

the ripening of time

No 9

capital



(SAID ZAHARI has been in political prison since 1963 in Singapore. He is a journalist and was associated with the left-wing opposition to the Singapore and Malay regimes. He has been moved from prison to prison, from interrogation centres to Army camps for 15 years. His most recent words to his wife : I stand firm.)

The poem which follows was written in prison by Said Zahari in May 1969. Said wrote the poem in English after a series of racial riots in Kuala Lumpur .

“
Once again
History repeats itself
By savage deeds
In a civilised age

Once again
Hidden hands appear,
Seeking the blood
Of the poor and the wretched.

Once again
Colour, race, religion and language
Become sharp blades
To use in the carnage.

It has happened
In every corner of the earth
Where the few eat bread
And the rest sand.

It has happened
Where the few clothed in velvet,
Sleep in palaces;
The rest go naked, squeezed into shacks.

It has happened -
Then Hidden Hands reappear
Spilling the blood of the poor
To cling on to power.

”

Hidden Hands

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to the reader

This issue of The Ripening of Time concentrates on identifying the major elements for an examination of the bourgeois class and its origins in Ireland.

The article 'The Break Up of Capital' (part two) looks at banking capital and credit and its later merger with industrial capital. The role of banking capital and its concentration is key to the understanding of how the capitalist system extended across the globe.

Ground rent we argued in issue 7 of the journal is a social relation which must be scientifically understood before any serious attempt is made to examine the development of capitalism inside a social formation, especially one like the 32 Cos where the importance of agriculture was relatively huge. From this viewpoint, we continue an examination of ground rent and its different forms and roles inside the pre-capitalist modes of production as well as inside the capitalist mode itself. In the same article, we also examine the role of landed property in the development and growth of capitalist relations of production.

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This work, together with the essay on the fragmentation of capital : merchant, industrial, banking etc. lays the basis for a concrete analysis of the origins and strength of the various fractions of the bourgeois class in Ireland today, to be undertaken in the coming issues of the journal.

The third major article is an individual contribution by Dr. Roy Johnston on ' The Problem of Democratic Unity ' . This is an essay by a militant whose views and practice are well known in the Irish Left - although some of the perspectives argued here may perhaps be novel for some. We share with the author the appreciation and concern for the importance of unity of the democratic and progressive forces in the 32 Cos. Forging unity in struggle, not least in ideological struggle, is what the journal is committed to....this is why we have published this article with which we have major disagreements. The Editorial Collective intends to reply to the paper in a later issue and invites all organisations or individual militants who share the author's pre-occupation for unity to contribute to the debate.

Finally, this issue includes an extended section of book reviews ; so our letters page is carried over to issue 10.

The Ripening of Time will be soon celebrating its first double figures ; we ask all our readers to join in the celebration in any way they may wish. ■

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These last few issues of The Ripening of Time have examined the historical co-existence of different modes of production in Ireland. The complex and contradictory class structure which has resulted from that history will be the object of study for the next few issues. We have started this work and will continue to analyse the Irish social formation from the standpoint that the Capitalist Mode of Production is the dominant mode in the 32 Cos. - and thus its fundamental contradiction between capital and labour is the main motor force of class struggle.

This implies that the working class, the Irish proletariat, is the leading force in the struggle for the revolutionary transformation of society. It implies that the working class is the central subject which is making and will make history. It means that the struggle of workers against capital, however weak and disorganised it may be, is the primary force of revolutionary activity. In simple words, it means that the workers of this land will change society and build communism...and if they don't nobody can or will.

In a country though where the working class does not yet have an independent political space, where workers do not yet put their mark on society, on the political events, it can be argued, and usually is argued by various political forces, that this kind of 'theoretical' standpoint is merely abstract and basically useless for the task of formulating day-to-day political strategy. Is it at all possible to proceed from the above standpoint to political practice - in the 32 Cos, today? Is the above statement a mere 'theoretical' assertion, rhetoric some may call it, or does it have any direct political significance in the immediate?

As stated in the Editorial of issue 8, the economic crisis of capital is still alive. The so-publicised growth of the economy is a relative increase in the margins of profitability - but it doesn't in any way translate to a growth of wages or employment. We are in a situation where the needs of capital to maximise profits are directly dependent on the necessity for capital to keep prices high, rationalise the economy and throw people onto the dole and smother all attempts of workers to fight back. That strategy of capital has to be understood and explained in minute detail...thus the need for Marxist analysis.

But analysis alone does not provide revolutionary strategy...strategy has to come out of the lessons learnt from the fight of the working class internationally as well as out of the collective fight of the masses to answer their needs - today, in the 32 Cos. Strategy can only be built around the crystallised needs of the social practice of the proletariat. What does this mean exactly?

It means that the 'theoretical' centrality of the working class as the leading force of revolutionary change, and here most progressive comrades would agree that this is so, has to reflect the 'practical' capacity of communists to live, experience, understand and theorize from the daily social practice of the working class. The social practice of workers in the factory, in the estate, in the streets of the ghetto, in the training college, is the un/conscious response of the proletariat to the exploitation suffered from capital...and that response, that social practice which reflects that response is the starting point of all political strategy. For if it isn't, it isn't a strategy - it's day-dreaming.

Shift-work, overtime, disciplining, lay-offs, suspensions dreary and violent, monotonous and deadening is the life of the workers. North and South, uncamouflaged exploitation cries out for assertive political expression.

And that independent working class assertion of autonomy, wherever it comes from, however weak or contradictory it may be, is, must become, the starting point for the development of strategy for revolutionary communists. That assertion, that defiance, that will to exist and be free...violent and destructive of property (like the Post Office Engineers and the Liffey Dockyard workers), at times oppositional and stubborn, (Central Bank building site, Aer Lingus clerical workers) sometimes withdrawn and 'passive' (like absenteeism which is the desire of workers to control their time, the re-appropriation of time as use-value in order to be integrated, consciously or unconsciously in a social practice against capital) or even flowing with rage and revolt - (violence in the estate or the ghetto).

But however it comes across, whether it 'hits' the headlines or not, that social practice of workers is the motor force of struggle, of class history. It is that social practice which finally determines the rate of extraction of surplus value - the rate of capital growth. It is that social practice of the numerically weak, politically marginal but potentially revolutionary Irish proletariat which is the most powerful force of communists.

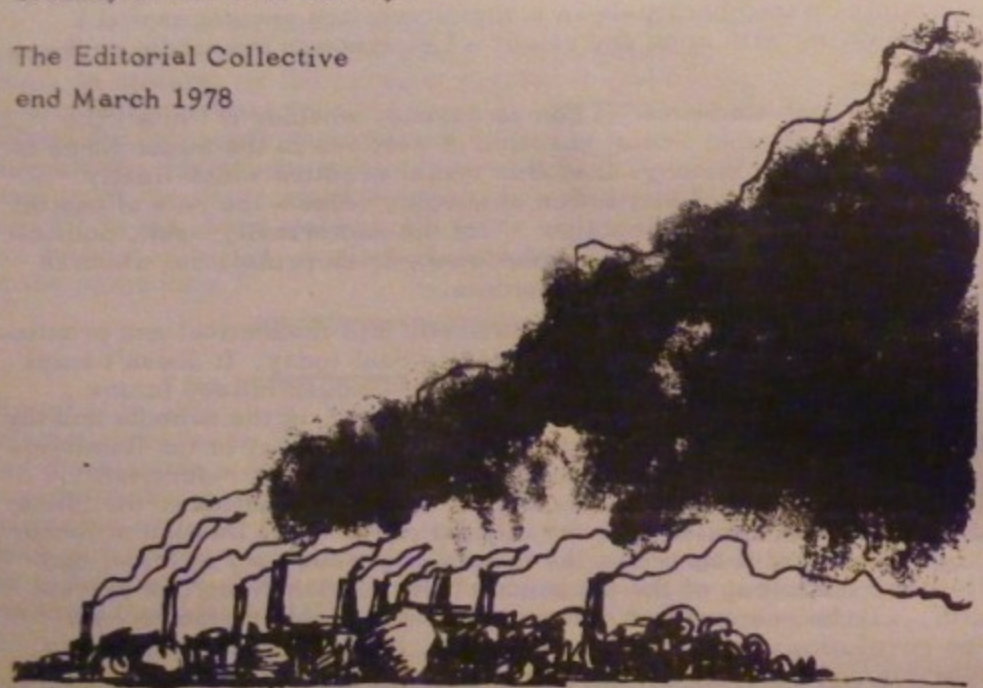
And it must be emphasized, this theoretical and practical centrality of the Irish working class is real today. It doesn't exist in a hypothetical time-constrained to - be - industrialised future. It vibrates in the factories, in the communities, in the schools and the colleges...it is the pulse of the people in the Unions, in the Republican organisations, in the bureaucratized structures of reformism... it is the conscious or unconscious spontaneous opposition to the plans and blueprints of capital: on the context of the socialisation of labour, of high prices, of fragmenting the means of production, of lethal and pollutive industries, of the presence of the British Army, of private health...the response of the working class is all the power and force revolutionaries have. Outside that, there is chit-chat, gossip, sectarianism, bullshit and little else.

Partition and the national question sweep away that centrality of the working class into the quicksand of class collaboration. That is perhaps the greatest reason why communists and revolutionary socialists must involve themselves directly into the national struggle and help the anti-imperialist movement to a swift victory. This is not the place to dwell on the contradictory tradition and practice of the multi-class but petit-bourgeois led Republican Movement which looks nostalgically to the past and rarely towards building a new society on the destroyed ruins of capital. But that tradition of death and despair never puts its trust in the people and keeps harping on the "authenticity" of its revolutionary credentials.

Be that as it may, without independent working class organisation, revolutionary groups and Parties (so many of them), claiming the honour of 'representing' the working class, chugg along lamely forward - either tailing or opposing the Republicans. A false battle, a deadening strong bulb which attracts the little flies and

burns them off. While the many disparate and often isolated battles of workers, at times even inside the Republican Movement, cry for support and unity which hardly ever comes - and partial defeat usually follows. And around these issues of analysis and contradiction the fragile unity of purpose amongst the progressive forces regularly breaks down and fragments. Caught between the two false premises of the 'optimism of will' and the 'pessimism of rage' the progressive forces tread in the path of their historic mission with lack of conviction and a largely marginal existence. While the class war goes steadily on till final victory.

The Editorial Collective
end March 1978



The break-up of Capital

In issue 7 of Ripening of Time, we opened a study of the different forms of capital. (1) The objective of this study is to examine the role and function of different forms of capital (such as merchant capital or industrial capital) throughout the entire process of production, distribution and exchange. We have stated that there exists an overriding unity across these different forms of capital based on the fundamental contradiction of capital and labour. This means that the extraction of surplus value from labour, the exploitation of the working class by the capitalist class lays the basis for a strong and crucial economic and political unity inside the bourgeois class. Notwithstanding this fact, there exists competition and contradiction between different capitals, and distinct fractions of the bourgeois class, who derive their profit from different parts of the productive cycle. There are also strong contradictions between the bourgeoisies of different countries, clearly evident in the violent inter-bourgeois conflict through the two World Wars.

So far, we have examined merchant capital and the historical rise of industrial capital. In this issue, we look at banking capital and the huge transformations which took place in the era of imperialism, giving birth to a new and powerful form of capital - finance capital. Banking capital has its origins in money-dealing and interest-bearing capital, which with the advent of credit played a function in the circulation of capital across the entire bourgeois class. Finance capital, on the other hand, is a new form of capital which came into existence through the merger of banking and industrial capital, in the new stage of the capitalist system - monopoly capitalism.

In fact, Marx argues that the development of banking capital enabled the capitalist system to extend its domination across the globe, playing a crucial role in the colonial domination of the globe. Later on, Lenin argues, that the strength and power of finance capital enabled the capitalist system to complete its domination of the world, establishing capitalist relations of production in its farthest corners. In both these arguments, it is clear that the capitalist system in expansion implies new relations and forces of production, which both enable this expansion to take place and also necessitate expansion. Thus, we examine both the historical emergence and growth of different forms of capital as well as their inter-relationship.

The specific historical development of capitalism inside one social formation shapes and determines the development of different forms of capital. For example, the beginning of the 19th Century in Ireland was a period of rapid growth of the banks. These banks were set up by both merchants and landlords, but given the colonial domination of this country by the English, these same landlords carried much of their dealings through the strong English banks - and native banking remained weak and not very extensive. Finance capital in Ireland today is controlled by US, British or German capital, the direct result of the imperialist domination of this island. Where we refer to the historical developments of different forms of capital, these will for the most part be general historical developments of the entire capitalist system - the specific developments in Ireland will be examined in the series on 'The Bourgeois Class in Ireland'.

1. Banking Capital

Banking capital and credit provided the means for the capitalist class to expand its capacity to accumulate. For the bourgeoisie, the banks are the means to expand and exploit a greater and greater amount of labour power. In itself, banking capital is not the heart of capital accumulation - this is the function of capital directly in relation to labour, industrial capital - but it is its pulse, so to speak. It enables capital to circulate, profits to be realised and investment to take place in the most efficient manner possible for the bourgeoisie.

There is a certain half-truth to the notion that 'your money will grow with the AIB'. But what this hides is the fact that money will only grow in volume when put into the banks because that money goes out of the bank vaults and is transformed into the capital of merchants or industrialists. The banks are the catapult for accumulated capital to go back into a new cycle of exploitation. The 'growth' of the money is simply the surplus value stolen from the working class inside production itself. Very little of the money which goes into banks actually stays there - the vast proportion of it goes right back out again under the control of different capitalists. Growth, in the capitalist system, is not magic, it is the product of more and more surplus value extracted from the working class and controlled by the ruling class, the owners of the means of production.

The important point here is that when we look at bank capital, we are concerned with money as capital and not the other functions which money plays inside the system. Money is also a means of exchange - it is used as the value equivalent of all commodities. Historically, money was also a means of storing wealth - but this function has receded enormously in these days of chronic inflation. Banking capital has its origins in money-dealing capital. Money-dealing capital is money loaned to the merchant or the industrialist who in turn invests it into one or other sphere of production. In return, the money-lender receives interest. It is vital to distinguish here from money loaned to the capitalist who invests it and money loaned to a worker a small farmer or a student. In the first instance the

money is transformed into capital whereas in the second money is loaned or borrowed directly because wages are below subsistence level, forming part of consumption. To explain: money-lenders in Ireland, both historically and today, loaned money to peasants or workers, who could not meet their daily needs, such as rent, food, clothing or furniture, from their wages or from the sale of the product of the land. In many cases this meant death, imprisonment, loss of means of livelihood (land) or emigration. It resulted in the reduction of the level of the workforce itself.

This is not the case when money is used as capital - here it is loaned to a capitalist and invested directly into production. Originally this transaction occurred between individuals, members of the ruling class. A landlord or merchant, with vast amounts of accumulated wealth would loan money to another capitalist. Gradually, the lending - borrowing of money became the full time occupation of individuals. Later, this process was centralised into the hands of a specific section of the ruling class, giving birth to banking capital. Today, this is so extensive, that individuals who put their savings into the banks or post-offices, release that money for use by a section of the capitalist class. Thus, money that you or I put into a bank may get transformed into capital, but that does not transform us into capitalists. We do not control the £200 or even £2,000 in the bank once it is transformed into capital. We may be able to get the money out of the bank, but it is the banks who transform the money into capital, loaning it to different capitalists, outside of our control.

The Transformation of Money into Capital:

When money is transformed into capital - it becomes a commodity. It is the commodity of the entire capitalist class. The use-value of this commodity - money - is its capacity to extract surplus value from the workers. All money loaned, that gets interest in return, gets that interest on the basis that it is transformed into capital - that it is put into the productive cycle in relation to labour. It is the merchant, the industrialist or the landlord that puts this money into productive use, investing it into a sphere of production. The function of the money-capitalist is to circulate capital from one fraction of the bourgeois class to another. In return for carrying out this function, the money-dealer gets a portion of the total surplus that is extracted inside production.

We can now assemble a clearer picture of the fractions of the capitalist class. In issue 7, we examined the function of the merchant capitalist and the industrial capitalist. The industrial capitalist is directly involved in the extraction of surplus value and appropriates a part of this surplus value, what Marx calls 'profit of enterprise'. The merchant plays a function in realising this surplus value and appropriates another portion of surplus value called 'merchant's profit', and the money-lender/banker appropriates a third portion in the form of interest accruing from the circulation of capital. Finally, a portion of surplus value goes in rent to the owners of land - this is examined in detail in the article on Agriculture, section dealing with 'ground Rent'. Given the specific function of banking capital, in the circulation of capital across different spheres of production, it is clear

that money-capital only exists when there already exists merchant and industrial capital or land capital. In the development of the Capitalist Mode of Production, then, money-capital or banking capital develops after these earlier forms of capital.

We can now look a bit closer at the origins and the functioning of money-capital. We have said that money is the 'commodity of the capitalist class as a whole'. Each amount of money has a potential to earn profit - not on chance - but as potential capital. The extent of the profit which can be made is calculated on the average rate of profit. If £100 is loaned to an industrialist, under conditions where the average rate of profit is 20%, then the total profit appropriated from workers when this money is invested is £20. The industrialist and the money capitalist receive a share of this £20.

The question of the average rate of profit is discussed at greater length in issue 7 of Ripening of Time (pp 46 - 48). Marx argues that there exists a rate of profit for each sphere of production. Under 'normal' conditions of capital accumulation, there is a tendency for the rate of profit to equalise. This means that if there is a higher rate of profit prevailing in one sphere, there will be a movement of capital from the sphere with the lower rate of profit to that sphere with a higher rate of profit. It is precisely to facilitate this movement that banking capital exists.

Originally those who dealt in money came from the aristocracy who held vast amounts of accumulated rent or, as in Ireland, in the 18th and 19th Centuries the middle-men (agents) of absenteeist landlords, who had accumulated wealth but were without a capital base of their own. Many merchants turned money-dealer as industrial capital became the dominant form of capital on a world scale.

In Ireland, the first bank was established by merchants in Cork in 1680, by two families the Pike's and Hoares. In 1693, La Touches bank was set up in Dublin, originating as an off-shoot of the poplin manufacturing. This was the first major Irish bank and the third son of the owner became the first Governor of the Bank of Ireland, established under Grattan's Parliament. La Touche's clientele according to Barrow, in his book, 'The Emergence of the Irish Banking System', were principally the landed rich.

In these cases, as the banks established, the equalisation of the rate of profit was brought about by the injection of money-capital originating outside the Capitalist Mode of Production, rather than a transfer of capital across different spheres of production within the capitalist system. Today, in most cases these transfers take place within the system and with the extension of capitalist relations of production all over the globe, this process happens at a highly accelerated rate.

This expansion was directly linked to the rise of the banks and the advent of credit which we will examine shortly.

Marx provides us with a useful summary definition of money-capital:

"Capital as such has become a commodity...selling consequently has turned into lending and price into a share of profit." (2)

In dealing with the question of money-dealing capital,

Marx argued strongly against those who accepted the appearances of money dealing. He calls the contract between lender and borrower a 'legal fiction' which hides the true nature of the exchange. On the surface, this legal fiction appears as a contract between the borrower and the lender, one agreeing to pay back money borrowed over a specified period of time, with an additional sum, called interest. The reason that interest is paid is hidden inside a contract which states it as 'fact'. The economic foundation of this exchange is not present in the contract. The fact that the borrowed money is directly invested as capital through which surplus value is extracted from working people, is outside the terms of the legal piece of paper.

This creates the illusion that money has a value in its own right. In reality, its value is in its relation to labour as capital - it is no inherent characteristic of the notes or coin. Having money and holding it is of no value, either it can be consumed through the purchase of commodities or else in order to increase its value it can be put to use as capital, thus interest is paid. Thus the basis of the exchange is economic, tied to the relations of production of the capitalist system. What is visible is a legal contract whose internal logic puts the value on the money itself. This legal fiction is clearer as we examine credit, which in its operation contains a series of legal fictions, appearing separately from production itself.

2. The Credit System

So far, we have considered the question of money-capital as a transaction between individual capitalists based on the transformation of that money into capital and its investment into a sphere of production. As the capitalist system expanded, so too did the number of these transactions. With this expansion, the individual nature of this process is socialised and the banks act as the 'managers of money'.

"They become the general managers of money-capital. On the other hand by borrowing for the entire world of commerce, they concentrate all the borrowers vis-a-vis all the lenders. A bank represents a centralisation of money capital, of the lenders, on the one hand, and on the other a centralisation of the borrowers." (3)

Thus huge amounts of loanable capital are concentrated in the bankers' hands. They act as middle-men for the actual borrowers and lenders - centralising all loanable capital as the cashiers of the industrialists and merchants and as the managers of those with accumulated wealth. With the development of the banking system, the temporary idle money of all classes concentrates in the banks. Here, revenue is transformed into capital where previously it would have been gradually consumed.

The development of credit goes hand in hand with the development of banks. In its simplest form credit is 'an advance'. If we consider the chain: importer of raw material - purchaser of raw material - manufacturer - retailer - consumer. Inside this chain, if

the importer advances the material in lieu of payment, a whole series of advance payments can proceed right through the chain. This is COMMERCIAL CREDIT or credit extended by those involved in the different stages of the process of production and reproduction. The banks take on the role of creditor for each stage of this process - this can involve one or many banks. In this way, the time element involved in the process of production and reproduction is eliminated, because of the availability of credit. Each part of the process can proceed as if the entire process has been completed. The manufacturer does not have to wait until his product has been sold and thus his surplus realised in order to begin the process all over again. The equivalent value in money has been advanced. Despite this, the system continues to act at an ideological level as if this time factor were crucial. The idea that wages cannot be paid until the 'end of the week'; in this way, labour power is in fact, being advanced to the capitalist.

As the functioning of credit is separated from the different stages of production, we have BANKING CREDIT. The bank filters the creditors and debtors through separate institutions and extract a share of the surplus for their own profits. What happens is that money is borrowed at a lower rate of interest than it is loaned. The difference between these two corresponds to the average rate of profit on the total amount of money advanced. But, it is important to point out here that credit is not arbitrary or unlimited. A bank can only loan out the equivalent of its total deposits - and in fact, statutory regulations generally state that 10% OF A BANKS' ASSETS must be held in cash.

" It is unquestionably true that the £1,000 which you deposit at A today may be reissued tomorrow, and form a deposit at B. The day after that, reissued from B, it may form a deposit at C...and so on to infinitude; and that the same £1,000 in money may thus, by a succession of transfers, multiply itself into a sum of deposits absolutely indefinite. It is possible, therefore, that nine-tenths of all the deposits in the United Kingdom may have no existence beyond their record in the books of the bankers who are respectively accountable for them... Thus in Scotland - for instance - currency (mostly paper money at that) has never exceeded £3m, the deposits in the bank are estimated at £27m... Unless a run on the banks be made, the same £1,000 with which you cancel your debt to a tradesman today, may cancel his debt to the merchant tomorrow, the merchant's debt to the bank the day following and so on without end; so, the same £1,000 may pass from hand to hand, and bank to bank, and cancel any conceivable sum of deposits. " (4)

What this quotation from Marx demonstrates is that each credit advance is in fact a 'purchase and sale' which has yet to be completed. The smooth operation of the credit system requires that each part of the process is carried through as planned - that there are no blockages in the cycle. What is also clear here is that the development of credit opens the system to widespread speculation. For example, the amount of credit advanced hinges on speculation as to what price a final product will get on the market. If for whatever reason the cycle is blocked, it is likely that individual capitalists will

go to the wall, unable to meet payments. As Marx has said on many occasions 'one capitalist kills many'. The banks as they grow begin to play a decisive role in determining where new investment will go - who they will give credit to. This role of the banks demonstrates clearer that behind the legal contract of loaning money lies a complex network of capital accumulation, rate of profit, existence of markets, labour force and political power.

It is important to state that credit gives the illusion that the amount of capital available in the society is a lot greater than it actually is.

" With the development of interest-bearing capital and the credit system, all capital seems to double itself, by the various modes in which the same capital, or perhaps even the same claim on a debt, appears in different forms in different hands. " (5)

Marx argues that "all this paper actually represents nothing more than accumulated claims, or legal titles, to future production". Thus credit does not expand itself the amount of capital but it stretches the cycle of production-reproduction to its outermost limits accelerates the entire process and thus increase the rate of CAPITAL ACCUMULATION.



The important functions of banking capital and credit can be summarised as follows:

1. Effects the equalisation of the rate of profit across different spheres of production.
2. Reduces the cost of circulation.
3. Accelerates the individual phases of the process of production/reproduction.
4. Reduces the amount of capital held in reserve, thus enabling greater amounts of capital to be used inside investment, in production rather than being held as money-capital or in the form of accumulated wealth.
5. Facilitates the formation of joint-stock or holding companies. The notion of credit is central to the whole notion of stocks and shares - whereby capital is advanced to a particular enterprise (through the purchase of shares) which give a specified return annually. This process, which is so familiar to us today, was unknown inside the capitalist system prior to the development of credit. The result of this is the huge expansion in the scale of production which explains the importance of the banks in the expansion of capital on a world scale.

It is this last point which indicates the importance of the banks in the later process of monopolisation. At the present time, it is sufficient to state that the fact that accumulation accelerated through the growth of the banks was due to the increased scale of production, itself a partial result of the role of the banks - thus their importance in the colonial domination of the world. New sources of raw materials, of labour and new markets for products were essential to the expansion of production itself.

Before examining the transformation of banking capital through the era of imperialism, which was characterised by enormous concentration of the banks, there is a further question to deal with in relation to banking capital itself. How is the specific share of surplus value, appropriated by the banks, calculated? This necessitates a study of the rate of interest itself.

How is the Rate of Interest Calculated?

As we have already seen, interest is a part of surplus value extracted from the working class inside production. It is paid by one capitalist to another - part of the subdivision of surplus value across the entire capitalist class. Because it is part of surplus value extracted - the MAXIMUM amount that interest can be is the total amount of profit extracted inside production. The rate of interest cannot be higher than the rate of profit. If profit equals interest, then this implies that the industrialist or merchant who borrowed money from the banker and invested it as capital would have to hand over the entire profit generated to the banker - retaining no share for him/herself. In general, we can say that interest is a portion of profit and the rate of interest is always less than and regulated by the rate of profit.

While 'Interest is regulated through profit, or more precisely, the average rate of profit', the precise level of the interest rate is determined by the DEMAND and SUPPLY of money. Thus, the rate of interest is nothing more than the market price of the commodity - money - and this price is determined by supply and demand, as with any other commodity. Its value, on the other hand, is a different matter, and is directly tied to the capacity of that money, as capital, to extract and appropriate surplus value.

DEMAND is determined by the need of the rate of profit to equalise across different sectors of production. This rests on the availability of a labour force, the state of capital accumulation (with reference to production/overproduction) and the level of exploitation. Capital in expansion implies a high demand on money capital for new investments.

SUPPLY is determined by the existing level of capital accumulation inside a specific social formation. This hinges on the historical nature of capitalist development. A high level of accumulated surplus from the pre-capitalist mode (for example the feudal mode in England), results in vast amounts of accumulated wealth controlled by a section of the ruling class without a base of accumulation within the capitalist mode. This money-wealth, if it is released for banking activities can significantly alter the money-supply. The strength of the aristocracy in England, a product of feudalism and the colonial exploits of the English State, provided a historical basis for a strong banking system, as the landlords turned money-dealers and bankers. As banking capital develops, productive capital will be converted into loanable capital if the rate of profit is higher in this sphere than in other spheres. In this sense, the supply is regulated by the movement of capital through the equalisation of the rate of profit, which banking capital itself facilitates.

In summary, it is the relation between the amount of available loanable capital and the level of demand for it that gives rise to a continuously fluctuating market price (rate of interest). Given this, the capitalist is confronted with a fixed interest rate on a day-to-day basis.

This fixed rate of interest is extremely important when we consider different spheres of production. While there is a continuous movement of capital within the tendency for the rate of profit to



equalise; at any one point in time, one sphere of production will have a higher rate of interest than another. Issue 7 of Ripening of Time in the article on reflections on Agriculture, discussed the capacity of agriculture to put a barrier on the tendency for the rate of profit inside agriculture to equalise with that of other spheres - thus, maintaining a consistently higher rate of profit.

For example, if the average rate of profit is 20%, while in agriculture the rate is 25%, with an interest rate of 10% - we will get the following results:

For every £1,000 borrowed - £100 is paid in interest. In agriculture, £1,000 invested generates a profit of £250 (of which £100 or 40% goes in interest). If the same £1,000 were invested in industry, with a rate of profit of 20% - realised profit would be £200. (Again £100 goes in interest - or 50%). There is a difference of 10% in the proportion of profit going in interest in these two cases. This is partly an explanation for the historically close links between the banks and the landowners..

The division of capitalists into industrialists, merchants, bankers and big farmers corresponds to the break-up of capital, and thus profit, into profit of enterprise, merchants profit, interest and rent. The competition between these different fractions directly effects the rate of interest - by altering the demand for money and also by converting capital into loanable money if the rate of profit is high on money capital. If we could conceive of a zero rate of interest - we could deduce that sufficient capital is already in use in the various spheres of production without any additional capital being brought into use. This means that additional capital would not yield a return, and the functions of the bankers would have been made redundant - capital would not be in circulation.

Banks - Credit - Crises

The recurring cycle of capitalist crises results in shifts in the rate of interest. Capitalist crises, Marx argues, are the result of overproduction - and this overproduction is directly reflected in both the demand and supply of money (interest rate), and the general circulation of capital. Inside a crisis, the rate of profit is falling, and to counteract this, the capitalist system sheds part of its capacity: lay-offs, redundancies, factory closures and dumping of goods. This is the anarchy of capitalist production.

What does this mean for the banks and the credit system ?

A crisis of overproduction means that the cycle of production/reproduction gets blocked. Reinvestment does not take place, productive capacity is shed. Credit stretches the cycle of production to its outermost limits. Those who have operated at the fully stretched out capacity of the cycle, depending on its smooth operation and reproduction, are faced with the immediate payment of debts, which can no longer be put forward to the next following. This produces a rush for money to pay off the sales/purchases of each stage of the cycle. Crisis also implies that speculated prices for final products may not be reached on the market, so part of these payments cannot be paid. The demand

for money increases drastically and simultaneously the capacity for the bankers to convert their assets into money is restricted. Marx emphasises the double effect on the demand and supply of money inside a crisis. The result of this is that the rate of interest rises dramatically.

" If we observe the cycles in which modern industry moves - state of inactivity, mounting revival, prosperity, over-production, crisis, stagnation, state of inactivity, etc. - we shall find that a low rate of interest corresponds to periods of prosperity and its reverse, a maximum of interest up to the point of extreme usury corresponds to a period of crisis. The Summer of 1843 ushered in a period of remarkable prosperity; the rate of interest still $4\frac{1}{2}\%$ in the Spring of 1842, fell to 2% in the Spring and Summer of 1843; in September it fell as low as $1\frac{1}{2}\%$; whereupon it rose to 8% and higher during the crisis of 1847. " (6)

The crisis the capitalist system has undergone over the last few years reflected a similar shift in the rate of interest. At the end of 1976, the 'world interest rate' was about $15\frac{1}{2}\%$; through 1977 it dropped slightly to about $12\frac{1}{2}\%$ and in 1978 has begun to rise again. The bourgeois economists are predicting a full swing up again - in itself an indication that the crisis is not over.

Concentration in Banking Capital

" At allevents, in all capitalist countries, notwithstanding all the differences in the banking laws, banks greatly intensify and accelerate the process of concentration of capital and the formation of monopolies. " (7)

Concentration in banking capital occurred at an enormous pace, inside the capitalist system, at the end of the 19th and the beginning of the 20th Centuries. This concentration transformed the role of the banks themselves. The original function of the banks was to act as middle-men in the making of payments, thereby facilitating the circulating of capital. The concentration of banking into a small number of enormous establishments develops a new situation, in which a few powerful banks control the entire money-capital inside one social formation. When we consider that banks transform inactive money capital into active money-capital, this monopolisation of banking implies that the powerful banks achieve greater and greater dominance over new investments and the general movement of capital.

Monopolisation is not exclusive to the banks - it occurred equally rapidly through the same period in different sectors; industry, commerce, agriculture as well as the banks. The important point is that the functioning of banks had already become a central part of the capitalist system, credit had become a daily part of running industry and commerce. Because of this, the centralisation of control of money-capital meant that all spheres of production were tied to the same small number of powerful banks for money-capital.

In Germany, by 1913, there were four major banks controlling 83% of total German banking capital; in France, there were just three giant banks; in Britain and Ireland in 1910, 8 big banks controlled 2,400 branches. While the number of banks is reduced to single

figures, branches of these banks reach five figures over very short periods of time. The operations of the banks are decentralised but under monopoly control. In his pamphlet, 'Imperialism, the Highest Stage of Capitalism', Lenin points out that the growth of the banks under conditions of monopoly produces simultaneously a decline in the role of the stock exchange. Prior to this, the stock exchange played an important function in circulating capital - through the buying and selling of stocks and shares. The development from the stage of free competition to monopoly, shifted the emphasis in the circulation of capital, almost entirely to the banks.

It would be false to consider that this concentration inside banking, means that the 'banks control everything'. The fact that monopolisation takes place in all spheres of production implies that in any one area of production, a number of extremely powerful firms control the majority of production. This creates a situation of a few banking monopolies dealing with a few industrial monopolies in one area of production. Thus, rather than deducing the 'super-control' of the banks what in fact happens is a union between the banks and industry, especially across the monopolies of both. This has produced a specialisation within the banks themselves, for example the development of 'industrial banks' - these banks organise and finance mergers, give financial advice, channel funds to new industrial investments etc.

In Ireland, there are four major banking groups today - two of these are part of British monopolies: Northern Bank (Midland) and Ulster Bank (National Westminster). Of the four (including the Bank of Ireland and the Allied Irish), the assets of the Allied Irish are the largest at £1,784.7m. Total pre-tax profits of all four, as officially recorded, for the year 1977, was close to £75m. More recently, there has been the development of merchant banks directly under foreign control (US, French and German) - these banks are not for individual accounts but are concerned with investment in manufacturing, construction and services. It is this convergence of the banks and industry which lies behind the emergence of a new type of capital... **FINANCE CAPITAL**. Before looking at the specific nature of this type of capital, it is important to state that the capacity of the banks to put huge amounts of money-capital at the disposal of industry and agriculture enabled rapid expansion of capital to take place on a world scale. In the era of imperialism, domination changed its character; from the export of commodities and the pillage of labour and raw materials to the direct exporting of capital and its investment inside the dominated countries. Monopoly control of money-capital was an essential part of this process, as well as the merger of banking and industrial capital - the emergence of finance capital.

3. Finance Capital

It is impossible to discuss finance capital outside the context of the internationalisation of capital. A full discussion on the process of internationalisation of capital, the development of production units across national boundaries and the implications of this is contained in the series on 'Internationalisation of Capital' in issues 2, 3 and 4 of Ripening of Time.

Finance capital is the most powerful form of capital - it emerges from the convergence of interests of banking and industrial capital in the expansion of capitalist relations of production on a world scale, in the counteracting of the tendency for the rate of profit to fall and in the increasingly rapid accumulation of capital globally.

The break-up of capital into distinct fractions with separate functions produces a contradiction between circulation and production. This contradiction, of which finance capital is the manifestation, is not resolved through the emergence of finance capital, but in fact reappears inside it. Among Marxists, there is considerable amounts of well-researched debate on the form and component elements of this contradiction.

One interpretation of finance capital is that of Christian Palloix :

" It is as the process of articulation of different spheres of the capitalist mode of production, that finance capital appears as the 'fusion', the 'unification' of different fractions of capital - banking capital, industrial capital, commercial capital - who participate specifically in each sphere of the Capitalist Mode of Production. " (8).

While Palloix presents us with a unilateral fusion of opposing elements, within which banking capital is implicitly dominant, Lenin insists on the primacy of monopolies and concentration, in the process :

" The concentration of production ; the monopolies arising therefrom; the merging or coalescence of the banks with industry - such is the history of the rise of finance capital and such is the content of this term. " (9).

Poulantzas, similarly, leans on a double sided interpretation, weighted as Lenin has outlined, above:

"The term merger refers to a two-fold process, with two aspects that are united but relatively distinct :

- a. The process of concentration of industrial-productive capital on the one hand, and the process of centralisation of money-capital (banking capital) on the other;
- b. The forms of interpenetration and the relations between these two aspects. " (10).

Finance capital, thus, produced a close working together of banking and industrial capital - itself the result of monopolisation. Monopolies produced an inter-dependence between the huge monopolies of both banking and industry. That interdependence worked out as follows :

Firstly, there is the overlapping of ownership and management/directorship personnel of industry and banking. As early as 1905, in Germany, six of the biggest banks were represented on either the Board or in the Directors of 751 companies, while in these six banks, their Boards included 51 of the biggest industrialists. (11)

Secondly, the development of the 'holding system', of mother companies, subsidiaries and sub-subsidiaries. This process enables the monopolies to control whole sectors of production - by having a controlling interest in an entire series of related production units; or even across sectors of production. It also allows them to avoid taxes, shifting their profits across borders, avoiding excise and custom duties.

The different appraisals of finance capital by contemporary Marxists rests on the primacy given by each to either money capital or productive capital...to either banking capital or industrial capital. For some the contradictions at the level of production are primary, for others the contradictions of the level of circulation are crucial. For Christian Palloix, it is plain :

" Banking capital and finance capital are not two distinct fractions but two forms of different existence of the same money-capital, realised in value in a monetary form . " (12)

For Nicos Poulantzas, industrial capital continues to be the relation of capital to labour directly - the process of extraction of surplus value. Banking capital is not such a relation of production but a relation of distribution - the circulation of capital across different spheres of production. Thus industrial, or productive, capital is, for Poulantzas, the primary element of finance capital, resting as it is on the fundamental contradiction of the Capitalist Mode of Production - the exploitation of labour by capital.

This is not to deny that the circulation of capital is essential to the functioning of multinational companies which extract surplus value from the workers of so many different countries. But inside the relation of banking capital and industrial capital - finance capital - there is a dominant element.

If we took as an example the First National City Bank of New York : it controls 633 international banks in 80 countries - itself is controlled by the Rockefeller Group who also control ITT, Inland Steel, Caterpillar, Standard Oil and so on. There is a clear and real convergence of interests of banking and industrial capital but at the same time the share of the profits between the two component parts, banking and industrial capital, are a source of contradiction, as is the direction of investment into the one or the other sphere - industry or banking.

The monopolisation of both industrial and banking capital means that fewer and fewer units control money and productive capital

the world over. At the same time, capital accumulation is in expansion. Thus finance capital implies a unified control of the extraction of surplus value, its share between industrial and banking capital and the process of re-investment. Also, the banks control the entire amount of money capital in the society, part of this coming from the revenue of all social classes; thus the banks control sources of new capital - capital which has not yet entered production.

As a result, it can be asserted that the global development of finance capital enables production to be organised on a world scale. The implications of this for dependent countries like Ireland where the entire economy is dominated are clear. But, perhaps less obvious, the implications of this global development of finance capital for the so-called socialist world are less than negligible.

Long live Transideological Enterprise - that is perhaps the slogan for the future of capital.

Conclusion

We have studied the economic forms of different capitals. These forms will not necessarily correspond to political organisation inside the bourgeois class. Fractions of the bourgeoisie which exert a definable political influence require new categories of study. For example, that fraction of the bourgeois class which is totally dependent on foreign capital, the comprador fraction (what Roy Johnston in his article calls the ' parasitic ' bourgeoisie), will cross the divides between banking, industrial and merchant capital.

The political divisions inside the bourgeois class : monopoly / non-monopoly, comprador / domestic / national etc. will require a separate examination. Contradictions criss-cross the ruling class and certainly do not fall neatly into fractions on the basis of forms of capital examined above. These political fractions and their relations to international capital, will be discussed in the article on ' The Bourgeois Class in Ireland '.

- 1 Ripening of Time no.7 p.7
- 2 Marx - Capital (Lawrence and Wishart) Vol.III p.347
- 3 as above Vol. III p.402
- 4 ' The Currency Theory Reviewed ' by an English banker 1845 p. 62 (quoted in Capital Vol. III p.406)
- 5 Marx - Capital Vol. III p.470
- 6 as above Vol. III p.361
- 7 Lenin , Imperialism the Highest Stage of Capitalism Peking edition 1964 p.39
- 8 Christian Palloix ' Les firmes multinationales et le proces d'internationalisation ' Maspero 1973 (no English translation available) p. 168
- 9 Lenin, as above , p.53
- 10 Nicos Poulantzas ' Classes in Contemporary Capitalism ' NLB London 1975 p.110
- 11 Jeidels ' The Relationship of the German Big Banks to Industry ' Leipzig 1905
- 2 Christian Palloix - as above p.169

(The paper which follows was read to a meeting of the Wolfe Tone Society, in Dublin , on Jan. 24 1978. The views expressed engage only the author of the paper - they , in no way reflect the views of the editorial collective of the Ripening of Time .

The manuscript was received by mail and we decided to print the essay while reserving all rights to reply and debate. A letter has been sent to the Wolfe Tone Society asking them to arrange a meeting, at a suitable date, so that comrades of the editorial collective could present their views . To date no answer has been received.

We invite all organisations, groups and individuals wishing to comment, answer, criticise or support the paper to send their views to the journal. We undertake to print all communication received on the matter.)



Roy Johnston

On the problem of Democratic Unity

In this statement for which I alone am responsible, I attempt to re-formulate the central problem facing the Irish people (namely the achievement of a successful nation-state, in the form of an independent democratic republic) in a manner calculated to provoke some self-analysis on the part of the various political groupings which claim to have this, or its stronger form 'socialist republic', as their objective. If as a result of this self-analysis there emerges some recognition of the nature and scope of the problem often labelled 'unification of the democratic forces', then a success will have been scored. I do not go so far as to be optimistic that the practical steps proposed will become a reality, as the countervailing forces are considerable.

It has been argued many times (by George Gilmore and others) that the root of the trouble lies in the failure of the Labour Movement to keep up the momentum of its leading role in the 1916 Rising, as represented by the participation of Connolly backed by the Citizen Army and the ITGWU. The detailed steps whereby the 1913-23 period are connected to the present period beginning in, say, 1968 and still continuing, are a matter for the historians.

I propose to begin with a contemporary ' snapshot ' of the situation, attempting to specify the system we are dealing with and its environment. Within this system are certain contradictory forces and some specific problems of theoretical analysis, some of which I feel might repay examination on common ground by various disparate groups which currently appear to be in some disagreement.

WHERE WE ARE NOW

We live in a multi-class society, politically divided into two regions, one under direct British rule, the other having political independence but without the political will to use it. The focus of this article is on the latter, but it will be necessary to keep the former firmly in mind. The class structure in the Republic may be described as follows (in an abstraction useful for descriptive purposes, the reality being a complex shading of one into the other):

*1 A parasitic bourgeoisie which makes its money by speculation in land, company stocks and shares, mergers, asset-stripping, fronting for multinationals and other devices which contribute nothing to the production of real wealth. This group pervades the financial bourgeoisie and is primarily responsible for the stifling of any State initiatives independent of the multinationals; it is influential in top State circles and dominates the formulation of economic and financial policies; its prime aspiration is to strengthen its links with its colleagues in Britain, in the EEC, in the US and elsewhere.

*2 An entrepreneurial bourgeoisie which fulfils a productive function; it usually owns its means of production and gives employment individually; its members have often evolved to this position by fulfilling a management function in a State enterprise, which they use as a starting-point for their own business, or form a self-employed situation. There is therefore a continuous recruitment into this class from the upper strata of salaried workers and from the self-employed; individual success is often registered by doing a deal with a multinational; this can sometimes, depending on the nature of the deal, bring a person out of the entrepreneurial and into the parasitic class. (I distinguish between, for example, selling to a multinational products and services, which is often necessary for survival, and entering into a formal relationship via the joint-venture process, which usually involves handing over control and abandoning the option of independent survival). Some elements of the entrepreneurial bourgeoisie, seeking to remain as far as possible independent of the multinationals, tend to shelter behind State enterprise or co-operative organisational forms; they know that they can rarely remain independent within the framework of the joint-stock company with shares quoted on the market, as if successful they become

targets for takeover or merger, joining the parasitic class. Thus the ' national bourgeoisie ' is not a stable group, but a highly unstable phase in the evolution of the entrepreneurial strata from a salaried or self-employed position towards a deal with the multinationals. This group may become stabilised partially, and given class and national cohesion, by direct State support, supplemented possibly by an organised co-operative approach to marketing, purchase of raw materials etc.

(There is ^{an} argument going on among the progressive forces as to whether the emergence of national stability and cohesion for the entrepreneurial bourgeoisie as a class is to be regarded as a positive step or not. Those who think not, in my opinion, overestimate the potential for cohesion in the working class which they see replacing the national bourgeoisie, at the present level of development of the former. On the other hand, those who accept the development of a degree of cohesion in the national bourgeoisie sometimes underestimate how much the cohesion process depends on the existence of working class pressure. The question is: how much organised working class pressure is necessary to make the national bourgeoisie cohere and face the main outside threat, without cohering to the extent of turning against the working class and joining with the multinationals in a repressive system in parasitic mode. There is a parallel with Wolfe Tone's computation as to how many French he needed to get rid of the English successfully without becoming a French colony!)

*3 A substantial group of working owner-managers and self-employed, including the vast majority of farmers, from which the national bourgeoisie is being continuously replenished, and which replenishes itself continuously from the working class by various part-timing, lumping, moonlighting and other processes. This class, as well as recruiting from the working class, is also being decimated by shedding its failures into the working class, typical being the part-time farmer. This latter phenomenon however is complex, in that in many cases the wage is used as capital to develop the farm, and in such cases the role of part-time farming is to stabilise the role of small property in the economy.

*4 A working-class which is stratified in a rather complex manner; for example, salaried workers owning their own houses (a numerous elite). wage earners depending on local-authority housing, public service employees (' permanent and pensionable ') etc. There is also a substantial difference between the mix of strata in Dublin and elsewhere; the numerical scale of the Dublin working-class gives it a special character, with greater opportunities for divisive sub-stratification, establishment of ghettos etc by the local authorities under the control of the bourgeoisie. The working-class outside Dublin, being embedded in a sea of petty-bourgeoisie, has greater opportunity for itself evolving into a self-employed or small business situation.

In the North, the same pattern reproduces itself, but in duplicate, in Protestant and Catholic versions. The difference being that in all cases the Protestants tend to be more numerous in the more favoured strata within each class, this being a consequence of the politics of Partition and the primary means of maintaining British rule.

POLITICAL STRUCTURES

The above fluid class structure has reflected itself into a remarkably stable political structure, in which two main bourgeois parties dominate the scene: Fine Gael, representing primarily the parasitic bourgeoisie, Fianna Fail drawing support from most of the entrepreneurial bourgeoisie but with a strong parasitic element in key positions; each controls broad swathes of the petty-bourgeoisie by the exercise of patronage, Fianna Fail in addition controlling a large slice of the working-class by a refined mafia-type system with its principal basis in the local authorities. The Labour Party, theoretically the political voice of the organised working-class through the Trade Union affiliations, in fact attracts a mixed clientele from the three main classes, and has compromised itself by close political association with Fine Gael, thereby accepting the lead of the most parasitic sections of the bourgeoisie.

It is noteworthy that this political system, even in the period when Fianna Fail was in control, failed to tackle effectively the question of the political divisions of the nation. This is another question requiring historical analysis. It may be conjectured that the key cause of failure was fear of the consequences of awakening the political consciousness of the working-class, for which the 32-County Trade Union movement constituted a ready-made vehicle.

The political structure in the North is similar in that it consists of two main bourgeois Parties and a weak, divided Labour movement. Insofar as the Civil Rights agitations which commenced in 1968 have borne fruit, it is in the weakening of monolithic Unionism of the Brookborough type and the exposure of the historical anachronism of a Protestant ascendancy based on British rule being used as a road-block to stop the march of a nation and its developing Labour movement. This process is far from complete. The central problem for the democratic forces in Ireland is how to gather together the forces necessary to remove this road-block, by putting united political pressure on Britain.

Within the interstices of the above political structure, like small mammals in the undergrowth of the primeval jungles where all eyes were on the battles of the giant reptiles, lurk the political groupings of the Left. In the evolutionary process, the future lay with the mammals, because in their early stages they stuck to the undergrowth (avoiding the mistake of thinking that they had to do like the giant reptiles), and developed improved means of looking after their young. With this analogy I pass on to the statement of the problem, to which the foregoing is the background.

THE POLITICAL LEFT

I include in this category the forces that made up the 'Left Alternative' grouping, which was by many regarded as a hopeful trend towards unity when it filled the Mansion House in 1976 and produced some preliminary ideas for concessions to be forced upon the Government in the matter of provision of jobs.

The three groups concerned, the Communist Party of Ireland, the Liaison Committee of the Labour Left and Sinn Fein the Workers Party, came together for private talks in the previous period, initially at the suggestion of the Dublin Wolfe Tone Society. This coming together was possible because a tradition of mutual non-denunciation had established itself over a period of years, all three groupings being to some extent agreed on the common ground of British responsibility for the Northern crisis and on the responsibility of the policy of permitting domination of the multinationals for the employment crisis. It was round the latter issue that they tried to build their fragile agreement. This fragility was rendered more pronounced by the existence of a school of thought in the SFWP that appeared positively to welcome the multinationals as a 'proletarianising' force. The former area proved more disputatious, particularly from the Labour quarter and no attempt was made to develop it.

(This is not the place to go into the details of the expulsion of the Labour Left and their emergence as the Socialist Labour Party, except to remark that their open participation in the 'Left Alternative' gave grounds for their expulsion. It is arguable that this might have been avoided had an appropriate 'guerilla-political' approach been adopted (see below), and the influence of the Left allowed to permeate the Labour Party as a whole over a longer period).

Another grouping subsequently emerged (known as the 'National Alternative') which attempted to develop a common standpoint on the Northern question. This included the CPI, the Irish Republican Socialist Party, the Irish Sovereignty Movement, Provisional Sinn Fein, Peoples Democracy and others. It was convened by a group of concerned individuals, the writer among them, who had long-standing Republican connections. SFWP were invited to participate, but declined because it would have meant sitting down with the Provisionals, to whose bombing campaign they attribute (with some justice) the decline in political development in the North (which showed some promise in the period 1968-70). This group produced a 'nearly agreed' document, which however foundered on the Provisionals' insistence of a particular wording describing the attitude to the use of force. Many of the participants had hoped that the politics of a ceasefire might have been explored positively, but these hopes proved illusory. On the negative side, the participation of the CPI in these talks gave rise to some strain in their relationship with the other parties in the original 'Left Alternative' group.

The political left draws its forces from the working-class, self-employed and entrepreneurial bourgeoisie. The various groupings which make up the elements of the political left are composed of this mixture in varying degrees. They share a common attitude to their own development as organisations, which can be described as bourgeois-competitive. In other words, they see themselves as organisations or 'firms' competing for the same market (votes) and raw material supply (recruits). They each have a product (a political programme) which they develop in such a way as to be distinctive from competitors, while attempting to appeal to the same market.

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The market, however, is suspicious of this kind of political competition; it prefers on the whole to support the firm which has the largest 'market share' and a record of delivery of the goods.

In the EEC Referendum, the anti-EEC forces presented themselves competitively, with the result that a credible alternative was in general not presented; in a few places where the political left submerged its competitive identities under the common banner of the Common Market Defence Campaign a reputable 'no' score was obtained (notably 50% in Nenagh town).

The distinctive political wares of the competitive groups are worked out behind closed doors by leadership groups with varying degrees of informed expert input, and are steered through congresses by a more or less democratic process, rank-and-file members following the voting patterns of leading members who are influential and are good at rhetoric. Once the 'line' is adopted, it becomes incumbent on members to accept this as the entrenched position, and to support it against members of other groupings, irrespective of arguments. The strength of the discipline varies between the groupings.

The fundamental weakness of this situation is that there is no effective means of allowing a freely interactive period of policy development covering common areas of agreement, such as to permit strengthening of inter-group co-operation, ultimately leading to the much sought after 'unity of the democratic forces'.

TOWARDS A FEDERAL CO-OPERATIVE APPROACH

In this section, I try to summarise the political objectives and develop a structural concept for a movement to achieve them.

The key political objectives are:

(a) the achievement of a negotiated settlement with the British on a secular democratic federal basis, with Britain transferring all financial support towards the promotion of all -Ireland institutions, and with all the Irish people involved in developing the new constitution without interference from the British.

(b) the isolation of the landed-speculative parasitic element of the bourgeoisie, and the achievement of a democratic independent economic development policy with a leading role played by the State sector rather than the multinationals, based on alliance of the organised working-class, the self-employed and the productive entrepreneurial bourgeoisie.

The organisation of a movement for achieving this democratic - revolutionary objective on the basis of a multi-class alliance is fraught with many problems, not the least of which is the fear on the part of the small property owners that those who shout for Socialist objectives will take their property from them. Similarly, those who have no property fear that in a democratic-revolutionary class alliance the lead would be taken by propertied elements, this, on the whole, being the historical experience.

In Ireland at this time we are faced with a historic challenge: can we develop a movement in which there is enough mutual trust between the democratic anti-imperialist forces to permit a credible political alternative to develop? Can the Socialists be persuaded to lower the red flag and to promote a transition to socialism that is acceptable to self-employed and small entrepreneurs? Can the latter be got to believe in a process whereby a small private enterprise expands with the aid of public money to become a socialist enterprise, rather than a capitalist enterprise with the aid of the Stock Exchange, or a subsidiary of a multinational?

These are the practical issues that must be teased out theoretically, if the 'Co-operative Democratic Federation' is to develop.

AN ANALOGICAL MODEL

Consider with due caution a mechanical analogy.

The democratic revolution may perhaps be compared to a motor vehicle. The people are the fuel, in the sense that the potential energy of the revolution is the bottled-up frustration of the people in their personal lives, brought about by the present system. The mass movement is the engine and the transmission, in the sense that the explosive force of the fuel is channelled effectively by constraints to do effective work in driving the revolution forward, rather than burning ineffectively as it would do if left unorganised.

The politically conscious rank-and-file of the movement are the sparking plugs, in the sense that when the fuel is compressed into an explosive mixture, it can be ignited by the injection of a 'spark': the right idea at the right place and time.

The leadership of the movement is at the controls: gearing, speed, direction, avoidance of obstacles are its responsibility. If it has a good map, and if the rank-and-file are sparking away without being told, and if the mass movement is adequately structured to channel effectively the revolutionary energy, then the victory of the revolution is assured.

In a non-revolutionary situation, such as we have now, the role of the conscious movement is primarily to build the appropriate mass movement structures and set up situations such that the politically conscious activists will be listened to when the explosive situation develops. We have some, but not much, time to do this.

GUERRILLA POLITICS

In the period of development of this movement, it will be necessary for the various groupings forming the federation to delete from the top of their agendas the question of electoral appeal. This will return later, when the spade-work has been done. Recognising that they are a rather small herd of political animals, the groupings composing the movement should consider retiring into the undergrowth and working out in concert how they can influence the battles of the

political dinosaurs in the interests of the mammals (returning to the earlier evolutionary analogy). This is the period of 'guerilla politics'; development of influential specialist lobbies with a low political profile on key issues such as civil liberty, neutrality, local democratic reform, land tenure reform, reform of the educational system, industrial democracy, the right to a job, taxation reform etc. The development of specialist lobbies on a broad basis constitutes the primary activity of the politically conscious rank-and-file during this period, during which time they learn how to keep a low political profile without a sacrifice of principle or deception, all the time building up the respect of the people they work with. This is second nature to socialists working as trade unionists; there is no reason why the trade union practice should not be generalised.

The role of the leadership of the movement, and of various specialist groups of rank and file, is to co-ordinate and plan the development of policies appropriate to the various specialist lobbies in the light of the real needs (not some ideological imagined needs originating possible in the Scriptures), with the knowledge that the grass-roots activists will assimilate them, adopt them and promote them in the appropriate broad organisations where their interests lead them to specialise.

There is need for 'strategic thinking' behind the 'guerilla politics', specifically with a view to influencing the movements of the 'political dinosaurs', which do ultimately react to electoral pressures and the smell of votes.

The principal strategic problem is how to isolate the parasitic sector of the bourgeoisie; how to drive a wedge between the parasitic sector of Fianna Fail support and the rest, and how to drive it along with Fine Gael into political isolation on the Right; parallel with this is the problem of how to develop a workable understanding between the Labour Party and the entrepreneurial wing of Fianna Fail.

It is, perhaps, possible to achieve this by encouraging the development of demands from various democratic lobbies such as to render electorally attractive certain areas of common policy which already exist between Labour and Fianna Fail, such as:

(a) In the area of management and control of the educational system, where both parties appear to favour a lay-managed system in contrast to the clerical denominational system inherited from the British and favoured by Fine Gael.

(b) in the area of State enterprise, where all the principal State sponsored bodies owe their existence to Fianna Fail, and where Labour is ideologically committed to support of the principle

(c) in the area of foreign affairs, where Fine Gael is pro-NATO and Labour and (most of) Fianna Fail are neutralist.

The development of mass political appeal by the proposed Co-operative Democratic Federation is a longer-term goal, to be expected after a period of 'guerilla-political' struggle, during which leading local and specialist activists will prove themselves in the mass movement to the point of electoral credibility.

There are many obstacles to the 'left alternative' perhaps, with or without one or more of the 'national alternative' groups, coming together in a Co-operative Democratic Federation. The principal obstacles are subjective: a type of quasi-religious megalomania, a 'holier than thou' tradition that echoes the sectaries of the 17th century. There are also histories of mutual recrimination, often on the basis of actual wrongs done.

There are also 'objective' obstacles. The existence of vestigial or shadowy 'armed wings', links with organisations abroad of which the precise nature is not clear (association with an international movement or affiliation to a foreign State power?), the possession of embryonic Parliamentary representation (on the part of the Labour Left, now become the Socialist Labour Party). The reality and extent of these obstacles is open to question, but there is no doubt that they exist as obstacles for as long as there are doubts in the minds of each group as to the nature of the credentials of the people they deal with in others: who is boss? whose writ runs? Army Council or Ard Comhairle? Administrative Council or Parliamentary Group? Political Committee or Moscow?

(In making the above statements I am not committing myself to any 'condemnation' of any of the groupings concerned: I am merely stating the objective fact that the existence of subjective attitudes in the minds of some regarding the procedure of others constitutes an obstacle to the development of common ground. This is the historical millstone around the neck of the embryonic movement; the purpose of this article is to stimulate people to face the problem of getting rid of it, of laying the ghosts of the past.)

These obstacles can only be overcome by a process whereby the leaderships of the groupings agree to encourage their members to engage in common theoretical policy development work, along the lines suggested in this paper. There is a precedent for this, in that the Wolfe Tone Society has already hosted inter-group seminars on typical 'guerilla-political' topics such as unemployment, civil liberties etc., and these seminars have led to joint actions.

There is no reason why this principle of common theoretical development should not be extended to all areas of 'guerilla-political' activity within the scope of the projected Co-operative Democratic Federation, thereby helping to bring the latter into being, with a unified leadership and co-operating federal rank-and-file.

To cement up this theoretical development, there is needed a reputable theoretical publication which would circulate in all associated groupings, containing printed versions of discussion papers and agreed common educational material.

Is it too much to hope that some periodical such as 'The Ripening of Time' might make a bid for this market, by associating itself with a consultative editorial committee having standing such as to ensure its general acceptability, but without any dead-hand or veto rights such as to stifle free discussion during common policy development?

Reflections on Agriculture

co-existence of modes of production

(Summary of the article on ground rent in Ripening of Time no. 7)

Ground rent is a social relation of production which must be clearly understood and analysed before any serious attempt is made to examine the development of capitalism in the countryside, indeed in a social formation as a whole.

There are, in Marxism, two forms of ground rent: absolute ground rent and differential ground rent. Absolute ground rent exists only in agricultural production and it is tied to the capacity of landed property to evade the reduction of its profits to the average rate of profit existing in the society as a whole. Differential ground rent, on the other hand, appears in all spheres of production where favourable conditions determine a more advanced degree of development of the productive forces: e.g. higher fertility, more modern machinery, stable prices etc.

Ground rent, in general, is the economic form by which the realisation of landed property takes place. Ground rent is the economic manner, by which surplus is expropriated by landlords from people who live on and work the land. It forms part of the whole social surplus extracted by the bourgeoisie from direct producers, be they workers or peasants. Ground rent is appropriated by one specific fraction of the bourgeois class: the landlords.

Ground rent predates capitalism and continues inside the capitalist mode of production. How exactly this extension of a basically pre-capitalist relation inside capitalism takes place provides us with a number of contradictory positions inside Marxism, including the writings of Marx himself.

Section 4

I. Land & Capital

Capitalism is the dominant mode of production in the 32 Cos. The Introduction to this present essay outlined how the development of capitalism in Ireland, and everywhere else, did not take place " in a swift and overnight fashion " . (1) . " Capitalism had to struggle against the pre-existing modes of production (it) had to fight in order to first survive and then grow" (2)

In this fourth section of our essay we will examine the particular role of land and those who own land, as well as those who work it, in the process of transformation of pre-capitalist modes of production into capitalism. To clarify our terms at the outset : by ' mode of production ' we mean an operational and abstract tool of analysis which is the specific combination of the productive forces (those who work, those who steal the fruit of work, the means of labour) and the relations of production (the conditions, the type of work, the extent and control of labour , among other things) in a particular national situation, in our case Ireland (3) .

The terms and limits of this essay are by necessity abstract. The accompanying article ' The Development of the Bourgeois Class in Ireland, which will appear in the next issue, will try to demonstrate some of the theoretical points argued here.

In Section III of this essay entitled ' Ground Rent ' (4) it was shown that the existence of a constant surplus profit in a sphere of production, as is the case of agriculture, depends on the existence of an ' external force ' which hampers the normal mechanisms and tendencies of capitalism like the tendency for the equalisation of the rate of profit across spheres of production, the tendency for the rate of profit to fall and others.

This essay will argue that one of the major external forces against the development of capitalism, one of the major " barriers " as we referred to it earlier , has been the existence and extent of landed property and the landlords. Marx, and many classical economists before him, regarded landed property as an obstacle to the extension of the capitalist mode of production :

" . . . landed property differs from other kinds of property in that it appears superfluous and harmful at a certain stage of development, even from the point of view of the capitalist mode of production."

What is apparent from the above statement (5) is that while " at a certain stage " landed property is "superfluous and harmful " , there must be, or have been, another stage where this isn't or wasn't so a stage where landed property was both necessary and positive. Let us examine these ' stages ' in detail :

- (1) See Ripening of Time no.6 p. 32
- (2) same as note (1)
- (3) See further Ripening of Time no.3 p.7
- (4) See Ripening of Time no.7 p.39
- (5) Marx - Capital Lawrence and Wishart ed. Vol. III p.622

Consider the following quotation from Marx :

" . . . men are forcibly and suddenly torn from their means of subsistence and hurled as free and ' unattached ' proletarians on the labour market. The expropriation of the agricultural producer, of the peasant, from the soil, is the basis of the whole process . " (6)

This ' forcible expropriation ' coincides with the stage of transition from the pre-capitalist mode of production (be it feudal, tributary or otherwise) to the capitalist mode itself. The two modes fight it out this fight, the fight of classes operating within the two modes, has taken place in all countries where capital has grown roots. It hasn't happened simultaneously all over the world, the intensity of the ' forcible expropriation ' and the uprooting and the violence have not been the same ; the speed of the whole process has also varied . But it has taken place everywhere.

In this precise sense, we are arguing, landed property is a historical condition of the capitalist mode of production. We will presently examine the precise nature of that ' condition ' but it is fair to say, for the moment, that Marx's work is abundant with examples for this particular standpoint : he has demonstrated this viewpoint with historical examples from England, from Ireland and has contrasted those developments with what happened in North America.

If one considers the generally accepted viewpoint that towards the end of the 15th and during the first three quarters of the 16th century, there existed in Ireland a highly developed agricultural and industrial organisation of a non-capitalist nature (7) and that this organisation was attacked and completely destroyed by the invading forces of (English) capital during the last 30 years of the 16th century, one is forced to admit that there is adequate historical evidence to support the above viewpoint. It is after this destruction (8) that landed property flourished in Ireland it ' forcibly expropriated ' and thus laid the conditions, weak as they may have been, for a transition to capitalism.

There is also general agreement among historians that Marx's view according to which the people of Scotland, Wales and England had up to then enjoyed an unprecedented high standard of existence, is true and accurate. (9). It is highly significant here that Marx refers to

- (6) Marx - Capital , as above , Vol. I p.669
- (7) For example see G.O'Brien's ' The Economic History of Ireland in the 17th century ' - also quoted in the above is a book by Mrs. Green ' Making of Ireland and its Undoing ' . Also consult article by U. Barry in Ripening of Time no. 5 p. ' The Development of Capitalism in Ireland ' p. 5
- (8) This destruction was , in our view, conscious and planned ; it was a political process designed, in the words of the period, " to impoverish the enemies of the English Government in Ireland as elsewhere " . (quoted in G.O'Brien's book p.4)
- (9) For example see ' Lineages of the Absolutist State ' by Perry Anderson and ' The Break-up of Britain ' by Nairn (NLB)

this situation as " the wealth of the people excluded the possibility of capitalist wealth " (10).

That pre-capitalist wealth and prosperity were attacked by capital; they were destroyed by a violent and barbarous process of genocide which lasted for generations. So , by the end of the 1500s , " the estate of this poor country is grown most miserable and there is a general dearth of all necessaries " . " Those who have escaped the sword have perished through famine " . The English, Scottish, Welsh and Irish people had paid with their blood " capitalist progress " . The people " torn from their means of subsistence " had become " unattached labourers " . Now they could sell their sweat and soul to the capitalist.

Now there may be a few among the ' progressive ' Left who will accuse us here of ' harping back to nature ' , of being against ' progress ' . Marx's view on this process is our answer : he talks consistently of " the theft of land " , " the expropriation of land " , " the usurpation of property " , " the forcible creation of a class of outlawed proletarians and the forcible discipline of capital which turned them into wage-labourers " .

Therefore, we can now state without ambiguity that the separation of the direct producers from their means of labour and subsistence is a primary and essential condition for the development of capitalism.

And that separation is primarily carried out by the landlords and their ' right ' on land. And ground rent, as an essential relation of landed property, plays a crucial role in this process. Lets look at this role of ground rent now in more detail :

Today, land appears to have a huge amount of monetary value-land changes hands everyday through gigantic money transactions . So how does Marxism square an initial statement made in issue 7 that " land has no value " with this obvious reality ? If we get under the superficial appearance of things and consider the origins of landed property - how land was " given " by the Crown to soldiers, adventurers and settlers in exchange for services rendered...then perhaps we can begin grasping that to own something which is not the product of labour and which has been ' given ' away by a political structure which ' owned ' it through political force and military might...to own land in Ireland is not exactly an economic relation but basically a political and a legal one. It is a relation whose extent and weight are determined by primarily politics and not economics.

In this precise sense, landed property is characterised by a relation which is different, if not opposite, to that of capital. In capital, the economic instance is the determining instance; in landed property, the legal/juridical/political instance determines the process.

It is in this sense that Marx refers to landed property as

"a legal fiction by grace of which certain individuals have an exclusive right to certain parts of our planet..." (11)

It is important to mention here that violence and force play a major role in determining the extent of this " legal fiction " and the power that goes with it.

Let us now pose the same question put forward at the end of Section III of this essay : What is the specific place of ground rent inside the Capitalist Mode of Production ? We have clarified, so far, that ground rent is an economic realisation of landed property..... but what sort of a relation is it ? Is it a relation of capitalist production ? Of distribution ? Or is it a capitalist relation at all ?

The answer to this question is crucial. If, for example, we follow Marx's remarks that

"The capitalist still performs an active function in the development of this surplus-value and surplus-product. But the landowner need only appropriate the growing share in the surplus-product and the surplus-value, without having contributed anything to this growth. " (12)

then we are tempted to answer that ground rent appropriated by landlords is a relation of distribution, of circulation. This manner of explaining the expropriation of ground rent by landlords is very reminiscent of the way Marx analyses the early forms of merchant capital :

" Merchants capital appropriates an overwhelming portion of the surplus product partly as a mediator between communities which will substantially produce for use value....it is originally merely the intervening movement between extremes which it doesn't control, and between premises it doesn't create. " (13)

Merchants capital is centred on circulation : the parallel between merchant capital and ground rent being so striking one would be tempted to classify ground rent as a capitalist relation of distribution. (14)

But then consider the following point :

" Ground rent might seem to be a mere form of distribution, because landed property as such does not perform any, or at least, any normal, function in the process of production itself....." (15)

Why the word ' might ' ? What is hidden behind it ?

" Ground rent so capitalised constitutes the purchase price or value of the land, a category which like the price of labour is prime

(11) Marx - Capital Vol. III p. 634

(12) Marx - Capital Vol. III p. 638

(13) Marx - Capital Vol. III p. 330

(14) See article in Ripening of Time no. 7 p.7

(15) Marx - Capital Vol. III p.883

(10) Marx - Capital Vol. I p.672

facia irrational, since the earth is not the product of labour and therefore has no value. But on the other hand, a real relation of production is concealed behind this irrational form. " (16)

So we are confronted here with two possibilities : either ground rent is a relation of distribution , like merchants capital, or it is a relation of production concealed behind the irrational form of the price of land.

There are two points made by Marx which would give the reader an inkling of an answer :

" Just as the operating capitalist pumps surplus labour, and thereby surplus-value and surplus-product in the form of profit, out of the labourer, so the landlord in turn pumps a portion of this surplus-value, or surplus-product, out of the capitalist in the form of rent..." (17)

and

"It (landed property) expropriates the means of labour from the labourers . " (18)

In these two statements ground rent clearly appears as a deduction from the total surplus produced - a deduction appropriated by landlords and simultaneously an expropriation from labourers. We can immediately discard the notion that ground rent could ever be a relation of production connecting two classes of non-producers : landlords and capitalists.

So we are left with the following proposition : ground rent is a relation of production BUT NOT A CAPITALIST ONE. It is a pre-capitalist relation of production connecting landlords and direct producers. Based on this definition we can now go back to our starting point and search for new elements for this position inside the changing form of landed property which is, as we have outlined above, a historical condition of the capitalist mode of production.



- (16) Marx - Capital Vol. III p.623
- (17) Marx - Capital Vol. III p.820
- (18) Marx - Capital Vol. III p.821

Landed property is necessary for capital ; the industrialist needs the man who owns land. It needs him not only in order to begin to grow, to ' take-off ' as current jargon would have it, but also in order to continue to grow. Here is how Marx expresses this position:

" ...the landlord plays a role in the capitalist process of production not merely through the pressure he exerts upon capital, nor merely because large landed property is a pre-requisite and condition of capitalist production since it is a pre-requisite and condition of the expropriation of the labourer from the means of production but particularly because he appears as the personification of one of the most essential conditions of production . " (19)

This is a crucial point ; the landlord is necessary not merely because he provides capital with labourers by expelling from the land but also because he personifies one of the " most essential conditions of production " . What condition is Marx referring to here ? In other words if behind capital functions surplus-value as the essential condition of capitalist production what kind of relation functions behind landed property ?

To answer this we have to go back to the formulation by Marx quoted above :

" ...it (landed property) expropriates the means of labour from the labourers, it is the condition of the expropriation of the labourer from the means of production.... " (20) .

Who is this labourer ? Is he a worker working under capital ? Or is he a direct producer working on the land - the often vilified and abused peasant ?

Already we have quoted Marx (note (6)) when he refers to peasants. In fact, he seems to be clear on who exactly this ' labourer ' is all through the chapter entitled ' Primitive Accumulation ' and especially in the section called ' The Bloody Legislation against the Expropriated ' . (21)

In the Chapter entitled ' The Modern Theory of Colonisation ' he puts it this way :

" ...the expropriation of the mass of the people from the soil forms the basis of the capitalist mode of production. " (22)

Why this confusion ? Why ' peasants ' in one page, ' labourers ' in another ? Why the ' mass of the people ' somewhere else ? Mistakes ? Slips of the pen ? Bad translation ? A question of method ?

We believe that there is a political problem here. In historical materialism, ' men ' , ' women ' , ' the mass of the people ' , ' the direct producers ' - all these basically genetic terms assume and occupy a specific place inside the key concept of a ' mode of production ' .

- (19) as in (18)
- (20) as in (18) and (19)
- (21) Marx - Capital Vol. I Chapter XXVIII pp. 686-693
- (22) Marx - Capital Vol. I p. 719

They become, as Nicos Poulantzas refers to it, "agents of production". If one doesn't pose the question of a mode of production one doesn't have to qualify accordingly. If one does pose the question then one would have to qualify and specify.

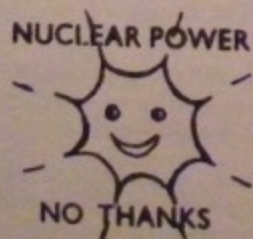
And this is the problem with Marx here. Marx refuses, consciously, and from the outset, to pose clearly the question of which mode of production he is referring to...he refuses outright to answer the question which begs answering all along? What kind of relation is ground rent? We saw earlier the hazy formulation that behind the "irrational form of the price of land", the "legal fiction", is concealed a "real relation of production". Which one? SILENCE. Now we have "labourers" being expropriated while whole chapters tell us that they don't precisely become labourers until and long time after they are expropriated.

We will replace the word "labourers" by the word peasants. And the above quotation will then read: Landed property is the condition of the expropriation of the peasant from the means of production.

And here suddenly opens a new universe: a pre-capitalist one. Many peasants, thousands upon thousands, still remain to be expropriated from their means of production by this legal fiction which is landed property. These peasants are evidently not capitalist - Marx himself admits this. So there is still, while capital has taken off and growing, an entire part of production, we would even say a sphere of production, which is not capitalist. The two modes of production, the capitalist mode of production and the pre-capitalist mode of production are in full co-existence (23).

Behind the landlord functions ground rent: a relation of production of the pre-capitalist mode...inside capital functions surplus value...and as capital grows, as it becomes hegemonic as a social relation, then obviously the forms of extraction of ground rent change. A new form of ground-rent gets slowly born out of the belly of the old one.

Let us now look at this new type of ground rent: inside the capitalist mode of production.



(23) We are not concerned here if the pre-capitalist mode of production was feudal or not. That question derives from another full discussion very much outside the aims of the present essay.

II. Landed Property

The first question which faces us at the outset is the following: How does pre-capitalist ground rent determine ground rent under the capitalist mode of production?

We have already seen (24) that if absolute ground rent were to be treated as a capitalist relation of production "it would tend to disappear". This is the conclusion Marx himself draws at the end of the chapter on absolute ground rent. But we argued that, at the same time, Marx had accumulated mountains of statistics showing clearly that absolute ground rent did not disappear at all. So his theory was unable to account for the real situation.

Marx's theory was blocked around the premise that slight increases in the market price of agricultural produce would bring those prices above their price of production - as a result capital would begin to flow into agriculture and start capitalising new and unused lands. If that happened, according to Marx's theory, absolute ground rent would tend to fall towards zero.

It is quite true that if the question of absolute ground rent is treated from within the capitalist mode of production the above couplet is insoluble...and it was insoluble for Marx until his death. But if we now look at the same situation in the context of coexisting modes of production the image changes somewhat:

If the landlords who own unused and non-capitalised lands were not able to bring profits anywhere near the average rate of profit on those lands, they would tend to lease them not to other capitalists but to non-capitalist farmers. In such cases, the rent payable on these lands would be determined not by the capitalist mode of production but by the mechanisms and structures of the pre-capitalist mode of production. Therefore, absolute ground rent in such lands would be less than the average rent possible under the capitalist market prices but not anywhere near zero. Landlords limited the exploitation of their lands to pre-capitalist forms of production unless and up to the point capitalist market conditions permitted a full capitalist exploitation bringing a rate of profit at least equal to the general average rate of profit. In this precise sense landlords never 'under-capitalised' their land - the exploitation of the land remained pre-capitalist because it was more profitable that way.

Thus competition and struggle took place not only between capitals but also between lands - lands exploited under different but coexisting modes of production. In such a case, we argue, Marx's schema would have been correct and valid; especially if we remember that the passage of the same piece of land from one mode of exploitation to another would not imply an absolute increase of output (as would have been the case if it were uncultivated land) but a relative increase tied to the development of the productive forces.

(24) Ripening of Time no. 7 p. 56

So now the question posed above can be answered : pre-capitalist relations of production would have a direct effect on capitalist relations of production. These pre-capitalist relations would not bring into opposition ' capitalist ' social classes but the social classes of the pre-capitalist mode of production. Therefore, landed property can now be looked at in its true colours : not simply a ' legal fiction ' but a legal fiction of capitalism behind which are hidden real and exploitative relations of production : pre-capitalist ground rent which has nothing fictional about it.

In such a context, capital would clash with landed property. It would have to grow in relation and in close interaction with pre-capitalist relations of production. At the end, capital would win. But the length of that process would vary enormously from social formation to social formation.

In the last instance, it would be capitalist relations of production which would determine how much of the overall social surplus would go back to agriculture. In that sense, ground rent finally would become a re-distributed part of the entire social surplus appropriated by the bourgeoisie as a whole. This is how Marx brilliantly describes this process :

" The fact that the price of land plays such a role, that purchase and sale, the circulation of land as a commodity, develops to this degree, is practically a result of the development of the capitalist mode of production in so far as a commodity is here the general form of all products and all instruments of production. On the other hand, this development takes place only where the capitalist mode of production has a limited development and does not unfold all of its peculiarities, because this rests precisely upon the fact that agriculture is no longer, or not yet, subject to the capitalist mode of production, but rather to one handed down from extinct forms of society. " (25)

Thus we have arrived at our initial destination of this essay: capitalist ground rent is a relation of distribution of the capitalist mode of production: this relation of distribution is the condition and the effect of a pre-capitalist relation of production on the capitalist mode.

Implications of the above :

Perhaps the question may be asked at this point : What was the point of drawing these subtle distinctions ? What's the importance of the fact that ground rent is a relation of production of a pre-capitalist mode and a relation of distribution of the capitalist mode ? Basically, why all the fuss ?

During the entire historical period when Marx was writing his theory, the distinct political and economic interests of landlords and industrial capital converged. Landed property expelled and pushed peasants off the land thus providing a cheap labour force as well as cheap food and other agricultural produce - symmetrically, the mechanisms of capitalist society made it possible for the landlords to appropriate for themselves huge parts of surplus thus increasing their

wealth and power. But inside this convergence there existed also contradictions on the level of distribution - who was going to appropriate how much of the social surplus which provoked intense conflict and competition. (26)

The above convergence/contradiction viewed from the point of view of the peasants appeared as follows : for the exploited peasant, ground rent was a relation of production exploiting him for the profit of the landlord...simultaneously the same ground rent was a relation of distribution working between landlords and the industrial/manufacturing bourgeoisie. The result of this was that the peasantry inserted itself as a social force inside that contradiction on the side of the bourgeoisie. Peasants fought against the landlords, against ground rent, allied to industrial bourgeois.

That alliance was at the source of the French revolution ; the same alliance worked quite well during the Land Wars in Ireland at the end of the 19th century. The interests of the peasantry and the industrial manufacturing bourgeois class converged momentarily against the interests of the landlords. In France that alliance took the form of Jacobinism - so much revered by SF-WP.

In what concerns this article, if we can see ground rent as a relation of production connecting landlords and peasants AND a relation of distribution connecting landlords and industrial bourgeois, then we can grasp the objective root of that alliance. Rather than the usual nonsense about the supposed ' reactionary nature ' of the peasants, their backwardness etc.

And this alliance has a temporary character; as soon as the bourgeois class destroys the landlords, it replaces them in their function of expropriators of ground rent from the peasantry. New relations, capitalist this time round, are established. The State through taxes, the banks through interest begin to steal huge amounts of social surplus from the peasantry. And as soon as that alliance breaks up a new type of war begins : a class war. Marx himself wrote extensively on this type of war in his historical analyses of France, for example the excellent ' The Civil War in France ' . The Civil War in Ireland is another example of this new type of war.



III.

Co-existence of Two Modes of Production

The transition from the pre-capitalist mode of production to capitalism

We have so far attempted to examine the historical period through which landed property acts as a help to the Capitalist Mode of Production. We have explained how this 'help' takes place primarily through the extended expropriation of the peasants, their expulsion from the land and the destruction of their means of subsistence. We have taken our cues from Marx's statement :

" ...landed property differs from other kinds of property in that it appears superfluous at a certain stage of development even from the point of the view of the capitalist mode of production " (27)

We have looked into the historical era when landed property was neither superfluous nor harmful but necessary and essential. But, an examination of the second period, when landed property does become superfluous and harmful is also necessary...in order to unravel some of the remaining questions. For example, what is the precise character of the 'necessity' of landed property during the first period ? And more important perhaps, what exactly takes place so that this necessity gets transformed into its opposite ? Basically, why and how does landed property become a barrier to the development of the Capitalist Mode of Production ?

We enter here, one more time, into the same debate which has been the underlying foundation of this entire essay : what are the precise economic and political mechanisms and characteristics of the period through which capital coexists with and grows on the back of the pre-capitalist mode of production ?

Marx's 'Capital' reveals an unmistakable tone of 'necessity' which permeates the entire argument. This is primarily a necessity from the point of view of capital - but it is also a necessity from the point of view of the pre-capitalist mode of production. Is this a contradiction ?

In the historical analyses of the development of capitalism in social formations where feudalism was dominant (countries like France, Holland, Prussia and England) the kernel of the coexistence is easier seen, for it quite obvious, even to 'non-experts' like ourselves, that the development of capitalism begins from within feudalism. However, things get more complicated when the question is shifted to other historical situations.

(27) Marx - Capital Vol. III p.622



When Marxists begin to analyse the growth of capital in dominated social formations, there is an unfortunate tendency to analyse that development in relation to its own 'internal' laws and contradictions alone. This approach of course gets even more complicated when one superimposes another unilateral view that as this growth of capital is 'imposed' from the dominating country, then the analysis must follow the path and patterns of the development of capital in the mother country.

We believe that this is an incorrect approach; we must be able to clearly situate the pre-capitalist mode of production, be it feudal or otherwise in relation to and in coexistence with the capitalist mode of production. Otherwise the later development of capital cannot be understood.

Every dominated social formation, like Ireland, where capital is hegemonic today, has lived through a shorter or longer period of pregnancy - when capital was born out of the belly of the old society. Every such social formation has, in this sense, its own double history. On the one hand, the history of capital (usually, if not always correctly, associated with an 'outside' source) and on the other hand, the history of the pre-capitalist mode of production, or even a combination of many forms of pre-capitalist modes. That double history determines the present of all social formations. Unless this double determination is examined analyses are bound to fall prey to unilateral and evolutionist views. These views, in the case of a social formation like Ireland, can be either apologies for colonialism or they can be multi-variations of republicanism. (28)

Ireland was not just an outpost for British capital. The capitalist mode of production took off and grew roots in Ireland after a protracted struggle with the pre-capitalist mode of production. That involved violence, famine, war and all the other manifestations of class struggle. That history has to be analysed and understood.

This is, in our opinion, Marx's viewpoint as well. This is clearly expressed in Capital: (29)

" Rent can develop as money-rent only on the basis of commodity production, in particular capitalist production; it develops to the same extent that agricultural production becomes commodity production, that is to the same extent that non-agricultural production develops independently from agricultural production, for to that degree the agricultural product becomes commodity, exchange-value and value."

We have a clear picture here of the growth of ground-rent and its transformation into money-rent rather than the rent-in-kind that it previously was. We have a picture of the expulsion of the greatest part, at times even the totality, of direct producers who

(28) The weekend seminar papers delivered by the participants in the Dublin History Workshop symposium during the weekend of 10-11-12th March would fall squarely into that definition.

(29) Marx - Capital Vol. III p.63/-6

cannot pay that money rent and are destined to become proletarians. They will now buy agricultural produce, as consumers of commodities...they will also transform agricultural produce into commodities...flour into bread, wool into clothes etc.

That all-pervasive necessity mentioned above is evident in this quote once again. Now lets look at the same question from another angle :

What underlies this necessity, what impulses it, is the reproduction of that basic relation of production of the pre-capitalist mode : ground-rent. The increase and growth of ground-rent creates the conditions for the development of the capitalist mode of production. This is a problematic used by Marx which is very similar to the one he used to explain the mutations of the ancient forms of production to the " slave mode of production " . (30)

This is a curious problematic. It is highly tinged with views directly borrowed from Hegel. It basically comes down to the view according to which the reproduction of the essential conditions of a mode of production carries in itself the seeds of the ultimate destruction of that mode and the essential conditions for the growth of another mode of production. This is how Marx puts it :

"this reproduction is at the same time necessarily new production and the destruction of the old form . " (31)

If this formulation is left to itself it would lend credence to all kinds of deterministic views about ' mechanic evolution ' etc etc. But, we believe, that this is not a simple and automatic development of structures and modes ...it's not the determinate reproduction of forms but rather the struggle of classes determined by those forms which make history move. It's that tiny line, but also a whole world, which separates the dialectic of Hegel from the dialectic of Marxism.

In this process, the transition from the pre-capitalist mode of production to the capitalist mode appears again to be determined by a double necessity :

- for the landlords for whom capitalism must develop because it's that development which assures the growth of their income through money-rent, but also
- for the capitalists for whom landlords and landed property must continue to exist (even under new forms) for it is on its existence that a cheap labour force and cheap agricultural produce depend.

And it's from that angle we can now read the Section entitled ' Reaction of the Agricultural Revolution on Industry - creation of the home market for Industrial Capital ' . (32)

(30) This is a concept used by Marx. For a very pertinent critique see Samir Amin in his Introduction to a book by K. Vergopoulos entitled ' Le Capitalisme Difforme ' - Maspéro publications 1977, not yet available in English.

(31) Marx - ' Pre-Capitalist Economic Formations ' pp.92-93

(32) Marx - Capital Vol. I pp 697-701

Says Marx:

" In fact, the events that transformed the small peasants into wage-labourers, and their means of subsistence and of labour into material elements of capital, created, at the same time, a home-market for the latter. Formerly, the peasant family produced the means of subsistence and the raw materials, which they themselves, for the most part, consumed. These raw materials and means of subsistence have now become commodities.... The many scattered customers, whom stray artisans until now had found in the small producers working on their own account, concentrate themselves now into one great market provided for by industrial capital. Thus, hand in hand with the expropriation of the self-supporting peasants, with their separation from their means of production, goes the destruction of rural domestic industry, the process of separation between manufacture and agriculture. And only the destruction of rural domestic industry can give the internal market of a country that extension and consistence which the capitalist mode of production requires.... Still the manufacturing period, properly so-called, does not succeed in carrying out this transformation radically and completely.... if it destroys these (handicrafts of the town and domestic industry of the rural districts - ed.) in one form, in particular branches, at certain points, it calls them up again elsewhere, because it needs them for the preparation of the raw material up to a certain point. It produces, therefore, a new class of small villagers who, while following the cultivation of the soil as an accessory calling, find their chief occupation in industrial labour, the products of which they sell to the manufacturers directly, or through the medium



of merchants.... Modern industry alone, and finally, supplies, in machinery, the lasting basis of capitalistic agriculture, expropriates radically the enormous majority of the agricultural population, and completes the separation between agriculture and rural domestic industry whose roots - spinning and weaving - it tears up . "

This is a most brilliant account ; it covers so many aspects of the question under examination. It highlights others not covered here... such as the importance of domestic/family/womens labour in a pre-capitalist mode of production dealt with in an earlier essay in the Ripening of Time (33). Out of the above account, and keeping the lessons drawn from our study of ground rent so far, it is possible now to sketch a theoretical framework of the different phases of the penetration of capital in agriculture : (34)

- During a first phase, peasant production and handicrafts in the towns is partly replaced by the development of capitalist farmers and manufacture. Domestic industry is not yet fully destroyed - the separation between agricultural production and non-agricultural production is not yet complete. Ground rent is being transformed from rent-in-kind to money-rent but this transformation is not complete either. Capital cannot compete with the pre-capitalist mode of production on economic terms alone - thus we witness during this first phase a number of extra-economic means imposed on agriculture and the people living in the countryside . Even those direct producers who are expelled from the land and lose their livelihood, nay if not all of them at least some of them, in Marx's words , "turn up again":

"this peasantry turning up again, although in diminished number, and always under worse conditions...." (35)

- There follows a second period during which the development of big capital and large-scale industry destroys the entire domestic industry. The entire process of production in the society is now carried out under capitalist relations of production. This is equally true of agriculture , although certain sectors manage to survive and still produce under pre-capitalist forms. The small agricultural units tend to disappear.... as large-scale industry brings prices of production lower and lower, due to its capacity for mass production, the small units, the small direct producers, get annihilated . (36)

(33) Ripening of Time no.6 pp.23-30 ' Domestic labour and social classes.

(34) Our exposition is based on but also differs substantially from the periodisation attempted by Pierre Ph. Rey in the book ' Les Alliances des Classes ' published by Mafsero in 1971. To our knowledge there is no English translation available . See also the article by Barbara Bradby ' The destruction of natural economy ' Economy and Society 1975 p. 144

(35) Marx - Capital Vol. I p. 700

(36) See figures on the destruction of small farms in Ireland all through the 19th century in no.s 6 and 7 of the Ripening of Time.

- Finally a third phase, which Marx was not alive to analyse, during the era of finance capital, of imperialism. Now even capitalist farmers are being submitted to the wishes of capital - they lose out to competition provided by big capital inside agriculture. They can't avoid or shy away from that competition now that small farmers have been torn apart. Capital does not need landed property anymore; now it has become "superfluous and harmful". (37)

We will not examine here how far it is possible to generalise out of this sketchy periodisation. Some of the constituent parts of this analysis will be applied and tested in this and the next issue of the journal on the essay dealing with the development of the bourgeois class.

In this last Section of this essay we will look at the particular role of landed property inside these three phases:

- During the first phase, landed property is absolutely essential to the development of the capitalist mode of production. It provides labour power and agricultural commodities to capital as well as transforming some of its own accumulated wealth into capital. But the landlords have other very crucial functions inside the overall process of primitive accumulation taking place in the society during this phase. The mechanism of public debts and taxes play very important roles in the overall development of capital and are controlled, or at least determined, by the absolutist State inside which land lords form the most powerful bloc.

Through their control of the State landlords thus coerce and control not only direct producers but industrial workers too - who can't return to the land anymore. The growing bourgeoisie, in this sense, needs the absolutist State, and all its might of force and coercion so that wages could be regulated and reduced, the working day lengthened and the labour force kept quiet.

Nevertheless, there also exist serious contradictions between landed property owners and industrial bourgeois during this period. These contradictions centre primarily on the level of distribution but reflect themselves inside the State very fast. Many times the absolutist State intervenes to protect the bourgeoisie from the landlords - other times the protection of the State is extended to the aristocracy against the manufacturing class. These turnabouts reflect the various moments of the balance of power inside the State. But the contradictions are always there - though they hardly ever jeopardise the main convergence of interests of the industrialists and the landlords.

During this first phase, the expulsion of the direct producers from the land is the one essential condition for the creation and reproduction of a labour force for the expanding productive means of capital. The faster and swifter the expelling of the people from the countryside, the easier it becomes for capital to lower wages and increase its rate of extraction of surplus value.

(37) from note (5)

Symmetrically, the increase of commodity exchange and the growth of the city population brings about a higher demand for agricultural produce. This would tend to increase the price of agricultural commodities and bring absolute ground rent down - as already explained in the earlier Section. Thus, a new process begins: land gets capitalised... if it can't bring the average rate of profit is leased to non-capitalist farmers. These are the direct producers who "turn up again"... according to Marx's quote.

The development of capitalism, of the capitalist market, is an important condition for the development of money-rent. And at the same time, it is also an impulse to the gigantic increase in the rate of rent extraction - for as rent income doubles, triples and quadruples, the countryside population is on the decline.

In the society as a whole, there are two essential contradictions which unfold during this first phase: firstly the contradiction between landlords and direct producers, arising out of the extraction of ground rent. This main conflict is reflected directly inside the State and pits at times the royal administration - who profess to protect the peasantry - against the landlords (38). Marx himself refers to this conflict as the struggle between the landlords and "the new bancocracy of high finance and their allies the big industrialists". Secondly, there is the contradiction of the nobility with the bourgeoisie itself. The debate whether this second type of conflict is the primary one or whether the struggle between landlords and peasants constitutes the primary historical force of this first phase of transition to capitalism, is a long, complex and laborious one. (39)

It is true to say though that the accumulation of these contradictions determines the political actions of the absolutist State all through this period. Landed property plays inside the process of resolution and re-constitution of contradictions a primary and vital role... a crucial cog in the wheel of building capitalism.

- During the second phase, the necessity for the subsistence of landed property remains. During this period, capital destroys the domestic craft industry of the towns and the countryside, the "natural economy" of the pre-capitalist mode of production. (40)

(38) Two historical cases can be cited here: First the battle between the administration of the Sultan - based on the peasantry - and the big landlords in the 15th and 16th century in the Ottoman Empire. Second the case of all the English Kings, from Henry VII in 1489 to Charles I in 1638 who opposed violently the expropriation of peasants.

(39) Nicos Poulantzas, for example, in his work 'Political Power and Social Classes' puts his emphasis on the second contradiction. Perry Anderson, on the other hand, in his work 'Lineages of the Absolutist State', alongside P. Ph. Rey, put their emphasis on the first contradiction.

(40) Concept used by Rosa Luxemburg 'The Accumulation of Capital'.



This process renders the small farmers dependent on the market for their means of subsistence. But capital has not yet penetrated all the branches of agriculture; certain sectors still remain untouched and even reproduce themselves. But that reproduction operates now under the overall dominance of the capitalist relations of production. (41)

Thus, capital is still constrained to exert its hegemony through extra-economic means. This is the period of political violence, of the famine, of the clearing of the estates, of the taxes on the peasantry, of land mortgages.

(41) For the concept of dominance used here see Marx in the Grundrisse : " In all forms of society there is one specific kind of production which predominates over the rest, whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity. "

The success of this period, from the point of view of capital, is especially stark in cases where landlordism was very weak (lands in the colonies and especially the United States) or where an anti-feudal revolution destroyed the aristocracy and hit hard at the foundations of landlordism (case of France in the 19th century).

Finally, the third phase, very much outside the limits of our present essay and a case to be taken up in later issues of the journal, where landed property really becomes " superfluous and harmful " - which doesn't mean of course that it disappears. Now capital can compete fully with landed property on all the sectors of the economy.

The periodisation attempted above is not, and is not perceived to be, a general rule applying to all social formations. It is an attempt to theorise, from a particular standpoint, the process of transition between a pre-capitalist mode of production (not feudal but a combination of a Brehon mode and other tributary modes) and the capitalist mode of production in IRELAND.

There are historical examples where this process was completely reversed ; either by the conscious political action of a ruling class and its State (Greek case following the 1821 War of Independence) or the indirect telescoping of phases through revolutionary upheaval. (case of the USSR in the years 1919-1928) . And probably many others.

Section 5

conclusions

This long and laborious essay ' Reflections on Agriculture', which has been drawn out over 3 issues of the journal, is the first step undertaken by the journal to come to grips with the theoretical side of the class struggle in the countryside.

We have insisted from the Introduction to this essay that the failure of Marx and Engels to organically join the struggles of the peasantry taking place in their time is at the origin of the gaping void which existed inside Marxism on the question of the peasantry. This void allowed the bourgeoisie to insert itself inside Marxism and turn the science of the proletariat against the proletariat itself.

It is there that we trace the obvious and undeniable incapacity of Marxists to develop a workable strategy for political work among oppressed peasants... their inability to build an effective system of alliances between the urban working class and the peasants. The Chinese Revolution was the first historical instance where after an effective break from the dominant schemas of political development revolutionary communists managed to develop the materialist science through mass work among landless peasants. The Chinese revolution, at least until 1949, was the first revolution where the peasantry, armed with historical materialism, made the revolution.

What interests us, in Ireland, today, is to understand the specific forms that class struggle takes and will take. Nearly 25% of the people still live on the land... whatever the shortcomings of present-day revolutionary strategy for the urban working class, there is, in our opinion, a huge void in the programmes and practices of the progressive movement in what concerns the people of the countryside. The dominant attitude is one of paternalistic oblivion, somehow hoping that capital will smash the small farmers and thus the 'problem' will vanish as such... the 'small farmers' republic will be erased from the slogan book and so will be it.

In the meantime capital is reproducing part-time farming, the proletarianisation of small farmers has accrued, mobilisations against land grabbing and capitalist production and distribution monopolies is on the increase... the bourgeoisie, the IFA, the Church are looking in, taking notice, dividing, repressing... while the revolutionaries and the others, well protected in the urban suburbia, are fully oblivious in their ignorance.

Alongside this pressing political necessity to understand what is going on in rural Ireland and develop a workable strategy so that revolutionary forces would be effectively capable of influencing events, there is also another crucial need to which our examination and study of ground rent is addressing itself:

We looked at ground rent and that led us to an analysis of the co-existence of the capitalist mode of production with the pre-capitalist modes. We looked critically at Marx's texts on ground rent and we attempted to answer important questions, such as:

'What is ground rent?' 'Is it or is it not a relation of Production?' 'Is it a capitalist relation of production or does it derive from a pre-capitalist mode?'

If the answers we provided to these questions remain, as yet, incomplete and schematic, we are nevertheless now in a better position to undertake the necessary work for a materialist analysis of the penetration of capital in agriculture. We are in a better position to understand the issues that the Cromwellian plantation raises in Irish history: What did the plantation represent? If the mode of production from where the plantation originated was a transitional one, how exactly did it co-exist with the mode of production which predated the plantation?

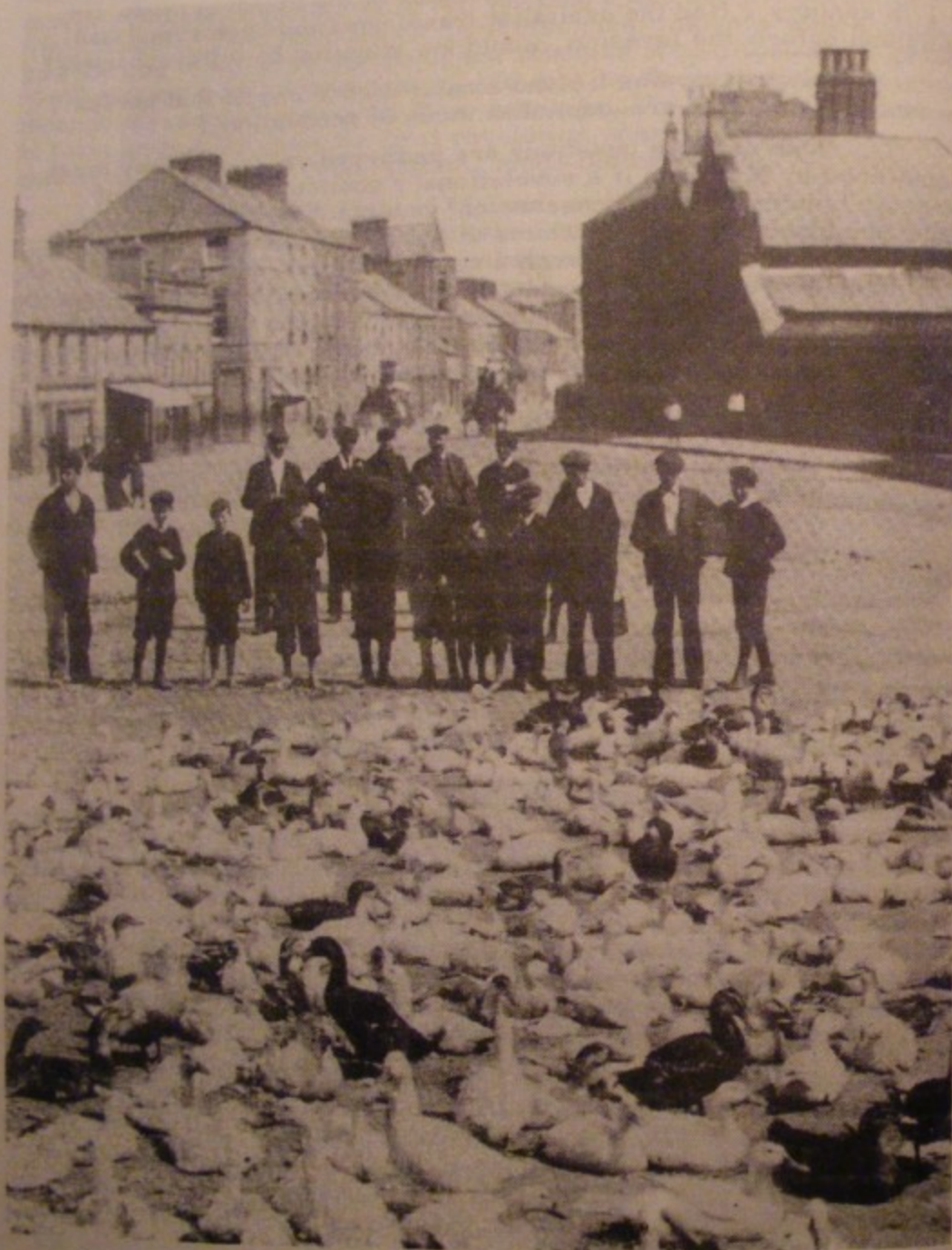
Capitalism, this is obvious, did not develop in Ireland the same way that it did in England, Scotland and Wales... was this perhaps the result of the relative weakness of the invading mode in the 17th century? Had the capitalist transformation been completed in England before the invasion, would the situation be different today?

How strong was Ireland's natural economy at that period? How resistant was the pre-capitalist mode of production?

None of these questions are answered yet... and they must be answered by Marxists if a revolutionary communist critique of bourgeois history with its nonsense of 'natural disasters', 'over-population problems', 'the whims of Kings and Queens' is to become effective. Symmetrically, if such a communist critique develops it will also be a spanner in the works of petit-bourgeois republicanism with its permanent rhetorical tendency to idolise the Celtic twilight and present the struggle of the 'people' (people without classes - all of us Irish) as a unilateral and pre-destined fight against evil.

A materialist critique of bourgeois history and a materialist analysis of the rule of capital in order to develop a revolutionary strategy for struggle against capital... these have been our main two objectives. In order to pave the path by clearing the obstacles so that the progressive forces can move ahead. Our contribution is here - for the readers now to take it up or bury it in the quagmire of hopelessness and sectarian apathy.

The reactionary forces and we both have difficulties. But the difficulties of the reactionary forces are difficult for them to overcome because they are forces on the verge of death and have no future. Our difficulties can be overcome because we are new and rising forces and have a bright future. The time is ripening.



Marxism and Politics by Ralph Miliband Oxford paperbacks 1977
£ 1.75

Capitalism today is in crisis, and fortunately for socialism, so too is Marxism. After all those years when marxist theoretical work meant desperately defending the "truth" of Marx against all comers, when marxist politics meant running after any mass movement that at least appeared to oppose capitalism, now, as the class struggle rises, so too marxist theory begins to open and develop. Paradoxically, the clearest sign that socialism is no mere fantasy is that it is now possible for marxists (1) to question Marx.

Ralph Miliband's new book is a good example of this process. While his previous works (2) simply defended traditional marxist positions, often with rather weak arguments, now Miliband sets out to actually develop a marxist theory of politics and to argue for a quite particular political strategy. Along the way he provides the clearest and most readable introduction to marxist political discussion that is available, but it is his own arguments that matter. While the book is well worth buying (it is for once relatively cheap) merely as an overview, Miliband raises issues which any socialist has to take seriously.

Miliband's starting point is to ask "What are the politics of Marxism"? and for him this is not at all obvious. Like Poulantzas before him (3), he quite rightly points out that Marx himself had no theory of politics and that later marxists have done little to change this - there is a series of fragmentary texts usually written for particular purposes, but no "theorisation", no systematic discussion, comparable to, say, Marx's "Capital". Through a survey of the most important marxist political writings, placing particular but hardly uncritical emphasis on Marx's own works, Miliband attempts to provide some starting points which can begin to fill this gap. One way in which he goes about this is important: unlike so many marxists, Miliband writes not only understandably but also honestly - when he encounters a problem to which he has no immediate answer he doesn't just crank up the rhetoric and hope you won't notice, he tells you, the reader, that for the moment he doesn't know the solution.

Yet pointing out problems is here not used as an excuse for fence-sitting, for this is a political book, a book with clear commitments. For Miliband a marxist understanding of politics is that politics are "the specific articulation of class struggles" (4) and marxist politics are politics which aim at the overthrow of capitalist class rule. Yet if this much is obvious, Miliband then proceeds to indicate the problems. It is not just a question of defining what "class", and above all, what "the working class", actually means (and Miliband's chapter on this is the most conventional and by far the weakest section of the book), but of defining these politics more closely. While the book itself covers a wide range of issues, Miliband's basic argument can be reduced to three points.

Firstly, he examines the relationship between class and party. Here he sees a continual oscillation within marxism between a stress on the class - the idea that only the working class can liberate itself - and on the party - the insistence that revolutionary transformation has to be organised and led. Within this argument, Marx and Rosa Luxemburg come at the "class" pole, Lenin at the "party" pole, although nobody has ever claimed either that the working class can do completely without organisation or that the party can act independently of the class. Nonetheless, for Miliband the whole discussion rests upon a false premise, for it is always assumed that somehow, somewhere, there is a correct relationship between class and party which guarantees that the party really "represents" the class, and this is impossible:

"The notion of the Party achieving an organic and perfectly harmonious representation of the class is nothing but a more or less edifying myth. Marx mostly avoided the problem by focussing on the class rather than the party, but the problem is there all the same" (5)

Consequently, the tension between effectiveness ("a political party is not a debating society") and representativeness is inevitable. A partial solution (partial because the problem is really insoluble) is to accept that historically in any one country the working class has not been represented by one but by several parties and further, that the party is only one of a whole series of organisations which have been thrown up in the course of proletarian class struggle. While this too is something no marxist has ever completely denied, up to now the consequence has not been fully accepted: no organisation can ever be allowed to claim that it alone represents the true consciousness of the class.

Such issues concern socialist democracy within capitalism, but they are clearly related to the question of democracy within the post-revolutionary State. Here Miliband is utterly consistent, once again the received truth is challenged:

"The notion of the 'dictatorship of the proletariat' disposes far too easily, and therefore does not dispose at all, of the inevitable tension that exists between the requirement of direction on the one hand, and of democracy on the other, particularly in a revolutionary situation." (6)

Thus, Lenin's 'State and Revolution', which laid out the form of the dictatorship of the proletariat as the most democratic form of State hitherto existing, manages to make effectively no mention of the role of the party at all; schemes of council or soviet government simply dodge the need for centralisation, while Maoism, for all its vital stress on the activity of the masses as a challenge to bureaucratism, actually has a completely "functionalist" understanding of democracy. In other words, even the most democratic theory within marxism up to now only accepts democracy because it can be used on the initiative of an existing leadership (the Cultural Revolution depended on initiatives from within the Party leadership) and provides no institutional solution to the problem of democracy. So long as this is so, proletarian democracy is a fraud, because it is hardly democracy if it is to be dependent on the good will of members of the Party elite.

For Miliband the link between these two problems - socialist organisation in a pre-revolutionary situation and the post-revolutionary organisation of the socialist State - lies in the third question, namely the relationship between socialist strategy and the nature of the capitalist State. Although Marx, unlike for example the later Lenin, cannot be accused of underestimating the importance of "bourgeois" democratic freedoms, his stress on the difference between social freedom and "mere" political freedom means that marxists are continually tempted to ignore the differences between the forms of the bourgeois State, in particular in relation to the varying degrees of political freedom different State forms allow (7).

For Miliband this failure provides the basis for what he terms the "insurrectionary" tradition within marxism. By this he seems to understand the "leninist" policies of the Third International



which insisted not only that the communist parties were the sole agents of social change, but this could only be achieved against all other working class organisations and through a "seizure" of State power. This is not to argue that Lenin believed that such a seizure could occur unrelated to ongoing class struggles, but "merely" that Lenin did believe that the working class of Western Europe was prepared to break with "bourgeois constitutionalism". Quite rightly, Miliband points out how wrong Lenin was, and consequently goes on to argue for what he calls, for want of a better name, the "reformist strategy". Before all readers of *Ripening of Time* at this stage die of heart failure at such sacrilege, it is worth seeing what he means by this.

"Reformism" (the word really needs replacing) is not to be confused with politics of "social reform" (the Labour Party, the German SPD, etc.) - politics which explicitly aim at modernising capitalism to make it work better in the future, nor is it the belief that a gradual series of reforms will one day usher in the promised land of socialism when nobody is looking. Instead, "reformism" is the struggle for reforms, both through parliamentary and extra-parliamentary struggle, but for reforms which are seen as part and parcel of the struggle for a different society. The crucial issue at stake however between the "reformist" and the "insurrectionary" strategies is the question of constitutionalism: parliamentary freedoms are accepted by reformism not merely tactically, as they are by the insurrectionary strategy, but in principle, since the objective is precisely to expand (not abolish) them into social freedoms. While Miliband therefore implies that under socialism parliamentary representation has to be flanked by some other form of representation (eg. councils or soviets) he is adamant that to abolish such "bourgeois freedom" is to make it impossible for marxist politics to be what they were for Marx - the politics of liberty itself.

James Wickham

Dec. 1, 1977

- (1) Really 'materialist' is a better word than "marxist" - at least it makes clear we don't believe in Gods.
- (2) Parliamentary Socialism (1961 & 1973); The State in Capitalist Society (1969).
- (3) N. Poulantzas, Political Power and Social Classes (London, NLB, 1973) esp. pp. 19 ff.
- (4) Marxism and Politics p. 19
- (5) same as above p. 126
- (6) same as above p. 180
- (7) Two horrendous examples are the German KPD's theory of "social fascism" and the theories of the Rote Armee Fraktion - in both cases it was announced that bourgeois democracy was just an illusion, in both cases the aim was to try to provoke the removal of this so-called "illusion".



This is the second in a series entitled 'Marxist Introductions', the first being Ralph Miliband's "Marxism and Politics" (reviewed in this issue of the *Ripening of Time* - ed.). The series is in fact edited by Raymond Williams, along with Steven Lukes, which makes it even more surprising that his own volume departs so far from the editorial aim of providing concise general introductions to particular topics. Not that that is a disappointment in this case. Terry Eagleton's "Marxism and Literary Criticism" is as succinct and useful an introduction as one could hope for and, besides, Williams has used the opportunity to deliver something much more important: his most considered statement yet on his commitment to the materialist method. Now in his late fifties, this Cambridge professor has finally made the leap from being a commentator on the relationship between Marxism and literature to being a self-declared Marxist whose concern is with literature. His previous pulling back from the brink has resulted in a reciprocal lack of full confidence in Williams by the British Left. That, plus his distance from the political groups in England and the occasional maverick act, such as voting for EEC entry, has meant that the considerable body of Williams' work has been constantly under-rated by the left, only to be claimed by the academic establishment. This book should help to properly situate Williams inside the revolutionary socialist movement.

The book has a further importance also for, taken together with Terry Eagleton's "Criticism and Ideology", it represents the first flowering to result from the transplantation of European cultural theory into the British Marxist movement. It is names such as Goldmann, Gramsci and Adorno which stud the indices of both books, no longer Arnold, Morris and Caudwell. The effects of these heady influences are more interesting to observe in Williams than in Eagleton, if only because Raymond Williams can now be seen to belong to the "old" New Left, that generation of British writers who struggled through the fifties and early sixties to build a serious socialist intellectual movement in the vacuum of the post-Stalin era.

Williams was particularly isolated, working in the field of literary criticism with only the writings of Christopher Caudwell to call a heritage and one can sympathise with his disgruntled comment in "Culture and Society" (1958) that Caudwell was for the most part "not even specific enough to be wrong". In the Introduction to his new book Williams tells us that the lack of theory meant in his case a lack of concern with problems of theory and a falling back on the English literary tradition of "radical populism". At the same time he is eager to convince us that the intellectual that he has charted through his seventeen or so books has been a steady movement by the materialist method to revolutionary socialism; whether that is so or whether there is an epistemological break somewhere waiting for an Althusserian to pounce on I do not feel qualified to say. Certainly Terry Eagleton when he comes to examine Raymond Williams' Marxist credentials in "Criticism and Ideology" is eager to detect the old liberal lurking under the new veneer. I find Eagleton's over-confident and slightly

aggressive tone off-putting and one example will, I think, serve to show the difference in the quality of thought of the two. In his early "Culture and Society" Raymond Williams wrote: "There are in fact no masses; there are only ways of seeing people as masses."

That seems to me to express epigrammatically a truth about ideological distortion. Eagleton writes: "One has only to adapt Williams' statement to 'There are in fact no classes - there are only ways of seeing people as classes', to reveal its theoretical paucity." I know who my money is on for logical paucity. Eagleton's analogy confuses a statement of fact with a statement of value. The pejorative use of the word 'masses', which is what Williams was discussing, is pure ideology. Classes, on the other hand, no matter how they are spoken of, have an objective and factual existence. A rather ironic mistake for one so pre-occupied with the science/ideology distinction as Eagleton proves to be. The example is not intended so much as a comment on Eagleton as it is on Williams, who benefits from the comparison of the two thinkers; he would never have made such a mistake.

The usual intellectual rigour is present in "Marxism and Literature" and now wedded to a thoroughly materialist method it is used to explore the central concepts of Marxist literary theory. It is a method familiar from "Keywords", the dismantling of a concept to examine how its meaning is framed by its historical context, but now in this book, after examining in the first section what he calls the 'Basic Concepts' such as 'Culture' and 'Literature', Williams goes on in the second section to examine critically the language of the European cultural theory. Words such as 'Homology', 'hegemony' and 'mediation' come under his critical inspection, and in the third and final section he looks at concepts particular to literary theory. It should be pointed out that the book is rigorously theoretical in the sense that it is not concerned at any point with practical application nor with the work of individual thinkers whose names are involved only when it is necessary to elucidate a point or credit a source. At the same time, however, it does not itself comprise any statement of theory; despite such interesting notions as 'structure of feeling' Raymond Williams is still not an original thinker to be compared with a Goldmann or a Macherey. That perhaps will come. In the meantime this book displaying Williams' cool-headed assimilation of the categories of European Marxist aesthetics, marks an interesting stage in his development.

J. Fitzpatrick Belfast.

and
after



Review: The Sociology of Neil Blaney

The Donegal Mafia, An Irish Political Machine by Paul Martin Backs
Yale University Press, New Haven and London, 1976

This book is fairly typical of its kind. It is full of useful information for any student of politics. At the same time, the very usefulness of its information is likely to lead such a student to ignore the real errors in the method by which it is interpreted and through which it is related to its overall context.

On the credit side, the work helps to fill part of a real gap in the knowledge that exists about Irish political organisation. The centralised, bureaucratic nature of the Republic's State Administration, the continuing poverty of the mass of the population, the placebos given by successive Governments that have lacked (as they still lack) both the ability and the will to end this poverty all help to create opportunities for a party machine to exist as a local mediator between the State and the people that the State is (in bourgeois theory) supposed to serve.

The Fianna Fail party machine in Co. Donegal is particularly famous (or notorious) as an example of this. It became so in the 1960s mainly because of its national effectiveness and, even more, its showiness. In bye-elections, the Donegal Mafia was seen to be present and had ascribed to it political and organisational powers superior to any other constituency organisation in any other Party. It is because of this reputation that it is a first choice among Irish constituency parties for a study in depth.

Certainly, Mr. Backs has provided such a study of his subject, albeit in practical isolation. He gives a very clear picture of the evolution and organisation of the Blaney Fianna Fail machine in North-East Donegal. Much that had once only been suspected is now made clear: the essentially unideological nature of the party network, the doubtfulness of its role as distributor of tangible benefits to its clients and finally its position as a major conservative political force. Such exposure can only help political progress.

At the same time, this work is good enough for it to be regretted that it is not better. In the first, and central, place, it remains limited to a regional perspective. Even the preeminence of the Donegal Mafia amongst Irish political machines is taken for granted. No comparisons are made even with other constituency organisations such as Haughey's in North-East Dublin, Lynch's own support group in Cork City, or, on the opposition side, Flanagan's power base in Laois - Offaly. How far are these 'Mafias' in the North-East Donegal sense, how far are they simply personalised loyalty systems such as Neil Blaney senior used in his day? Their success rate would seem to be too high for the latter to be the whole answer. The trouble is that the answer is what is still awaited. An even more significant quest-

ion, perhaps, is one that concerns the relative democracy (or otherwise) pertaining in the three largest Irish national parties ; is it true that (as a Fine Gael member is said to have stated in p. 192 of this book) Fine Gael is more democratic or is it just less disciplined than Fianna Fail ? Is Labour, nationally, in fact, the least democratic of the three ? Again, this book supplies only a small part of the evidence necessary to reply.

There are two reasons for this omission. Only one of them is relevant to this book's overall weakness. The other is more simple and, perhaps, a more direct cause. It is that Mr. Backs is, after all, an American and his book was written primarily for his fellow-countrymen. The relevant comparisons that he makes are all with the American urban political machines to which the rural Co. Donegal Fianna Fail organisation provides a natural contrast. It is not possible to complain about this fairly. It can only be regretted that an emphasis on what is interesting to the American audience for which this book is intended prevents it presenting data of greater political importance for the Irish people.

There is another cause for the book's failing. This lies in the author's method. He is a classical sociologist. In other words, he approaches his subject with a method that was developed as a consciously non-Marxist way of understanding the world. Thus, the founders of this discipline claimed to have an essentially pedagogic rather than activist attitude; they claimed to be only too happy to describe the world, not to change it. In fact, this tended to be a cover for actual, and usually counter-revolutionary commitment. Within this, classical sociology tends to insist on a rigidly formalistic logic. By this, the different spheres in which the different matters studied belong, remain separate one from another and, even where they do interact, do so with equal value as an ultimate cause for the fact. As a logical conclusion, classic sociologists tend to emphasise the differences between people in their different activities : ' political man ' , ' economic man ' etc. One practical result of this was that a school of classical sociologists, working on political matters - Pareto, Mischels, Mosca - developed highly sophisticated apologies for fascism.

Of course, Mr. Backs does not go this far. But, though he does allow for the economic factor as an influence on the immediate political relationships of Co. Donegal, his approach does also concentrate attention on the workings of these relationships at county, and, even more particularly, at constituency level so as to isolate his subject from its national environment.

This method has a further weakening effect in two other matters. In the very presentation of his data, Mr. Backs tends to give it an unwarranted universality. He does this, particularly, by using percentage to divide a select number of rarely more than 103 local cadres. At its most extreme, this produces the result that one such cadre is described as 3.7% of a given sample. This is totally misleading. Percentages begin to be accurate expressions of reality only when a sample is above 200. The effect is compounded when it becomes clear that there is no actual need for percentages ; the difference

between the prime figures given are clear enough. All that percentageing does is encourage the appearance of universality to what is a local phenomenon.

The effect of generalisation covers Mr. Backs' failure to generalise accurately when his subject demands it. One of the weakest chapters of his work is Chapter 2. It is entitled ' The Post - Nationalist (sic) Political Culture and its Contexts ' . In it Mr. Backs does try to give an historical background to his subject. But, impelled both by native ignorance and bourgeois ideology, he relies heavily on the contributions of such Irish liberals as Basil Chubb and Conor Cruise O'Brien. The result is a Chapter that, as its heading suggests, contains all the clichés associated with the Irish liberal revisionist school. The comparative prosperity of the Presbyterian community is associated, Weber-like, to Protestant hard work (p. 21 and p. 22) . The nationalist movement is described as essentially one of a peasant revival (p. 28) (This goes hand in hand with Mr. Backs' unquestioning acceptance of Fianna Fail's agrarian demagoguery as being a genuine expression of political concern). Britain is said to have left Ireland with its democratic traditions (pp. 44-45). The Protestants are described as having bourgeois sensibilities compared to the peasant Catholics because a. they think of themselves " as inherently more civilised than their Catholic neighbours " and b. they choose as their leaders " military officers (sic), large farmers (sic) and businessmen " (p. 54) . Such an acceptance of dubious information detracts yet further from this book's value and limited credibility.

In particular, Mr. Backs' analysis does not provide any sort of perspective for dealing with the politics of the person who is, perhaps, his central figure : Neil Blaney. He sees Irish nationalism as essentially a thing inspired by the irrationalism of the peasantry. So he sees Blaney's isolation since he left Government and Party in 1970-71 as simply arising from the failure of the claims of the task for national unification to defeat the machine. Certainly, the attainment of twenty-six county statehood and a form of capitalist industrialisation did weaken the overall attraction of Irish nationalism. Even so, the fact is that some kind of national demand must be asserted not only in the economic field but in the territorial field so long as imperialism helps decisively maintain the partition of Ireland. If this doesn't happen, electoral victories will prove pyrrhic ones in the struggle for self-determination. The trouble with Blaney outside Fianna Fail is that having lost control of much of the force that drove his machine, he could not break cleanly from the politics (or lack of politics) that established it. Kevin Boland attempted to revive the politics of the elder Neil Blaney with no success. The younger Neil has not even done this. The result is that he is just another Independent Deputy ; despite some local election and bye-election successes, he has been unable to build even his Independent Fianna Fail on a national scale. Today, his most obvious perspective seems to be to return to the national Fianna Fail Party though, no doubt, after a decent interval on the retirement of the present Taoiseach. While Mr. Backs would probably agree with this, he would reach such a conclu-

sion in a manner that would lead his less knowledgeable readers to ascribe Blaney's current futility to the decline of Irish nationalism tout court.

But, despite this, Mr. Backs' book should, at least, be borrowed from a library and read. It is a factual contribution, albeit a small one, towards understanding the working of the machinery of Irish politics.

D.R.O'Connor Lysaght



Womens Liberation in China by Claudie Broyelle - Harvester Press Ltd. 1977.

" They would launch into defeatist speeches or would say insolently that our commune was too small, with a workforce of two thousand, to carry out big projects like these. To arrive at a figure of two thousand, they counted two women as one man. "

Claudie Broyelle's beautiful book on China is densely packed with direct quotes from Chinese women and men about the

struggle to transform totally the oppression and exploitation of women. For, as one Commissar from Mao Tse Tung's birthplace recounts : " China is not all red " .

'Womens Liberation in China ' is a translation from French of the 1973 edition entitled ' Moitie du ciel - half the sky ' , a title from Mao's saying : " Women are half the sky and they shall conquer it " . The book arose out of a visit in 1971 by 12 women workers, students, mothers and a grandmother to China in the course of which they visit creches, homes, factories, schools and talk with scores of ordinary Chinese people about the struggle of women. The result is neither a glorification nor an embittered 'Told you so ' . As Claudie Broyelle reminds us in her Foreword :

" There is a sense in which socialism doesn't liberate the proletariat 'even in China ' . The wage system still exists; there are still important divisions between manual workers and intellectuals and between urban and rural areas; there is still the State. There is still class and the class struggle. There is a constant danger of capitalism being restored. You have to be blind not to see this possibility " .

Her journey through the world of Chinese women brings us into contact with the material obstacles binding women into submission, passivity and exclusion. Participating in production was not a mere question of finding a job but of opening a neighborhood factory to make kettles and later medical apparatus. But it didn't end there as one woman worker tells :

" In 1961 some of the factory managers, completely blinded by orders from the Peking Town Council decided to rationalise production. They decreed that there were too many of us working there and that we would have to stop making kettles since we were now a medical apparatus factory...there was a desperate struggle between that faction of the factory management who wanted the factory to be run for immediate profit and who above all didn't want the women to liberate themselves, and the large majority of women workers who wanted to continue on their chosen path. "

In the countryside, women encountered and still meet extremely backward ideas of women's inherent stupidity and inability to solve any public problem. Running totally against this current , bands of women, against the wishes of their husbands in some cases or in the face of ridicule from others set off to cultivate bald hills, search for water springs, dig fallow fields not for themselves but for the benefit of all. In this way, the socialisation of production did not have to wait on mechanical or technical means, but rather a new force was called into being which had never existed before : the political force of women.

Of particular interest in Claudie Broyelle's book is the many ways womens domestic labour is being socialised, through canteens, school, collective clothes repair, factory nurseries and myriads of small free services which rendered formerly as a personal service in the home are now carried out collectively and publicly. Both boys and girls get military training, men carry out embroidery work as women carry out all types of physically and mentally strenuous tasks. Broyelle is especially scathing of the Soviet experience of post-1917 with regard to

domestic labour and its socialisation. She refers to the "social relations imagined by bureaucratic planners had nothing to do with the reality of revolutionary change and revealed great contempt for the masses who were seen as a malleable dough".

This with reference to the experience of collective housing, eating and living in the Soviet Union would seem to be contradicted by Alexandra Collontai, a leading Bolshevik, who wrote in 'Revolution in Everyday Life' that in 1919-20 60% of the Moscow inhabitants were using communal canteens regularly while in Petrograd almost 90% were using the collective eating arrangements. In 1920, Moscow had almost 8,000 communal houses and flats, according to Kollontai. That is, a mass impulse to collectivisation was present at least initially which later retreated and its concrete forms dismantled. In China, this process, far from being reversed, continues, throwing up new contradictions, to be resolved with the exception of one.

That exception is a revolution in sexual relations between the sexes. Claudie Broyelle correctly avoids any elevation of the sexual question to the primary or most immediate contradiction confronting Chinese women. On the other hand, having explained carefully the profound differences towards marriage, love and sexual relations, she seems to rationalise rather too easily the taboo on pre-marital relations, the institutionalisation of late marriage as a form of population control and the official frowning upon of extra-marital relations of either marriage partner.

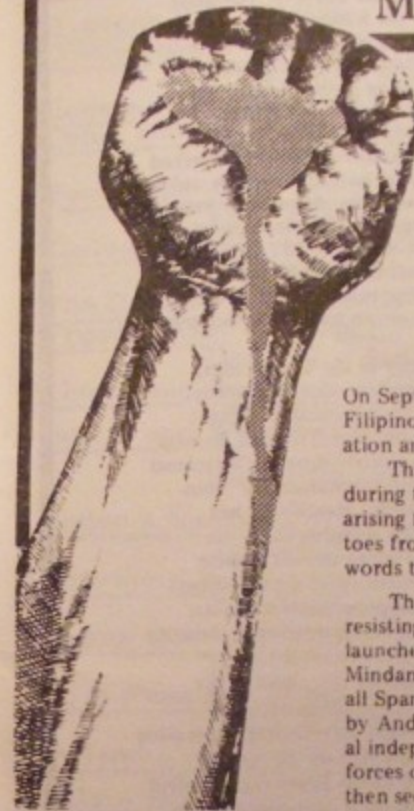
It is true, that casual divorce, sexual abuse of women, widespread prostitution existed in pre-revolutionary China as they did also in Russia and Batista's Cuba: reflections of the class domination of the bourgeoisie. True also that there is no truly revolutionary love and sexuality waiting to explode to the surface of socialist society. That said, the highly institutionalised forms of sexual relations and love prevalent in China would appear to be less a form of proletarian love and sexuality than a contradiction 'in the freezer' to come forth in a new cultural revolution.

Claudie Broyelle's book is a companion to William Hinton's books 'Fanshen' and 'A Hundred Days at Tsing Hua', both by Monthly Review Press. It opens a debate which took an interesting turn last year, 1977, when Claudie Broyelle herself published a new book in French on China, contradicting almost in its entirety the contents of 'Womens Liberation in China'.

This would leave the reader in the following position: either the theoretical positions which she argues in her early writings have been rejected by her, thereby invalidating the conceptual tools she used to analyse reality as she saw it. Or, if she retains the same theoretical analysis, her rejection of her own book can only lead one to conclude that the reality she analysed was clouded, either objectively or subjectively. Her starting point in Marxism, in either case, makes this a vital book in an area where the oppression and exploitation of women has impoverished Marxism of theoretical debate by and about women.

P.J. Dublin Feb.78

A documentation
of five years
of resistance
to martial law
in the Philippines



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On September 21, 1972 President Marcos imposed martial law on the Filipino people. Since then they have suffered greater economic exploitation and political tyranny.

This book documents the courageous struggle of the Filipino people during the five years of dictatorship. It consists mainly of documents arising from the struggle: reports of mass actions, statements and manifestoes from the resistance. The purpose is to allow the people's actions and words to speak with their own power.

The historical background presents the people's rich tradition of resisting oppression. Colonized by Spain in 1565 until 1898, the people launched more than 200 revolts. All during that time, the Moro people in Mindanao and the Igorot people in northern Luzon successfully repulsed all Spanish efforts to subjugate them. In 1896 the oppressed Filipinos, led by Andres Bonifacio a worker, waged the first Asian revolution for national independence against a foreign power and succeeded in defeating the forces of colonial Spain, then on its decline. However, US imperialism, then seeking areas of expansion, stepped in to rob the Filipino people of their hard-earned independence. US imperialism brought in over 126,000 aggressor troops and killed 1/6 of the total population in crushing the national resistance. Since 1898, US imperialism has maintained its stranglehold over the economy, politics and culture of the Philippines.

After the so-called granting of independence in 1946, US imperialism continued its rapacious exploitation of the country with the collaboration of puppet regimes under its control. It set up 20 military bases covering 200,000 hectares all over the country. In 1965 Marcos came to power and became its principal instrument in oppressing the people.

In December 1968 the Communist Party of the Philippines was re-established along Marxist-Leninist lines, marking a new milestone in the Philippine resistance. On March 29, 1969 the CPP founded the New People's Army to wage armed struggle against the US-Marcos clique. Also in 1969, the Moro National Liberation Front (MNLF) was established to protect the Moro people against Marcos' war of extermination against the Muslims. On April 24, 1973 the National Democratic Front (NDF) was formed to unite all democratic forces against the US-Marcos dictatorship.

As huge student-worker demonstrations rocked the cities and the New People's Army won victories in the early 70s, the US-Marcos clique imposed martial law on September 21, 1972. The economic situation of the workers, peasants and other oppressed classes and groups deteriorated rapidly even as the multinationalists, the big landlords, the pro-imperialist businessmen and top generals accumulated wealth. The US stepped up its military aid to the Marcos regime from \$80.8 million in 1969-72 to \$166.3 million in 1973-76. Its economic aid increased from \$1,041.2 million in 1969-72 to \$2,922 million in 1973-76.

After 3 years of silence, the workers' movement erupted in October 1975 with the historic La Trinidad strike. Since then the workers have launched more than 400 strikes in defiance of the martial law ban on strikes. The book presents details of some militant strikes and street demonstrations and traces the growing class consciousness of the workers.

Since martial law was imposed, over 60,000 citizens have been imprisoned in over 80 detention centers throughout the country. The book documents the organized struggles, particularly the hunger strikes, of the political prisoners. By their actions and words they prove that their spirit of resistance has not been broken by imprisonment and torture, nor even by the recently exposed Marcos policy of murdering political prisoners.

The students' historically significant role in the people's struggle for independence and democracy is briefly presented. The founding of the *Kabalaang Makabayan* (Nationalist Youth) on November 30, 1964 marked the beginning of a militant youth movement throughout the country culminating in huge street demonstrations in the early 70s. After three years of relative quiet, the student movement re-emerged in 1975 in support of the workers' and slumdweller's struggles. In June and July 1977, the student movement erupted with 187,000 students from 10 Manila schools and universities boycotting classes, holding mass protest meetings and campus marches in protest against another tuition fee hike ordered by the Marcos regime.

Manila's one million slumdweller, particularly in the Tondo area, started their people's organizations in 1970. When Mrs. Imelda Marcos ordered the demolition of their houses in 1975, they launched militant demonstrations in protest. Their best-known leader, Mrs. Trinidad Herrera was arrested on April 26, 1977 and subjected to electric shock. Widespread condemnation of the torture—both nationally and internationally—compelled Marcos to release her on May 13, 1977. Boldly identifying her torturers, she continues to lead the struggles of the slumdweller.

The farm workers' efforts to organize independent unions despite brutal landlord harassment is presented in a case history of sugar workers in a sugar plantation. The peasants' increasingly impoverished situation despite Marcos' much publicized land reform program is decried by tenants from southern Luzon. The growing resistance of peasants and farm workers, assisted by the New People's Army, is briefly described in the book.

The rich historical tradition of the Igorot people in resisting oppression comes out again as the Kalingas and Bontocs, both part of the Igorot people, militantly resist the World Bank-financed Chico River Dam project which will uproot 100,000 tribesfolk and destroy their centuries-old rice terraces and sacred ancestral grounds.

The next chapter presents the various stands taken by Catholic Church people with regards to martial law and the people's struggles. A small but growing minority are identifying themselves with the people's struggles, willing to support or join the revolutionary underground.

The chapter on the armed resistance presents documents of the New People's Army and the Moro National Liberation Front. The New People's Army has the wide support of hundreds of thousands of peasants in waging People's War in 20 guerilla fronts all over the country. The Moro National Liberation Front leads a well-armed Bangsa Moro Army in defending the Muslim masses and inflicting heavy casualties on the Marcos troops in southwestern Mindanao. The Communist Party of the Philippines and the New People's Army have exerted great efforts in developing unity and cooperation with the Moro National Liberation Front and the Bangsa Moro Army.

The book ends with an optimistic note. The road ahead is arduous and the Filipino people face many more and greater hardships. But the people's ultimate victory is assured, because their cause is just, because they are tempered in the course of the long struggle and grow in unity. And because they are bound to receive the support of the world's freedom loving peoples, while the US-Marcos dictatorship gets more exposed and isolated throughout the world.

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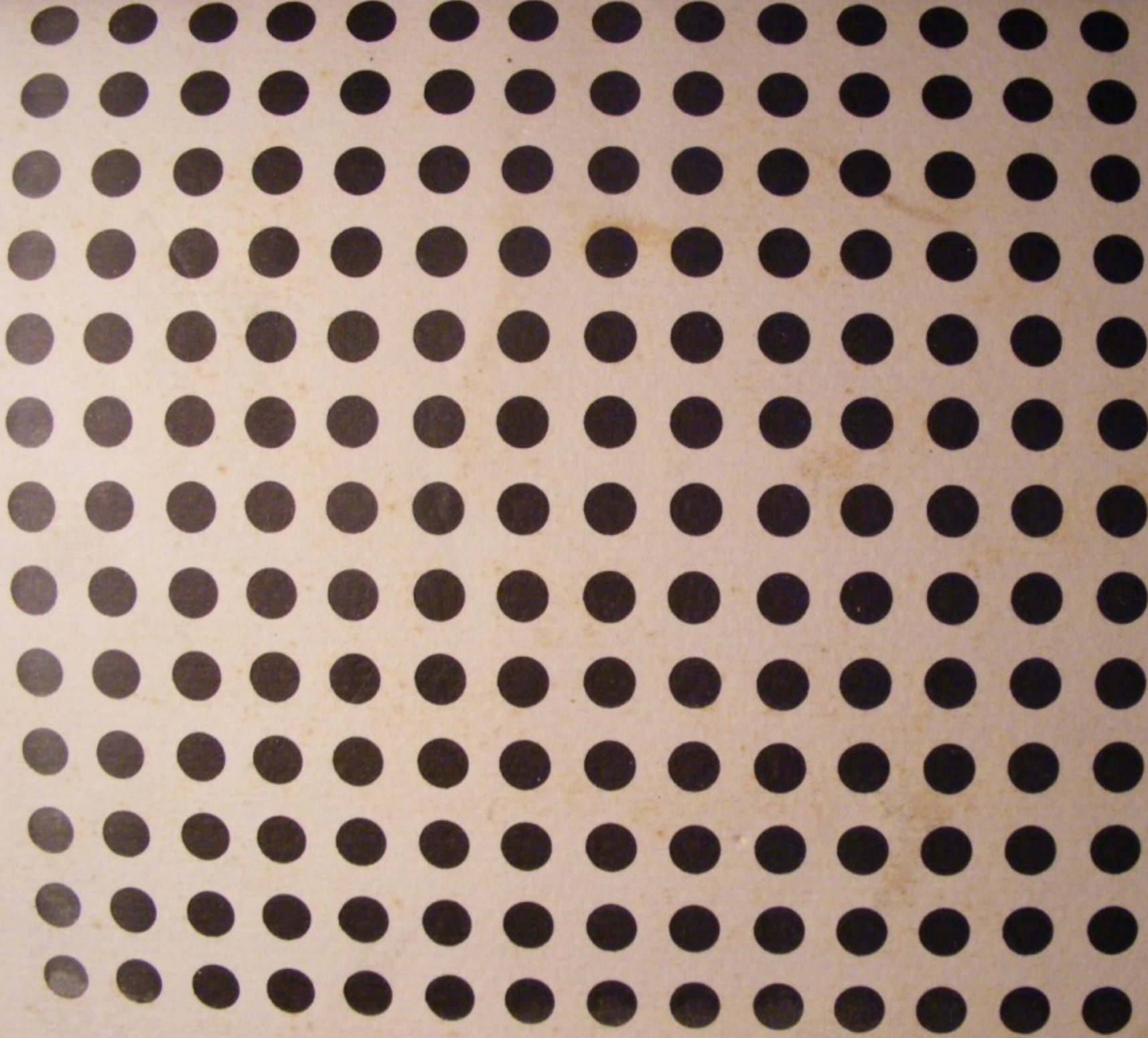
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