

EDUCATION FOR MARXIST S BULLETIN

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JOURNAL OF THE BOLSHEVIK LENINIST GROUP

— A. TROTSKYIST ORGANISATION —

EDITORIAL

What We Stand For

This is the first issue of what will be a regular monthly journal of the Bolshevik Leninist Group. We aim to make this journal a forum for discussion of those issues which are central to the development of revolutionary strategy and tactics for India and the world. Therefore while we seek to present worthwhile articles of depth, this is not going to be an academic journal.

Sectarianism has had a terrible effect on the Indian revolutionary movement in particular. A break from this past is vital. It must surely be clear to all those who desire revolutionary change that no political tendency has a monopoly of truth or Marxist wisdom. Therefore while many of the articles will carry an anti-Stalinist bias our pages are open to contributions from all political tendencies who consider themselves Marxists. Such a debate is imperative. There is a crucial need for fresh thinking on problems, old and new.

Our two articles in this issue deal with just such problems. Many revolutionaries believe that India is a semi-feudal country. As such the central contradiction in the Indian countryside is supposed to be between a dominant class of feudal landlords on the one hand and a bloc of rural classes on the other. This is a dangerously false theory. It encourages revolutionaries to support politically disastrous alliances between the landless labourers and poor peasants with the class of rich peasants and so-called middle peasants, who in many cases are aspiring capitalist farmers. This happened for example in the recent Karnataka and Maharashtra farmer's agitations.

In actual fact the agricultural policies of the Indian state clearly benefit the capitalist farmers most of all and not some allegedly powerful class of feudal landlords. What is more there is strong evidence to show that India was never feudal let alone semi-feudal.

"What Is Feudalism?", the first of a two-part article, explains why Western Europe alone can be considered to have been feudal. The second part which will appear next month rejects the notion that India was ever feudalist and also criticises Marx's view that there was a special Asiatic mode of production.

The second article in this issue deals with the question of the nature of the Soviet Union. There are four positions on this. The USSR is socialist. It is a unique society (sui generis) which cannot be compared to any other. It is some form of capitalism i.e. state capitalism/state monopoly capitalism. It is a transitional society between capitalism and socialism, which can go forwards, backwards or stagnate.

The thesis of "Soviet social imperialism", so popular among many political currents assumes that the USSR is state capitalist. While the reactionary character of Chinese foreign policy has even disillusioned many Maoists, there is still much confusion about the nature of the Soviet Union and why it is "revisionist". In fact this question has now been debated for over 60 years long before the Chinese leaders became concerned about it. The French Maoist, Charles Bettelheim and a wing of the Trotskyist movement have produced the most serious defence of the view that the USSR is state capitalist. Another wing of Trotskyism has made a powerful

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critique of this view. In this and subsequent issues we will present both sides of the debate.

A Declaration Of War

On July 28, 1981, the government declared war on the Indian working class. It issued an ordinance whose terms are so draconian that it amounts to an attempt to virtually re-impose at least 80 percent of emergency rule, as far as the working class is concerned. It is necessary to note how on other fronts democratic rights have been systematically eroded. The independence of the judiciary (which does afford a measure of protection to the oppressed classes) has been undermined by a series of government actions. The new MISA, the National Security Act (NSA) is in full operation and hundreds of labour activists have been arrested under its provisions.

The new ordinance however, is a decisive step forward in this onslaught. Its provisions come into effect immediately. Strikes are banned in post and telegraphs, railways, docks, aerodromes, defence establishments, oil installations, the public distribution and storage agencies, hospitals and sanitation services, banking, the post etc. as well as in all undertakings associated with the functioning of these sectors, which are deemed essential services. The ban period is for six months and can be extended for another six months. Needless to say the ordinance can be re-enforced after the briefest of respites.

What is more, workers in the private sector are gravely affected also. Almost all the important areas of production in the private sector fall under the list of scheduled industries and can thus be declared "essential services" whenever the government sees fit to do so. In brief the ordinance gives the government a free hand to ban strikes in virtually all sectors of the organised working class.

That is not all. Strike is defined not merely as stopping work but as any activity retarding work such as go-slows, work-to-rule, refusing overtime etc. and can be met with dismissal, fine and imprisonment. The same holds true for those who are suspected of inciting "illegal" strikes, encouraging or even financially supporting such actions. Alleged "trouble-makers" (that is, the most militantly active and conscious workers) can be arrested without warrant and can be summarily tried before a specially appointed magistrate. The terms of the criminal procedure code normally protecting citizens against such arbitrary arrests will not apply to arrests under this ordinance.

Why has Mrs. Gandhi decided to attack workers in this manner? And why now? With the political opposition to the Congress(I) in disarray (with the partial exception of the CPM-led governments in Kerala and West Bengal), this Indira government of the bourgeoisie knows that the organised working class is the one force capable of making it retreat. True, judging by the recent statistics of man-days lost, the working class has not been particularly

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militant of late. And certainly, the failure of the working class to respond in a co-ordinated fashion on a mass level to the misuse of NSA to arrest labour activists up and down the country must have spurred Mrs. Gandhi into issuing the ordinance. But this does not mean the government has not been worried by working class actions. The coming of the ordinance has much to do with the kind of action represented by the public sector strike of 125,000 employees in Bangalore, Hyderabad and Kolar; the strike of Reserve bank employees; and the reaction to the LIC ordinance.

Through the ordinance, the government has sought to pre-empt future resistance by rendering the workers helpless. Moreover, since the trade unions are by and large, tied to political parties, the centre has sought to cash in on the weakness of the bourgeois opposition parties who do command some following among sections of the working class. It is also possible that the timing of the ordinance measure was influenced by the government negotiations with the International Monetary Fund (IMF) for India's highest ever loan of \$4 Billion. One cannot be certain of this but it is certain that Mrs. Gandhi's case before the IMF will not be harmed by an action that so helps the capitalists and industrialists. The sudden and stealthy way in which the ordinance was introduced showed that the government hoped to gain an advantage by catching workers by surprise. And the way Mrs. Gandhi has tried to throw a sop to workers by promising to ban lock-outs and lay-offs, shows that she knows what a dangerous game she is playing.

The ordinance is also a prelude to other measures. The bourgeoisie is demanding higher profits and the government is determined to give it to them, in the hope that this will help to solve the problem of low overall growth rates. So real wages of workers must be reduced or frozen. We can fully expect attempts to introduce CDS (compulsory deposit scheme), restrict bonus and eliminate its status as a "deferred wage", and reduce dearness allowances. With inflation continuing unabated, there is no doubt that the organised working class would have continued to fight to protect its real earnings. To attack the working class economically it is thus first necessary to destroy its organisational capacity to fight for itself. That is one important aim of the ordinance.

There is also another meaning to this ordinance. It is a declaration of intent by the centre vis-a-vis the CPM-led governments in Kerala and West Bengal. It was always only a matter of time before the Congress (I) government decided to attack the CPM, which after the decline of the Charan Singh rich farmers' lobby, was seen as the principal obstacle to total Congress(I) hegemony. This is not because the CPM's reformist programme is a fundamental threat to bourgeois rule. But as the major "workers' party" in the country its interests will clash with the bourgeoisie when the latter seeks to totally subjugate the working class and its bureaucratic apparatus, as at present.

The CPM-led governments either have to mobilise state resour-

oes to fight this ordinance or risk being grievously compromised in the eyes of workers and left-minded youth. Many of these have already become quite disillusioned with the CPM's politics. Depending on how seriously the CPM responds, a showdown between the centre and the left front government can rapidly come about. The centre has without doubt taken this into account before issuing the ordinance. The replacement of the left front government in West Bengal by Congress(I) rule would be a step backwards. As such revolutionaries must oppose the centre's efforts in this direction.

Finally the ordinance is only the bourgeoisie's declaration of war, not its victory. The ordinance can be defeated and in the struggle the working class can gain an awareness of just how immensely strong it is and of how it can defeat its class enemy. Such an experience can only hasten the coming of the socialist revolution.

The response to this ordinance can far exceed in scope the 1974 railway strike. For this issue affects not just one section of the working class but all of it. The central perspective of the struggle must be a mass general strike prepared for by a series of co-ordinated mass actions at various levels--- such as citywide and regionwide bands and one or two hour work stoppages. The organisation of marches, mass meetings and demonstrations is imperative. Both at party and trade union levels it is necessary to forge the broadest possible unity behind the campaign to repeal this ordinance. Wherever possible area-wise committees and other forms of grass-roots, democratically organised bodies must be encouraged which enable workers to come together across party, trade union and factory or industry affiliations. Such pressure from below is essential for the movement to remain on course should trade union bureaucrats (not just those belonging to INTUC) and established party leaders begin to vacillate or attempt to dampen militancy. This is one struggle which workers can and must win!

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WHAT IS FEUDALISM?

Introduction

Many Marxist scholars have used the term "feudalism" in a false and indiscriminate manner. Whereas feudalism was a social formation specific to Western Europe, the term has been used to explain the historical development of the countries of Eastern Europe, Asia and others as well. To justify such a general usage, these scholars have had to define the concept of feudalism in the following manner:

- Feudalism is a social system of production
1. which is predominantly agricultural
 2. in which land is valued above all things and is not a commodity
 3. where the landlord class exploits the peasants by forcing the latter to labour for the former, as well as pay it rent in cash or kind

4. where the market is not central to the functioning of the economy and thus the exchange of commodities is restricted
5. where the nobility tends to consume luxury products
6. where the serfs are eternally in debt
7. where serfs are not free to move about like wage labourers since they are tied to the soil
8. where religion and other ideological forces reinforce the exploitation of the serfs.

All these are certainly aspects of the feudal mode of production. But they are also aspects of all agrarian societies between slave society and capitalism. They are not therefore, the central or specific characteristics which make feudalism fundamentally different from all other types of pre-capitalist agrarian societies such as the early Muslim countries or the Chinese dynasties. Indeed some of the above listed characteristics (4,5) hold true even for slave society!

Other problems also arise from this method of analysing history. For example, "if feudalism was such a general and widespread phenomenon why was it that capitalism developed first in Western Europe, which then provided the impetus for the development of capitalism throughout the world? Why was it that in Western Europe alone capitalism reached its advanced stage? If Russia was feudal like Western Europe why did Russia not pass from feudalism to capitalism as the Western states did instead of being "the weakest link in the imperialist chain"?

The Feudal Period

The slave mode of production was dominant between the second century B.C. to the second century A.D. This society was dependent by and large on the labour of slaves and did not take the cultivation of the soil too seriously. The supply of slaves was largely dependent on foreign conquests. Maintaining slave women and children was considered wasteful and unproductive, so the supply of slave labour relied almost totally on war booty. Thus as the expansion of the Roman empire ceased from the third century onwards, the slave mode of production decayed.

In the first half of the fifth century the Roman empire was attacked twice by the Germans. After the wars were over, a new civilisation slowly emerged which was in turn attacked, from the ninth century onwards, from three sides. From the south came the Muslims, from the east the Hungarians and from the north the Scandnavians. Feudalism was born in this troubled period.

Feudalism's golden age lasted from the middle of the ninth century to the beginning of the thirteenth century. It went through two distinct phases. The first feudal age, from the ninth to the middle of the eleventh century was a period of great wars and economic disruption. There was a catastrophic decline in population as a result of which population density on arable land was very low. Transport and communication facilities were virtually non-exis-

tent. Trade was restricted to a few societies (mainly between the Mediterranean and north Africa and west Spain) and was of low volume.

The second feudal age lasted from the middle of the eleventh to the middle of the thirteenth century. This was a period of relative peace. The population grew rapidly. In the towns, artisans and other urban middle classes grew in number. Transportation, particularly by ship, improved. Most important of all, restrictions on the buying and selling of property, so characteristic of the first feudal age, became less stringent. There was greater circulation of money. Taxes were collected in the form of money. Troops and officials were also paid in money. The state began to amass great wealth far in excess of the fortunes of private persons. Education spread among the vassals, and a new power arose, the state bureaucracy.

The Feudal System

What were the unique characteristics of the feudal system? They were vassalage, fiefdom and the manor.

Owing both to the invasions of the ninth century and inner turbulence, more and more fortresses were set up by the upper classes in the countryside. It also became necessary for the various strata of the upper classes to collaborate with each other against the invaders. It was this desire of the upper classes to unite that gave birth to vassalage.

Vassalage was a mutual relationship established voluntarily between the upper and lower layer of landlords, whereby the latter pledged allegiance to, and promised to raise armies for the former. In return the upper lords promised to protect the lower lords in times of external attacks and internal upheavals. This mutual relationship was enforced by law. A vassal could take his lord to court if he did not keep his part of the contract. There were numerous cases of this. At first the contract ended when one of the parties died. In the course of time the roles became hereditary. Just as the lower lords were vassals of the upper lords, the latter were vassals of the monarchy. In general, the vassals, who comprised the ruling class in feudal society, were a class of warriors. They did not work the soil directly but depended on serfs for the surplus that made possible their military expenditures. Thus the division of labour between military service and the cultivation of the soil was the real foundation of the cleavage between classes.

Fiefdom

There was also a very poor class of warriors who needed something more from their masters than just protection. They were usually given a plot of land with a house and serfs. This was the fief system. The fief was, literally speaking, a loan but it soon became the outright property of the receiver. The term is now used

to name the person receiving the land. Fiefs refused to work the land themselves, and when they received their estates they expected the tenants or serfs on it to pay rents to the lords and perform labour services for the fief.

Fiefdom often began not with a grant of an estate from the lord to a warrior, but the other way around. When a warrior possessed a small estate he would often offer it up to the lord for the honour of becoming a fief and so obtaining the right to protection. Once the relationship of personal bondage was thus sealed the property surrendered was returned. This great movement of land surrender to the lords went on especially during the first period of the feudal age. If the warrior desiring to become a fief was of high rank, then his possessions called "allods" would be returned and he would remain completely independent. But if he was poor and of low rank, then while his estate would be returned, he was required to pay a rent to the lord.

Fiefs were not only grants of land and serfs. With the development of money and exchange during the second period of the feudal age, fiefs were often distributed in the form of money. The English kings were the first to do this. Money fiefs gradually took the form of a fixed salary. In Germany and Italy, however, the transition to cash remuneration was much slower and more restricted.

The gradual taking over of the powers of the monarchy by the vassals was a crucial feature of feudalism. Take the case of England. The Norman and early Angevin kings governed England with the help of a single non-elective body which either met in formal sessions with a fairly large membership (the General Council) or informally with a much smaller attendance (The Curia). In times of strife the monarchy had to call the General Council of vassals to obtain from them their assent for an increase in taxes to meet the war effort. With the passage of time, the calling of the General Council, which was originally a formality hardened into a constitutional principle. Such a development was hastened during periods of war, internal upheavals or when the monarch was personally weak. At such times the power of the vassals rivalled that of the King.

From these feudal institutions emerged some of the most important political institutions of the modern capitalist state. In England, out of the sessions of the Great Council came the British Parliament; out of the Curia grew the cabinet, exchequer and the high courts of justice. Like the General Council in England, the 'Estates General' of France transformed itself from ad-hoc gatherings called during emergencies into a Parliament which claimed as right what was previously a favour--- the right to be heard and followed on all important matters. Likewise in Portugal there developed the Cortes, in Sweden the Riksdag and in Germany the

Landtage. The court system also grew out of the practices of feudalism, namely the right of the vassal to an open trial, administered by persons other than his lord.

The Manor

The vassal's or fief's estate was called the manor on which agricultural production was organized in a very specific manner. It was divided into two parts--- the demesne and the small peasant plots. The demesne was the vassal's or fief's land on which the peasant had to work for a fixed amount of days every year besides suffering other forms of exactions. The peasant had to work on his own plot to grow food for his own subsistence. This arrangement was typical of the feudal mode of production.

The System in Eastern Europe (The Example of Russia)

The situation in the East was very different from that of the West. Vassalage, for example, was totally absent here. First the various hierarchies in the feudal system of the West was never known in the East. Public authority was never divided between the King on the one hand, and the feudal lords (vassals) on the other. There were no powerful independent feudal lords as there were in the mediaeval West, nor did any feudal lord or churchman ever succeed in challenging or restricting monarchical authority.

In Western Europe the nobility obtained through the vassalage system a clear title to land. No such development took place in East. In Russia, for example, only in 1785 under Catherine II, did Russian landowners obtain legal title to their estates, and even then numerous conditions were attached. In the twelfth and thirteenth century, in Western Europe, vassals were emerging as an entity separate from the ruler while in Russia was moving in the opposite direction with the monarchy eliminating private property and taking it over. Thus the type of arrangement in feudal Western Europe between the King and the vassals, came to Russia very late and only in a diluted way. Western Europe quite unlike anything in Eastern Europe created a number of institutions outside the control of the King and by thus preventing arbitrary acts of the monarchy, enhanced the rise of public order.

Secondly in Western Europe, the monarch's household staff could not handle the growing state administration and a large bureaucracy emerged from the vassals. This reinforced the separation between the King and the state, a condition which was very important for the emergence of capitalism. In the East however, because of the absence of vassalage there was no check on the authority of the Tsar. The Russian state bureaucracy was therefore, very much a tool of the Tsar.

Thirdly the Russian state before the 1917 revolution, grew and took shape without having to contend with landed interests. This factor was fundamental to the way Russia evolved. The landed propertied class was economically very strong but it

lacked political and social strength. They were continuously submitted to a number of indignities by the monarchy. They could be demoted to the rank of a 'commoner' at any time. They could be punished and humiliated like commoners. They were called 'slaves' of the King, and they were continuously rotated all over the country when working as administrators so as to prevent them from striking deep regional roots.

Fourthly it was precisely the vassalage system that allowed for the development of capitalism in enclaves. Vassalage allowed estates to be independent of the King. Here a rising bourgeois or merchant class could develop. In Western Europe this led to the rise of independent urban centres within the feudal economy. No such development of the indigenous bourgeoisie took place in the East. That is why the Russian bourgeoisie could never hope to oppose the monarchy successfully. In France the bourgeoisie initially allied itself to the monarchy to help reduce the power of the vassals, and then reversed itself to lead a successful struggle against the King. In England the bourgeoisie sided with the vassals against the crown and restricted its royal powers. But in Russia the nascent bourgeoisie was too weak to even oppose the monarchy let alone carry through a bourgeois revolution. That is why Trotsky could argue in his thesis of Permanent Revolution, that since the bourgeoisie was too weak to take over state power on the collapse of the monarchy, it would be upto the proletariat to carry through the revolution to socialism bypassing the phase of capitalism.

The fief system of Western Europe was reciprocal in nature. The vassal had duties to the lord, it is true. But he also had rights the lord was bound to accept. Mediaeval law, especially included the notion of signorial felony--- the illegal breaking of the contract by the feudal superior. In the East the landed middle class was a servant and bound to unconditional obedience to the monarch by law. Furthermore the fief system was never known in the great Islamic states or in the Chinese dynasties both of which had their unique forms of agrarian land tenure.

Finally the manorial system was never as indispensable or as entrenched in the East as it was in the West. The peasant plots of the East were three times smaller (and the landlord's area three times larger) than comparable estates in the West, pushing the intensity of labour services to levels unknown in the West. The most striking effect of this super-exploitation of peasants was the reversal in the whole productivity pattern of feudal agriculture. Whereas in the West yields were higher on the landlord's part than on the peasants' plots, in the East peasant plots achieved higher rates of productivity than on the landlords' plots.

The absence of the entrenched manorial economy profoundly affected the direction of Russia's political development. In the

West the manorial system was the forerunner of the capitalist farm. As levels of technique grew and population increases took place, serfs were evicted from their plots and employed as wage labour. At the same time Russia was moving in the opposite direction towards the conversion of the country into a peasant economy. The emancipation of the serfs in 1861 killed whatever little chance that existed for the political development of the landed classes. Having lived on the brutal exploitation of serfs by extracting exorbitant rents from them they could not master the new entrepreneurial attitudes and talents that were required in the changed situation. They got deeper into debt and sold their land. By 1916, two-thirds of all the cultivated land in Russia was in the hands of the peasants.

Overview

European feudalism was hardly, as many imagine a stagnant social system. By the thirteenth century European feudalism had produced a unified and developed civilisation that registered a tremendous advance on a number of fronts. There was a great jump forward in the agrarian surplus yielded by feudalism. There was a striking increase in agricultural productivity. Technical innovations such as the iron plough for tilling, the stiff harness for horse traction, the water mill for mechanical power, marling for soil improvement, and the three-field system for crop rotation encouraged the vast movement of occupation and colonisation of new lands. Between the ninth and the thirteenth century average ratios of harvest/seed yields increased from 2.5:1 to 4:1, and the portion of the harvest at the disposal of the producer doubled.

Most important of all it was the classical feudal system that first gave rise to a genuine urban culture. Behind the urban culture and polity of Imperial Rome lay no urban economy. The material wealth that sustained its intellectual and civic vitality, was drawn over-whelmingly from the countryside. The Greek-Roman town were never centres of manufacture, trade and crafts but were urban collectivities of labourers. Feudal society, for the first time gave rise to a genuine urban culture and economy of artisans, merchants and a rising bourgeoisie. It was the independence of the vassals from the monarchy that made this development in enclaves possible. In the East where the Tsar was the outright owner of the country's material and productive resources, no such development could take place.

But capitalism did not just evolve automatically from feudalism and thereafter destroy it. The transition to capitalism was facilitated by a survival of a crucial aspect of slave society--- Roman law. This was essentially concerned with regulation of the informal relations of contract and exchange between private citizens. It was fundamentally concerned with economic

transactions-- purchase, sale, hire, lease, inheritance and security. It was not concerned so much with public or criminal laws as it was with civil and commercial laws governing disputes over property. No prior legal system ever accepted the notion of unqualified private property. Ownership in Greece, Persia and Egypt was always conditional. This revival of Roman law was necessary to enable the new social relations of production to emerge. Private property became a purely economic fact divested of all religious significance. Thus Roman law promoted the exchange of land, labour and commodities. By comparison Islamic law was at best vague and uncertain in matters of real estate. It was religious and therefore made confusing interpretations. Chinese law had a single minded preoccupation with punishment. It was scarcely concerned with civil law at all and provided no stable support for economic activity. Japanese law was elementary with only the timid beginnings of enforceable commercial law.

Modern research has discovered only one major region of the world where a feudal mode of production comparable to that of Western Europe indisputably prevailed--- the islands of Japan. Marx himself commented in Capital: "Japan with its purely feudal organisation of landed property gives a much truer picture of the European middle ages, than all our history books." Japanese feudalism developed from fourteenth/ fifteenth century onwards and eventually promoted the speedy and successful

capitalist industrialisation of Japan --- the only country outside the West where this happened. It is significant therefore that only where strictly feudal systems existed, did capitalism develop to an advanced stage. Concomitantly only these societies became colonisers and imperialists and not the colonised. Those who characterise all or most pre-capitalist agrarian societies as feudal cannot therefore explain why out of all these 'feudal' societies, some developed into advanced capitalist countries, others remained backward, and still others bypassed the capitalist stage through a socialist revolution.

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ON THE NATURE OF THE SOVIET UNION

1. The Social Character of the Soviet Economy
E. Mandel (edited extract from Marxist Economic Theory, 1968, Merlin Press)

Contrary to what many so-called Marxist sociologists say the Soviet economy does not display any of the fundamental aspects of the capitalist economy. It is true that rapid industrialisation of the Soviet Union involved a "primitive accumulation" which was achieved by forcibly lowering the consumption levels of workers and peasants. Under capitalism, primitive accumulation was also based on an increase in the poverty of the people.

But unless there is a large-scale contribution from outside the economy, accelerated accumulation can only take place if the surplus plus not consumed by producers increases. This is true for all societies and there is nothing specifically capitalist in this.

Capitalist accumulation is an accumulation of capital, that is, a capitalisation of surplus value with the aim of producing ever more surplus value. Profit remains the purpose and driving force of capitalist production. Accumulation in the USSR is an accumulation of the means of production as use-values. Profit is neither the purpose nor the chief driving force of production. It is merely an additional instrument in the hands of the state to help it fulfil the plan by checking for example, whether enterprises are functioning efficiently and meeting their plan targets.

Because capitalist production is for profit it is essentially based on competition among capitalists for conquest of markets. Even if concentration of capital has reached its highest point and the monopolies wield supreme power, competition continues in both old and new forms. It is this competition that makes capitalist production so anarchic. Private decisions taken independently of each other, determine in a totally un-co-ordinated way the overall level of production and accumulation, and their rates of growth.

Soviet planning is in contrast to this. All the industrial means of production are in the hands of the state, which can thus centrally decide the level of production and accumulation and what their rates of growth should be. Elements of anarchy continue, it is true, within the framework of this planning, but their role is precisely comparable to that of the elements of "planning" in the capitalist economy-- they modify but do not abolish the fundamental social characteristics of the economy.

The capitalist economy is subject to the tyranny of profit. It develops according to quite precise laws. There is a tendency for the average rate of profit to fall. Capital tends to flow into those sectors which have rates of profit higher than the average. There is concentration and centralisation of capital with monopolies seeking super-profits, etc.. These tendencies give present-day capitalism its particular features.

The Soviet economy escapes completely from these laws and particular features. Despite the immense territory open to it, beyond its frontiers in Asia (China, North Korea, Outer Mongolia, North Vietnam etc.), it "exports" very little "capital" to them, though the "rate of profit" is certainly higher in these countries, owing to the lower "organic composition of capital" and the lower cost of labour. Although the USSR has accumulated huge amounts of "capital" in heavy industry, investments continue to go primarily into this sector, instead of spilling over more and more

into the marginal sectors as happens in a capitalist economy in its declining phase. The USSR does not artificially limit production, suppress technical inventions, have periodic crises of "over-production" or deliberately destroy part of production in order to raise profit rates. These are all phenomena which are characteristic of the capitalist economy as a whole, including the economies of capitalist countries less industrially developed than the USSR (Italy, Argentina, Brazil etc.) but are not found in the Soviet Union since 1927, that is, for a third of a century.

World capitalist economy forms a whole. Even countries which were most self-reliant like Japan on the eve of the second world war, Nazi Germany, Italy in the period of the League of Nations "sanctions", etc. -- were unable to insulate themselves in any substantial way from the general situation in the world capitalist market. The outbreak of the crisis of 1929, and then that of 1938, left a deep mark on the economies of all the capitalist countries, not excluding the "self-reliant" ones.

The Soviet economy, however, while retaining definite links with the world capitalist economy, is insulated from the fluctuations in the world economy. Indeed periods of the most remarkable advance by the Soviet economy have coincided with periods of crisis, depression or stagnation in the world capitalist economy. This being so, it is ridiculous to declare that the capitalist nature of Soviet economy is shown by its competition with the other great powers (USA, Germany, Japan etc.), a "competition" which primarily takes a military form. It is clear that any non-capitalist economy established nowadays over a large part of the globe would find itself in latent hostility with the surrounding capitalist world. Geographical, military, economic and commercial necessities follow automatically from such a situation. But this is not capitalist competition which is competition for markets and profit. It is a "competition" which results precisely from the different social characters of the USSR and the capitalist world, which confront each other.

Similarly it is wrong to regard the Soviet economy merely as the "culmination" of tendencies which can be seen in present-day capitalism. To make out, for example, that collective ownership of the means of production in the USSR is an advanced form of monopoly ownership; to argue that while in Western capitalist countries the state is interfering more and more in the economy, these "tendencies" have been fully developed ^{in the USSR} and the state has become merged in the economy.

In present-day capitalism the increasing fusion of state and economy, the occasional violation of sacrosanct private property, all exist for the benefit of monopoly capital, for defending, protecting and guaranteeing its profits. The merging of the

State with the economy here is at bottom nothing but the total domination of the economy by private monopolies, which make use of the state machine. In the USSR, however, the state management of the economy, the abolition of the right to private ownership of the means of production, the fusion of economy and state, have all taken place through a history which cannot be simply wished away or ignored---- by way of the expropriation and destruction of the bourgeoisie as a class.

One of the best indicators of the social character of an economic system is what happens in a new territory that is absorbed by it? When one capitalist country is incorporated into another capitalist country this is not accompanied by any revolution in the social structure. The German occupation of France and the occupation of Germany by the Americans, British and French showed this quite clearly.

In contrast, the German occupation of the Western provinces of the USSR, and later the incorporation of the so-called "peoples' democracies" into the zone of Soviet influence involved qualitative structural changes. It is unnecessary to speak of the destruction of capitalism in Eastern Europe; the facts are known to all. Less known are the measures taken by Nazi occupiers in the USSR to reintroduce private ownership of the means of production. The aluminium works at Zaporozhe was seized by the Vereinigte Aluminiumwerke trust. Within the framework of the Berg and Huttenwerke Ost G.m.b.H., financed by the three biggest German banks, the Flick Konzern took over, jointly with the Reichswerke Hermann Goering, the steel works of the Donets Basin, under the title of Dnjepr Stahl G.m.b.H. The Siegener Maschinenbau A.G. took over the Voroshilov works at Dniepropetrovsk. The Krupp trust grabbed two factories at Mariupol, two at Kramatorskaya and one at Dniepropetrovsk. It was accorded the right to manage these enterprises and draw profit from them, with complete ownership promised to it after the end of the war. In 1943 Krupp dismantled the entire steel works at Mariupol and transported it to Breslau. The I.G. Farben trust organised the Chemie Gesellschaft Ost G.m.b.H. and the Stickstoff Ost A.G. in Russia. In the daily newspaper Frankfurter Zeitung we find, within a space of three days in May 1943, reports of the establishment of seven large-scale German private undertakings in the occupied areas of Russia. Why all these efforts, if collective property ownership doesn't alter the supposedly capitalist character of the USSR?

The theories according to which the Soviet economy represents an economy of a new type, a "managerial" society (James Burnham), a bureaucratic society (L.Laurat), bureaucratic collectivism (Bruno Rizzi, Max Shachtman), or a society run by a "new class" (Milovan Djilas) cannot be accepted either. The supporters of these theories rightly deny that the Soviet mode of production is capitalist

in character. But they do not grasp that what is non-socialist in the USSR--- extensive social inequality, bureaucratic privilege, lack of genuine workers' control in the factories etc.--- represents a product of the country's capitalist past and capitalist environment.

In reality, Soviet economy embodies contradictory features, which neither its vulgar critics nor its apologists have been able to bring together into a comprehensive conception. A particularly ludicrous allegation by some of the USSR's vulgar critics was the one put forward by Bruno Rizzi and taken up by James Burnham in the Managerial Revolution: the Soviet-German alliance was said to be a stable alliance between two social systems of the same kind. The Nazi attack on the USSR and the extremely clear-cut and savage nature of the conflict (precisely because they were two different social systems) showed the complete inanity of this theory.

The apologists point to the absence of private ownership of the means of production, the constant and rapid progress of the productive forces and of the general level of technical skill and culture of the population. All this does indeed prove that the USSR is not a capitalist country. It remains nevertheless mistaken to draw the conclusion that the USSR is already a socialist country. Classes (the working class and peasantry) continue to exist, with interests which are sometimes antagonistic to each other. Social inequality has increased and the level of development of the productive forces still remains below the level reached by the most advanced capitalist country.

The advocates of the "state capitalism" theory correctly point out that social inequality is a bourgeois characteristic. So also the norms of payment for work (money wages) that exist in the USSR. But they generalise falsely when they describe the Soviet mode of production as also being capitalist. The advocates of the theory of "bureaucratic collectivism" show clearly the non-capitalist nature of the Soviet mode of production. But they generalise falsely when they deny the basically bourgeois nature of the norms of distribution. In fact, the Soviet economy is marked by the contradictory combination of a non-capitalist mode of production and a still basically bourgeois mode of distribution. Engels in Anti-Duhring said "Each new mode of production...is at first retarded...by the old mode of distribution...". Marx in the Gotha programme critique said "What we have to deal with here is a communist society... as it emerges from capitalist society... Hence equal right here is still in principle - bourgeois right..."

Such a contradictory combination in the USSR implies an economic system which is passing through a period of transition between capitalism and socialism, during which the economy inevitably combines features of the past with features of the future.

THE PROGRAMME OF THE BOLSHEVIK LENINIST GROUP

1. INDIA IS A BACKWARD CAPITALIST COUNTRY.
2. WE REJECT AS NOT APPLICABLE TO INDIA, THE THEORIES OF 'SEMI-FEUDALISM', 'COMPRADORISM', AND 'NEO-COLONIALISM:
3. NO SECTION OF THE BOURGEOISIE OR PETTY-BOURGEOISIE IS 'PROGRESSIVE'. ACCORDINGLY WE REJECT ANY STRATEGIC ALLIANCE WITH ANY SECTION OF THE BOURGEOISIE.
4. THE COMING REVOLUTION WILL BE SOCIALIST IN CHARACTER AND NOT BOURGEOIS DEMOCRATIC, NEW DEMOCRATIC OR PEOPLES DEMOCRATIC.
5. THE LEADING REVOLUTIONARY FORCES ARE THE URBAN AND RURAL PROLETARIAT. THE REVOLUTION WILL SEE AN ALLIANCE OF THESE FORCES WITH THE POOR PEASANTRY.
6. ALL SECTIONS OF THE WORKING CLASS ARE IN A HISTORIC SENSE REVOLUTIONARY. WE REJECT THE CONCEPTION THAT THE HIGHLY PAID INDUSTRIAL WORKER IS REFORMIST.
7. WE STAND FOR A UNITED FRONT WITH WORKERS' ORGANISATIONS ON SPECIFIC ISSUES, SUCH AS THE DEFENCE OF DEMOCRATIC RIGHTS. WE ALSO STAND FOR A UNITED FRONT OF ALL COMMUNIST FORCES ON A REVOLUTIONARY PROGRAMME.
8. WE SUPPORT AUTONOMOUS MOVEMENTS OF WOMEN, DALITS, TRIBALS & OTHER OPPRESSED MINORITIES.
9. WE SUPPORT THE RIGHT OF SELF-DETERMINATION FOR ALL NATIONALITIES THAT DESIRE IT.
10. WE SUPPORT THE EQUALITY OF ALL LANGUAGES, RELIGIONS AND CULTURES.
11. WE STAND FOR THE BUILDING OF A DEMOCRATICALLY CENTRALISED REVOLUTIONARY PARTY BASED ON THE PRINCIPLES OF WORKERS' CONTROL AND RANK-AND-FILE DEMOCRACY.
12. WE STAND BY THE DICTATORSHIP OF THE PROLETARIAT BASED ON SOVIETS AND NOT THE DICTATORSHIP OF THE PARTY FOR THE PROLETARIAT. IN SUCH A GENUINE SOCIALIST DEMOCRACY WORKERS WILL HAVE THE RIGHT TO STRIKE, FORM INDEPENDENT UNIONS AND MANY PARTIES.
13. WE REJECT THE THEORY OF 'SOVIET SOCIAL IMPERIALISM'. THE SO-CALLED SOCIALIST COUNTRIES ARE ONES IN TRANSITION BETWEEN CAPITALISM AND SOCIALISM. THESE POST-CAPITALIST SOCIETIES ARE RULED BY BUREAUCRACIES, MOST OF WHICH HAVE TO BE OVERTHROWN BY A POLITICAL REVOLUTION IF THERE IS TO BE A DECISIVE ADVANCE TOWARDS SOCIALISM.
14. SOCIALIST REVOLUTIONS WILL TAKE PLACE IN BACKWARD SOCIETIES AND IN ADVANCED CAPITALIST COUNTRIES JUST AS POLITICAL REVOLUTIONS WILL OCCUR IN THE TRANSITIONAL SOCIETIES. HOWEVER, THE CONSTRUCTION OF SOCIALISM CANNOT BE COMPLETED IN ANY SINGLE COUNTRY, BUT ONLY ON THE WORLD SCALE THROUGH THE CONSCIOUS CO-ORDINATION OF REVOLUTIONARY EFFORTS. FOR THIS A REVOLUTIONARY INTERNATIONAL IS VITAL.