big business which, after the arduous post-war reconstruction and development of the '60s, now required a national level of consumption appropriate to the level of mass production. It was in precisely these years that the union gained enormous

prestige and a consensus was established.

The explosion of the world crisis, with its initial manifestations linked to the first and second oil crisis, rapidly changed the situation. In 1976 the union suddenly elaborated a new strategy based on workers' sacrifices to sustain the economy. It was the beginning of a new phase characterised by a gradual reduction in the bourgeoisie's room for economic manoeuvre which had hitherto allowed it to secure social peace by raising the workers' standard of living. Between 1976 and 1980 the union, the bosses and the state reached a series of agreements which began the process of reducing workers' living standards. This was the period in which the previous tendency for the purchasing power of consumers to rise was reversed. Industrial restructuring also began and culminated in 1980 with Fiat's open attack on jobs, resulting in thousands of workers being made redundant. On this occasion the union successfully controlled the workers' response, thanks to the influence it maintained over them. The Fiat events opened the way to redundancies in every Italian firm between 1980 and 1982. The union now passively accepted the bosses' attacks on the workers without even pretending to oppose them as it had while Fiat was making its redundancies. Between 1983 and 1986 the union was engaged in the modification of the wage structure, further compromising pay by linking it to productivity and by making the greatest possible differentials between various groups of workers. These were the years which changed the relationship between the unions and the workers. From initially trusting the union organisation in the early '80s, workers proceeded to a better understanding of the union's role against them. This was an important turning point which led them to struggle and in so doing manifest their dissatisfaction with the union. In this situation, which was magnified by the economic crisis as it pushed the bourgeoisie towards ever more drastic measures, the restructuring of the state sector began. The contract that the unions signed with the government in the middle of 1987 was entirely inspired by this restructuring. In some sectors there was a revolt against the unions and an open rejection of their contract. The unions' credibility suffered a further heavy blow, and, for the first time in years, the workers organised their own forces and struggled for themselves.

#### THE VALUE OF THE COBAS EXPERIENCE

In the advanced countries capitalism raised the proletariat's standard of living up until the early '70s. After the phase of economic expansion there came the crisis and the decline of the

economy began. At this point the bourgeoisie started to take away everything it had conceded. Throughout the '70s there was a slow but steady decline in the proletariat's standard of living and this was more rapid in the '80s. This impoverishment led, especially in capitalism's weaker countries, to the breaking up of the equilibria ensuring social peace. From 1980 on there was an accentuated revival of class struggle as the proletariat was forced to defend itself from bourgeois attacks. This revival was first signalled by events in Poland, where strikes paralysed the entire country. Then there was the British miners' strike in 1984, which lasted more than a year, and, even though it did not lead to an open rejection of the union, used forms of struggle so radical that they would have been unthinkable shortly beforehand. This was followed by the strike in the Belgian civil service in 1985 which stymied the organisation of the state for a month. Finally, in December 1986, the French railway workers strike erupted. In this case the union was openly rejected and there was a conflict with clashes on the highest level.

All these episodes, and there are many more we could cite, show the beginning of a new phase in which the proletariat is returning as a protagonist on the social scene and tends to reject the apparatus of bourgeois power, especially the unions. It is the start of a period marked by the proletariat's recovery of its political and organisational independence from the bourgeoisie. HOWEVER, THESE ARE ONLY THE FIRST, ALBEIT SIGNIFICANT, STEPS.

The COBAS signalled the arrival of this new phase in Italy too. Italy was late in arriving at this point because its union organisation was stronger than in other countries, resulting in a greater control over the proletariat, especially over manual workers. The different level of the crisis undoubtedly also played a role. In Italy the COBAS represented the first significant episode of struggle against the unions; the first time workers rejected their agreements and attempted to overturn them by organising themselves and struggling independently outside of and against the union structure. This experience is important because it shows the workers in every sector the way ahead. As the economic crisis worsens the unions will become even more openly engaged in the defence of the state and the bosses. They will line up more and more decisively against the workers. In Italy it is significant that it is from union initiatives that the right to strike is already limited. THE COBAS EPISODE SHOWS THE WORKERS THAT IT IS POSSIBLE TO ORGANISE THEMSELVES AND STRUGGLE INDEPENDENTLY OF THE UNION AND TO PASS ON TO THE OPEN DEFENCE OF PROLETARIAN INTERESTS.

Even in terms of the demands put forward the experience of the COBAS' struggle is rich in lessons. In the schools, where the struggle spread to most categories in 1987, the COBAS forced the state to take some measures: the revoking of redundancies for temporary teachers scheduled for September, and the reduction of class sizes to 25 pupils. This shows that when the struggle is extensive even the state and the unions are compelled to make concessions, if only to stem the conflict. The financial bill which set the state's budget for 1988, however, immediately overturned these measures. The union pretended not to notice this and accepted the bill in its entirety. This too is a lesson for workers: victories, especially when there is a crisis, are only partial and absolutely cannot be guaranteed. When the struggle is over the bourgeoisie immediately takes back what it has conceded. All this forces workers to pose questions which go beyond simple economic demands. Consequently, new and more favourable opportunities for revolutionary intervention emerge, whose aim is to throw light on the limitations of the demands.

There is another aspect to be stressed. Over the decades the unions have got workers used to delegating their representation to others. The COBAS experience teaches them that they need to supersede this practice. The workers' defence lies in their own hands and cannot be delegated to anyone. The COBAS interrupted the practice of delegation which had lasted for an enormous length of time. This too was a step towards the class' autonomy.

#### THE LIMITATIONS OF THE COBAS

Both the railway engineers and the teachers rejected the increases offered in the new contracts. These were drawn up by the unions which took into account the government's policy of requiring wage increases to be set below the rate of inflation. This would have allowed the state to take for itself all the advantages created by the productivity increases contained in the new contract. The engineers in particular asked for large wage increases as well as a bigger workforce and a reduction in their workload. The teachers rejected the new wage bands, introduced by the unions into the contract and which served to create an entirely new hierarchy among the teachers, dividing those who were to have a managerial function against those whose role was purely teaching. Against all this, the teachers demanded, in the first stage of the struggle, equal wages for all. In Spring 1987 the workers, organised in the COBAS, put forward these demands and went on strike. Despite their ups and downs, the strikes continued up to the beginning



of 1988, although their content - as a result of weakening support and the influence of political organisations attached to the unions' left-wing - declined and became much more backward. But we will deal with this later.

We must stress that it would be myopic to overlook the limitations of the COBAS. The case of the railway engineers is a case in point. Their narrow craft mentality reached such an extent that they excluded other railway workers from their assemblies. They had the illusion that they could achieve something for themselves. This was all based on the conviction that they had the power to settle a contract for their own specific sector of the working class, and on the illusion that they were able to obtain durable wage increases in the present capitalist crisis. These mistakes meant the engineers were isolated and eventually their struggle was weakened.

Amongst the teachers too there were strong "corporatist" pressures, reinforced by the strong petit-bourgeois presence in schools, i.e. the presence of teachers whose social position does not have much in common with the proletariat. These are the employees who, after seeing their position decline as a result of the crisis, aspire to having their own position neatly distinguished from everyone else, to a social status superior to that of the proletarian. They want higher wages than other sectors. It is this, most "corporatist", component which inside the COBAS demanded the linking of teachers' wages to those of university professors who, in Italy, are paid much more. These demands completely ignored the other workers in the schools (administrative workers and caretakers).

However, among the teachers there is also a component which could be assimilated within the proletariat. This component's income is derived entirely from wages and its interests are served by unification with the other workers. This section made equalising demands which were more genuinely class demands. The various social strata present within the teachers immediately expressed themselves. After the egalitarianism of the great upsurge of struggle in May and June 1987, when the slogan was "equal increases for all", now "corporatist" demands prevailed in the school COBAS, reflecting the unions' policy of differentials, although with much higher increases for each grade. In January 1988 the slogan "equal increases for all" which emerged more as a reaction to the unions than as a conscious political decision, was supported only by a minority. It was primarily supported by elementary school teachers and teachers without degrees, i.e. by the teachers closest to the proletariat.

Yet the most important consequence of the "corporatist" mentality was the shutting out of other workers. In the case of the railway engineers this led, over the months, to the total isolation and eventual weakening of the battle front. In the teachers' case it led to many internal divisions within the COBAS themselves and ended up in real splits with different demands.

An important factor in the stifling of the struggle was the political intervention in the movement by the unions' left-wing. For example, left-wing organisations such as the Trotskyists encouraged the "corporatist" tendencies and imported the unions' policies into the struggle by acting on this already-existing factor. They were successful in taking over the leadership of the COBAS through the organisational structure which had been established at local and national levels. In this way these groups impeded the extension of the struggle to other workers and the putting forward of egalitarian demands. Among the engineers the leftists worked to overcome the breach that had emerged between the workers and the union. In February they were successful when the long dispute ended in an agreement between the government, union and COBAS which completely nullified the engineers' initial demands. This agreement had already been nullified by a formal peace treaty between them all. In the schools, where the COBAS had politically and organisationally maintained a more open break with the unions, the leftist organisations worked instead to transform the COBAS themselves into a new union organisation in competition with the official one.

#### BATTAGLIA COMUNISTA'S INTERVENTIONS

Battaglia's interventions changed from time to time, according to the specific situation and stages in the struggle, but it was always inspired by the following general objectives:

1. Clarification of the underlying motive force of the struggle: the economic crisis, the restructuring of the state sector, the fall in real wages and the worsening working conditions imposed by the state and the unions.
2. Promotion of and deepening the break with the unions, sustaining and making more effective the workers' self-organisation.
3. Working in the schools to separate the proletarian and petit-bourgeois components, causing the emergence of a proletarian policy for demands and political perspectives.
4. Combatting trade unionist and opportunist tendencies in the movement in order to affirm the necessity for the development of the class struggle and a communist perspective.

Our intervention took two forms: that of general propaganda (carried out through the distribution of leaflets and specific texts and the sale of the party's paper in schools, workers' assemblies and at national and local demonstrations) and that of the political battle in the provincial and national assemblies. It is important to underline that a comrade of ours was able, thanks to our correct position on the role of the revolutionary vanguard, to bring about the emergence of a reference point for class politics within the movement and to group round himself, after almost a year of uninterrupted political work, a minority ready to carry forward the battle in opposition to the prevailing trade unionist tendencies in the COBAS. And this is despite the fact that he was initially on his own.

Taken as a whole, this has allowed Battaglia Comunista to put forward its positions in the school COBAS in an easily recognisable and well characterised fashion. This has been done, not by means of empty declarations or political generalisations but by precisely indicating the way forward for the struggle with the aim of giving the proletarian component of the movement an orientation towards class politics and perspectives.

Let us now describe the most significant events. In spring 1987, unforeseen opposition emerged to the contract which had recently been signed by the unions. This culminated with the 25th May Rome demonstration, in which 50,000 teachers took part, and in the disruption of end of year examinations in the majority of schools. In the preceding months the COBAS had sprung up all over Italy, mostly on the initiative of militants from various political organisations and "lone wolves" of the left petit bourgeoisie (in Milan, mostly Trotskyists). BC immediately began the political battle around the diverse class nature of the teachers. Our position, and the demands which stemmed from it, (in opposition to those who called for the unity of all employees on the basis of petit bourgeois positions), was to recognise the proletarian sector of the teachers and the need for its interests, demands and perspectives to emerge. BC wrote a text based on this text which provoked polemics from the ICC. In this text we outlined the class composition of teachers, indicating the presence of a growing proletarian sector and a majority of petit bourgeois composed of the wives of liberal professionals (in Italy most teachers are women), managers and true bourgeois, and those for whom teaching provides a comfortable second job alongside more remunerative employment. The ICC, who assimilate all teachers into the working

class, accused us of seeking to destroy teachers' unity: in so doing, they ended up in the ranks of those who deny class considerations for the sake of a general unity of employees. This was a serious analytical error which led immediately to opportunism and falling in with the left's initiatives.

After the first wave of struggle in the spring, the situation changed in the September which followed the school holidays. The struggle begun by rank and file teachers weakened to the point of disappearing, and the militants created by the spring movement survived by embarking upon the path of para-trade unionism. This was especially true of the militants linked to leftist organisations. The most significant political fact at this time was the separation between the rank and file, which became for the most part passive, and the militants of political organisations who regrouped and remained active in the COBAS. The COBAS leadership now passed to the leftists, partly due to secret manoeuvres typical of bourgeois politicking. The new leadership imposed policies aimed at state recognition and legitimisation of the COBAS. The ICC, whose work was marked by rejoicing over anything which appeared to be struggle, was not conscious of this separation, and it ended up supporting the leftists' initiatives. At this very moment, the BC comrade started the battle against the degeneration of the COBAS. It was a question of conducting the struggle primarily among rank and file teachers to regain the initiative, winning over some assemblies and proceeding with these forces from within the movement to the provincial and national COBAS assemblies. The aim of this was to replace the apparently innocuous initiatives aimed at state recognition of the COBAS by the most vigorous propaganda and agitation for the renewal of the teachers' struggle in the schools. At this point the ICC, instead of clearly opposing the leftist leadership of the "movement", limited itself to simply making its usual declarations which follow on from its conception of its tasks. Its leaflets continued to exult "the movement", exhorting it to "go further" and they made abstract general political assertions on class struggle. The BC comrade, on the other hand, tried to organise a politically well formulated opposition, with concrete initiatives and policies opposing the official COBAS line. In this way he tried to regroup those militants who, with varying degrees of clarity, rejected the politics of the COBAS leadership. It is worth looking at an example to see the difference between the tasks that the ICC and BC set themselves by the initiatives they took in the schools.



In December 1987, in a national delegate assembly, the leftists called for a demonstration in Rome in support of politically watered-down demands and democratism - defence of the right to strike and union freedom. The ICC proposed an amendment to the text calling for the demonstration, but supported the initiative. The ICC once again criticised the form and not the content of what was happening. The BC comrade did not support this initiative, which was anyway destined to fail. The workers in the schools were insufficiently mobilised; the demonstration ostensibly aimed to unite all workers although no other sector was struggling or had any experience of rank and file self-organisation. In fact the demonstration was a call to the militants of the leftists and union organisations to regroup themselves, and certainly not the expression of a growing class struggle.

BC therefore denounced the manoeuvre and, given the favourable political climate, proposed calling a class-wide assembly on the basis of contacts already made in Milan and in other sectors instead of going to Rome. The aim of this assembly would have been to revive all the positive class content, serving all workers' interests, which had already been expressed in the COBAS and emphasised by the presence of representatives of other sectors at earlier provincial assemblies. This proletarian content had been expressed in demands which were strongly egalitarian and anti-union but these demands had been shelved by the COBAS leadership. Our comrade asked for his proposal to be put to the vote. One third voted for, another third against and the rest abstained. It was clear that the situation was not ripe for us to lead so important an initiative (a "yes" vote would have been a terrible blow to the unions and trade unionism). It is not possible to organise something in the name of an assembly when a large part of the assembly opposes it and another large part "cannot tell the difference". Our political integrity required us to maintain our stance and reserve more positive action for better developed situations, to which we will work towards in opposition to the leftists.

The ICC voted against our proposal and for the Rome demonstration! This took place on 12th December and was a great failure by comparison with the spring demonstration. The "super-COBAS", involving workers in several sectors, of which the press deliberately pretended to be so afraid, proved to be nothing more than a hypothesis for the future. There were only 4-5,000 in Rome, mostly leftist militants (LCR, LSR, DP, Democrazia Consiliare, Autoconvocati OGIL).

For the ICC, who supported the demonstration,

there remained only self-glorification: this initiative had been a success and a "step forward" in workers' self-organisation.

This was the moment to intensify the attack on the leftists and to begin work for the formation of an internal "opposition" within the COBAS among all those delegates and teachers who expressed dissatisfaction with the leadership.

In late 1987 the labour contract signed by the union barely seven months previously expired, as it had been signed more than 2.5 years late. This was a good opportunity for the leftists, who used it to take the COBAS one step further on the road to para-trade unionism. They were able to give the movement a strong trade unionist stamp in the January discussions about the new platform of demands, which occurred whilst the rank and file were still passive. Once again, the leftists' aim was to enter negotiations towards official state recognition of the COBAS and the formation of a new union organisation. To achieve this they had to draw up proposals for a contract which could be the object of negotiations with the state. It was thus inevitable that they should try to reconcile the teachers' interests with those of the state. The proposals were characterised by wishful thinking, as many of the demands could only be granted if teachers had reached a much higher level of struggle), and by the most stupid reformism which hankered after better schools with more qualified staff. In short, these proposals were marked by petit bourgeois corporativism. In the COBAS national assembly of 24th January a BC comrade intervened in the name of the provincial assembly whose delegate he was in an attempt to overturn the agenda: instead of talking about a platform of contractual proposals far removed from the real discussion taking place amongst workers, he proposed a platform of demands, consisting of a few clear points defending workers' real interests. These would include equal increases for all, smashing the union-imposed wage structure, making all temporary school workers permanent and reducing the size of classes. These proposals would have relaunched the COBAS initiative and mobilised the rank and file. The motion was rejected by 178 votes to 18. Its defeat was inevitable but the votes it gathered showed that it was possible to form an explicitly class-based opposition, even though this would be a small minority. When the COBAS entered the path of para-trade unionism and engaged all their efforts in negotiations not struggle, they had reached an advanced stage of decline. National meetings were reduced to discussing appeals, petitions, round-table meetings with mainstream bourgeois parties - all intended to ensure their



participation in negotiations alongside the government, the official unions, the SNALS (An ultra-reactionary centre-right union federation) and the Gilde (an ultra-corporatist union, which had split from the COBAS and sought to represent the teachers as professionals). Confirming the rift between the COBAS and rank and file teachers, the number of delegates sent by the provinces diminished in both February and March.

In the meantime the ICC, whilst maintaining its position on the December demonstration, took account of this phenomenon and took up positions which were practically identical to our own. It was thus possible and necessary to co-ordinate the interventions of the two groups, aiming towards the emergence of a class tendency.

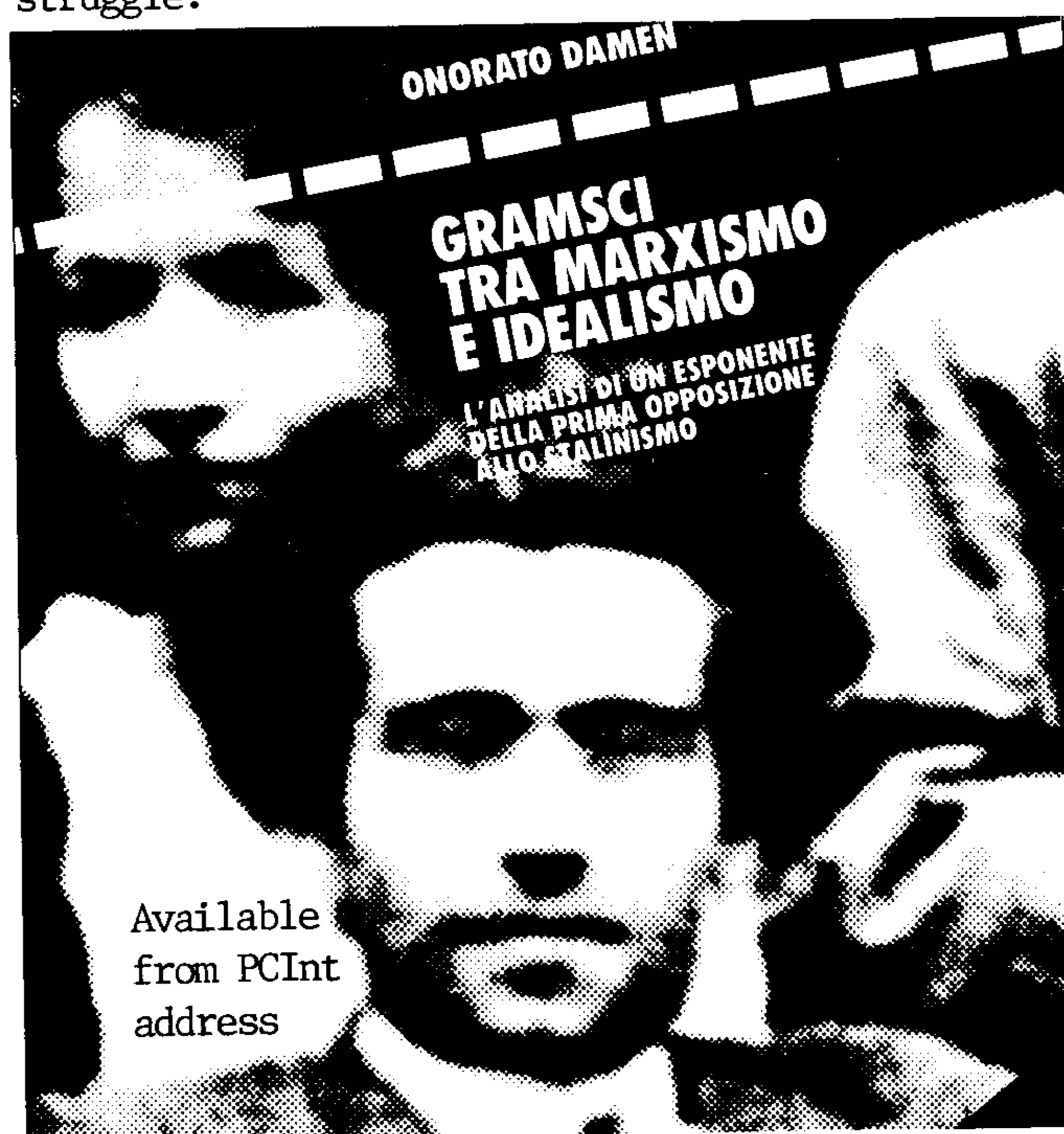
After a new outbreak of class struggle in which wide strata of the teachers participated, which disrupted the May/June examinations, the authorities concluded a new contract with the official union, the SNALS and the Gilde leadership (this was disavowed by the rank and file in an assembly which declared the contract void). This labour contract took further the restructuring of the schools which the government had commenced in 1985. It aimed to greatly reduce the workforce, reinforce differentials and increase flexibility. Wage increases were biased in favour of executive personnel and a very narrow sector of teachers. This was provocative for the teachers in the classroom and the manual workers. The COBAS did not participate in these negotiations because they refused to accept the strike regulations which the government had set as a pre-condition for talks. This refusal was without doubt heavily influenced by the indispensability of the most radical section of the COBAS rank and file and those who considered unacceptable any restriction on the efficiency of the strike weapon.

This was how the COBAS' leftist majority was defeated. It had failed to achieve any of its demands, and had failed to get the COBAS recognised as union organisations. Certainly, a consequence of this was a great reflux amongst the teachers, an inevitable result of the collapse of the illusions encouraged by the COBAS' proposals for the contract, which were ignored by the government. The greatest danger was the possible loss of the political and organisational gains of the COBAS experience. The BC comrades worked to prevent this. In the final stage of the struggle, in both national and provincial assemblies, we systematically replied to the leftist proposals, proposing counter-initiatives which illustrated the chasm between proletarian politics and the petit bourgeois politics of the majority. Both by working among the rank and file and in the COBAS,

we tried to establish a clear political reference point, so that the greatest possible number of teachers could group themselves around it and demonstrate that authentic communist work was possible. This also meant implanting revolutionary politics in the schools in view of the disappearance or institutionalisation of the COBAS.

In carrying out this work it is a fact that we found ourselves alongside the ICC. Although this was positive, it was also a massive contradiction with their basic methodological conception which rests on a spontaneous growth in consciousness, without any concrete political or organisational link with the communist programme. Although self-organisation on the terrain of class struggle is the material precondition for the re-opening of communist perspectives and the implanting of a revolutionary programme, it is nevertheless necessary to deepen and generalise the positive part of the COBAS experience, separating that part from the mistakes which were made. This work requires well-prepared political cadres and their organisation. How can one speak of a "political maturation of the class struggle" if the communist cadres and their organisation are not growing?

The school COBAS cannot be the starting point for the class struggle, and even less for the revolution. From them, however, there can emerge new revolutionary militants and cadres. As an experience which is now over, or at least declining, its positive contribution to the class' perspectives can only be measured in these terms. It is this minimum positive conclusion that BC has drawn, and continues to draw, from the school struggle.





# MARXISM AND THE AGRARIAN QUESTION

## TOWARDS A FRAMEWORK FOR DEFINING STRATEGY AND TACTICS

"The history of landed property, which would demonstrate the gradual transformation of the feudal landlord into the landowner, of the hereditary, semi-tributary and often unfree tenant for life into the modern farmer, and of the resident serfs, bondsmen and villeins who belonged to the property into agricultural day labourers, would indeed be the history of the formation of modern capital. It would include within it the connection with urban capital, trade, etc. But we are dealing here with developed bourgeois society, which is already moving on its own foundation."

So wrote Marx in the 'Grundrisse'. Over 130 years later it is not our task to describe the specific details of how capital continues to break down the remaining pre-capitalist relations in the countryside. In a world where capitalist economic relations are at the foundation of the entire international economy the task for revolutionary Marxists lies in establishing which aspects of the agrarian question remain significant, or have developed significance, in the context of the need to re-establish a genuine communist programme for the global proletariat.

For Marx and subsequent Marxists issues which came to be debated under the heading of the 'agrarian question' in the Second International stemmed from two overriding and inter-related concerns: on the one hand that of land ownership and distribution (with the concomitant question of food production and the development of the productive forces); on the other the problem of class relations in the countryside which more often than not resolved itself into the problem of the peasantry. How relevant are these preoccupations today? What lessons can present-day revolutionaries derive from the theoretical and political battles of a previous epoch?

### THE POLITICAL ECONOMY OF AGRICULTURE

The bulk of what can be called original Marxist works on the agrarian question were written before 1914, while the capitalist mode of production was still an historically progressive system. Inevitably their concern was to analyse how far capitalism had broken down pre-capitalist relations of production in agriculture, with the assumption that the development of capitalist farming meant both the establishment of the most efficient means of food production to date and the material preconditions (alongside urban industrial capitalism) for the eventual establishment of socialism. This, above all, links Marx's theoretical writings on rent (in Volume III of Capital and 'Theories of Surplus Value') with Kautsky's 'The Agrarian Question' and Lenin's 'The Development of Capitalism in Russia' along with his numerous writings on the development of an agrarian programme for Russian Social Democracy.

For Marx the development of capitalist agriculture was inexorably bound up with the history of capitalism as a whole. Though England was the most advanced capital of his day and capitalist farming predominated in agriculture (i.e. production of commodities to be sold on the market for a profit), agriculture was still encumbered by the relics of its feudal past. Thus the typical agrarian capitalist was a tenant farmer who did not himself own the land but leased or rented it from a larger landowner. Marx's painstaking elaboration of the various historical forms of rent (labour rent, rent in kind, money rent) which preceded capitalist ground rent showed that though in one very general sense they are similar - each is derived from the appropriation of surplus value and surplus labour from the tiller of the soil - capitalist ground rent differs significantly from all those other forms and its very existence



implies the domination of a totally different set of productive relations. Marx pointed out that once capitalist relations of production predominated the basis of the category 'rent' had changed. Instead of being the main expression of the exploitation of the labour power of the producing class by the exploiting class (i.e. a feudal aristocracy) 'rent' had come to represent simply another aspect of profit: the capitalist form of surplus value. As such, capitalist rent is paid out of profits and its monetary amount is thus calculated on the basis of the average rate of profit as this is reflected in the going rate of interest.

Since the average rate of profit, Marx argued, was determined in the industrial sphere, the rent paid by the tenant farmer out of his profits reflected the higher rate of profit prevailing in the agricultural sector. - Given that the farmers in general received the average rate of profit after they had paid out rent to the landowners. In other words, this kind of rent (what Marx termed 'absolute rent') now represents an excess profit over the average rate of profit. Under capitalism then, rent is no longer the expression of "surplus value in general, but of one of its offshoots, surplus profit."(1)

Whereas under feudalism the general form by which the ruling class appropriated surplus value was the extraction of rent of one kind or another, under capitalism rent simply represents another form of profit and is calculated on the basis of the average rate of profit. For this reason it may take on a different shape from the standard form of rent payments. For instance the farmer who owns his own plot still receives the excess profit which others pay out as formal rent (and, as Kautsky pointed out, he may even have to pay out absolute rent in the form of mortgage dues). Once ground rent is capitalised in this way (i.e. once it is calculated in relation to the possible rate of return on capital invested elsewhere over a certain period) then money paid for land:

"... is in fact the purchase price - not of the land, but of the ground rent yielded by it - calculated in accordance with the usual rate of interest." (2)

#### LANDED PROPERTY: A BARRIER TO THE DEVELOPMENT OF AGRARIAN CAPITAL

Yet if absolute rent is peculiar to capitalism its existence is derived from historical circumstances which are not necessarily inherent to it. In the first place absolute rent is simply another way of

describing excess profit. The existence of a higher than average profit rate in agriculture in the 19th century was the result of a generally low organic composition of capital in the sector as a whole (where manual labour was still relatively dominant).(3) But although agriculture's relatively low organic composition vis-a-vis industrial capital was the source of absolute rent this does not explain how this sector was able to maintain such a privileged position. How was it that agricultural capitalists "appropriate it (i.e. excess profit) themselves and do not hand it over for the equalisation of the general rate of profit?" (Marx)(4) What was the barrier preventing the movement of capital from the industrial to the agricultural sphere in the same way as it would move from different branches of industry with the evening out the general rate of profit as individual capitalists pursued maximum returns?

"This is to be explained simply by PROPERTY IN LAND", or more precisely by the existence of a class of landed proprietors who, through "the monopoly of land ownership enables the landed proprietor to squeeze that part of the surplus labour from the capitalist, which would form a constant excess profit."(5)

Thus, although Marx assumed that landed property was the archetypal expression of capitalist agriculture ("wage labourers, industrial capitalists and landowners constituting together, and in their mutual opposition the framework of modern society" - Volume 3 of Capital), he recognised that it had its historical roots in feudal property and was not essential to capitalist farming. Not only did he agree with James Mill that,

"Production could therefore continue undisturbed if the landed proprietor disappeared and the state took his place", he argued that the "reduction of the classes participating directly in production ... to CAPITALISTS AND WAGE LABOURERS and the EXCLUSION OF THE LANDOWNERS ... is rooted in the nature of the CAPITALIST MODE OF PRODUCTION, and reveals its "differentia specifica"(6)

A specific difference which was more likely to become clearer with the historical development of capitalism itself. He pointed out that historically "capitalist production starts its career on the PRESUPPOSITION OF LANDED PROPERTY, which is not its own creation but which was already there before it"(7), making it impossible for industrial capital to appropriate the surplus profit from the agricultural sphere which only existed because landed property itself existed. Nevertheless, as we have seen, a difference in organic composition between the industrial and



agricultural spheres is not intrinsic to capitalism. The historical origin of landed property, coupled with the tendency of capital's economic dynamic to equalise profit rates, means that absolute rent cannot be considered necessarily as a permanent feature of capitalism:

"The same chain of reasoning which demonstrates the possibility of ABSOLUTE RENT, shows its reality, its existence, as a purely historical fact, which belongs to a CERTAIN stage of development of agriculture and which may disappear at a higher stage."(8)

In a similar way Marx characterised small peasant freeholds and self-managing peasant proprietorship as a historically conditioned form of agricultural production which "is found among modern nations as one of the forms arising from the dissolution of feudal landownership"(9) As such the small peasant and his holding represent a halfway house between capitalist farming proper and dispossessed wage labour - "a necessary transitional stage for the development of agriculture itself."(10) The extent to which the land is held by peasant freeholders is a guide to the level of capitalist development: the predominance of peasant proprietorship implying that the greater part of the agricultural produce is consumed as a direct means of subsistence with urban industry playing a minor role. With the development of the capitalist mode of production and its extension into agriculture come the causes which bring about the downfall of the subsistence peasant. In Volume III of 'Capital' these causes are poignantly listed: destruction of domestic industry; usurpation of common lands by large landowners; competition from large-scale capitalist agriculture; exhaustion of the soil. And once the previously self-sufficient peasant finds himself competing with the capitalist farmer he loses out three fold: first in his capacity as landlord - he receives no rent; second as capitalist - he doesn't receive the average rate of profit since he is forced to sell the commodities he produces below their value and often below their price of production; third, in his capacity as self-exploited wage labourer the limit to which he is prepared to cultivate his land becomes the minimum wage necessary for his physical survival: so long as the price of his product allows him to pay himself the physical minimum the freeholder can exist - but in conditions of abject poverty and gruelling toil. In addition, the development of land as a commodity to be bought and sold erects a further barrier to the small peasant's survival and ability to develop agriculture and instead subjects him to the moneylender. For the small peasant, under the illusion that land itself possesses value, the purchase of land becomes an

end in itself but, Marx argued,

"The expenditure of money-capital for the purchase of land, then is not an investment of agricultural capital. It is a decrease 'pro tanto' in the capital which small peasants can employ in their own sphere of production..."(11) In short, "The expenditure of capital in the price of land withdraws this capital from cultivation."(12)

For all these reasons Marx argues that small peasant production, with its "infinite fragmentation of means of production, and isolation of producers themselves is a monstrous waste of human energy", an historically backward form which "by its very nature excludes the development of social productive forces of labour, social forms of labour, social concentration of capital, large-scale cattle raising, and the progressive application of science."(13)

From both ends of the spectrum then: large-scale landowners and the peasant freeholders, Marx singled out private property in land as a barrier to the development of agricultural capital's full potential.

"This barrier and hindrance which are erected by all private landed property vis-a-vis agricultural production and the rational cultivation, maintenance and improvement of the soil itself, develop on both sides merely in different forms, and in wrangling over the specific forms of this evil its ultimate cause is forgotten."(14)

#### NATIONALISATION OF THE LAND

It was from the economic analysis of the development of capitalist agriculture that Marx and subsequent Marxists considered possible policies in relation to the land question. Perhaps the most important of these was the call for nationalisation of the land. It is worth discussing here, if only because for many would-be socialists nationalisation of the land is assumed to be a basic step towards socialism. But for revolutionary Marxists this has never been the case. State ownership of the land was always posed in terms of its usefulness as a measure to undermine archaic feudal property forms and thereby encourage the DEVELOPMENT OF CAPITALISM which in turn would hasten and clarify the conditions for socialism. This was not to be confused with socialisation or communalisation of the land - i.e. its return to the community of associated producers as a whole - which, it was recognised, could only occur with the abolition of capitalism itself. Thus, for example, when Marx discussed differential rent (briefly, the different rates of return on agricultural capital



as a result of variations in soil fertility) he pointed out that this would not disappear if the land were taken over by the state. That would only come about when the capitalist mode of production itself was abolished.

"If the state appropriated the land and capitalist production continued then rent ... would be paid to the state, but rent as such would remain. If landed property became PEOPLE'S PROPERTY then the whole basis of capitalist production would go, the foundation on which rests the confrontation of the worker by the conditions of labour as an independent force."(15)

As Lenin succinctly put it:

"Nationalisation of the land under capitalist relations is neither more nor less than the transfer of rent to the state."(16)

Here it must be remembered that Marx and Lenin are referring to differential rent and that the argument in favour of nationalisation of the land was that it would mean the demise of the privileged landowning class left over from feudalism and the abolition of ABSOLUTE RENT. There is nothing intrinsically socialist about such a demand. On the contrary, Marx recognised it as a measure which could be called for by a radical bourgeois party - if it had the courage to attack private property. The usefulness of raising the demand was debateable. Marx himself did not see it as appropriate in an economy where the bourgeoisie had "territorialised itself" and become landowners - in other words where capital had already subordinated landed property to itself. However, during debates inside the 1st International the Marxists defended land nationalisation and its leasing by the state to co-operatives. As time went on the argument in favour of nationalisation shifted slightly to emphasise the more efficient use of land which could be achieved by large-scale capitalist farming. Thus, when the Basle Congress (1869) reaffirmed the demand Engels commented:

"This resolution was adopted mainly for countries where there is big landed property, and where, consequently, these big estates are operated by one master and many labourers. This state of affairs is still largely predominant in Germany, and therefore, next to England, the decision was most TIMELY PRECISELY FOR GERMANY." (17)

However, the German Social Democratic Party never took up the demand. Twenty years later Kautsky argued that state ownership of the Junker estates (which were run as capitalist farms but where the conditions of employment for the agricultural labourers were semi-feudal) would not be the

progressive measure it might seem. Kautsky pointed out that in Germany the Prussian reforms which had freed the serfs at the beginning of the 19th century had already laid the basis for the transformation of the feudal estates into capitalist landholdings. By the end of the century these consisted, not of feudal latifundia but a capitalist latifundia where agriculture and industry combined (e.g. in sugar refineries on the estates). Since the Junkers were now part of the capitalist ruling class extension of state power via nationalisation would only strengthen their position and that of the state as a whole.

With regard to the situation in Germany Lenin agreed with Kautsky's argument:

"The German Social Democrats ... have quite naturally abandoned all the old programmes of Marx containing the demand for nationalisation of the land, because Germany has taken final shape as a Junker-bourgeois country, and all movements there based on the bourgeois order have become completely obsolete, and there is not, nor can there be, any people's movement for nationalisation. The preponderance of Junker-bourgeois elements has ACTUALLY TRANSFORMED the plans for nationalisation into a plaything, or even an instrument of the Junkers for robbing the masses ..."(18)

But the situation in Russia was different. Though capitalist agriculture was developing in Russia (contrary to the Narodnik claim) after the 1905 Revolution Lenin stressed the limitations to this development imposed by the feudal latifundia and other survivors or serfdom. Whereas in "The Development of Capitalism in Russia" he had produced evidence to show how the emancipation of the serfs was part of the process of the development of capitalist relations in the countryside - countering the Populist and Narodnik argument that the Russian countryside would avoid capitalism by retreat into the mir or peasant commune - after 1905 he emphasised the importance of the peasantry's demand for land redistribution and return of the cut-off lands(19) for the development of Russian agrarian capital. Only a bourgeois democratic revolution, which in Russia would be largely a peasant revolution, could destroy the power of the feudal latifundia. Through "revolutionary nationalisation" of the land and its redistribution by the state the "CONDITIONS FOR THE RISE of free farmers, for the DEVELOPMENT of free farming without connection with the old, without any relationship to medieval landownership in the form of peasant allotments" would be created. (20) Lenin urged Russian Social Democracy to revise its views and accept nationalisation as part of its agrarian programme in opposition to Menshevik municipalisation



schemes for land redistribution by local authorities without central state involvement and the political revolution at the centre which this implies.

And to the argument that:

"... nothing will come of equalised redistribution ... the Marxist ought to understand that this "nothing" relates EXCLUSIVELY to the socialist aims, exclusively to the fact that this is not going to abolish capitalism."(21)

Whatever happened, Lenin stressed, there was only one path for Russia - the path of capitalism which would eventually put an end to feudal remnants one way or another. But there were two different ways this could be realised, described by Lenin as:

"Either a slow and painful bourgeois evolution of the Prussian, Junker type, or a rapid, free evolution of the American type..."(22)

While the former was:

"the path that the Black Hundred landlords and Stolypin, their minister have chosen. They have realised that the path for the development of Russia CANNOT be cleared unless the rusty medieval forms of landownership are forcibly broken up. And they have boldly set out to break them up IN THE INTERESTS OF THE LANDLORDS ... They have given the kulaks carte blanche to rob the peasant masses, to break up the old system of landownership, to ruin thousands of peasant farms; they have handed over the medieval village to be sacked and plundered by the possessors of money. They CANNOT act otherwise if they are to preserve themselves to capitalist development and not fighting against it." (23)

The American path also "involves the forcible break-up of the old system of landownership". But in contrast to "the mass of the peasants being turned into landless husbandmen and Knechts, by forcibly keeping the masses down to a pauper standard of living" at the same time as the rise of a class of rich bourgeois peasants, an American-style break-up:

"... may be carried out in the interests of the peasant masses and not of the landlord gang. A mass of free farmers may serve as a basis for the development of capitalism without any landlord economy whatsoever ... Capitalist development along such a path SHOULD proceed far more broadly, freely and swiftly owing to the tremendous growth of the home market and of the rise in the standard of living, the energy, initiative and culture of the entire population. And Russia's vast lands

available for colonisation ... will provide the economic foundation for a huge expansion of agriculture."(24)

And the transfer of all lands to the state, Lenin argued, was the only way to achieve the complete abolition of feudal relations necessary to embark on this more progressive CAPITALIST path. This alternative, it should be noted, was supported by the Bolsheviks, not for its value to capitalist development as such but because the task of the proletarian party in the epoch of capital's ascendance was:

"... to rally the proletariat for the socialist revolution, to support every fight against the old order in the most resolute way, to fight for the best possible conditions for the proletariat in the developing bourgeois society."(25)

#### U.S. AGRARIAN CAPITAL: UNENCUMBERED BY A LANDLORD CLASS

By the end of the 19th century the advantages of the American path were obvious in Europe where, as Engels put it in 1892, "The whole of the European agricultural system is being beaten by American competition."(26) From a colony which, in the north at least, approximated to the Jeffersonian ideal of a land of family farmers subsisting on their freehold properties ("acquired" from the Indians and distributed by the state at a dollar per acre) U.S. agricultural capital developed unencumbered by feudal remnants and the unproductive drain on surplus value represented by absolute rent. It wasn't just the availability of a vast expanse of virgin land which enabled North American farmers to produce grain more cheaply than their European counterparts. Without rent payments large farmers were able to invest a greater part of their surplus value in constant capital while the unrestricted movement of industrial capital into the agricultural sphere laid the foundations for the development of what has come to be termed "agribusiness" - not only in cereal production and marketing but notably also in meat (including Argentinian beef and Australian lamb.)

With a relatively high organic composition as a result of the greater employment of constant capital agricultural commodities could be produced at a lower individual value than in Europe. Following cheaper and improved transport, including refrigerated shipping holds for carrying meat, the backwardness of European agricultural capital vis-a-vis that of North America and Australia meant that even grain produced on Russia's vast virgin lands could not compete "for prices were too low to afford substantial profit."



With an average drop in prices of 40% for agricultural goods European farming was embroiled in the crisis of the Great Depression which affected capital in general between 1873 and 1896. It survived by a mixture of diversification (from cereal and sheep to vegetable growing and dairy farming), erecting of tariff barriers and the more intensive application of capitalist farming techniques. In England where agricultural tariffs were not an option for a ruling class which in 1846 had repealed the Corn Laws and refused to protect the 'landed interest' in favour of 'cheap food' from abroad 4 million acres of arable land, half of which had been used for growing wheat were withdrawn from cultivation between 1867 and 1907. Many farmers went bankrupt, rents fell by 25 to 80 per cent and the number of farm labourers declined from 1 million to 600,000. Even in Continental Europe where agricultural tariffs became the norm farmers' and peasant indebtedness increased and the rural population declined. Nevertheless, by the turn of the century the development of capitalist farming had inspired improved techniques, including the production and use of artificial fertilisers, animal breeding centres financed by governments, the invention of farm machinery and had resulted in generally lower food prices - even with tariffs on foreign produce - and helped to improve the standard of living of the working class. At the same time the population grew and despite famine in backward areas (the Irish potato famine in the 1840's and famine in Russia as late as 1891) increased food production and improved transport meant that local harvest failures less and less developed into outright famine.

## AGRICULTURE IN THE AGE OF IMPERIALISM AND DECADENCE

### A. The Periphery

"By super-imposing itself and its economic laws on social forms different from its own in origin, imperialist capitalism draws them into its accumulation cycle and into the network of its economic contradictions and class antagonisms. The modes and relations of production which imperialism finds, whilst being allowed to maintain a marginal existence, are subjected to the politics of imperialism's own survival and so the traditional social and political relations are also marginalised. And this mechanism for capital's domination ... has misled entire generations of militants ... into thinking that the bourgeois revolution is still a historical necessity for many countries." ("Draft Theses on the Tasks of Communists in Capitalism's Periphery", Internationalist Communist Party (Battaglia Comunista) published in Communist Review 3

The development of capitalist agriculture was not limited to the metropolises. It was an intrinsic part of the movement towards capital's final, imperialistic period and played a fundamental role in undermining pre-capitalist modes of production. Its most obvious manifestation was the plantations which produced raw materials for metropolitan industry and consumer produce for its growing populations. After the abolition of slavery they existed on the basis of 'pure' capitalist relations with surplus value being produced for the capitalist owners by wage labour - often indentured under conditions not much better than the former slaves. Long after the 'winning' of formal independence and an end to their colonial status the legacy of this form of overt imperialist exploitation remains in capital's periphery today in the so-called "development trap" which impels ex-colonial states to concentrate on cash crops for export in order to earn foreign exchange to fund urban industrial development. The resultant decline in ability to feed their indigenous populations, the permanent threat of soil damage and crop diseases which come with monocultural farming, the reduced market prices which accompany any significant increase in yields, in short, the impossibility of 'taking off' to industrial development by such means, are too well-known to dwell on here. Suffice it to say that if cash crop agriculture in the world's most indebted states like many in Africa were not in the hands of such familiar firms as Nestle, Tate and Lyle, Heinz, Brooke Bond, Lonhro, Cadbury Schweppes ... these "new nations" of imperialism's post-colonial era would still be caught in the same trap of capitalist contradictions - as the experience of nationalised plantations or their break-up by the state and replacement by cash crop production based on small-scale peasant farming in Tanzania shows.

However the development of capitalist agriculture in the periphery has not been limited to plantations and cash crops. Today, despite the existence of remnants from pre-capitalist agricultures, the whole of world food production is dominated by the capitalist market and the economics of imperialism. The historical details whereby the process of undermining indigenous agrarian relations led to the predominance of capitalist relations of production are complex and various but they all have in common a) the establishment of private property in land (where this did not already exist, as was usually the case) and b) the disintegration of traditional artisan crafts and 'cottage industries'. Whether the colonialists seized the land outright, whether they erected tribal chiefs to the position of landlord and owner or whether they created a new landlord class from tax farmers used to milk the surplus from the countryside, the basis was being



laid for the elimination of natural economies and the subjugation of simple commodity production to the dynamic of capitalism. Yet, although the tendency towards the elimination of what remains of pre-capitalist agriculture continues today the historical framework is very different. While the ghastly brutality and horrific social consequences which accompanied capital's primitive accumulation are repeated daily in the periphery the context is no longer that of newly-emerging national capitals independently developing their productive forces.

It is not simply that the whole problem has been telescoped. The argument that the 'underdeveloped states' just need more time to 'catch up'; that a process which in Europe took hundreds of years of rural poverty and vagabondage before famines began to be eliminated and the rural dispossessed absorbed into urban industries needs more than the 40 or 50 years of political independence which the post-colonial states have seen so far. Today the dispossession of traditional cultivators from the land and their replacement by capitalist farming is being repeated under totally different economic conditions. When the trajectory of the whole world economy is determined by the economic relations of imperialism every attempt at national economic development is obliged to submit to the laws and contradictions of capital accumulation as they are manifested through the exigencies of the market.

There is nothing the international bourgeoisie would like better than the disappearance of the absolute poverty and starvation in the world's weakest states, the sight of which is a daily testimony to the barbarism of the capitalist mode of production in the 20th century. But while governments worry about the political destabilisation caused by 'rural unrest' and bourgeois liberals express moral outrage and demand land reform, imperialism is caught within its own contradictions. On the one hand it would like to see the dispossessed masses of the so-called '3rd World' fully drawn into the network of capitalist relations and with enough "purchasing power" to buy its manufactured consumer goods. On the other it requires a continued supply of cheap raw materials based on abysmally low wage labour and peasant or semi-peasant production. For the national capital a successful agrarian revolution in the countryside based on advanced capitalist techniques and productive relations would further exacerbate the problem of swelling slums and shanty towns which modern industry - based, even in backward areas, on a much higher organic composition of capital than at the dawn of capitalism - cannot absorb.

The alternative policy of creating a rural infrastructure based on small peasant farmers

producing for the market and at the same time obliged to buy basic consumer items would be no way out of the contradictions. In the first place such a policy would provoke the opposition of mentors in the imperialist centres by threatening the source of cheap raw materials or, in recent years, an expanding market for food exports. (The latest report by the International Wheat Council states that there has been "a profound shift in the structure of the world grains economy" over the last 20 years, resulting in greater reliance by grain exporting countries on markets in "developing states", amongst which it includes China. Such states now account for nearly 60% of the world's total grain imports compared with less than 40% in the mid Sixties.)(28) Imperialist capital's need for "underdeveloped" areas dependent on cash crops and without self-sufficiency in food explains the apparent contradictions in the 'aid' policies of imperialism. In the case of the USA one-third of its grain is exported to the periphery and its aid for agricultural development is often explicitly tied to stipulations that the dependent government does not adopt self-sufficiency programmes whilst local populations are obliged to change to Western-style diets. (Bangladesh, for example, could feed itself - only 15% of productive land is irrigated - but this is the last thing the US and its World Bank wants, describing such a policy as "protectionism at its worst".)

In reality of course there is nothing contradictory in UN aid policies. As one author explains in a revealing footnote:

"Project planning in the FAO relies importantly on advice and assistance from transnational corporations, with advice and assistance of the Industry Co-operative Programme (which has a membership of some ninety transnational corporations). 'Inter-Agency Agreements' are drawn up with such agencies as the UN Development Programme, the ILO and UNICEF ... This powerful pressure group thus shapes world food programmes much as the drug companies act as a pressure group in the field of world health programmes."(29)

Not surprisingly transnational companies are in practice the main beneficiaries of 'aid'. "Roughly 75% of US Aid assistance funds are actually spent in the United States" while "US-based companies do even better with multilateral development banks, e.g. every dollar that American taxpayers pay into the World Bank generates about \$10 in procurement contracts for US companies."(30)

These corporations, seeking investment outlets for capital, are not interested in schemes for self-sufficiency based on small-scale peasant



production. They are interested in large-scale, highly mechanised and capital intensive projects designed to produce commodities which can be sold via their "marketing facilities and services". It is not only in Africa that "reliance on transnational agribusiness seems set to increase." (31) Secondly, the massive land reform which the implementation of such a policy would require implies a political revolution which is also unlikely to be acceptable to the imperialist metropolises.

So what of the demand for nationalisation? The argument, mechanically following Lenin, is that although this is a bourgeois demand par excellence it is an appropriate tactic for communists in capitalism's periphery: the aim being the final break-up of feudal or colonial remnants and the creation of the best possible conditions for the development of indigenous capital and the local proletariat.

But in the imperialist epoch the expropriation of land from indigenous pre-capitalist exploiters - such as the landlords of the feudal latifundia or even of comprador rural bourgeoisies created by colonialism is not the key to a "healthier" or independent capitalist development. As with Junker Prussia analysed by Kautsky in the days when he was still a Marxist - but with a thousand and one distortions created by imperialism - these strata have transformed themselves into CAPITALISTS who are not averse to using traditional social ties and pre-capitalist social relations to consolidate their power and increase profit rates. (The failure of the post-Marcos government to quell the rising tide of rural insurgency by implementing even a limited land reform programme is a case in point: Over 90% of the House of Representatives are big landowners - in the Philippines this means owning an average of 200 hectares - the majority of whom have pledged to resist land reform by force. Other examples are legion, from Brazil where in 1985 President Sarney's project to distribute land to 7m peasants met with the landowners forming private armies to prevent this; through India where the landowning interest, in the ruling Congress Party is such that reforms involving limits on the size of landholdings remain limited to pieces of paper; to the Sudan where during the 1985 famine rich farmers owning thousands of acres - some of them dollar millionaires - were successfully growing the local staple, sorghum, on a capitalist basis and selling it - but only to those with money to buy.) In fact the argument is totally unhistorical and therefore unMarxist. It fails to recognise that the era of bourgeois revolutions has passed. State capitalist revolutions along the lines of the Chinese - which is what any significant

expropriation of the big landowners would involve - would not allow the economy in question to escape the laws of imperialism. From a Marxist standpoint, i.e. that of creating the best conditions for the development of the proletariat and the socialist revolution such a measure would be a backward step. Not only would it subsume the class struggle to nationalism it would also (if the struggle were conducted in the name of "Marxism") foster the illusion that state capitalism is a step towards socialism. Concretely, no matter what form of organisation of production the state chose to extract surplus value from the peasantry (China has experimented with co-operatives, "communes" and collective farms) the poverty and arduous toil which has been the lot of the poor peasant throughout history and which is the lot of all those urban and rural workers who find themselves obliged to expend their labour power for "national development" would remain. In the 20th century revolutionary Marxists are not concerned with the further development of the capitalist mode of production which is now trapped in the absurdities of its own contradictions. It is unnecessary for the rural proletariat and poor peasantry in the periphery to undergo the burden and sacrifices associated with the ephemeral goals of "self-sufficiency" and "national development" since at a global level it is already possible to produce enough food to 'feed the world'. While this certainly cannot be distributed rationally so long as imperialist relations remain neither does land redistribution in the periphery offer an escape. There can be no national solution to the agrarian question and no solution which does not involve the abolition of imperialist relations. In the sphere of agriculture, just as for capitalism in general, the material precondition for this lies in the contradictions and limitations of its own development which are sharpened and intensified in periods of crisis, not only in the periphery but also, and crucially, in the centres of advanced capital.

## B. The Capitalist Heartlands

In the previous section we showed how competition from more advanced North American, Australasian and even Argentinian agrarian capital contributed to a crisis in European farming which, at the same time as prompting the further elimination of feudal restrictions, brought agriculture firmly into capital's accumulation cycle: the crisis in agriculture was one of the most notable aspects of the Great Depression. In the USA and Canada the absence of feudal restrictions enabled the rapid development of large-scale farming controlled by "agri-business" corporations, in other words, by



finance capital. Spurred on by the opening up of a world market for grain (1879) speculators and big business moved into agriculture where the application of new technology on the vast lands cleared of Indians and buffalo for the sole aim of producing at maximum profit spelled disaster for the family homesteaders. By 1891 2.5m of these were deeply in debt as a result of a situation where:

"... farming as a business is profitless, values of farm products have fallen 50 per cent since the great war, and farm values have depreciated 25 to 50 per cent during the last ten years."(32)

Yet, despite the debts which forced many of the family farmers off the land or turned them into tenant farmers the existence of large tracts of colonisable land meant that the number of family farms continued to grow in the period before the 1st World War.

The 1st World War marked a watershed in the development of the world economy. Henceforth its cyclical crises were to be manifest at a global level with world war - the ultimate means of capital devaluation - an intrinsic part of the accumulation cycle. Intra-capitalist competition had now reached its highest, imperialist stage and it was the younger but already economically more advanced capital of the USA which emerged the stronger. While the European states destroyed each others' capital and labour power US capital profited from the boost in demand for its commodities. From a net debtor the USA was transformed into a creditor state (by the 1920's she had replaced Britain as the world's largest exporter of capital).

As in Europe US entry into the war prompted direct state intervention in the economy in order to control supplies and prices. In agriculture this was done via the US Food Administration, set up in 1917 to control food, fuel and fertiliser supplies. High prices were guaranteed for specified crops and livestock produce, encouraging the cultivation of marginal land (the number of farms increased during the war)(33) and a speculative boom in land prices. By 1920 they were 70% up on 1914:

"Astronomically high prices did not deter purchasers. The most marginal land rose fastest in value and farmers were even prepared to take on second mortgages in order to purchase. Credit could be readily obtained since land, now considered a prize possession, was offered as collateral. The anticipation was that, given the agricultural chaos in Europe, land values would continue to rise."(34)

In fact the expansion in the European market did not last. This was partly because the bankrupt European states soon found themselves without foreign exchange to buy on the world market (in 1920 when US loans to Europe fell) and, later, because of the introduction of protectionist policies by successive European governments. The collapse in US land prices in 1920-21 led to a debt crisis amongst farmers who had mortgaged their holdings to raise loans for more land "which would only be profitable if wartime price levels had prevailed".(35)

But though the monetary price of land declined steadily throughout the 20's the real value of constant capital in agriculture increased from 1925 onwards. Despite existing debts farmers borrowed further to invest in new machinery. In Kansas state alone the number of tractors more than doubled in 5 years (from 31,000 to 66,000) while the number of combines almost quadrupled (6,400 to 24,000). The response of US grain producers had been typical of capitalists everywhere: increase output and productivity in order to undercut competitors' prices (wholesale prices fell from \$1 per bushel to 60c). Even before the Wall Street Crash agriculture was showing all the signs of crisis. Indebted American farmers hadn't enough surplus value to invest in more constant capital and couldn't find credit as rural land banks collapsed. To a bourgeois historian:

"Farmers were hit by the high proportion of fixed costs in agriculture. Mortgages, taxes and payments on equipment had to be met, but as three-quarters of the farm labour force were either farm operators or their families, cost-saving redundancies were an option for very few."(36)

In other words, in Marxist terms, the high organic composition of capital was preventing further capital accumulation - that is, unless there was a significant increased concentration of capital involving the downfall of the family farmer or unless there was state support for existing farms.

It was the latter policy which, even before the Depression proper, the US government adopted, starting with the Federal Farm Board which bought up agricultural commodities above market prices and stockpiled wheat. Under the New Deal the Agricultural Adjustment Acts, 1933-38, established further government control. With the aim of establishing prices which would give farmers the same income ratio with the "non-farm" sector as before the 1st World War (when agricultural prices



were relatively high) the Act gave the government power to restrict output. Each farmer was allotted a share of the total and a certain number of acres on which to produce it (and was paid for any reduced acreage). The inevitable result was even more intensive farming and increased yields from a reduced acreage.

"Each farmer had a vested interest in growing as much as possible on his reduced acreage, and could achieve this aim by becoming more productive. More fertilizer, better seeds and, where possible, machines were employed to this end."(37)

In addition the Commodity Credit Corporation was set up where farmers borrowed using their crops as collateral. When the market price fell below the official 'parity ratio' the government in effect bought the crop at this official minimum price (i.e. the loan rate). The principle of parity between agricultural and non-agricultural prices remains an important aspect of US government policy today. The CCC still exists. It was originally intended that it would withhold crops from the market until the price rose above the support price,

"However, in the post World War 2 period, the Commodity Credit Corporation accumulated billions of dollars worth of surplus agricultural crops which it was forced to store at substantial cost to the taxpayer."(38)

In fact the post-war history of the CCC reflects the re-appearance of the crisis of accumulation for US capital and the various government attempts to reduce the artificially created surpluses by export abroad.

"The surpluses generated by Commodity Credit Corporation loans were disturbingly high during the 1960s but were reduced by the extensive overseas aid programmes of that decade. During the early 1970s poor harvests, at a time when stocks had been lowered, combined with sales of grain to the Soviet Union, led to an increase in farm income and a rise in farm prices. By the early 1980s, however, surpluses appeared once more, especially in the Midwest and distress sales of family farms again became common, while large agri-business enterprises survived." (39)

Once again the munificence of US aid is revealed for what it really is: a means of extracting surplus value from the periphery to the imperialist centre. In addition, sales of grain to Russia - which have been going on since 1963 when the six companies which control the world market for cereals organised the first sales - highlight the relative backwardness of Russian capital rather than US "concern to reduce tension and

allay suffering" (John F. Kennedy at a press conference October 1963) (40).

If the US were genuinely concerned to "allay suffering" in the world it would have no surpluses while people were dying of starvation, but its real concern, just as in the 20s and 30s, is to keep up agricultural prices when the 'natural' market price from the highly capitalised agriculture of the US would not allow its farmers to make a profit. As we wrote in 1985:

"There is perhaps no greater example of the irrationality of capitalism and its barbarous effects in the decadent epoch than the world food situation. In December last year, at the same time as the UN Food and Agricultural Organisation was forecasting a record world cereal crop (1,761m tonnes - 8% up on 1983) the US Agricultural Department stated that nevertheless the outlook was not good "because of the low level of demand as developing countries face continued financial problems and large debt servicing requirements" (ibid 5.12.84). In terms of human need "demand" has never been higher but in terms of capitalist production demand only exists when a profit can be made. Thus, while US output of coarse grains is predicted to increase by 96m tonnes this year and while coarse grain harvests in southern Africa have been cut by 22.5m tons between 1981-84, the US Agricultural Department is providing financial incentives to farmers to leave croplands idle in order to limit its stock of unsold grain surpluses at a time when "it seems that future capacity to produce agricultural products far exceeds the likely level of demand." loc. cit."(41)

Surpluses, stock-piling, subsidies and price guarantees are not the only similarities with the crisis of the Twenties and Thirties. Coupled with the highly intensive application of fertilisers, double cropping and overploughing, the cultivation of marginal lands which accompany the organic increase in agrarian capital as it strives 'to increase profits comes leaching and soil erosion. Just as in the Twenties the first signs of what later became the dustbowl appeared in the most highly capitalised areas, so today a single season of drought produces newspaper headlines announcing "America's New Dustbowl" (Guardian 24.6.88). Intensive application of fertilisers can disguise soil leaching and erosion (in the US at the rate of 1.5bn tonnes per year) only to become dramatically evident during a drought. And, despite government subsidies and price support, just as in the Twenties, increasing numbers of farmers are in debt and facing bankruptcy while the banks and insurance companies which have lent to them cannot recover their loans. According to official estimates 2,000 farmers are leaving



farming every week in the USA. Nevertheless government support policies will ensure that the majority remain - although at great economic cost (already in the Seventies government subsidies represented 23.7% of farm income). What they will not prevent is their dependence on large corporations whose economic power stems not simply, or even mainly, from the ownership of corporate farms,(42) but from their control of processing, transport and marketing. Outside of the state capitalist bloc these firms represent the "free market" economies' amalgamation of industrial and agrarian capital. The result is also a form of state capitalism - where the directors and spokesmen of the companies which control a particular sector are directly involved in the formulation of government policy through their various interest groups and appointment to government commissions. When it comes to important export commodities, such as wheat (the US produces over 80% of the world's wheat exports) it means that the corporations in effect control the world market (hence their role in the US "government" decision to sell wheat to Russia).(43)

In most cases finance capital has learned that direct ownership of the land is unnecessary. As one farmer put it, "the corporation does not need to become a farmer, it rents one".(44) Where the "force of the market" itself does not ensure the subservience of the independent farmer to finance capital contracts define the terms of sale:

"Under contract production agreements, they produce for and sell to processors and dealers who determine not only the prices they will get, but what seeds they will use, when they will plant and when they will harvest, ready for the crop to go to the canning plant within hours".(45)

Though the US finance companies are amongst the most powerful such corporations are not limited to the USA nor are their interests and activities confined to any single national state. Along with their influence over aid policies, their control of the market and the processing industries ensure that metropolitan capital dominates agriculture in the periphery. But in this sense too many of the 'independent' farmers of the USA stand in the same relation of dependence towards their larger capitalist bretheren as the peasant farmer in the periphery.

If the history of agriculture in the USA illustrates that agrarian capital shares in the general accumulation cycle the course of European agriculture confirms its relative weakness and emphasises even more clearly the absurdity of continuing to produce food on a capitalist basis. We have seen that already by the 1st World War

European agriculture could not have survived without protection. Only Britain, "that palladium of free trade" had not imposed tariffs before the war but in the face of cheaper food on the world market she joined in the protectionist measures, including tariffs, quotas and guaranteed prices. (In 1931 British wheat growers were guaranteed \$1.35 per bushel at a time when the world market price was about to drop from 67c per bushel to 39c.)(46) Since the War West European agriculture has continued to receive massive state support in large part co-ordinated through the EEC's Common Agricultural Policy. The CAP's objectives were defined by the Treaty of Rome in 1957 as:

"Improved productivity, fair living standards for farmers and farmworkers, stable markets and secure supplies at reasonable prices for the consumer."(47)

In Europe as in the United States there are political/ideological elements involved in the policy of state support for farmers. While the US government has the mythology of the family homestead to maintain and the political pressure of farmers to take into account when it guarantees parity of agricultural incomes European governments are no less aware of the political weight of farmers and "peasants" in their fair living clause. But this does not explain why farmers are able to exert so much pressure on governments. In voting terms their numbers are declining and farming employs only a tiny fraction of the workforce. (See below.) The answer lies in the strategic necessities of imperialism: the need for "secure supplies" in the event of war.

Despite attempts to improve the efficiency of European agriculture by increased investment in constant capital: over the last 30 years the number of farms has been reduced by two-thirds as a result of farm amalgamations, the workforce has dropped by one third, application of fertilisers increases year by year, the number of tractors and machinery employed has risen, the sector as a whole remains chronically unable to compete in world terms. For example, tariffs on US wheat entering the UK in July 1982 stood at 99%.(48) This is a variable levy which can change from month to month but it illustrates the enormous diversion of surplus value at a supra-national level required to protect West European wheat growers both from outside competition and from competition amongst themselves. And, despite policies to the contrary, overall state support is increasing. If we take the UK as our example, the following table shows official state support for farming as divided between EEC "price support" and direct national government support from the Treasury.



TABLE I: THE COST OF DIRECT TREASURY AND EEC SUPPORT FOR UK FARMERS

Year	Farmers' net income	EEC "Price support"	Treasury support	Overall taxpayers' support	Taxpayers' support as % of net income	Farmers' net income without support £m
1971/2	706	210	201	411	58	295
1972/3	832	204	191	395	47	437
1973/4	1,283	96	193	289	23	994
1974/5	1,263	109	289	398	32	865
1975/6	1,676	512	191	703	42	973
1976/7	1,751	531	208	739	42	1,011
1977/8	1,301	863	198	1,061	82	240
1978/9	1,263	1144	185	1,329	105	-66
1979/80	1,145		300			na
1980/81	1,162	1570	358	1,928	166	-766

Source: R.Body, "Agriculture, the Triumph and the Shame"

The table clearly shows a generally rising trend and leaves no question that British farming as a whole is unprofitable. By 1981 UK farmers were 100% dependent on state subsidies while the cost of keeping them in business amounted to more than half again (66%). And, despite the proclaimed policies of the Thatcher government the trend has continued. When the figures are updated we find that, despite a drop in real terms in overall EEC support and plans for future cuts (In the current year, 1988-9 the figure remains at £1,570m - largely due to a drop in the guaranteed prices for beef and milk), the support from the UK Treasury has risen even further to £890m in 1988-9 with plans for a further increase to £950m in the following two years. Even with inflation this is an enormous rise in UK state support: from a government which has made de-statification the central plank in its political platform. And yet these figures do not reveal the full extent of state subsidisation. One author has tried to calculate the cost of 'hidden' support to farmers. This includes the doubling of the EEC price support figure in the table derived from the difference UK consumers actually pay "and the prices they would pay if they were able to buy on the world market".(49) To this,

"... must be added the tax privileges that come to about £1,000,000,000, the exemption from rates worth £200,000,000 and the Estimates of the Ministry of Agriculture worth, after excluding items unconnected with agriculture, £650,000,000. Together they come to £3,350,000,000. This is almost exactly £13,000 for every farmer."(50)

- and more than twice the officially published subsidies for UK farming by the EEC and the UK government put together. The bourgeois writer responsible for these calculations goes on to compare the ratio of capital 'invested' in agriculture per worker to that of industry in the UK. In January 1978 the Country Landowners Association reported in a memorandum to the Treasury that for every person employed in agriculture there was an investment capital of £38,000 (compared, for example, with £16,000 in the chemical industry). The memorandum went on to say that:

"...the annual investment in agriculture equals £804 per person employed in the industry as a whole"(51)

For Body this means: "British agriculture has become not just capital intensive, but the most capital intensive of all our industries."(52) In value terms this is unlikely since the bulk of the surplus value 'invested' by the state is in the form of price 'support'. In other words, the "£804 per person employed" does not represent £804 worth of constant capital and is not a clear guide to the c:v ratio. However, as an indicator of how far the state is obliged to divert surplus value to agriculture it is revealing. Without such support there is no question that this 'lame duck' would have collapsed long ago. This situation applies for the EEC as a whole. Even with a massive reorganisation and redistribution of the farm land to create more viable holdings (in 1985 84% of farms in the EEC were less than 20 hectares) there



is very little scope for increase in the c:v ratio, given that the greater part of constant capital in agriculture is represented by raw materials and machinery. (See Appendix) While a large acreage generally allows a certain amount of increased concentration of constant capital there is no way the EEC countries could reach the "economies of scale" of farmers across the Atlantic.

And, just as in the US, for example, state subsidies have resulted in 'overproduction' and food mountains whilst exacerbating the environmental damage which results from highly intensive capitalist farming whose sole aim is profit. From the soil erosion in places like central and southern England where unsuitable land has been used for growing grain with the help of massive loads of fertilisers and financial subsidies, to the pollution of drinking water by nitrates in the over-fertilised soil; the disruption in the ecological balance through the blanket application of weedkillers and pesticides... All this and the possible dangers to health from food containing traces of herbicides, pesticides, hormones, antibiotics, etc. are only now beginning to be recognised: Now that the EEC is trying to reduce its agricultural budget.

Meanwhile, the working class in Western Europe pays for the protection of agriculture in higher food prices. (The UK government's National Consumer Council estimated that in 1988 the CAP cost every consumer in the EEC £13 a week in higher food prices and taxes.) At the same time the EEC dumps 'surpluses' on the world market (e.g. sugar) which means that states from the periphery who produce more cheaply are often obliged to sell at a loss.

The peripheral economies are in no position to defend themselves against the sort of protectionist measures stronger economies can afford. Once again we find the 'laws of the market' operating in favour of the imperialist centres which themselves have long ago abandoned leaving agriculture to Adam Smith. Despite reports like the recent GATT Annual Report on International Trade which concludes that protectionist farm policies are restricting trade(53) it is certain that any attempts to diminish protection will not be made in the interests of the periphery.

In fact the growing recognition by the economically advanced states of the need to reduce the cost of agricultural subsidies (54) and restrictions on international trade which this implies has not come from worries about the 'unfair' terms of trade with the periphery. Rather

the economic crisis is forcing governments in imperialism's heartlands to find ways of reducing the flow of surplus value to a sector of the economy which enjoys universal state protection and is thus a drain on the solvency of each national capital. As a consequence competition amongst the strongest capitals for overseas markets is becoming more vicious. Much less than allow the weakest states to develop their own agriculture or export on a genuine 'free market' the US and the EEC in particular are vying with each other for the food markets of the periphery. While North America has historically been an exporter of agricultural commodities,

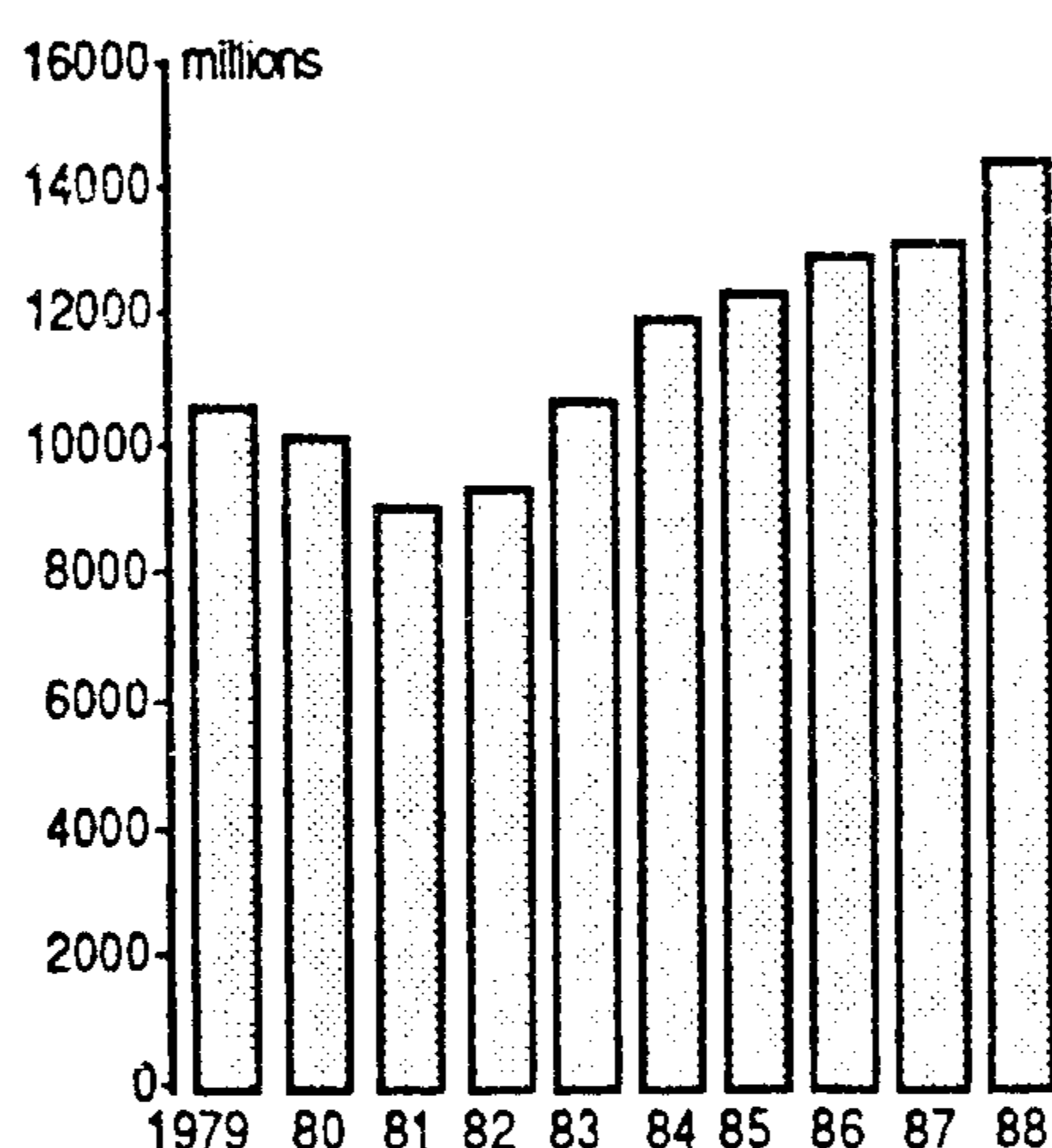
"Between the late 1960s and the early 1980s the industrial nations switched from being a large net-importing bloc to a net-exporting region for farm produce. The developed countries' share of world exports has fluctuated around 65% since 1980." (55)

The International Wheat Council reckons that by the end of the century "developing countries" will account for 80% of grain imports. The USA is the world's leading exporter of agricultural goods with one third of these going to the periphery and, as we have already noted, is seeking to ensure that it maintains its hold over these markets. In the name of 'free trade' the USA and the EEC are currently complaining about import restrictions on each other's agricultural merchandise. (The US about soya bean quotas, the EEC about tariffs on cotton, peanut oil, sugar and milk products, as well as US government subsidies to farmers for 'set aside' lands.) The real fight, however, is about access to markets in the periphery and, in the case of the US, access to Europe. In the years ahead a combination of US pressure and inherent economic weakness must lead the EEC to drastically reduce its supra-state support for local agriculture. The cost of the CAP is putting the whole policy of self-sufficiency in food into question. Sooner or later subsidies will have to be dramatically reduced (with all that this implies for the position of unprofitable farms and the EEC's pretensions to be a viable politico-economic bloc in its own right.) The table overleaf indicates the growing cost of the CAP to the EEC states (approximately three-quarters of the total budget): a burden which is becoming increasingly difficult to maintain.

With the development of advanced capitalist farming the separation between the industrial and agricultural spheres of production which enabled agrarian capital to maintain a higher rate of profit has disappeared. Today farming is an industry with one of the highest organic



TABLE II: THE BUDGET COST OF THE CAP  
(Constant 1979 European Currency Units)



Source: Christopher Huhne: calculations based on EEC data. Guardian 10.2.88

compositions of capital. As such it contributes to and shares in the economic crisis of capital as a whole. The fundamental role of food production for each national economy, however, means that even the most enthusiastic 'free market' government is obliged to protect its farming industry. As long as the capitalist crisis allows even the USA will have no alternative but to continue state subsidies to the agricultural sector. (Though it must attempt to reduce them.) This is not simply out of sympathy for the farmers but for more fundamental reasons. The whole of the post-war boom was predicated on an endless supply of cheap food in the capitalist centres. Now that the world economy is in crisis capital cannot afford to let agricultural prices 'find their own level': the political, social and economic consequences would be disastrous.

Yet, sooner or later, even this last bastion of state supported industry will not escape the full effect of the crisis of accumulation. In terms of profitability - the *raison d'être* of capitalism - it is ripe for collapse. How far do the class relations engendered in the agrarian sector bear out this prospect?

## CLASS RELATIONS IN AGRICULTURE

### A. Capital-Wage Labour in the Heartlands

"With modern techniques of capitalist food production, with the increased concentration of the bulk of the world's food production in the highly developed capitalist agricultures - with the consequent existence of a proletariat as in any other industry: in a global revolutionary

situation there will be no strategic need to satisfy the land hunger of the peasant, for the expropriation of the capitalist agricultural units will secure the basis of existence for the world proletariat. The rural proletariat of these areas will thus be simply part of the soviet structure like any other former wage workers" (56)

Thus states the CWO in an article on the period of transition to communism. As we have seen, the empirical evidence confirms the first part of this statement. The bulk of the world's food is indeed produced by highly developed capitalist farming with a growing proportion in the heartlands of capital. It remains for us to examine here our own assumption that where there is advanced agrarian capital there is also an agricultural proletariat which in a revolutionary situation will be in a position to identify with and act alongside its urban counterpart. (The same article goes on to say:

"In the advanced capitalist countries the question of the peasantry scarcely exists for each capitalist farmer employs rural proletarians. In Britain, for example, there are 329,000 rural proletarians. With help from the Soviets to which they would be affiliated they would carry out the expropriation of farmlands and begin the integration of agriculture into the socialist economy."(57))

Historically the development of a class of rural proletarians standing in opposition to a class of capitalist farmers took hundreds of years to evolve. In Volume I of *Capital* Marx traces the process, showing how the decline of feudalism led to the growth of the English yeoman who in turn was transformed either into an agricultural proletarian or capitalist farmer as rural domestic industry gave way to factory production. The expropriation of the peasantry not only provided a class of 'free' labourers but also a home market for capital as more or less self-sufficient cottage industry was supplanted by capitalist production. The history of the Poor Law reflects the development of a class of 'free' labourers - at first providing for the rural dispossessed, by the 19th century supplying a pool of cheap labour for capital and contributing to the 25% decline in agricultural wages to below the level of subsistence (i.e. below their value) in the 50 years between 1737-77. As Marx pointed out, although capitalist farming,

"... dates in England from the middle of the 18th century, (although) the revolution in landed property, from which the changed mode of production starts as a basis has a much earlier date".(58)



By the 19th century the English agricultural labourer did not regard himself as a dispossessed peasant. This is reflected in the rural uprisings of 1830 which affected more than 20 counties and which should be seen as part of the history of the working class rather than a form of peasant jacquerie. One significant factor was missing - the demand for land. As Hobsbawm and Rude put it:

"Peasants, however unrevolutionary want land, and lack of land is against natural justice. The remarkable characteristic of the proletarianised labourer was that he no longer wanted land, but higher wages and good employment ... there were virtually no examples of anyone connected with these movements demanding land."(59)

The Swing rioters were not revolutionary (Except in the sense of rejecting feudal remnants. In some cases they supported and were supported by smaller farmers who wanted abolition of tithes - church rents which lowered their profits and which, they argued, stopped them increasing their labourers' wages.) but the terrain on which they fought was essentially that of the proletarian and wage labourer in the early days of industrial capitalism. (They demanded wage increases and work for the unemployed, burned down Poor Houses - the symbol of their servitude to capital - as well as stacks, and are reminiscent of the Luddites in their machine breaking - threshers.)

Similarly, the action of the agricultural labourers of Tolpuddle whose attempt to form an branch of the GNCTU in 1834 brought them imprisonment and deportation, can correctly be considered as a step forward in the self-consciousness of the WORKING CLASS. The significant factor in this implicit self-identification of the rural labourer with the proletariat as a whole seems to be not the level of development of capitalist farming, but the historical and social distance of the labourers away from feudal relations and natural economy. It is the latter factor, together with the historical evidence such as mentioned here which is at the basis of the perspective that the rural proletariat in the advanced capitalist states will act as part of the working class as a whole in a future revolutionary situation. In this sense the points we made concerning the problems of the transition period remain valid. However, there is another important side to the question: That is, how far the development of agrarian capital has been accompanied by the development of a rural proletariat - i.e. a class of wage labourers rather than poor peasants.

For Marx, as we have already noted, the archetypal social relation associated with agrarian capital was that which developed in the first capitalist power, i.e. that of the tenant farmer and wage

labourer. Even in England this 'pure' capitalist relation never became exclusive (In his 'Development of Capitalism in Russia' (1899) Lenin cites a study which showed that 40% of English farmers employed no hired labour.)(60) but it was certainly the dominant one. For various historical reasons, connected to the extent of feudal relations and manner of their destruction, the development of agrarian capital in the rest of Europe did not always conform to this pattern. France is the most obvious exception. Here feudal relations on the land had been virtually eradicated with the 1789 Revolution leaving agrarian capital to develop on the basis of the small peasant turned family farmer. This is not to say that a class of rural proletarians did not arise elsewhere in Europe but: a) The capital-wage labour relationship was often obscured by the continuing existence of semi-feudal relations, for example where wage labour was employed on latifundia estates. (The Junker capitalists criticised by Kautsky for instance, gave small plots to their wage labourers to try to stop them from seeking higher wages in the towns.) b) Regular hired labour was frequently not the main expression of the development of agrarian capital. This is reflected in the survival of the peasant-cum-family farmer which has been encouraged in much of Europe by state support ever since the 19th century and which continues today.

But if state support for the family farmer has prevented the full realisation of the tendency towards the elimination of the agricultural petty bourgeoisie and his proletarianisation on large-scale capitalist farms, it is still the process of capital accumulation which is further reducing the ranks of agricultural wage labour. This is reflected in the contemporary composition of the EEC's agricultural workforce. Table III

TABLE III: COMPOSITION OF THE EEC AGRICULTURAL WORKFORCE, 1981 (per cent)

	Farm occupiers	Other family members	Non- family workers
Belgium	75	20	5
Denmark	82	4	14
France	52	36	12
W. Germany	52	39	9
R. of Ireland	50	42	8
Italy	49	42	9
Luxembourg	45	55	0
Netherlands	56	29	15
UK	54	10	36

Source: Clout, "A Rural Policy for the EEC"



shows the UK to have by far the highest percentage of its agricultural workers from outside the family. Even so, at 36% this is a minority in relation to the capitalist farmer and his relatives. The ratio of worker to capitalist is less than 2 to 1! In numerical terms there were 119,023 regular full-time and 39,904 part-time non-family wage workers in Britain in 1985 out of a total of 206,327 full-time and part-time workers. This compares with 365,000 full-time workers in 1965 (64,000 part-time) or 554,000 in 1955 (86,000 part-time). (61)

This decline in agricultural wage labour is not peculiar to Britain and, despite the blurring of distinctions between family workers and outside "hired workers" EEC agriculture as a whole has experienced a similar decline (about 11.5 million between 1950 and 1980). (62) Although Table IV makes no distinction between family and non-family workers it gives some indication of the process of declining agricultural workers up until 1982: a process which continues today.

green) have become commuter residences for the well-off urban middle class. Indeed, to the extent that these farmers are part of the petty bourgeoisie with holdings more or less capable of being worked single-handed the more the only realistic policy open to the proletariat will be persuasion to the revolution and not outright expropriation. To the extent that the small farmers themselves are being proletarianised (as for instance in the growth of part-time, '5 o' clock' farming - where the farm holding can no longer provide a living and the farm work is done after a day's wage labour in the factory) there is the basis for a successful persuasion.

If we turn to the United States we find a similar situation of predominantly family farms, despite the generally much more advanced nature of the farming. As we have seen, despite the huge differences in scale of operation, (63) the existence of 'agribusiness' corporations and a crisis of accumulation which is leading to the technical bankruptcy of many

TABLE IV: EEC EMPLOYMENT IN AGRICULTURE 1950 AND 1982

	Total numbers ('000)		Decline (%)	% of workforce	
	1950	1982		1950	1982
Belgium	368	106	- 71.2	11.3	2.9
Denmark	486	206	- 57.6	23.0	8.5
France	5,438	1,758	- 67.7	28.3	8.4
W. Germany	5,020	1,382	- 72.5	24.7	5.5
Greece	1,962	1,083	- 44.8	52.0	30.7
R. of Ireland	580	196	- 66.2	47.0	17.3
Italy	8,261	2,545	- 69.2	41.0	12.4
Luxembourg	32	8	- 75.0	24.0	5.1
Netherlands	533	248	- 53.6	14.1	5.0
UK	1,115	632	- 43.3	6.0	2.7
EEC	23,795	8,164	- 65.7	n.a.	7.7

Source: Clout, "A Rural Policy for the EEC"

Clearly the agricultural proletariat has been decimated by the process of post-war capital accumulation which has involved amalgamation and restructuring of farms as well as increased mechanisation and a consequent reduction in variable capital. Today it is not the existence of feudal remnants which throws into question the initial fate of the proletarian revolution in the European countryside but the absence of a proletariat physically concentrated enough to carry out the task of expropriating the farmlands from the capitalist farmers. Villages where once rural proletarians lived and gathered (The Tolpuddle Martyrs swore their oath on the village

smaller farmers and the selling up of an increasing proportion of them, state protection for the farmer has meant that the 'family farm' still remains the norm. Out of the 2.4m farms in the US (1980) the vast majority - around 2m - are farmed by the farmer and his family "with only a handful of seasonal labourers". "For this reason" adds Worsley,

"... they might be regarded as high-level technology peasants. But they are highly capital-intensive, the key inputs being machinery, fuel, seeds, fertilizers, pesticides, irrigation systems, not payments for labour." (64)



For this reason too the agrarian problem looms in capital's heartlands and obliges revolutionary Marxists to face the possibility of the bulk of the world's food production being in the hands of the counter-revolution. Only where farming is under the direct control of big corporations, with a relatively large labour force working communally - such as in the fruit and vegetable fields and factories of California - is there a significant agricultural proletariat in a position to expropriate the means of production immediately.(65) Otherwise, without a significant agricultural proletariat to expropriate the farms and operate them collectively as the factory committees will be able to do in the urban industrial centres the influence of the soviets over food production and supplies will necessarily be indirect. So long as the world revolution is advancing the proletariat will have powerful weapons with which to bargain and neutralise the capitalised peasantry. The control of the world market in grain by finance capital will be one of the first things to be abolished and farmers will be given production quotas by the central soviet according to human need. So long as this farming class can maintain a living on the land there is the possibility of neutralising political opposition by emphasising the revolution's liberating of them from the hands of finance capital, for in essence we are dealing with a petty bourgeois strata whose political loyalty is likely to fluctuate according to how it perceives its own self-interest. However, it would be folly to ignore the danger of the seed of White reaction maturing amongst the redneck farmers of the North American prairies or the Australian outback.

Where a significant rural proletariat does still exist - as for example on the state farms in Russia - it will be in a better position to begin the immediate expropriation of farming from capital and the establishment of collective control in a similar way to urban factory committees. Here, with large-scale but relatively backward capitalist farming which is therefore more labour intensive, farming still involves the employment of significant numbers of proletarians in collective work.(65a) Even here though the 'pure' capital-wage labour relation is blurred, not simply by capitalist propaganda that the existing system is already socialist, but by the simultaneous holding of private plots by the sovkhos workers. The produce from these, sold privately, forms a substantial proportion of the total food supply. Apparently Gorbachev has recognised the greater potential of raising output by increased self-exploitation on the part of the rural proletariat and is set to promote the extension of private farming.(65a)

## B. The Periphery

If the development of capitalist farming in the heartlands has not led to the predominance of the purely capital-wage labour relation there are relatively fewer examples of such in the periphery. Despite the continual eradication of pre-capitalist agriculture and the universal advance of capitalist farming, both in the production of cash crops for export and in the attempts to produce food for growing urban populations via the 'Green Revolution' based on advanced capitalist production techniques, the swelling ranks of the rural dispossessed (i.e. the traditional occupiers and tillers of the land) have not given rise to an extensive rural proletariat. Though the UN estimates that between 60 and 75% of the populations of Africa and Asia (rather less for South America: 25%) are 'engaged' in agriculture a further 50%-85% of these are entirely or almost entirely landless.(66) But the UN statistics do not tell us what percentage of the landless are employed as agricultural wage labourers. They do not reveal what proportion of the latter also have a plot of land and they quietly ignore the percentage of those without land, without employment and without "another source of income". The superimposition of capitalist relations on precapitalist rural economies has contributed to a much wider range of social categories amongst the rural poor than the simple division of employed or unemployed, proletarian or peasant.

While it is in the interests of the international bourgeoisie to disguise class differences in the countryside under general terms such as "agricultural workers", "the peasantry" (including "landless peasantry"!) the development of the international revolutionary programme demands that Marxists look beyond such categories to the essential socio-economic differences, based on relationship to the means of production, just as they have done so historically when treating of the peasant question in Europe.

It is untrue that Marx, much less Engels, saw the peasantry as an undifferentiated mass, nor is it the case that the peasant question was ignored by European Marxists outside Russia. In fact Kautsky's study, 'Die Agrarfrage' (still to be translated into English) was inspired by the debates on whether to adopt a specific agrarian programme by German Social Democracy in the 1890's. In the face of the continued existence of the peasantry as capitalist agriculture developed the party as a whole began to consider how to win support in the countryside. Kautsky opposed making programmatic concessions to the small peasant and



the adoption of a specific agrarian programme, arguing:

"Neither now nor at any time in the future can we promise the small holding peasants to preserve (sic) their individual property and individual enterprise against the overwhelming power of capitalist production."(67)

Others though, notably Vollmar, leader of the Bavarian SPD, rejected outright the Marxist view that the small peasant was doomed and had no qualms about incorporating programmatic demands for the protection of the small peasant and his property. The Bavarian SPD (technically a separate party) adopted its own programme which included nationalisation of mortgages, state monopoly of agricultural credit, etc. which won it some support in the countryside. In fact it was the debates over the agrarian question which first spawned revisionism in the ranks of German Social Democracy.

But the problem was not confined to German Social Democracy. In the latter years of his life Engels also found himself defending the need for programmatic clarity vis-a-vis the peasantry. In "The Peasant Question in France and Germany" (1894) he joined the debate and, whilst accepting the need for Social Democracy to "go from the towns to the country", argued against the notion "that it is in keeping with the principles of socialism to protect small-peasant property from destruction by the capitalist mode of production".(68) (Which is what the agrarian programme adopted at the Marseille Congress of 1892 did when, for example, it stated in its preamble that it is "its imperative duty to maintain the peasants themselves tilling their patches of land in possession of the same as against the fisk, the usurer and the encroachments of the newly-arisen big landowners"(69) For Engels, who was in no position to foresee the rise of EEC subsidies and future state protection of the peasant turned capitalist farmer, the fate of both the small and medium peasants was sealed with the advance of large-scale capitalist farming. Whilst revolutionaries could sympathise with the poor peasant he argued cogently that it was not the task of the party to gain their support on the basis of promises which could not be kept. Equally, though "it is not our mission to hasten it (i.e. the inevitable doom of the small peasant) by any interference on our part" and once the proletarian party has won power "we shall not even think of forcibly expropriating the small peasants (regardless of whether with or without compensation), as we shall have to do in the case of the big landowners. Our task relative to the small peasants consists, in the first place, in

effecting a transition of his private enterprise and private possession to co-operative ones, not forcibly but by dint of example and the proffer of social assistance for this purpose."(70)

After the 1st World War it was the analysis of Lenin and other Marxists who had not abandoned the perspective of international revolution with the War and who also maintained the Marxist perspective on the agrarian question which provided the basis for the 3rd International's global overview of the problem.

On 4th August 1920 Lenin presented his 'preliminary Draft Theses on the Agrarian Question' to the 2nd Congress of the revolutionary International. Whereas his pre-1914 writings had been in the context of the perspective of a bourgeois revolution in Russia now the context was that of the world revolution. As the legacy of the highest political expression so far of the revolutionary potential of the proletariat, an appreciation of this document must be the starting point for our analysis of class relations in agriculture and the subsequent defining of a revolutionary strategy and tactics.

First of all, the social and class divisions. The Theses point to the following categories:

- 1) The agricultural proletariat, "wage labourers (by the year, season or day), who obtain their livelihood by working for hire at capitalist agricultural enterprises."
- 2) The semi-proletarians "i.e. those who obtain their livelihood partly as wage labourers at agricultural and industrial capitalist enterprises and partly by working their own or rented plots of land, which provide their families only with part of the means of subsistence."
- 3) The small peasantry, "i.e. the small-scale tillers who, either as owners or tenants, hold small plots of land which enable them to satisfy the needs of their families and their farms, and do not hire outside labour."
- 4) The middle peasants, i.e. "small farmers who 1) either as owners or tenants, hold plots of land that are also small but, under capitalism, are sufficient to provide, as a general rule, a meagre subsistence for the family and the bare minimum to maintain the farm, but also produce a certain surplus which may, in good years at least, be converted into capital: 2) quite frequently (for example, one farm out of two or three) resort to the employment of hired labour."
- 5) The big peasants or "capitalist entrepreneurs in agriculture, who as a rule employ several hired labourers and are connected with the 'peasantry' only in their low cultural level, habits of life, and the manual labour they themselves perform on their farms." (71)



In addition the Theses do not overlook the big landowners - descendants of feudal lords, former slave owners in the US, financial magnates - who do no manual labour and whose estates must "immediately and unreservedly be confiscated without compensation".

Here then is a framework which, with only minor modifications and clarification, can be applied to agrarian relations today. In 1920 the first three categories constituted "the majority of the rural population in all capitalist countries". Today this is no longer the case in the heartlands but for the periphery the statement remains valid with the proviso that a growing proportion of the semi-proletarians and poor peasantry is giving way to a further category of rural unemployed: a subproletariat which has been wrenched from the remnants of pre-capitalist economic relations and which capital is unable to integrate.

The fact that in his day the rural proletariat and most oppressed sections of the peasantry formed the greater part of the rural population made Lenin optimistic about the success of the revolution in the countryside. For today's proto-Maoists the rural masses are regarded as the vanguard of the revolution. Yet there is a crucial difference. Lenin was a Marxist and not only quite clearly argues that the overthrow of the exploiters in the countryside "cannot be achieved ... unless the rural working masses are united about the Communist Party of the urban proletariat, and unless they are trained by the proletariat"(72) but states explicitly that:

"... they are capable of giving resolute support to the revolutionary proletariat only AFTER the latter has won political power, only AFTER it has resolutely dealt with the big landowners and capitalists, and only AFTER these down-trodden people see IN PRACTICE that they have an organized leader and champion, strong and firm enough to assist and lead them and to show them the right path." (73)

The examples of the Chinese Revolution or the success of contemporary movements such as the NPA in the Philippines, Sendero Luminoso in Peru, in winning support from the rural poor do not negate this.(74) On the one hand they confirm that the rural masses can be politicised and mobilised. On the other hand, they reveal the need for a political party whose programme is based on the international interests of the working class so as to draw away the rural proletarians and semi-proletarians from such populist movements whose common thread is that the distinctive, independent interests of the proletariat (rural and urban) are lost or ignored in favour of

nationalism. Moreover it would be childish to suppose that the international party will find its mainstay amongst the rural proletariat in the periphery. Despite its numerical greatness in relation to the rural proletariat in the capitalist centres, we suggest that only a small proportion of rural proletarians qualify as belonging to the "class of purely wage labourers ... connected with its wage masters only by monetary relations." (Marx) (And even where an individual worker may, often his rural household does not.) In outlook, if not in actual fact, the rural proletarian in the periphery is still by and large the "smallest of the small farmers" and is therefore unlikely to play a leading role in the initial establishment and development of the international party. However, if that party is going to reach a position where it can encourage the separate organisation of the rural proletariat during the revolution and win them over to the cause of the revolution along with the oppressed rural masses as a whole it cannot ignore them before the revolution. In this respect though the communist party can make no concessions to the demands of the peasantry as such. Though it is almost inevitable that there will occur some parcellisation of the land in the periphery during the revolution the communist party must place any demand for redistribution of the land in the context of its overall programme which will be concerned with the general expropriation of the capitalists and the transfer of the means of production to the community as a whole. Meanwhile, insofar as a rural proletariat exists, the communist party will be able to put forward short-term tactical demands in the periphery based on the strategy of linking up the urban and rural working class.(75)

At no point can the communist party allow itself to become embroiled in a 'tactical' alliance of the proletariat and "peasantry" against the large landowners. This would serve to align the working class with one branch of capital against another. In the periphery, as in the heartlands the big peasants (not just the latifundia landlords) are also capitalist farmers. It is they who reap what benefits there are from imperialist aid and from the Green Revolution, who put up prices when famine threatens. The proletariat has no interest in an alliance with them.

To sum up this section on class relations in agriculture, we can reiterate the following: The historical development of capitalist farming has not led to the predominance of the pure wage-labour capital relation. If this has meant that we have previously over-simplified the prospect of the immediate expropriation of the majority of capitalist farmers in the advanced



countries during the revolution, the traditional perspective of revolutionary Marxism still holds: i.e. no political or programmatic concessions to capitalist farmers in order to try and win their support. This applies equally in capital's peripheral areas where the existence of a more extensive rural and semi-proletariat opens up the possibility of the communist party gaining significant influence in the agrarian sector before the revolution. In these areas though, the perspective of the struggle advanced by communists will always be that of the international proletarian revolution and the furtherance of the independent interests of the working class.

#### AFTERWORD

We began by asking which aspects of the agrarian question are significant today. This article does not pretend to have dealt exhaustively with all of them. It will have achieved its purpose if it provokes further debate and research both inside the International Bureau and by communists outside it who are concerned to see the development of an international programme for the proletariat in the next revolution.

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## APPENDIX

### THE ORGANIC COMPOSITION OF AGRICULTURAL CAPITAL

When calculating the organic composition in agriculture it has to be remembered that the relationship is a VALUE, not a technical one, that land of itself is not the product of labour and therefore has no value except in so far as it has

been valorised over the years by labour power. As Marx said, "... the earth is not the product of labour and therefore has no value" (Capital Vol I p.623) And: "No soil yields any produce without an investment of capital". (Capital Vol. III p 705) With the development of capitalist farming the materials incorporated in the land by labour power - fertilisers, drainage, etc. play an increasing part in the composition of constant capital, alongside the surplus value incorporated by machinery.

Where land is under private ownership, however, its low value AS SUCH is disguised by the MONETARY value placed on it. To the farmer the price of land reflects its worth as a piece of capital but, as Marx points out, whether a farmer pays rent or buys the land outright, he is paying for the right to use the land. In the case of purchase of land, the monetary capital advanced for this IS NOT AN INVESTMENT IN CONSTANT CAPITAL but rather a drain on surplus value (i.e it is capitalised rent). The price of land is determined by the presumed returns on capital (in accordance with the current rate of interest) but this does not reflect the natural fertility of the soil.

Thus in order to determine the rise in the organic composition of agrarian capital it is not increased acreage so much as the growing use of machinery and expenditure on raw materials such as fertiliser which must be considered in relation to variable capital (both formal wage labour and that of the petty bourgeois farmer who pays his own wage out of profits). The bourgeoisie, of course, is not interested in the value composition of capital but it is concerned about rates of productivity. The following table gives a good indication of the changing value relations for US farming.

TABLE V:  
SELECTED INDICES OF FARM INPUTS AND PRODUCTIVITY IN THE US, 1950-80

1967 = 100	1950	1960	1970	1980
Inputs				
Farm Labour	217	145	89	65
Mechanical power and machinery	84	97	100	128
Agricultural chemicals	29	49	115	174
Productivity				
Farm output per hour	34	65	115	194
All livestock and products	37	62	121	240
All crops	36	66	111	165
Cropland used for crops	111	104	98	114

Source: Statistical Abstract of the United States, 1981



Clearly there has been a massive increase in *c* and a progressive decrease in *v*, resulting in increased output in the case of crops (while the area of land used for crop cultivation actually declined between the 1950's and 1970's) and reflecting a rise in the organic composition of capital. It has been estimated that by 1970 the level of capital investment per each agricultural worker in the USA was about four and a half times the average amount for industry as a whole. As with the EEC this estimate probably includes government subsidies. Nevertheless it points to an extremely high organic composition which in turn explains the inability of the most advanced agricultural industry in the world to produce profitably without state support.

C.W.O.

#### FOOTNOTES TO THE ARTICLE

1. Marx, Capital Volume III p.800 (Lawrence and Wishart)
2. loc.cit. p.623.
3. On the significance of the organic composition of capital for capital accumulation historically, see "The Economic Foundations of Capitalist Decadence" available in pamphlet form from the CWO address, price ½1.50.
4. Theories of Surplus Value Volume II, p.93 (Lawrence and Wishart)
5. loc.cit. p.94 N.B. Marx was not arguing that the excess profit derived from the landowners being able to charge a monopoly price. In the same passage he writes, "... those who derive rent from monopoly are mistaken when they imagine that monopoly enables the landed proprietor to force THE PRICE OF A COMMODITY ABOVE ITS VALUE. On the contrary, it makes it possible to maintain the VALUE OF THE COMMODITY ABOVE ITS AVERAGE PRICE; to sell the commodity NOT ABOVE, but AT its value.
6. loc.cit. p.152
7. loc.cit. p.243
8. loc.cit. p.244
9. Capital Volume III p.806
10. loc.cit. p.807
11. loc.cit. p.810
12. loc.cit. p.807
13. ibid
14. loc.cit. p.813
15. Theories of Surplus Value Volume II p.103-4
16. The Agrarian Programme of Social Democracy in the First Russian Revolution (Progress Publishers)
17. Preface to the Peasant War in Germany p.16 (Lawrence and Wishart)
18. Lenin, op.cit. p.192-3
19. Previously common land used for grazing etc., withheld from the peasants by landlords after the emancipation of the serfs.
20. Lenin op.cit. p.62
21. loc.cit. p.64
22. loc.cit. p.197
23. loc.cit. p.188
24. loc.cit. p.189
25. loc.cit. p.191. For our analysis of the concept of democratic revolution and a critique of such a perspective today, see 'The Democratic Revolution A Programme For the Past' in Revolutionary Perspectives 20, available from the CWO address, price ½1.00
26. Engels, op.cit. p.152
27. Clough and Cole, Economic History of Europe, p.562 (Heath)
28. Financial Times 3.8.88
29. P. Worsley, The Three Worlds p.357 (Weidenfeld and Nicolson)
30. Dinham and Hines, Agribusiness in Africa, p.146 (Earth Resources Research Ltd.)
31. ibid
32. Quoted from W.A. Peffer, The Farmer's Side. His Troubles and Their Remedy, 1891 by Rosa Luxemburg in p.406 of her chapter on 'The Struggle Against Peasant Economy' in The Accumulation of Capital. Luxemburg gives a vivid description of the historical development of capital and the plight of the North American farmer as big business moved in to the agricultural sphere. However, she fails to appreciate the distinction between the elimination of simple commodity production as part of the primitive accumulation of capital and the subsequent elimination of small capitalist producers by larger capitalists as the capitalist mode of production advances. This is part of her mistaken hypothesis that capital accumulation is "primarily a relationship between capital and a non-capitalist environment".(p.417 RKP).
33. The expansion of land under cultivation was not limited to the USA. The doubling of grain prices in Europe between 1914-18 led to 33m new acres being put over to wheat in Canada, USA, Australia, Argentina and India. (Clough and Cole op.cit. p.779)
34. Peter Fearon, War, Prosperity and Depression in the US Economy p.38 (Philip Allan)
35. loc.cit. p.185
36. loc.cit. p.176
37. loc.cit. p.185
38. B. Poulson Economic History of the USA p.531
39. Fearon op.cit. p.192
40. Quoted by Charles Levinson in Vodka-Cola, p.128 (Gordon and Cremonesi)
41. Perspectives of the International Bureau for the Revolutionary Party, in Communist Review 2 p.5 (Available from any of the IBRP addresses)
42. Poulson argues that such farms mainly exist in the spheres of fruit and vegetable growing, cane sugar and cattle ranching and states, "Large corporate farms have not displaced family farms: they account for a small share (less than 10% of farm land in the United States)" op.cit. p.529



43. In the case of cereals 6 companies comprising the US grain lobby also control the world market price. The largest of these, Cargill Inc. also happens to be the largest company in the USA - with financial interests in at least 34 countries, ranging from Peruvian anchovy factories to insurance companies and soya processing in Spain. It relies on a system of 'spy' satellites to predict grain harvests throughout the world, whilst: "in association with Continental (it) has controlled practically all Canadian wheat exports since 1935" loc.cit. p.131

44. Worsley op.cit. p.163

45. ibid

46. Figures from Clough and Cole and Fearon op.cit.

47. Statistical Office of the European Communities, Europe in Figures Section 18 (Eurostat)

48. R. Body Agriculture, The Triumph and the Shame p.3 (Temple South)

49. loc.cit. p.26

50. loc.cit. p.27

51. loc.cit. p.37

52. ibid

53. For example, the Financial Times of 3.8.88 states that the report reveals that agriculture's share of world trade has declined from 46% in 1950 to 13% in 1987, adding that "the decline has been accompanied by increased friction between governments over farm policies."

54. A study by the US Council on International Trade Policy estimates that these cost OECD "consumers and taxpayers" \$147bn in 1986. See report by Michael White in The Guardian 18.5.88.

55. Financial Times loc.cit.

56. "The Period of Transition", published in Revolutionary Perspectives 13 p.17ff. Now out of print. Photocopies available from the CWO address, price £2.00 (inc. p&p).

57. loc.cit. p.22

58. Capital Vol.I p.630

59. EJ Hobsbawm and George Rude, Captain Swing p.44 (Penguin) Though this is not the case for every rural protest movement in the 19th century. EP Thompson, for example, argues that, "... the groundswell of rural grievance came back always to the LAND" (p.253 of The Making of The English Working Class) and cites various instances of such a demand being voiced. (e.g. Buckingham labourers' petition of 1834, "We should rejoice to occupy a rood of land, and pay full rent for it ..."). At the same time, however, he admits that, "unlike France or Ireland, this never gave rise to a coherent national agitation" and points out that the "dream of a co-operative community upon the land" was promoted by urban radicals like the Chartist Feargus O' Connor. "It is an historical irony that it was not the rural labourers but the urban workers who mounted the greatest coherent

national agitation for the return of the land." (p.255-6). Nevertheless, despite this and projects of later 19th century reformist intellectuals with an eye to a mythical pre-capitalist golden age, the demand for return of the land never became a significant goal for the proletariat in Britain.

60. p.70 (Progress Pubs.)

61. Figures from "A Century of Agricultural Statistics, Great Britain 1866-1966" MAFF, HMSO. "The decline in the number of agricultural wage workers since the War has coincided with a much more rapid increase in the net output of agriculture than occurred between the wars when the number of workers was falling more slowly and "has been accompanied by an accelerated trend towards mechanisation and increasing use of other inputs from non-agricultural sectors of the economy." (ibid) In other words the decline reflects the growth in the organic composition of capital and the increased rate of exploitation.

62. Clout op.cit. p.37

63. In 1980 the average farm size in the UK was 68.7 ha (area utilised for farming, excluding woodland, buildings, etc) and 18ha for the EEC as a whole. The equivalent acreage for the USA is 173.7 ha, with over 59% of the land being taken up by farms of over 1,000 acres (404 ha), or 7% of all farms.

64. See David Clark, Post-Industrial America, p.149 (Methuen) and Worsley op.cit. p.161

65. Even here increased mechanisation of fruit-picking et.al. has resulted in a ratio of 1 worker to every 2,000 acres. The majority of these are massively underpaid and oppressed, often illegal immigrants who, in California at any rate, have tried to improve their wages and working conditions by forming the United Farmworkers Union.

65a An analysis of agriculture in Russia is beyond the scope of the present article. Here we can only point to the relative backwardness of Russian farming in relation to the Western bloc, particularly the US. Despite massive injections of capital into agriculture (£680bn since 1979, according to a speech by Gorbachev in July 1988) the Russian state still depends on grain imports from the West to feed its population. Whereas the USA, with only 2.7% of its population engaged in agriculture, produces 80% of the world's cereals the 15.5% of Russia's population working on farms does not produce enough to ensure adequate bread supplies for the home population.

66. "UN Annual Abstract of Statistics 1986-7" p.29

67. Quoted in Athar Hussain and Keith Tribe, Marxism and the Agrarian Question, Vol. I p.98 (Macmillan)

68. Marx-Engels Selected Works in One Volume p.627 (Lawrence and Wishart)

69. ibid



70. loc.cit. p.634-5  
 71. Theses, Resolutions and Manifestos of the First Four Congresses of the 3rd International, pp.113-117 (Ink Links, London)  
 72. loc.cit. p.114  
 73. loc.cit. p.116  
 74. It is beyond the scope of this article to analyse the social basis of the Chinese Revolution. We are aware of studies pointing to Mao's later alterations to his own writings to make it appear that the small peasants played a greater role than they did and to his contemporary over-estimation of the degree of support from the small peasants for the benefit of Moscow. The

fundamental point, however, is that whatever the claims of Maoism, the Chinese Revolution never went beyond nationalism. Its socialist claims, therefore, were no more than steps in the establishment of state capitalism.

75. These can only be worked out in the context of a specific situation and once a viable revolutionary organisation has come into existence. Possible kinds of demands are: minimum wage for all unemployed; payment for off-seasons, shorter working hours, etc.

76. Quoted from Milk, R.G. The New Agriculture in the United States, in Clark, op.cit. p.147

# **CORRESPONDENCE WITH "COMUNISMO" (MEXICO)**

## **IBRP INTRODUCTION**

It is now three years since the IBRP published the draft "Project for Theses on the Tasks of Communists in Capitalism's Periphery" which was written by the comrades of the PCInt (Battaglia Comunista). The theses have long been accepted by all the Bureau's affiliates and with the publication of this response from the Mexican group "Comunismo" we are well on the way to the publication of a final and definitive version.

The original draft was published in COMMUNIST REVIEW 3 alongside a contribution on the Mexican earthquake by the group Communist Collective Alptraum. This group has since changed its name to Comunismo and publishes a review of the same name. Since 1985 the Bureau has entered into a lengthy correspondence with the group and the fruits of that correspondence are contained in the two texts which follow. The exchange published here actually took place in the early summer of 1988 and we are publishing it as part of the commitment we made then to Comunismo.

We should add however, for the sake of clarity, that the subsequent evolution of Comunismo has not been as positive as we would have wished. The appearance of another group in Mexico which relates directly to the international proletarian camp (the GPI) seems to have made the comrades of Comunismo impatient for some kind of international legitimacy. Thus when the Bureau counselled political

confrontation with the GPI rather than outright condemnation the comrades concluded that we were in some ways refusing to support them. Instead they have thrown in their lot (for the time being at least) with an opportunist venture organised by some small groups based in Paris for a "common review". The fact that the only thing that unites the various participants is a refusal to have meaningful political dialogue with any other international communist formation, and that none of them are capable of carrying out the basic tasks of communists today means that we think that they are poor company for any group, particularly an emerging one which has something to offer the world communist camp. It is our earnest hope that when the comrades of Comunismo find out the real political positions of the animators of this initiative (in particular their support for the reconquest of the unions and for national struggles) then they will draw the lessons as to where the real communist movement lies.

In the meantime we think the correspondence below helps us to clarify some ambiguities in the original draft theses and thus publication provides a useful focus for further discussion.

\*\*\*\*\*  
 Comunismo can be contacted by writing (without mentioning the name) to:

A.P., 21 - 805, Coyoacan CP 04000, MEXICO



# THE TASKS OF COMMUNISTS IN CAPITALISM'S PERIPHERY

More than a year ago the Internationalist Communist Party (Battaglia Comunista) presented 'Draft Theses on the Tasks of Communists in Capitalism's Periphery' to the organisations which make up the International Bureau for the Revolutionary Party in order to open the debate and adopt a definite resolution inside the IBRP itself.

Undoubtedly it is an important attempt to put forward, from a Marxist perspective, a revolutionary tactic for the countries in the periphery. These Theses can and must contribute to the political clarification of existing proletarian revolutionary organisations in Europe and the revolutionary nuclei and groups which we have seen emerge in the last few years in the periphery.

As we have pointed out in a letter to the IBRP, we agree with the general sentiment of the theses: we agree with the correct points about socialism on the international level - on the necessary unity of socialism internationally - on the definite and absolute rejection of inter-class alliances and of any support for 'national liberation struggles'.

We deny, as the Theses also do, that there exist today progressive bourgeois fractions and we state that every bourgeois fraction, in every corner of the world, is equally reactionary. In the same way, it seems to us that a fundamental principle for communists is that tactics should be subordinated to the communist programme. We are completely in agreement with the view that the main task of the international communist organisations is the political and organisational preparation for the proletariat's attack on capitalism, at both a national and international level. To this end, it is necessary to forge the political instrument of the class, the World Communist Party.

We think that although the above points, contained in the Theses, fall precisely within the framework of communist politics, they also contain some assertions which need to be submitted to the most careful analysis.

In these notes we do not claim to exhaust the discussion on the Theses elaborated by the PCInter, but only to delimit the items for a future debate with the IBRP. This is done with the understanding that it is necessary to develop

theoretical and political work to confront the issues in order to achieve the reconstruction of the World Communist Party.

## I

The development of capitalism at the international level is a fundamental issue which today's communists must explain clearly and unambiguously. Without any doubt it is one of the crucial problems which animate the political and theoretical propositions of the organisations and nuclei which we are trying to join within the framework of communist theory and politics.

The development of capitalism, understood in its universal organic unity, was one of the premises from which the founders of historical materialism set out in order to give to the proletariat the unique theory which is the expression of its own historical movement - scientific communism (the political/theoretical expression of the communist programme).

It was no accident that Marx and Engels always insisted that large-scale capitalist industry, in creating the world market, united closely every country in the world in a single organic web so that whatever happened in the "civilised countries" (today we would call them capitalist heartlands) would necessarily have repercussions on all the others. Marx and Engels understood that, parallel to its development, large-scale industry tended to level out everywhere the development of the capitalist mode of production to such an extent that the struggle between the bourgeoisie and the proletariat has become the principal core of struggle in our day. From the viewpoint of the motor of history the communist revolution is not a national revolution but, by its very nature, is a world revolution.

It is well known also that Marx and Engels were firmly convinced that the communist revolution would develop essentially in the area of the capitalist heartlands, where the productive forces had reached a degree of greater maturation. In the thinking of both revolutionaries, revolutions in the 'peripheral' countries formed part of the world proletarian revolution whose epicentre was in the capitalist metropolises.

These formulations are fundamental to any discussion on communist tactics in the peripheral



zones of capitalism and are not, in any way, abstractions, obsolete suppositions or out of place. Today, as communists, we must not lose sight of the fact that although capitalism has created vast numbers of proletarians in the periphery, both the development of the productive forces and the class struggle have reached their most mature and clearest point in the capitalist heartlands. In this way, two fundamental elements, the development of the productive forces and the struggle between the bourgeoisie and the proletariat in the heart of capitalism itself are the guiding lights to determine the lines of communist action at the international level, where the tactic to follow in the periphery is subordinated to the tactic of the communist revolution in its world perspective.

It is necessary to look at the actual state of the productive forces and the class struggle in the heartlands.

The greatest concentration of productive forces in world is found in the USA, Japan and in Europe. The capitalist nuclei are tightly linked together and, as a whole, they constitute the most important area of world capitalism, with the USA at its head. Russia and the Eastern European economies, as well as China, constitute a "peripheral" area with a significantly inferior development of productive forces. They comprise only a small part of world trade and depend to a great measure on production generated in the West.

Communist tactics must distinguish between geo-physical areas and sub-areas, taking into account not only the development of productive forces, but also the level of development of the class consciousness of the proletariat. Both aspects would allow you to foresee the rapid generalisation of the revolutionary movement and the extension of a massive movement of significant force.

In a relatively small geographical area, such as Western Europe, one can see the concentration of a great mass of means of production and also masses of workers. In the same area, the distances between one country and another are short. The European proletariat, historically, has fought the most advanced struggles and shown, also, the most advanced consciousness. It has been at the head of the most important historic struggles of the working class. In this area, then, there exists a tradition of class struggle which is very difficult to find in the North American working class ("educated" in anarcho-syndicalism and/or trade unionism) or in the Japanese working class (typical example of integration into capital). Western Europe constitutes, furthermore, a strategic area for the generalisation of

revolutionary movements towards the capitalist countries of Eastern Europe, Asia and North America and, in particular, Germany continues to play a key role in any probable extension of the proletarian movement to the countries of Eastern Europe.

On the American continent, without any doubt, it is the proletariat of the USA and Mexico which holds the key to any generalisation of the revolutionary movement towards South America, where other important concentrations are in Argentina and Brazil.

Finally, we think that in the Theses there still exists a degree of generalisation regarding communist tactics for world revolution and we think that such tactics must go beyond the simple distinction between the metropolises and the periphery. The future Communist Party must rely on world revolutionary tactics which distinguish between and evaluate correctly the different areas and sub-areas, emphasising the most important and strategic ones from the point of view of the class struggle.

## II

As theses 1,2 and 3 point out, the capitalist social formations in the periphery, from a communist, not a bourgeois perspective, cannot be understood on their own or by their peculiarities compared with the capitalist centres. However, it is not a question of making similarities but of using the dialectical method. Marx and Engels analysed the development of the capitalist mode of production as a totality, in which existed a determinate pole. And this method is the correct one. The capitalist mode of production has a world existence through its own extension and essential qualities. It constitutes a social organism in which every country of the world is involved. But the development of its essential characteristics (free workers, capitalist wage labour) has not been uniform nor simultaneous in every area of the world.

The distinction between the capitalist 'centre' and 'periphery', as stated in theses 2 and 3, is correct. However, there still remains some confused points in these Theses since they give the idea that capitalism continues today as a mode of production "external" to the capitalist countries on the periphery, as if the essential link between the "periphery" and the "centre" was still trade and financial dealings. It seems to us that in this view there still lives the spirit of the 3rd International, which never went beyond the formal manifestations which characterised the sphere of exchange (world trade) to explain the



complexity of present-day capitalism. (See the Theses on Imperialism.) Undoubtedly present-day relations between the capitalist centre and the periphery go beyond the simple exchange of manufactured products for raw materials and the export/import of capital. During this century, in large peripheral areas, there have developed productive forces and capitalist relations of production which have incorporated large sectors of "dispossessed masses" - with greater or lesser intensity - into the framework of wage labour/capital relations.

Because of this, it seems to us extremely risky to apply to all the capitalist periphery - as the Theses tend to do - the contention that there still survives pre-capitalist relations which capital doesn't destroy for its own convenience. From this follows the dangerous structuralist/dualist idea regarding the development of capitalism. What is certain is that, in those places where such relations still persist, there is a tendency for them to be formally subsumed in reality to capital. To give an example, one cannot argue seriously that in the American periphery the social relations have significant patriarchal pre-capitalist "remains". In the Central American banana or coffee plantations, wage labour/capital relations predominate (for example, the agricultural industries) - the large Mexican agricultural expanses which produce for the world market are 100% capitalist. In some parts remnants of productive units in some way resembling forms of pre-capitalist production remain. But these are not in a "pure" state but are in forms which have been subjected to capital or are dominated by commercial or financial capital.

In this sense, the prediction of Marx has turned out to be correct: large industry, when it was introduced in pre-capitalist societies, destroyed the obstacles which the old relations of production represented, creating thus the basis for capitalist production. The work of regeneration - as Marx called it - of the capitalist mode of production in non-capitalist societies consisted, precisely of creating the basis for the development of world capitalist production and, with it, "the material basis for the new world".

Because of this, it seems to us that, rather than insisting that the social formations on the periphery form part of the world network of commercial and financial dealings (something which is very obvious), it is up to us communists today to unravel the way these formations are linked to international capitalist production.

When dealing with the question of the relationship

between the centre and the periphery the Theses remain simply on the level of circulation (trade and financial capital) and leave to one side an important issue - world production. The Theses stress the external aspects of the phenomenon (which, moreover, are of great importance) and extend to all the periphery the supposed survival of non-capitalist and, in particular, patriarchal relations of production.

The assertions which the Theses make regarding the rule of capital, both on the economic as well as political/ideological levels, are confusing. On the one hand, they say that capitalism exercises a real domination over social formations which "are not yet characteristic of capitalism" (thesis 2, paragraph 2), thus, these formations work for the world market and the local populations obtain from them their means of living. Further on, in thesis 4, paragraph 4, there is a statement which contradicts the previous one "THE DOMINATION OF CAPITAL IN THESE COUNTRIES IS NOT YET TOTAL over society, (capitalism) has not subjected the whole unit to the laws and ideology of capital as it has done in the metropolitan countries" (Our emphasis) How does one explain then that "the real domination of capital" exists at the economic level in the peripheral social formations and yet, at the same time, this domination at the level of the superstructure "is still not total" over these societies?

It seems to us erroneous to say that the real domination of capital over the formations on the periphery establishes itself through the market. If we follow rigorously Marx's views, we have to say that it is only on the basis of the process of production, and, more concretely, on the basis of the production of relative surplus value, that the capitalist mode of production specifically establishes itself and also exercises a real domination over the process of work, which is a fundamental characteristic in the development of capitalism. In those places where there still is not a real subjection of labour to capital, it appears that capitalism "keeps" the old methods and relations of production, but their dissolution is inevitable. The relations of production which are still not characteristic of capitalism are still, in some way, subjected to capital and are "transitional phases towards, properly speaking, capitalist relations". It is also enough to state that capital in its unfolding subsumes formally and in reality not only the relations of production, circulation, distribution and consumption but also important categories of social formations.

But what has happened is that capitalism subsumed (during the period which lasted from the second



half of the 19th century up to the present-day) a periphery in which existed heterogeneous social formations which were neither totally feudal, tribal nor communal. Once capital took over these precapitalist formations there began a process of PRIMITIVE accumulation in each of them - a process which acquired specific expressions. We must insist again that one cannot generalise patriarchal relations which still survive today in certain social formations as in some African societies to all the capitalist periphery.

As it is stated in paragraph 3 of thesis 3: "it is thanks to the persistence of patriarchal relations and the strength of political and administrative institutions linked to the social and civil traditions of these countries that international capital assures itself of its own domination", this suggests the idea that capital keeps alive these social relations and institutions in order to secure its own economic dominance.

### III

In peripheral countries capitalism does not express its political dominance "in the same way that it exercises it in its metropolitan centres" (thesis 5). Again, we find here a generalisation which is dangerous. Political regimes and peripheral social institutions do not take their forms from those corresponding to the capitalist centres, but essentially they carry out the same task - to be the organs of oppression of one class over another, because to the extent that the capitalist mode of production dominates the process of production of material life, so it also dominates formally and in reality the political and ideological superstructure. The bourgeois political form of domination par excellence is "bourgeois democracy" and the violent forms which it takes to achieve this domination are exceptions only.

It is not true that in the periphery, in a generalised way "there isn't the democratic opium drug to lull the masses into submission, but only repressive harshness". It isn't possible to generalise to all America, for example, the situation of open (military) dictatorship which the local bourgeoisies in Chile, Honduras, and Nicaragua exercise.

In the periphery, even when democracy "has a different life" and its repressive nature over the proletariat seems less hidden, the local bourgeoisie also makes use of the "democratic opium" to dominate the proletariat when this suits its interests better. Take, for example, what is happening today in Argentina, Brazil, Uruguay or South Korea: when the openly repressive domination

of the proletariat becomes "worn out" there emerges immediately the "democratic" aspect of bourgeois domination, which encourages the "participation" of the proletariat in capitalism's democratic institutional life (elections, referendum, etc.). The democratic mystification is also exercised over the proletariat in the periphery: in the last few years it has been constantly used by certain political forces of capital (from the bourgeois left to the bourgeois right) to "contain" the proletariat and "proletarianised" sectors within the framework of capitalism.

The proletariat in peripheral areas faces conditions of exploitation which are many times worse than in the metropolitan countries (for example, there is no unemployment benefit and social security is less). We do not deny that there are demands which, in relation to the conditions of material existence that the proletariat in the periphery faces, express in reality their economic aspirations, e.g. defence of their wages and jobs. As in the capitalist heartlands, these demands in themselves are not revolutionary. They represent the final objective towards which the revolutionary process develops and in which the active intervention of the communist party plays a determinant role. Nevertheless, we think that you must distinguish between the demands which express the material needs of the workers of these areas and those others, or what you call, "social movements for liberty and democracy".

As we have said previously to Battaglia Comunista, the Theses clarify nothing when they avoid using the word "classes" and instead use "strata" or "masses". We would prefer using the word "proletariat" because in the periphery we are going to find, alongside the industrial proletariat, large numbers of semi-proletarians or "dispossessed" so that inside this "movement of the masses" the modern industrial proletariat is the nucleus which gives consistency to such a conglomerate. It does not matter if - as the Theses recognise - that the modern proletariat is very small in comparison with the rest of the "dispossessed masses" which abound in the periphery. The word "masses" can include various petty bourgeois sectors (peasants, craftsmen, etc)

Let us demonstrate this by looking at the former. The political oppression, which the politically dominant sectors of the peripheral bourgeoisies exercise in the Philippines, South Korea, Chile, Nicaragua or El Salvador crushes not only the proletariat but also the small-scale businessmen as well as holding power over other bourgeois factions. The political agitation which has



occurred recently in those countries responds to the situation of economic crisis and the attempt at the restructuring of capital in these same countries. This affects not only the proletariat but also certain bourgeois and "petty bourgeois" sectors. It is clear then that "movements for liberty and democracy" represent in fact political forces, but inside all of this mess, we communists must know how to distinguish clearly between a GENUINE working class movement which, for example, expressed itself in strikes (in Korea, the Philippines and El Salvador) to defend their wages, even considering all the massive limitations which they had and those demands for democracy raised by strata outside the working class before the strikes broke out (the students and businessmen in Korea, the bourgeois parties in El Salvador).

The expression "social movements for liberty and democracy" is inadequate and dangerous. It has a pluralist meaning and only expresses the aspirations of certain bourgeois and petty bourgeois sectors in these countries. That is to say, it is a demand which is foreign to the working class, even on the tactical terrain.

The Theses tend to see in "the periphery" possibilities which do not exist, since the existence of exceptional political regimes does not mean a greater willingness on the part of the working class to listen to communist slogans. In this sense greater violence against the proletariat does not imply better conditions for communist propaganda and the terrain isn't "clear" for communists in the periphery than in the heartlands. For example, where military dictatorships exist the proletariat faces severe repression complemented by the permanent mystification that bourgeois democracy is the "perfect" solution. Adding to the repressive means of control, the bourgeoisie develops other alternative dominant ideologies, urged on by groups of the petty bourgeoisie, in which there is a worship of minority action and guerilla/terrorist activity. (For example, the Communist League (23rd September) in Mexico, the PRT-ERP in Argentina, the "MIR" in Chile, the "Sendero Luminoso" in Peru.) These try to persuade the proletariat that radical activity and violent actions are synonymous.

The fact that large sectors of the proletariat in these areas THINK AND ARE CONVINCED THAT "the lack of democracy" in these countries is the cause of all their problems does not mean that this is a proletarian demand. On the other side of the coin, the bourgeoisie through the petty bourgeois terrorist and guerilla groups, tries to give to

the proletariat the false idea that minority violent acts are part of the revolutionary programme and activity of the proletariat.

To mobilise the proletariat around the communist programme does not mean, as Lenin pointed out, to bring our slogans down to the level of the class' false consciousness of itself but to raise that level.

We communists must make clear to the proletariat in the heartlands and the 'periphery' that the methods of the Right (open reaction, state terror) and the methods of the Left (the democratic illusion and guerrilla terrorism) all point to the same end - to the maintenance of the material and spiritual domination of capital over wage labour.

#### IV

"The historic mission of the modern proletariat consists in liberating the whole world. the task of the theoretical expression of the proletarian movement, the task of scientific socialism, is to discover the historic conditions for that action and, with it, its own nature in order to bring to the consciousness of the class which is today oppressed the conditions and the nature of its own task."

There exists between the communist programme and communist tactics a very close relationship, in which the tactics are subsumed to the programme. On its own, the communist programme embodies the historic interests of the proletariat, which, during the whole period or life-cycle of the capitalist regime of production, remain in force and invariable. In this sense, the conscious and finished expression of the Communist Party is the Communist Programme. From this perspective, proletarian tactics make a real framework for the realisation of the communist programme within the masses possible. The changes which can occur in the method of social and economic organisation of the capitalist mode of production determine and prompt the great "turns" in the tactics of the historic Party and, not as the revisionists claim, in the communist programme itself. In this way, these changes in the capitalist mode of production influence the specific forms of the struggle of the working masses and shape the changes which could occur in the forms of unitary or mass struggles of the proletariat.

In this sense, the tactics shape and limit firstly the changes which are occurring in the unitary or mass forms of combativity of the proletariat (particular forms of struggle), establishing from there the conditions for immediate and specific struggles which the Party



(or political group) must enter into.

Under this criterion, it is necessary to point out that at the turn of the century certain fractions of the HISTORIC PARTY foresaw the need to change tactics if need be, pointing to the changes which had taken place on the level of the (internal) organisation of the capitalist mode of production. (See Lenin and the "imperialist phase", Rosa Luxemburg and the "imperialist phase", the KAPD and the "permanent crisis".) It is from this moment important fractions of the Historic Party questioned parliamentary and trade union tactics which had characterised and defined the communist movement since the formation of the Second International. It is from the debate, in the heart of the Second International, on the mass strike, that certain revolutionary fractions inside the Historic Party began to express the need for change.

The changes which took place on the level of internal organisation in the capitalist mode of production immediately affected the determination and/or the development of new particular forms of mass struggle - or unitary - which the proletariat

began to develop through Western and Eastern Europe (mass strike, workers' councils, etc.) It is from this moment that important fractions of the Historic Party and the proletariat itself modified their tactics, pointing out that the trade unions had ceased to carry out their role and that parliamentary tactics were a thing of the past.

It was thus that the tactics which communists developed in the peripheral areas of the capitalist system had to be founded on the changes which occurred within the internal organisation of the capitalist mode of production at the turn of the century and which fundamentally influenced the emergence of "new" forms of specific struggle of the proletarian masses. (Who on their own are very susceptible to the changes which take place on the level of the internal organisation of capital.) It is on this level of internal reorganisation, as capital subsumes the trade unions to itself and they step onto the terrain of capital, that the step from the formal to the real domination of capital over labour is understandable.

\* N.B. Due to shortage of space we are unable to publish *Comunismo's* short summing up.

## THE BUREAU'S REPLY

First of all, let's stress the method of the Draft Theses. This is based on a definition of the peripheral countries. In its turn this definition is itself based on an assumption which - it is true - is not made explicit in the document because we had (mistakenly) considered it obvious and already settled. The assumption which we must keep in mind is the division of the world into areas, or blocs, or opposing fronts, each of them made up of a centre and a periphery. When the document talks (in point 3) of "the centre of the capitalist system" in reality it ought to be talking of "centres". The fact that between these centres, e.g. Russia and the Euro-American bloc there is an obvious difference in size and nature, whether in regard to the development of the productive forces or the socio-economic structure, doesn't take anything away from the fact that they are both centres of definite geo-political and economic areas, each in competition and confrontation with the other. It's no accident that we usually talk of a dollar or rouble area to differentiate the blocs within which the frictions which will lead to imperialist war will grow.

On the other hand, this is just a further clarification of what we had already explained in Point 2 where we talked explicitly about the process of formation of two imperialist centres.

Thus it seems rather dangerous to us and, moreover alien to the method of our project to talk of Russia and the East European countries as an area which is peripheral to some presumed "universal centre". Emancipacion Obrera had earlier indirectly objected to our positions because they feared the danger of a Eurocentric view of the general problem which would be an aberration from the marxist analysis of imperialism. In fact it's not so much in our Draft Theses that one can find this vision as in statements like yours on page 12 of *COMUNISMO* 4. If your reply is based on a lack of clarification in the draft in regard to the "centres" it's obvious that we will have to make some additions to clarify the text.

On the Theses high level of generalisation on tactics which you point out at the end of the first paragraph on p. 12 we are in agreement. On the other hand, we must not forget that this is perhaps the first attempt to deal systematically with problems related to tactics in the peripheral countries and in the Preamble to the document we make it clear that the Theses only respond to the general problems posed by the periphery and specific analyses for particular areas or sub-areas will have to be articulated on the basis of the Theses themselves.



In the second paragraph of your Notes you put forward the hypothesis that we still think that the capitalist mode of production is somehow external to the countries of the periphery. Or rather, that we leave some obscure points, here and there in the Theses, which could allow people to think this. We don't agree. We could certainly add a sentence of clarification to the Draft to state definitely that the capitalist mode of production is now (and has been for some time) the dominant mode of production throughout the whole planet. But this would not force us to change other points which would remain true.

The fact that many formations similar to pre-capitalist ones survive in a lot of areas doesn't mean that they escape capitalist domination. In fact (and the Theses don't deny this at any point) the capitalist mode of production is dominant everywhere. But don't those survivors have some significance and some influence on the way of life of the social formation? It seems absurd to us to think otherwise and in our Draft we have provided a general framework for these apparently or formally contradictory phenomena.

On page 13 you maintain that what is stated in Thesis 2 contradicts Thesis 4 (in reality Thesis 5). But all the previous and subsequent argument tends to explain this apparent contradiction. We can summarise those explanations as follows:

- social formations, in the way they are formed and exist (social, civil and political life) don't mechanically and unambiguously reflect the dominant mode of production;
- the dominant mode of production is the determining (but not exclusively so) "factor" of society's way of life which are accompanied by superstructural factors tied together by all its previous history;
- i.e there is a dislocation, underlined by Marx in "The German Ideology" between structural and superstructural processes. This is based on the fact that superstructural phenomena (such as the ideological and political integration of the overwhelming majority of individuals within the collectivity) often lag behind the structural processes. A banal example is the fact that the social and political formation of the USA is different from that of Europe, even if the latter yearly tends towards the former: the barbarisation of US civil life is 20 or 30 years ahead of Europe despite the fact that (for example) technological restructuring in Europe is more advanced than in the USA. Note also that the example we give here is internal to the metropolitan countries of the Western alliance; it's easy to see that the differences in social

formations are more marked between metropolitan countries, where capitalism originated, and the periphery, where the capitalist mode of production has violently assumed domination over different modes of production and social formations.

You are obviously referring to Europe, where the capitalist mode of production is the result of the dynamic dialectic of the previous mode of production and its related social formation. The law which you cited tends to work everywhere but in the periphery it runs up against the reality of previous and different social formations. As far as the examples given in the Theses relating to past patriarchal relations are concerned, these are precisely examples which we do not intend to generalise.

We don't agree with the end of the second paragraph of your Notes (as it is printed there). To us the text appears clear. The tendency is for the total domination of capital (even over institutions) but sometimes the continued MARGINAL existence of other modes of production is also functional to the domination of capitalist imperialism. In the early 20s in Italy there was a polemic between Gramsci and the Left (Bordiga) on the "southern question" (of Italy's "mezzogiorno"). Gramsci maintained that the bourgeois democratic revolution had still to be completed in the South because, in effect, precapitalist relations of ownership and production still survived (!!). Bordiga demonstrated that, on the contrary, those survivals had been functional to the industrial growth of the North through the employment of the savings from rents of the latifundists in the South by the finance (banking) capitalists of the North. This brought with it a progressive de-industrialisation of the South which today pays the price with 22% unemployment and chronic poverty despite the fact that the latifundia have disappeared along with the most ancient patriarchal relations in the civil life of the South.

A Marxist analysis, on which the programme and strategy of the revolutionary proletariat must be based, must examine these phenomena with care in order to avoid two symmetrically opposed errors: that of being too abstract (like the ICC, for whom the countries where the capitalist mode of production dominates have identical social formations); and that of the "empiricists" for whom the survival, even in a marginal way, of economic and social formations different from those in the metropolitan areas, means that the proletarian revolution is still not on the agenda (CP of Iran and all the other leftists).

Your observations with regard to the term "masses" as it appears in the Theses seems to us to be rather forced. The term "masses" rather than "proletarian" is not put in accidentally or out of some conceptual confusion. The Theses, on the contrary, start from the real general situation in the peripheral countries including those, where alongside the proletariat there exists considerable masses of people living in conditions of misery and oppression, having submitted to a process of de-classification without a way out (e.g. ex-peasants uprooted from the land, impoverished ex-merchants etc). It's no accident that "the masses of indigenous proletarians and dispossessed" are spoken of so often. It is perfectly clear - to us - that the proletariat in the Theses is posed exactly as the "consistent nucleus around which" the masses of semi-proletarians and dispossessed will rally.

On the other hand, to explain the social composition of the peripheral countries more precisely, as has been requested, since the analysis is so general, would not allow us to place everyone in one of the two classes which remain however, (and the Theses often repeats it) the fundamental classes of society. It is only in the process of social, and even more, of political polarisation, which precedes and constitutes the really revolutionary period that we can talk solely (and only in regard to their political programmes) of bourgeoisie and proletariat. Therefore we maintain that aside from all terminological objections and the articulation of mere hypothetical dangers that don't really exist - your Notes don't actually put forward different arguments. We are therefore driven to conclude it is not clear if you agree with the political substance of the Draft Theses itself. It is included in the Theses highlighted in black in the Italian edition and in italics in the French. The other parts of the text are the outlines of the argument which in the original Italian edition (Prometeo 9 IV series) were justified thus;

"The document which we are presenting consists of Theses and the relatively lengthy explanation which accompanies them. This is justified by the need to fully discuss themes which have been at the centre of a long series of discussions and polemics in the international camp but have been dispersed in different collections of individual texts. We want, that is, to provide a summary of the many arguments and positions put forward by our Party in the course of the last few decades, against many disparate opportunist positions, which have attacked in various ways marxist principles and method in relation to this question."

We await confirmation of our impression that Comunismo therefore accepts the methodological and political lines explained at great length in the Theses. This impression is due to the enormous difference between your contribution and the "criticisms" raised by the ICC in its "Polemic with the IBRP: The Tasks of revolutionaries in the Peripheral Capitalist Countries". In these objections (which we have deliberately ignored since they simply oppose us without any arguments) the desire to polemicise at all costs with us on the problem of democratic liberties has led the ICC to make some serious statements. For example, they write that "Capitalism isn't democratic anywhere and least of all in the metropolises". This shows they have understood nothing of the problem of democracy. We could reply simply by giving Lenin's formula "Democracy is the best cover for capitalism". But that would only be a formula. The fact is that it is also valid for the arguments we have developed in our Draft, and the Theses of the Vth Congress of BC. The democratic political form is the precise political expression of capital's total domination of society. That is, the domination of capitalist laws of operation and ideology over the totality of bourgeois society in the metropolises, and, tendentially, in the periphery. We don't believe that the ICC doesn't already know this: the fact is that need to polemicise at all costs induces them to the stupidities of those who have neither the means nor the arguments for a serious alternative marxist position. Where they don't fall into the most vulgar absurdities they attribute to their opponents positions of their own invention.

Another example; the ICC attributes to us support for demands such as "free elections". Where have they found such a position? It is really the product of those who make polemics for their own sake or are not really capable of real political work (i.e. in the whole of society) that leads to such deformations. We say that the communists "make themselves the most decisive and consistent defenders of basic liberties by unmasking the bourgeois and petty bourgeois forces which ... are preparing to shortly deny them" having already written: "Internationalist communists don't write into their programme the achievement of any regime which secures basic freedoms and the forms of democratic life but the achievement of the dictatorship of the proletariat ..." This would appear to be the exact opposite of what the ICC would like to attribute to us. Faced with such an attitude and such a way of "discussing" there is nothing else to be done except leave them and worry more about a wider circulation of our text than replying only to the ICC. The ICC always insists on the danger of opportunism in our



positions which risks extinguishing the revolutionary heritage of the IBRP, and especially BC (at whom particular barbs are aimed) but this is only part of the ICC's way of doing political work. At present the main denunciations of opportunist deviation comes from inside its own organisation and is really aimed at the ICC. The "painstaking reflections", the critical revisions of its own methodological and political baggage have reached the ICC before others, To quote an old proverb "Put your own house in order before criticising that of others".

Returning to your Notes, your objections to the Theses regarding the problem of democratic demands don't appear relevant. We have not written anywhere that it is the task of communists to make democratic demands in themselves by writing them into some political programme (like the Trotskyist's Transitional Programme as the ICC would say to make cheap polemics). Let us repeat the argument of Thesis 11:

"Demands for freedom and democracy have to be taken into account when defining the tactics and slogans for generalising and radicalising struggles ... Freedom of movement, racial equality, liberty of thought and a free press are not communist objectives. They are, in themselves, bourgeois democratic objectives. But where the lack of these freedoms seriously affects the living conditions of the proletariat communists will agitate for them by denouncing the true state of affairs: that the responsibility for such a lack of freedom lies with capitalism". This means that we cannot "ignore nor undervalue the importance of the demands for liberty and democracy which are raised by every strata of the population in the peripheral countries" (from Thesis 11). And Thesis 12 begins by taking up this concept: "Internationalist communists in the peripheral countries do not put in their programme that their aim is a regime which guarantees basic freedoms and the forms of democratic life. Their aim is the dictatorship of the proletariat which goes beyond bourgeois freedom ..." Could it be clearer ?

The reason why we have published the Theses is to initiate a clear and definite discussion which poses this problem:

- having established that communists struggle for the proletarian revolution and the dictatorship of the proletariat and - never! - for different or "intermediate" objectives, and, having taken into consideration that the lack of basic freedoms in many peripheral areas is at the root of the vast movements which involve the proletarian and dispossessed masses, must communists ignore these

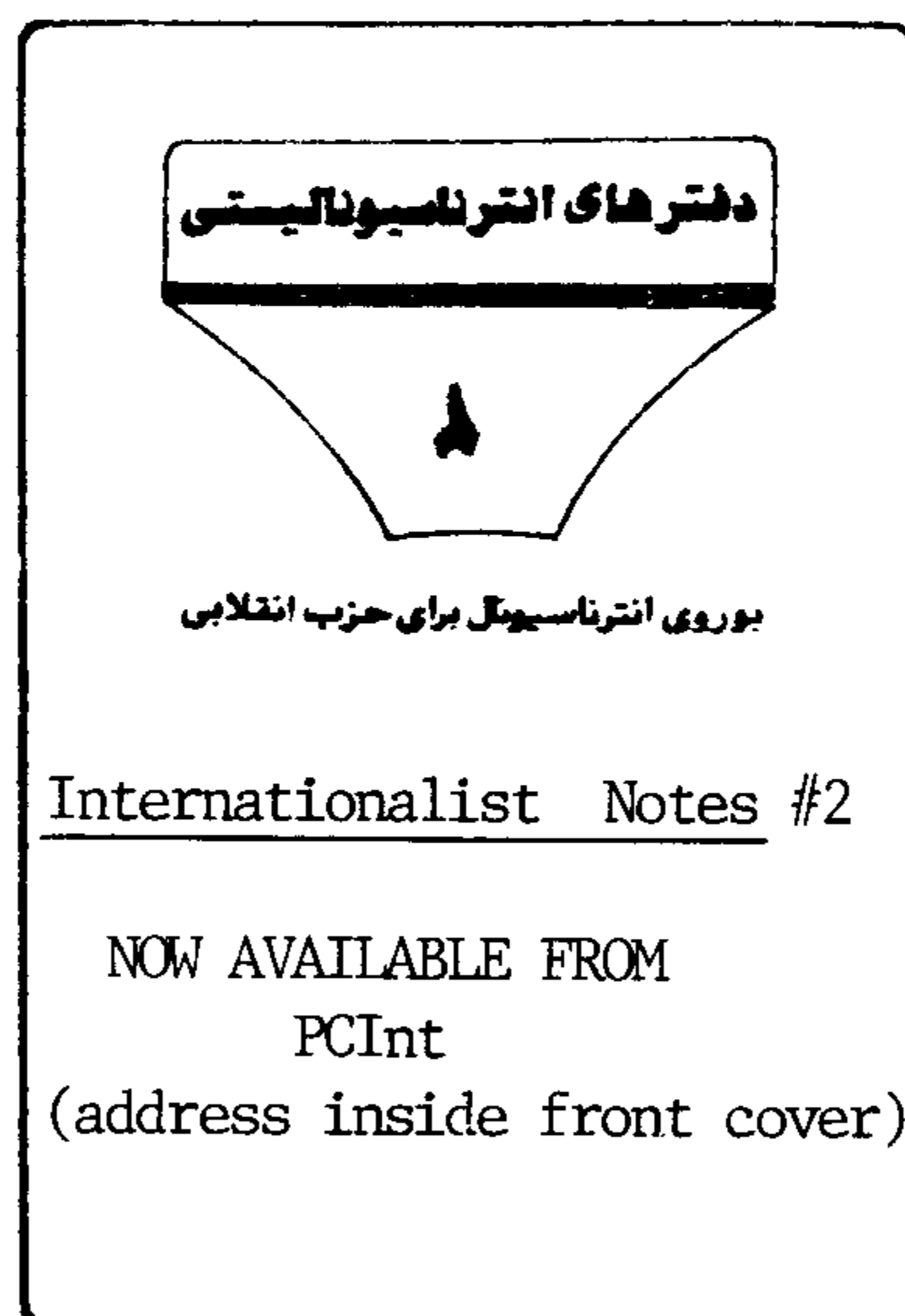
movements and demands or must they, in some way, take them into account?

- if they have to take them into account what have they to do?

The ICC, by having no understanding of the problem would in fact say "no". Communists must not take into account demands for basic freedoms because this would lead to the pollution of the revolutionary programme. It doesn't matter if, by involving themselves in real movements like the Cobas, they are then forced to take on board the defence of the ... state school for the masses, like everybody else, even if they refuse to systematise, in a solid body of theses the main lines of communist tactics. The important thing for the ICC is - obviously - to refuse to theoretically systematise the general problems of revolutionary tactics. And so the tactic, or if you prefer the practice of intervention, is left to improvisation and to all kinds of backslidings for which the militants themselves reproach the organisation and make them the reasons for ... splits.

Obviously you do not start from the same false premises as the ICC but it is not yet absolutely explicit in your reply to the problems we have posed.

We judge your contribution to the international discussion of our Theses to be wholly positive and for this reason we'll publish it in full in COMMUNIST REVIEW 7, together with our reply. On our side it is this widening of the discussion which the IBRP, by using the contributions which come from it, will be able to proceed to a definite edition of the internationalist tactics for the peripheral countries. This will create a body of theses which must be the basis for the future international party of the proletariat.



# AUSTERITY POLICIES IN AUSTRIA

## IBRP INTRODUCTION

We are publishing in this issue of Communist Review, a text by the G.I.K. (International Communist Group) of Austria. The G.I.K. has fraternal relations with the IBRP, and we have engaged in political dialogue with them on several occasions. The translation is taken from no.2 of their journal Arbeiterpolitik, a continuation of the journal Arbeiterrevolution, which was published by the GIK at an earlier stage in their evolution. We are publishing the text for a variety of reasons.

Firstly we wish to make more widely known the existence and the positions of the GIK, and to welcome their open attitude to political debate. Although in some areas their positions are not fully developed, there is little doubt as to their determination to engage in further clarification through collective study, intervention and discussion with existing communist fractions.

Secondly, we want to bring to the attention of our readers an analysis of the social situation in Austria which belies its image as a land of social peace and classless prosperity. The GIK comrades give a graphic description of the impasse facing Austrian capitalism and the impending end of the class peace which has reigned in that country for so long. We are not without criticism of the text. It appears to lack a certain theoretical rigour in economics: Keynesianism was not a response to the oil crisis in the early 1970s, but to the historic crisis of capitalism and its cycle of crises and world wars in this century. But we know from discussions with the comrades in Austria that they are studying these questions, and it would be peevish to deliver a lecture on this theme. Instead we welcome the correct analysis of the contingent situation of Austrian capital and its "alternatives" in the coming years.

What we thought would be useful for our readers was a brief account of the evolution of Austrian capitalism, an analysis that must be superficial, but will help to fill in some of the background that is assumed in the GIK's text, written for an

Austrian readership.

### AUSTRIA'S CONSENSUS POLITICS IN ACTION

The roots of Austria's present crisis stem from the post World War 2 imperialist carve-up of the world. Neither the USA or the USSR was prepared to allow the other to possess Austria (which has a key strategic position, linking north to south and east to west), so their joint occupation was ended in 1955 with a neutrality treaty. Austria was to belong to no military alliance or economic bloc.

In the years of prosperity this benefitted Austria, which had a relatively low burden of arms spending (though a booming export arms industry) and because of its geographical position, lay access to Eastern Europe (Austria does 15% of its trade with COMECON). But the worsening of the crisis, and of Austria's competitive position, has led to the demand from the Austrian bourgeoisie for entry to the Common Market. Part of the reason behind the present austerity campaign is to get Austrian industry in a position to compete once, or if, it enters the EEC. The Austrian economy is a highly protected one, where one sees few EEC goods, only "heimisch" (local) wares. In addition, agriculture is extremely backward and unmechanised. Although the big firms need the expanded EEC market, its effect on other sections of Austrian capital could be devastating.

In particular, the Austrian state sector, which at about 20% of industrial products is the highest outside COMECON, would be wiped out in the EEC unless it is massively rationalised beforehand, a process that is now well underway, as the GIK text shows. The myth of Austrian economic "independence", an oasis of prosperity between the blocs, is crumbling, as the bourgeoisie grasps for the EEC lifeline.

The other myth in Austrian life is "social peace". After the war the SPO (Socialist Party) and OVP (Peoples' Party) established a consensus unique in



Europe. It is not just that long periods of political coalitions have characterised Austrian life, but that even civil service posts are divided 50/50 between party members of the SPO/OVP. The OVP, the party of the bourgeoisie, attracts naturally the peasants, petty bourgeoisie and professional elements. The SPO has probably the strongest and most extensive grip on the working class of any social democratic party in the world. The majority of the workers are members, live in socialist housing complexes and the unions handle many social benefits. It is almost like an east European "state-party". The SPO combines the most right wing commitment to "social peace" through the unions (there was hardly a strike in Austria in the period 1950-80) with a radical "marxist" rhetoric. In other words, it continues the tradition of "Austro-Marxism" founded 100 years ago by Kautsky, Adler and company: verbal radicalism and political inertia. This grip on the working class is virtually unchallenged: the groups to the left of the SPO are tiny. However, the end of the era of prosperity, and the resulting threats to social peace give the first realistic opportunity for many years for the SPO hegemony over the working class to be challenged. As part of the coalition

government imposing austerity on the country - and first and foremost on the working class - the pretension of the SPO to be the party of the workers will ring hollow.

The Austrian working class may have been subjected to a longer reign of social peace than most, but it has a strong combative tradition. In 1934 the Dolfuss fascists, with the aid of the army had to kill thousands of workers in pitched battles - battles that were NOT supported by the SPO - in order to impose the "Austro-Fascism" that paved the way to Hitler. And in 1919 the workers of Vienna overthrew the Hapsburgs in a revolutionary general strike, and briefly took power - till the SPO handed it back to the bourgeoisie. There are strong parallels between Austria and Sweden since 1945: both neutral, both strongly social democratic, both "prosperous" and living in social peace. The eruption of strikes in Sweden in the 1970s and 80s laid the myths there. Now we hope we are about to witness the submergence of the last island of social peace in the tidal wave of class struggle.

(Publication of the GIK may be had by writing to: GIK, Postfach 536, Wien 1061, Austria. A subscription is 100 sch., approx. £5.00)

# AUSTERITY POLICIES OF THE SPO-OVP GOVERNMENT

The time of the politics of social peace is past. Just as the Austrian regime in previous years was still based on the Keynesian methods of fighting the crisis of the 1970s (massive state subsidies to crisis-hit sectors, leading to massive state debts), so the present rulers have begun the current year with an undoubted austerity programme. This year's state budget is the first real austerity one, which foresees a drastic reduction in state expenditure (10% real expenditure cuts per ministry). This means that the reduction of state expenditure is the declared objective of the "Great Coalition". In short, this means that the budget deficits and the debts of state industries built up in the previous years will be laid upon the backs of the working class.

The following article shows:

why the previous social democratic crisis management (deficit spending) has come to an end;

- why inside capitalist circles today there is no alternative to the politics of austerity;
- and why, therefore, the alternative to austerity is not in a government policy "more friendly to the workers" as the various leftist organisations argue, but only in infusing the class struggle with a revolutionary perspective.

## UNDER CAPITALISM: NO ALTERNATIVE TO AUSTERITY

The state's austerity policies mark a qualitatively new phase in the assault of the bourgeoisie on the working class. In the 1970s the first section of the working class was hit by the crisis - those who worked in private firms drawn into the whirlpool of the crisis, and subject to rationalisation and sackings. From 1973 to 1979 6% of the workers in Austrian private industry were made redundant, while in the state sector (due to the policy of state subsidies), not a single worker was laid off. From 1980 to 1986 the bourgeoisie attacked the workers in the state sector, accompanied by press campaigns arguing that they were a "privileged" sector of the workers. In this period the attack on the workers has been most severe: reduction of, at times, half the workforce, short time working, wage reductions in the form of a 15% national insurance (sozialabbau). These austerity policies are a sign that the capitalist economy can only function with the reduction of the living standards of the WHOLE working class. The previous truce between capital and labour can no longer bring forth the mass of surplus value necessary for capital accumulation. The yearly growing budget deficit, and deficit of state industry, are the greatest expressions of this. The bourgeoisie talk of the Holy Trinity necessary to raise the profit rate - Sackings, Wage Reductions, Increased Work Load!

A great mass of leftist organisations and trade union groupings criticise the government austerity programme (the Communist Party, the leftist Greens, the radical factory committees etc). But they only do this in order to advocate a BETTER capitalist economic policy, one that will give to, rather than take from the workers. They want a continuation of deficit spending, a "worker friendly" government that will fight the recession through state subventions and "increase the state sector, not reduce it". The "cuddly" left mourns the passing of the workers' friend Kreisky, who reconciled the interests of the workers and the capitalists, and quote his words, "a few hundred thousand of unemployed cause me more sleepless nights than a few million debts".

In contrast to the helpless lamentations of the left (for they have no other policy), the bourgeoisie has no option but to impose austerity. The earlier policies of state subventions has reached its limit, and from a capitalist standpoint must be abandoned, as the rise of the state debt shows. The state debt of Austria amounts to 700 milliard schillings (22 Austrian

schillings = 1), and increases yearly by 85 milliard, since state expenditure exceeds tax income by 100 milliards (500 milliards against 400). If the bourgeoisie were to continue these policies, the state debt would double in five years, which would cause an enormous increase in interest and burden of debt repayments. Today 22% of income from taxes is used for the payment of interest on state debts; in five years it would be 33% (if the state debt had doubled).

The increased proportion of interest in the budget naturally means that the room for manoeuvre is drastically curtailed. The state would be obliged to take up an ever greater credit burden to finance its outlays, so that the state debt would grow exponentially. This would lead to a financial catastrophe (i.e. galloping inflation) which would "automatically" lead to a drastic lowering of living standards. If the explosion of state debt cannot be controlled today, then it must be tomorrow, with even more brutal consequences.

## THE LEFT HAS NO REAL ALTERNATIVE

The bourgeois left gets itself tied into knots over these facts. Every real effective struggle which could halt austerity would come up against the state and the limitations of the capitalist system, and would widen out to an international growth of the class struggle and to revolution. But their perspective is not for revolution and the destruction of the capitalist state but for a "democratic state" and a functioning "national economy", and this goes for all the leftists, the left social democrats, the communist party, the socialist youth and the "alternatives" - none of them want the financial destruction of the state. They must all, therefore, swallow the bitter pill of an economic policy that is hostile to the workers in the interest of the reconstruction of the economy. When they talk of a struggle against the austerity policy, it cannot, therefore, be taken to mean a REAL struggle, but only a high profile in various electoral charades (national elections, union elections etc). If it came to a real struggle against austerity, these organisations would then say "that is going too far" and "that is against democracy".

Recent history also gives us many examples of where the non-revolutionary leftist parties, which in opposition take the workers' side, but once in power carry out the policies they have hitherto criticised - the Communist Party and the Socialist Party in France under Mitterand, the



Socialist Party in Spain, the Labour Party in Britain 1974-79. The behaviour of the SPO (Austrian Socialist Party) when it becomes the ruling party is also an example. All programmes that try to resolve the crisis through reduction of unemployment or raising the purchasing power of wages, and thus to strengthen the national economy in helping the workers, is an ILLUSION and detracts attention from the fact that the workers only have an interest now in the struggle against the logic of the capitalist system, and that is the only aim of the class struggle today.

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The above outlined gloomy financial perspective of the state is based on the present stage of the crisis. It is becoming ever clearer that the world economy is entering a new recession. That means an additional sharpening of the financial situation of the nation states, since tax receipts are falling and state expenditure rising (cost of maintaining the unemployed, subsidies to industry etc). The state policy of fighting the crisis through deficit spending, where the state endebts itself in order to bale out the economically crisis-hit sectors, has reached an end. Those policies, which were favoured in Austria by the SPO, were able to weaken the impact of the crisis for a while in the 1970s, but can no longer slow down the development of the crisis. On the contrary, through the ever-growing burden of interest, an ever greater financial burden is suffered and economic catastrophe is likely.

This only proves the Marxist analysis, according to which the state can ultimately do nothing to combat the crisis, for the crisis has its causes in the contradictions of capitalism, to which the state is subordinated. In order to overcome the crisis, the class struggle between capital and labour, and class society must be overcome.

By means of deficit spending the government can only equalise the chaos of the market for a short time. The state raises its expenditure (by means of building, armaments etc), and renders harmless overproduction, which is a structural aspect of capitalism, due to the fact that the workers always produce more than they receive in wages. The power of consumption, in relation to the mass of produced goods, is low and the state by its orders equalises the demand which is too low.

#### CRISIS OF KEYNESIANISM; SPO CRISIS: THE POLITICS OF INDEBTEDNESS

The SPO, which respects statified rather than private industry, continued deficit spending for

several years more because of the low rate of profit in the basic industries. It represents itself as the party of the harmonisation of the interests of capital and labour, of the mitigation of the impact of the crisis, and thus the guardian of social peace. This succeeded for a while, but with the passing of time deficit spending worked less and less against the crisis, but instead worsened the economy, and this was also a crisis for the SPO.

By means of state subsidies to loss making concerns, bankruptcy is temporarily restricted, and thus a too dramatic rise in unemployment and a further fall in private demand by the decline of wages is prevented. Thus the spiral (decline of demand - bankruptcy of firms - unemployment - further decline of demand - more bankruptcies) is slowed down by means of state financial manipulation.

#### DEFICITS: IN THE LONGTERM UNBEARABLE FOR CAPITALISM

The problem is that such enterprises subsidised by the state do not fulfil the purpose they should under capitalism. They do not bring forth any additional profit. They do not increase capitalist value, rather they lessen the value of existing capital. The state subventions which they receive, whether in the form of orders or subsidies, are paid for out of taxes, and are therefore a deduction from existing wages and profits. If the state carries out its subventions through credit, this is simply a deduction from future profits and wages.

We would not live in a capitalist economy of production if production were not for profit, which is then invested again to widen the basis for the further production of profit, the driving force of the economy. The bourgeoisie seeks to expand its wealth through the production of commodities and through the exploitation of labour.

"To maintain the capitalist economy it is not necessary to produce more, but to produce more profit." (P.Mattick, Crisis & Crisis Theory - 1974)

Deficit spending creates additional production and jobs, but no additional profit. The average rate of profit thus drops, since expanded production brings forth no expanded mass of profit. That is why the capitalists can suggest deficit spending as a solution to an economic recession as a temporary expedient, but cannot adopt it as a

longer term policy. It simply contradicts capitalist logic and, therefore, leads to disastrous consequences in the longer term.

In Austria, the OVP, as the party of the private capitalists, had no objections to the deficit spending policy introduced by the SPÖ government. From the end of the 1970s, however, they became ever-sharper critics, and demanded a reduction of state outlays, which is now taking place.

Let us look at the process of eroding the anti-crisis policies in Austria a little closer. In 1975/6 a discernible weakening of the effects of the crisis was achieved by deficit spending: the decline in production was halted, and likewise unemployment was slightly reduced, by 2-3%. In the state sector no one was laid off, and even the private sector benefitted from the maintenance of the capacity of the state industries, which meant that the bulk of the subsidies to state industry found their way into the private sector. These subsidies amounted to 25 milliard schillings a year.

Even the recession of 1979-82 could to some extent be counter-acted by similar methods. The donations of state financial support to the nationalised industries and to the firms supported by the state bank were now made dependent on the pushing through of a rationalisation policy, with production cutbacks and sackings in order to keep state subsidies within limits.

In recent years, from 1981-86, deficit spending reached an impasse. The money taken up in credit could no longer be used by the state for the propping up of the economy, but only now for the servicing of existing deficits, that is, as a stop-gap measure. It was no longer a question of the kind of deficit spending envisaged by Keynes in the sense of a counter-cyclical policy, but of a forced increase of state spending through the need to service debt of specific sectors of capital (nationalised industries, pension insurance, ÖBB (the Austrian railways)) by the total capitalist, the state.

Every year the deficits on the following three sectors must be cleared out of the state's coffers:

- the deficits of the big undertakings, state and private (Eunig/Textiles, Klimatechnik which received about 10 milliard schillings and in the coming years a further 35 milliard).
- the deficit of the ÖBB
- the deficit of the Pension insurance, which between 1980 and 1986 grew by between 16 and 50 milliard a year.

Although the government increased tax income (above all by the raising of post, rail and stamp charges), it did not match expenditure and the

state deficit grew yearly. State debt exploded from 300 to 700 milliard schillings between 1981 and 1986 and that without any expansionary effect on the economy.

The policies of incurring new debts were thus counter-productive and were leading to a greater burden for the national economy and had, therefore, to be abandoned by the previously Keynesian SPÖ. In all the industrialised countries, at the start of the crisis in the 1970s, credit was increased. This was done because it was thought that the economic crisis would only be a short-lived affair, caused by the explosion of oil prices, and that the economy would soon revert to its previous high growth rate, and thus the credit could easily be repaid. But in spite of costly state counter-cyclical policies, the crisis has worsened, since the state cannot conjure up profit where there is none. It can only transfer it from one sector to another, and it can thus not solve the problem of overproduction since it can create no new real demand. Today in most countries of the capitalist heartlands two main factors stand out.

First of all, the world economy is slipping into a new recession. Secondly, the state is in debt, and in contrast to the 1970s cannot pursue a counter-cyclical policy to the crisis, but on the contrary must try and reduce deficits - the residue of the crisis of past years - in the middle of the recession.

Both problems (new recession, reduction of existing deficits) can be "solved" by the bourgeoisie only by a vigorous assault against the workers - unless they want to see the financial ruin of the state and the loss of the ability of the national economy to compete. State subventions and grants cannot guarantee the extraction of profit, the motor of production, but only the reduction of costs and the raising of efficiency (in other words, wage reductions, sackings and increased work loads).

In a few countries, such as West Germany and the United Kingdom, the deficits have been reduced over the last few years through a rigorous policy of expenditure cuts at the cost of the workers. The simultaneity of the two main factors enumerated (reduction of debts, new recession) will hit Austria (and also, especially, the USA) with full force, so that the present transition from a hesitant to a sharp structural re-organisation and confrontation policy will have



a traumatic impact.

In various spheres, e.g. the nationalised sector, this structural re-organisation to the needs of the market has happened too slowly, so that even sharp measures (e.g. the 10,000 redundancies at VOEST) are not enough to bring the stricken sector into profit. On many sides the question is now being raised as to whether the ailing concerns, such as VOEST or VEW, can be saved at all.

#### ONLY ALTERNATIVE: PROLETARIAN REVOLUTION

This confrontation policy will not, however, lead to a restoration of the economy and the state. The achieving of this task will only be a pretence by the government in order to make the wage slaves the victims. These confrontation policies will in time bring poverty since the contradictions of capitalism continue to exist and cannot be prevented from their work of destruction.

The absolutely unalterable nature of the austerity and confrontation policy thus also shows that

- capitalism, not only in the 3rd World, but also in the metropolises, is ever less able to ensure the living conditions of the exploited masses.
- that the generalised class struggle for the throwing back of the predatory claims of capitalism, and the proletarian revolution, is more and more objectively necessary for the working class of the whole world, for that alone can set aside the contradictions of the capitalist system.

#### ECONOMY MEASURES OF GOVERNMENT

The yearly net budget deficit (that is, new debt) amounted to 85 milliard schillings in 1986 (one-fifth of the state's income). Without a change of course, this would mean a doubling of state debt in 1992. The coalition government has given itself the task of halving the yearly budget deficit by 1992. This means that a yearly saving of 40 milliard schillings (approx) is necessary!

- \* For all those employees in public service (civil service, OBB, post, teachers, hospital workers) the adjustment of wages and salaries inflation will take place in July '88 instead of in January; this means an average 2000 sch. reduction in yearly wages.
- \* A partial ban on recruitment in all areas of public service. That means that each year 10,000 jobs will be lost (through retirement) and will lead to an increase in youth unemployment. This will be accompanied by measures to "raise efficiency" in the public services (e.g. by increasing class sizes in

the schools.

By 1992 a third of the employees of the OBB will be laid off, in order to eliminate the OBB deficit. In addition fares will also sharply rise from January 1988. At the same time, with the concept of the "New Railways" investment is being increased by about 100 milliard Sch. This modernisation programme aims at the halving of the railway workforce by the year 2000.

#### ACCELERATED RECONSTRUCTION OF THE STATE INDUSTRIES

The sectors where deficits are too great will be closed, those which have a chance will be rationalised. For the workers this means 20-30,000 redundancies in the next 3 years. The workers who are not sacked will face, through increased national insurance payments (Sozialabbau), as well as through short-time working, a reduction in yearly income of 20,000 Sch.

The following redundancies are planned:

- In the VOEST steel combine, which runs a yearly deficit of 8 milliard sch., 15,000 redundancies at the VOEST-Alpine works (i.e. 40% of the workforce), and at Donawitz three quarters of the 4,000 VOEST workers are to go.
- At the VEW steel group, running a deficit of 2.5 milliard p.a. at Kapfenberg and Ternitz, where 9,000 jobs have already gone in the last 8 years, another 4,500 are to go leaving only 4,500 jobs.
- At Chemic-Lintz (10,000 workers) 2,000 are to go.
- The aluminium plant at Raushofe (AMAG) is to close with the loss of 2,000 jobs.

To this are added further rationalisations in the coal mining industry and thousands of jobs in the partly-nationalised Daimler-Puch company.

These have led to protests from the workers, largely in the form of demonstrations, such as that of the aluminium workers of AMAG, chemical workers and miners who have taken to the streets. But so far these outbursts have been controlled by the factory councils which have urged the workers to be "patient".

#### SAVINGS ON PENSION PAYOUTS

The pension insurance firms have a yearly deficit of 50 milliard Sch., which must be supported by the central budget. This support amounts to 10% of the state's expenditure.

This deficit has nothing to do with any bourgeois analysis such as the "ageing of the population".

but is a consequence of the capitalist crisis and its effects through redundancies. Most of these redundancies have taken the form of early retirement, which account for 40 out of 50 milliard yearly deficits. 15 years ago 80% of men from 60-65 were working, now it is 40%. Without these retirements the unemployment figures would have been even higher, and it would not be a pension fund deficit we are hearing about, but an unemployment fund deficit. This policy of early retirement, especially in the crisis ridden steel sector with its Action 55 plan, was a means of reducing opposition to the policy of redundancies, and splitting the workforce.

Savings on pensions will be made through the following measures:

- \* Pensions will only be adjusted to inflation in July instead of January, saving the state 3 milliard sch.
- \* Through the abandonment of the early retirement policy
- \* By increasing contributions for various groups, e.g. peasants.

In the longer term a policy of "pension reform" will lead to lower pensions:

- \* The period for calculating pensions will be based on the last 15 years of work, instead of the last 10. This will cut pensions by about 5% in the future.
- \* Student years will no longer be counted for contributions to pensions.
- \* Double pensions (e.g. widows) will be reduced.

#### SAVINGS IN THE SOCIAL SPHERE

The more unemployment there is the more the costs of maintaining the unemployed form a burden for the state, and the more the state must save in this sector. The economy measures in the maintenance of the unemployed will come in the next phase of the budget reform, after the pension reforms of 1988. The ideological ground for this is already being prepared by the campaign against "social spongers". Thus already 800 million sch. has been cut by the Social Security minister from the budget of the Labour Market Administration (Arbeitsmarkt Verwaltung) - a fifth of the budget. From next year, after a certain level, unemployment benefits will be subject to taxation. It is a question, according to Economics Minister Graf (OVP) of the "privileged" upper 20% of the unemployed. The "leftist" Social Minister Dollinger was against this measure when it was proposed, but now he is in favour.

Various other economy measures are being

introduced which will hit the poorer sections of the population hardest.

- \* marriage and birth allowances are to be reduced
- \* rent subsidies will be abolished
- \* travel season tickets will be much dearer
- \* contributions for retraining will be reduced.

#### HEALTH INSURANCE

- \* Contributions for health insurance will be raised
- \* A daily rate of 50 sch. per person per day will be introduced for a stay in hospital on recommendation of Loschnal (SPO). Previously the SPO campaigned against such a measure.

Along with these measures will be a reduction in state subsidies to the building industry (50 out of 200,000 unemployed are building workers) and to agriculture. The problem of over production in agriculture will no longer be dealt with by state subsidies, but by the capitalist method of "peasant euthanasia".

#### TAX REFORM

Along with all these economy measures mentioned above will go a tax reform, again at the expense of the workers.

The highest rates of tax will be reduced from 60 to 50%, and in contrast tax exemptions for the medium and low range taxpayers will be abolished. This, after the previous SPO government had already reduced many taxes on the capitalists: during the period of SPO government the share of taxes paid by the capitalists fell from two thirds to one third of total taxes. These reductions are necessitated by the capitalist crisis, in order to make the capitalists more competitive on the world market.

The reality of the tax situation is a blow to all the petty-bourgeois illusions, peddled by the left of the SPO in the last decade, about making the rich pay for the crisis through tax policies.

#### OPPOSITION TO AUSTERITY POLICIES

So far we have dealt with the objective situation. Here we have to outline the problems of a resistance to the austerity plans, and the foundations for such a resistance.

One problem for a resistance is the generalised identification of the wage slaves with the financial problems of the bourgeois state. The



idea "the State - that is us all" is deep-laid. Many feel that resistance to the austerity policy will only lead to a worsening situation for everybody as tax payers. This outlook is an expression of the weight of bourgeois ideology on the working class and the lack of a revolutionary perspective. Everything that might resist the plans of the state is seen as "worsening the situation" and leading to chaos.

It is thus necessary for a resistance to the austerity policy that revolutionaries, who have a general understanding, gain a hearing in the ranks of the working class. Only a break with the bourgeois identification with state and nation will clear the way for a relentless struggle.

Where struggles have taken place they have been subsumed by the demand for a "better" policy in the specific sector affected. Thus teachers have campaigned against "education cuts", railway men's committees have demanded a "strengthening of the OBB" and so on. Each sector demands a better policy for itself and demands financial support, often at the cost of other sectors. But the struggle has to break from bourgeois logic, of seeking to put the greatest pressure on the state. What is necessary is to UNIFY the struggles of the various sectors in a single struggle. All must struggle together, demonstrating together, with slogans that can unify, such as "No Redundancies! No Cuts in Social Security! No Pension Cuts!"

## Editorial

CONTINUED FROM PAGE ONE

is presented by the CWO as a first step towards elaborating a global perspective for this most basic area of production.

For readers in India we hope the opportunity to read this text, and the rest of the contents of the present and future issues, will be made easier by the publication of an all-India edition of COMMUNIST REVIEW, under the supervision of the comrades of Lal Pataka. This was a decision confirmed at a meeting last August in Calcutta with Lal Pataka and IBRP delegates from Italy. Meanwhile it was decided to retain LAL PATAKA as the "local" Bengali language publication of the Bureau. The latest edition has gone to press. It contains an article on the growing influence of racism and reaction over the Indian working class, entitled "Not Racial Antagonism, What's Needed is Class Consciousness", as well as translations of CWO articles on 'Marxism and the Trade Union Question' and 'The Democratic Revolution, A Programme for the Past'.

Finally, the article on the Cobas, written by a comrade of BC and translated by the CWO, draws out the lessons of a rank and file movements which has degenerated into a combination of conventional trade unionism and a platform for capital's "extreme" left-wing factions as participation by the majority at the 'base' has declined. Not for the first time revolutionaries are confronted with the problem of how to establish a more permanent organisational link with militant working class elements as a particular struggle dies down.

Inevitably the article can hardly do justice to the political work of BC which has been systematically involved in the Cobas from the outset some 2 years ago. Sadly, we do not have the means to translate the mounds of leaflets, articles and pamphlets (some of which were in in such demand at the height of the movement that they had to be reprinted) into English. However, for any of our readers with a knowledge of Italian copies of most of these documents are available from the PCInt.

As we move into the last year of the Eighties the balance of class forces is still definitely on the side of the international bourgeoisie. Yet in its own small way, the work of the International Bureau pre-figures a different situation - when the tables are turned and when the patient and consistent work of revolutionary minorities in the present period bears fruit in the formation of a world party of the working class.

IBRP, January 1989



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