

THE RIPENING OF TIME

no. 4
The Capitalist State



You waste the attention of your eyes,
the glittering labour of your hands,
and knead the dough enough for dozens
of loaves of which
you will taste not a morsel;
you are free to slave for others—
you are free to make the rich richer.

The moment you're born
they plant around you
mills that grind lies
lies to last you a lifetime.
You keep thinking in your great freedom
a finger on your temple
free to have a free conscience.

Your head bent as if half-cut from the nape,
your arms long, hanging,
you saunter about in your great freedom:
you're free
with the freedom of being unemployed.

You love your country
as the nearest, most precious thing to you.
But one day, for example,
they may endorse it over to America,
and you, too, with your great freedom —
you have the freedom to become an air-base.

You may proclaim that one must live
not as a tool, a number or a link
but as a human being —
then at once they handcuff your wrists.
You are free to be arrested, imprisoned
and even hanged.

There's neither an iron, wooden
nor a tulle curtain
in your life;
there's no need to choose freedom:
you are free.
But this kind of freedom
is a sad affair under the stars.

Nazim Hikmet (1902-63)
Turkish revolutionary and poet



a sad state of freedom

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Tony Jefferson

to the reader

This fourth issue of *The Ripening of Time* publishes four major articles, including the continuation of our analysis of the historical and social development of the 26 Cos.State.

We begin with the theoretical presentation of two vital concepts in Marxism: productive and unproductive labour. They provide, in our opinion, an important foundation upon which to build the necessary analysis of social classes and their role in the class struggle.

The recent death of Mao Tse-Tung, revolutionary leader of the Chinese people, urged us to pay tribute to the glorious struggle of the Chinese people; in the article 'The Long March to Socialism' we attempt to study some lessons of the Chinese revolution in its transition to socialism. While not providing a blue-print for struggle and social revolution, the lessons of China

Correspondence only to:
M. McBride, c/o 5 Henrietta St. Dublin 1 Ireland.

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for Ireland are great in showing the importance of applying Marxism-Leninism to specific concrete conditions, the need to understand clearly the class forces in society and the classes involved in the struggle for socialism and within a socialist society itself. This paper, we hope, will widen the important debate on the struggle in China and we will publish any responses we receive on the question.

Internationalisation of Capital - the Capitalist State and Social Classes, is the third of a series of articles published in previous issues of the journal, examining the effect of internationalisation of capital on the state, its interventions and in transforming the relations of domination within the bourgeois class.

It provides a theoretical framework within which to place an analysis of the Irish State which in this issue deals with the changes in the 26 county state from the 1930's up to the 1970's, highlighting the major struggles which took place during this period of growing penetration of international, particularly U.S. capital. This historical work, we consider as an outline upon which future issues will expand on the basis of contributions and criticisms received from readers.

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★★★★



editorial

They have declared a State of Emergency.

They are preparing 'convenient places' for an inconvenient opposition.

State violence and repression, the desperate manoeuvres of a weak ruling class, weak not through any lack of armoury, prisons, detention centres, juvenile institutions, mental hospitals, or under any immediate threat from a politically organised and powerful working class; but economically, politically and ideologically dominated and dependant and suffering from the acute contradictions of a prolonged and worsening world-wide crisis of capitalism.

Increasing unemployment and inflation, cut-backs in health and education, calls for wage restraint are some of the manifestations of the crisis. The inability of the ruling class to tackle these problems was illustrated quite recently by the publication of the government Green Paper, the Fianna Fail plan and the many other economic policies which have hit the headlines. These so-called plans have one thing in common...the only solution they offer is WAGE CUTS, which ultimately can only be enforced through repression. We can rest assured that any future 'plan' which the ruling class pull out of the bag will rest on one foundation...make the working class and the oppressed pay, and make them pay dearly.

The history of State violence can be traced back to its bloody inception, to the first emergency powers act of 1922, opposed by the labour party then as a threat of military dictatorship, but passed as a temporary measure to give powers of execution to secret military courts.

Increased army powers followed in 1925 with the death penalty institutionalised; then Cosgrave's Constitutional Amendment Act of 1931 and the setting up of Special Courts, opened the way for the Offences Against the State Act in 1939, with its proscribing of organisations, juryless courts, internment, military tribunals and censorship. Such was the effect of the artificial legitimacy of the 26 Co. State, unstable at the best of times and sharing the island with a State in the 6 Co.'s where similarly, any attempt by the working class and the nationalist petty bourgeoisie to achieve basic democratic rights has been met with escalated violence.

In this case, the defence for the weak ruling class was the British State which liberally employed its army when the 6 Co. State was in danger, in the 1930's, 1940's and up to the present day where the monopoly of violence is shared out amongst a variety of State organs. With such a short history of legislative violence, perhaps we should be less 'appalled' and curious about this 'State of Emergency' and begin to ask "who's emergency?"

The increasing role of the army, what we've called a 'tendency to militarisation' is not a temporary or compromise solution for the capitalist state. It has become an objective necessity as the army takes on a more autonomous and dominant role inside the repressive apparatus, trained and equipped for 'anti-subversion' and in recent years introduced more explicitly into everyday life.

Through a simultaneous internal disciplining evidenced by the promotions scandal in the last few years, where officers were being politically selected more blatantly than ever before, the Army appears more reliable for the bourgeoisie than the more fragmented and localised Gardai....and perhaps more than we are aware, directly tied up to the dominant pro-US fraction of the power bloc.

President Ford and Cosgrave gave an ominous warning when they met during the Taoiseach's shuttle to Washington last March. Issuing a joint communique;

" they noted with regret the continuing violence arising from the Northern Ireland situation. They deplored all support for organisations involved directly or indirectly in campaigns of violence and reiterated in particular their determination to continue and to intensify their cooperation in the prosecution of illegal activities. "

Our minds turn this September to our comrades, the working class and people of Chile who three years ago this month suffered the violent reaction of a dependent bourgeoisie and its US imperialist allies. Their attempts to create a more humane world were smashed: their democratically elected Government overthrown, 50,000 killed, nearly half a million imprisoned and detained. Three years later, State violence, censorship and torture still continue.

In Lebanon too, another people - the Palestinians and the majority of the Lebanese working class are being daily slaughtered by the Israel and US backed Phalangists in collaboration with the Syrian Army. After the 1971 Black September in Jordan, one more time imperialism is attempting a genocide. Yesterday many 'socialists' were qualifying the Assad regime in Syria as 'progressive' and anti-imperialist. Where are they hiding today? Is the Palestinian play over now that the curtain is about to come down on still another Act?

At home, the building workers in Navan and Limerick have given a lead in the fight against repressive legislation. Such laws of a desperate ruling class can only be opposed by organisation and unity.

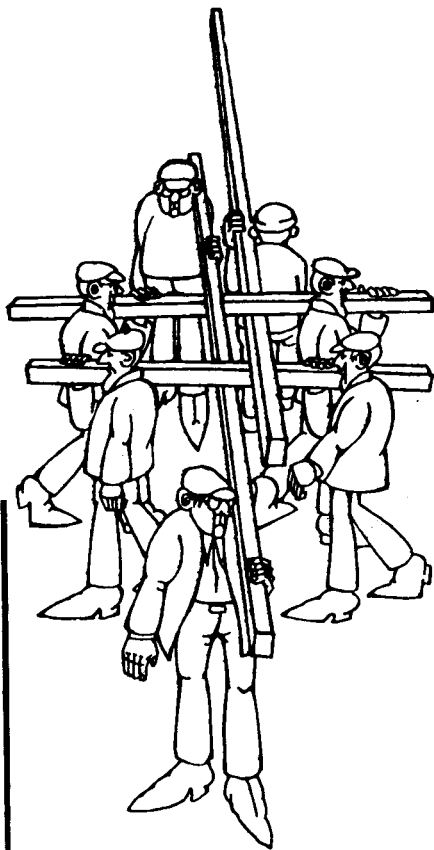
One doesn't have to be one of Conor Cruise's "Frankenstein monsters" to know which way the wind is blowing. The primacy of the national struggle and the fact that British imperialism is the primary enemy of the Irish working class....all those who agree and struggle are piercing the core of bourgeois weakness and division: the unfinished democratic revolution.

We have been encouraged by the response The Ripening of Time has been receiving, particularly in those parts of the country where the working class is new and where the history of land agitation lives on.

Continue the struggle.....everyday, even if 7 Days no longer means a week.

September 1976

The Editorial Collective



un

productive

labour

and

productive

" If we take an example from outside the sphere of production of material objects, a school-master is a productive labourer, when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the schoolproprietors. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, does not alter the relation. "

Capital. Vol. 1. P.16.

Why do we study Productive and Unproductive Labour.

This essay is our first attempt in the Ripening of Time to directly examine labour. We will present an initial framework for understanding different types of labour inside the CMP (Capitalist Mode of Production), as a means to analyse the different ways surplus value and other forms of surplus are extracted, circulated and realised in the capitalist system. Our framework will be general, and cannot be used to categorise this or that individual type of work; it provides an overall view of the way capital moves, focussing on the very lifeblood of the system: the expropriation of surplus value from the working class.

This article draws extensively from material in Issue 3/4 of the theoretical journal of the Revolutionary Communist Group, contained in the article; 'Once again on Productive and Unproductive Labour.

The working class in many countries, including Ireland, is faced today with a constant attack on the 'unproductive' workers in the State sector, stories about 'spongers' on the dole queues, and about the need to increase productivity. This makes it an urgent task for all progressive and socialist people to understand different forms of labour, different relations of production and different conditions of exploitation. This work has as its objective an analysis of the function of different forms of labour IN RELATION TO CAPITAL. It is not an attempt to separate one group of workers from another. Only if we know what functions different forms of labour play for capital, will we be able to unify the various sections of the working class, by confronting and breaking the divisions which capitalism maintains. We can strike the hardest blows and the most effective ones if we study carefully the objective needs of capital.

Another reason why this analysis is important, is that there are many attempts in contemporary Marxist circles to throw out these concepts of productive and unproductive labour, to call them irrelevant. With many dangerous distortions and revisions of Marxism circulating, we need to examine closely those parts of Marxist science some find so convenient to discard.

This essay will focus on the distinction between productive and unproductive labour. It is not intended to be used as a definition of who belongs or does not belong to the working class, nor is it intended as the basis of a theory of class alliances. To answer these questions, we would require an understanding not only of who is engaged in productive and unproductive labour, but other factors as well, such as, the division between manual and intellectual labour and hierarchical positions inside a workplace. The real criteria for what forces are part of the working class and what class or fraction, is its ally will rest on the objective role that force or fraction plays inside the class struggle, in the struggle to destroy the capitalist State and the relations of production it maintains. Those who fight against and struggle to destroy capitalism are the real bearers of history. Those are the masses who make history.

This essay will be divided into:

- A. Some Introductory Remarks - looking at the distinction between labour in general and labour under the CMP.
- B. Pre-Marxist Conceptions of Labour - a brief look at the theories of A. Smith, Ricardo and the Physiocrats.
- C. Productive and Unproductive Labour - in Marxism. - a look at Marx's own work on this question; the criteria he used in his distinction and its scientific base.

a Some Introductory Remarks.

We will discard all notions of productive/unproductive labour which equate productive labour with 'useful' labour and unproductive labour with 'useless' labour. As the distinction between these two types of labour exists and takes form inside the process of production, it follows that both types of labour play a function for capital, and thus both are necessary for the reproduction of capitalist relations of production and the accumulation of capital. At the same time how we satisfy our daily needs and wants, such as eating and sleeping, and entertaining ourselves, although outside the process of production are ALL affected by capitalist relations of production. Bourgeois ideology shapes our dreams and our reality, from the clothes we wear to the houses we live in.

The first point to make is that we are not dealing with all of the daily work or toil which people carry out everyday of their lives. Rather we are concerned with labour specifically in its relation to capital. We can immediately say then, that the distinction between productive and unproductive labour does not correspond to a distinction between paid and unpaid labour. Both productive and unproductive labour can be paid or unpaid.

Our concern is with all labour which is part of the PRODUCTIVE PROCESS IN GENERAL in a capitalist society; labour engaged in the production, realisation and circulation of surplus value. It is inside the process of production that we locate the distinction between different types of labour. In this sense, a lot of what we do everyday will not come under the definition productive or unproductive. For example, a person washing her/his car on a Saturday afternoon, does not directly enter into the process of production and so the work that this involves does not come under either concept.

" Labour as mere performance of services for the satisfaction of immediate needs, has nothing whatsoever to do with capital, since that is not capital's concern. " (1)

The distinction between productive and unproductive labour, has nothing to do with the type of product which is produced, nor what time of day or night it is produced, nor with the extent of effort or toil which goes into its production; rather it is concerned with the RELATIONS UNDER WHICH PRODUCTION TAKES PLACE. This can mean, as we will see, that the same type of work, in fact the same work, can be productive or unproductive depending on the relations of production.

To clearly identify what criteria we use to define productive and unproductive labour, we will look briefly at the theories which preceded Marx... theories which he clearly distinguished himself from, theories which were the ideology of the bourgeoisie and not of the proletariat.

b A Brief Look At Theories Before Marx.

Bourgeois economics has historically lacked one key concept in its analysis of the capitalist mode of production. That is the concept of surplus value; the key to understanding the bankruptcy of the system, the exploitation which it thrives on, and the class which will lead its destruction... the working class.

Adam Smith, a bourgeois economist who wrote at the end of the 18th and the beginning of the 19th century, was the ideologue of the industrial bourgeoisie. He defined product-

(1) K. Marx. The Grundrisse. P. 361.

ive labour as 'labour exchanged with capital' and unproductive labour as 'labour exchanged with revenue'. This definition is similar to that used by Marx himself, as we shall see, but Smith misunderstood labour, and his concept of capital was extremely narrow and generally defined in terms of industrial capital. He made no distinction between the process of production and the process of circulation which, as we will see, was central to Marx's work. Smith saw no difference between the production of surplus value and its realisation confusing the concept of labour in general with the concept of labour power which Marx developed later.

" The labour of some of the most respectable orders in the society, is like that of menial servants, unproductive of any value. The sovereign, for example, with all the officers of both justice and war who serve under him, the whole army and navy, are unproductive labourers. They are the servants of the public, and are maintained by a part of the annual produce of the industry of other people. In the same class must be ranked... churchmen, lawyers, physicians, men of letters of all kinds: players, musicians, opera singers, dancers, etc." (2)

For A. Smith, all these 'peripheral' activities were a drain on the surplus available for investment, he saw 'luxury consumption' of the aristocracy as 'immoral' and backward. Industrial production was for him the future of society, and all else remnants of a better-forgotten past. The question of productive and unproductive labour he treated as a moral and not a scientific question.

This moral and essentially unscientific approach to productive and unproductive labour appears in Marxist circles today. In Ripening of Time no 1, we looked at Paul Baran's theory of imperialism. On unproductive labour he says;

" (unproductive labour) consists of all labour resulting in the output of goods and services, the demand for which is attributable to the specific conditions and relationships of the capitalist system, and which would be absent in a rationally ordered society. " (3)

Baran's approach is similar to that of Adam Smith. Smith saw unproductive labour as the remnants of a decaying system...feudalism. Baran sees it as the remnants of a decaying capitalist system. While agreeing with Baran that capitalism is rotten, it is not because of unproductive labour that it will fall, but by its own insoluble contradictions and the rise of those it exploits and oppresses.

(2) A. Smith. Wealth of Nations. P. 295.

(3) P. Baran. The Political Economy of Growth. P. 144.

Productive labour is no more 'progressive' than unproductive labour or vice versa. We argue that both types of labour will be defined by the dominant mode of production, with its specific relations of production and development of the productive forces. From this point of view, we analyse productive and unproductive labour in relation to capital. Productive labour under the dominance of the capitalist mode of production is NO MORE CAPITALIST than unproductive labour, but different types of labour play different functions for capital.

Other theorists had a similar 'moral approach' but the moral was different. The physiocrats, a school of economic philosophers, defined agricultural production as productive and all other labour as unproductive. Their theory was essentially idealist, and was based on a philosophy of nature. Man and Nature together produce surplus and thus productiveness is centered on agriculture.

" Physiocrats were staunch advocates of large-scale capitalist agriculture, abolition of class privileges and protectionism. Their philosophical views were close to those of the 18th Century French bourgeois Enlighteners. A number of economic reforms proposed by the physiocrats were put into effect during the French bourgeois revolution. " (4)

Ricardo, another economist of the bourgeoisie, took a slightly different approach. His concern was with productivity and the distribution of surplus. Without making a scientific distinction between productive and unproductive labour, he defined unproductive labour as a sort of spin-off effect of productive labour; necessary and intrinsic to the expansion of production. The more unproductive labour a society could support, the more productive it was, and thus the most developed and progressive. Ricardo, in many ways, pointed the way, though not explicitly toward the development of a State sector, which would use the available surplus to provide employment and at the same time to increase the number and variety of services available to people.

" A body of unproductive labourers are just as necessary and as useful with a view to future production, as a fire, which should consume in the manufacturers' warehouse the goods which the unproductive labourers would otherwise consume. " (5)

(4) Marx and Engels. Selected Works. Footnote 130. Wages, Prices and Profits. Lawrence and Wishart.

(5) Quoted in Revolutionary Communist Group Theoretical Journal no. 3/4. D. Ricardo.

C Marx: A Scientific Distinction Between Productive and Unproductive Labour.

Let us first draw together what we have said so far, and make some initial conclusions.

- (1) Both productive and unproductive labour are 'useful' for capital, while each has a different role to play.
- (2) A large part of the general toil or work people are engaged in during the day does not come under either definition, as these activities do not enter into the production process at the points of production, circulation or exchange.
- (3) To be engaged in 'unproductive' work does not mean that this work is useless or wasteful or parasitic, but that it has a specific function for capital.
- (4) The distinction between productive and unproductive labour is not determined by the type of product produced, who produces it, how long it lasts or where, when, or how it was produced.
- (5) The distinction we make between different types of labour is a materialist one defined not in terms of the labour itself but in terms of the relations of production under which the labour is carried out.

In Theories of Surplus Value, Marx presents the fundamental properties of PRODUCTIVE LABOUR. Marx's concept of productive labour is an historically specific concept, defined under the Capitalist Mode of Production, as labour which produces surplus value.

" Only labour which is directly transformed into capital is productive. " (6)

To be more specific; what we are talking about here is LABOUR POWER. Labour power when exchanged with capital reproduces not only itself but also surplus value, which is not paid for by the capitalist. In this sense, productive labour is involved in a DOUBLE EXCHANGE with capital. The first part is a simple exchange, by which labour power produces value and is paid for by a wage which reproduces this labour power. And the second, which is the production of surplus value which is extracted unpaid from the labourer. This surplus value is then transformed into capital.

This process, the keystone of Marxist science, confuses all bourgeois economists whose misunderstanding of surplus value makes them the objective defenders of the capitalist system, implying that labour is paid its full equivalent and the extraction of surplus and the accumulation of capital is reduced to a simple matter of increasing productivity through technological innovation, automation, mechanisation, economies of scale, new markets...and the long list of apologies for exploitation.

(6) K. Marx. Theories of Surplus Value. Vol IV. P. 393.

To summarise, let us quote Marx:

" Productive labour is only the concise term for the whole relationship and the form and manner in which labour power figures in the capitalist production process. The distinction from OTHER kinds of labour is however, of the greatest importance, since this distinction expresses precisely the specific form of the labour on which the whole capitalist mode is based. " (7)

Productive labour must be exchanged with capital and must produce surplus value.

Marx went further and looked at labour which would come under this category, clarifying a number of important points.

Firstly, he clearly argues that productive labour does not necessarily imply labour engaged in material production (that is concrete objects). Both material and immaterial production can be either productive OR unproductive, in Marxism.

" If we may take an example from outside the sphere of production of material objects, a schoolmaster is a productive labourer, when, in addition to belabouring the heads of his scholars, he works like a horse to enrich the schoolproprietors. That the latter has laid out his capital in a teaching factory, instead of a sausage factory, does not alter the relation. " (8)

Secondly, Marx clearly laid the emphasis on the relations of production and not on the product itself.

" It follows from what has been said, that the designation of labour as productive labour has absolutely nothing to do with the determinate content of that labour, its special utility, or the particular use value in which it manifests itself. The same kind of labour may be productive or unproductive. " (9)

Thirdly, Marx includes transport workers in the category of productive labourers. He defines transport as the LAST STAGE OF PRODUCTION inside the process of circulation, and as such, is not part of the circulation process proper. Transport workers then, are productive if and when their labour is exchanged against capital. At the time, Marx was referring to transportation undertaken by private companies or by a factory itself. As such, public transport would require a different analysis.

(7) K. Marx. as above. P. 396.

(8) K. Marx. Capital. Vol 1. P. 16.

(9) K. Marx. Theories of Surplus Value. Vol IV. P. 274.

Fourthly, Marx argues that workers producing gold or money should be included as productive labourers. These workers produce a special commodity, money, which is itself the value form for ALL OTHER COMMODITIES. Thus, the surplus value produced by these workers does not have to be realised, as it immediately appears in a value form. Extraction and realisation of surplus value happen simultaneously.

Finally, to tighten up the definition of productive labour as 'labour exchanged with capital', Marx took the case of commercial capital, which he calls unproductive capital distinguishing it from productive capital. Unproductive capital is capital which exists only in the process of circulation...in the process of realising surplus value. Productive capital extracts surplus value from labour. Other capital such as commercial (merchant) capital, whose true function is buying and selling, is involved in the circulation and distribution of surplus value but not in its extraction and therefore is unproductive capital.

Labour exchanged with unproductive capital is unproductive labour.

This is the first form of unproductive labour.

" Merchant's capital is simply capital functioning in the sphere of circulation. The process of circulation is a phase of the total process of reproduction. But no value is produced in the process of circulation, and, therefore, no surplus value. Since the merchant as a mere agent of circulation produces neither value nor surplus value...it follows that the mercantile workers employed by him in these same functions cannot directly create surplus value for him. "

(10)

The specific unproductive function of commercial capital does not place it outside the capitalist mode of production; what it does mean is that the labour which is exchanged with commercial capital does not create surplus value... and so it is unproductive. This must be understood in terms of the capitalist system as a whole, as obviously each individual capitalist controlling commercial capital makes a profit and exploits his workers.

Commercial workers, like bank workers or insurance workers, inside the process of circulation are involved in the transfer of capital from one fraction of capital to another, for example from landed capital to industrial capital.

Those who control commercial capital try to keep the cost of this transfer as low as possible, and thus of the realisation of surplus value for the system as a whole.

(10) K. Marx. Capital. Vol 111. P. 274.

In this way SURPLUS LABOUR is extracted from commercial workers. By increasing the productivity of commercial workers, the process of realisation of surplus value becomes faster and cheaper.

Inside the circulation process, a certain part of the surplus value available is consumed, making up a portion of surplus value which is not reinvested. In order to keep the proportion of reinvested surplus as high as possible and have as little as possible consumed, commercial capitalists try to increase the rate of exploitation of surplus labour from workers in this sector.

" Surplus labour is extorted from them, and this enables capital to cut down on its revenue in order to increase the surplus value accumulated in relation to surplus value consumed. " (11)

If we consider the overall surplus available inside a social formation, this would imply that the rate of extraction of relative surplus value will increase, while the rate of extraction of absolute surplus value (directly inside production) remains the same. Nicos Poulantzas argues that in the present era of internationalisation of capital it is the rate of extraction of relative surplus value which is the focal point for manoeuvre of the bourgeoisie. For more on this question, see the article on Internationalisation of Capital and Social Classes, in this issue.

The second element in our definition of unproductive labour is;
all labour exchanged with revenue is unproductive.

Revenue in Marxist science, includes two things. On the one hand, for the capitalist, it is that part of surplus value which is not reinvested but is consumed. On the other hand, for the worker, it is his/her wages.

In both cases it is used directly for consumption, the buying of goods and services. Most services come under unproductive labour, for example, hotel workers, laundrette workers, tailors, hairdressers and so on. These workers generally exchange their labour against revenue. At the same time the owner of a cafe, for example, exploits the SURPLUS LABOUR of the waitress who works there, by controlling the revenue paid for her labour and paying her only a part, and more often a tiny part, of what he receives. In this way, small property owners control a part of the process of redistribution of revenue. The cafe owner exploits surplus labour, but does not extract and expropriate surplus value and does not accumulate capital.

(11) N. Poulantzas. Classes under Contemporary Capitalism. P. 215.

We can give an example now; the same type of work can be either productive or unproductive. A doctor who comes to the home of a capitalist will be paid out of revenue while a doctor employed in the factory of the same capitalist will be paid out of variable capital and will be involved in immaterial production - not producing a saleable commodity, but nonetheless engaged in productive labour.



There are two types of labour which we have not yet spoken of and which require a category of their own; we will call them PRODUCTIVE LABOUR OF A SPECIAL KIND.

The first is labour which services dead labour, for example machinery. Labour such as machine repair is made necessary by the fact that the machine is in use in the process of production. This labour then ADDS to the value of the machine, replaces in fact expended labour, but does not enter directly into the process of production.

Marx calls this labour 'sui generis'. Such labour is often unpaid under capitalism, carried out by the workers during the lunch breaks or after hours and as such comes gratis, allowing the bourgeoisie to retain more and more profits.

The second type is labour which services living labour, such as the work carried out by workers in hospitals who service other workers. Again this labour does not enter into the process of production but adds to the value of labour power, one of the most important elements of the process of production.

This category would also encompass domestic labour, but the debate on this question is very extensive and deserves a full treatment in itself. We intend to examine closely the area of domestic labour, generally unpaid under capitalism, in later issues of The Ripening of Time. In the meantime we refer the reader to the material in the Reading list on Domestic Labour in this issue of The Ripening of Time.

It is our contention that the same tools of analysis must be applied to the State sector as to any other sector of employment. Bourgeois arguments treat the State employees as unproductive workers. They call them all sorts of names such as 'parasites' and 'spongers'. We argue that the distinction between productive and unproductive labour exists INSIDE the State sector. Direct productive investment, such as the ESB, the Sugar Co. or the entertainment industry of RTE, is capital controlled by the State, employing productive workers and expropriating surplus value in the same way as capital controlled by individual or groups of capitalists. There are also thousands employed by the State in administration or distribu-

tion, that is in the circulation process of surplus value: these are unproductive workers, following the definition of unproductive workers above, and have surplus labour extracted from them and expropriated by the State. The accusations of the bourgeoisie that this type of workers are parasites, is merely the ideological varnish of attempting to cut down State expenditure in non-productive investment. It is an attempt to maintain the rate of exploitation of relative surplus value in terms of the total surplus appropriated inside the social formation, at a time when capitalism is in severe crisis, particularly in dominated social formations like Ireland.

CONCLUSIONS

In Section C of this article we drew some distinctions between productive and unproductive labour based on Marx's scientific method. With these differences and distinctions in mind, we can better unify ourselves against the divisive attacks of the employers and the State on this or that group of workers.

While the debate on productive and unproductive labour is relatively new amongst left-wing and progressive people in Ireland, the terms are often loosely bandied around in references to those who are 'pen pushers' or those who are 'real workers'. This essay has tried to show that the question of productive and unproductive labour is about relations of production and the way they determine the manner labour is carried out. It is those relations, oppressive and exploiting, which socialism is attempting to destroy. Only the bourgeois social scientist tries to put productive and unproductive labour into box-like categories of 'workers', 'products', 'machines' with ticks in the box for 'revolutionary', 'less revolutionary' and 'not known'. This over-simplification of the problem, or indeed attempting to deny that any distinction exists and that all wage and salary earners are 'productive', both fail to deal with the truly divisive attacks of the bosses and the State. Listen to Richie Ryan: "Every five workers in the Private sector are carrying one Public sector employee". (12)

Productive and unproductive labour, as this essay has tried to argue, cross through manual and intellectual work, State sector and Private sector, low paid and high paid. We have tried to undermine any moral notions of 'productive' labour as being GOOD and unproductive labour as wasteful, useless, easy or un-revolutionary. Elevating such notions to the realm of political strategy disarms the working class by concealing reality and advocates what Marx had called:

(12) Quoted in Public Sector and the Profit Makers. Repsol.

" limiting ourselves to a guerilla war against the effects of the existing system, instead of simultaneously trying to change it, instead of using their organised forces as a lever for the final emancipation of the working class. " (13)

Denying that these distinctions exist at all, hides the different functions that labour plays in relation to capital - functions which shift during a crisis such as is hitting us in Ireland today.

We hope that this first essay on productive and unproductive labour will provoke discussion amongst all those who are part of, and see their interests tied to the future of, the working class.

The columns of the journal are open for all comment, criticism and debate.

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(13) K.Marx ' Wages, Prices and Profits ' p.226 in Marx and Engels Selected Works - Lawrence and Wishart



the long march to socialism

On September 9th 1976 Mao Tse-Tung died.

Immediately, the entire spectrum of bourgeois 'opinion' began pounding its drums of confusion-demonstrating one more time the utter blindness and deep-seated fear of the bourgeoisie in relation to the Peoples Republic of China and its people. Pages and pages of distortion, hours and hours of reactionary T.V. coverage began pouring out. Facts of the life and history of Mao Tse-Tung got twisted, events got daubed or smeared-all intimately tied to the gigantic threat the ruling class feels by the development of socialism in China.

It is evident that as the days go by, bourgeois propaganda on the themes of so-called 'succession' and 'palace intrigues' will continue and grow. It is perhaps significant that the Left in Ireland will have little to contribute to any serious debate on the question except our comrades of the Communist Party of Ireland. Marxist-Leninist, whose political support of the Peoples Republic of China has been the one and only commendable exception.

The aim of this article is a very modest one: It is to present certain introductory elements towards answering the key question: 'What does a transition to socialism imply' ? This question has shadowed the daily struggle of the Chinese masses and their communist party since 1949; the Chinese have attempted to give real living answers to this question. It is our intention to study and learn from those answers.

This article is written in opposition to all those who, as Mao Tse-Tung used to say, " have never understood anything about the class struggle and go on and on with the same old rotten stories about the white cat and the black cat."

the teng hsiao-ping affair

At the beginning of this year, a communique issued by the Central Committee of the Chinese Communist Party after a plenary session, announced without any ambiguity that China was entering again "the tempest zone". This was the acknowledgement by the highest instance of the Chinese leadership that the Party direction was divided in two: Teng Hsiao-Ping Secretary of the C.C.P. and his followers on the one side - the majority of the leadership with Mao-Tse-Tung on the other.

A serious examination of the stated political positions of the two fractions is absolutely essential in our opinion to grasp the decisive importance of the split. It was not, as the bourgeoisie would have it, a 'palace squabble'; it wasn't a clash of personalities fighting for Mao's position. It was class struggle crystallizing inside the Party, taking the form of two political lines, two roads - reflections of the capitalist and socialist roads.



Teng Hsiao-Ping wanted to blur and destroy the political and ideological successes achieved in China as a result of the Proletarian Cultural Revolution during the late sixties. Under the guise of supposedly serious economic necessity,

the Secretary of the CCP wanted to implement a series of measures, such as introducing bonus for productivity in the factories and putting profit in command when designing production targets in industry and agriculture. The consequence of these measures would have been to recreate the social and political conditions permitting the existing privileged strata of the people an increase in their economic and political influence, social power and dominant position in Chinese society.

Further, Teng Hsiao-Ping and his friends wanted to re-introduce the old system of education which was struggled against during the Cultural Revolution: a system of bookish education cut-off from practice and based on exams and meritocracy - very much like bourgeois models. The struggle against this Mandarin system goes on today in China. (*)

It is against this tendency that the majority of the Central Committee of the CCP regrouped itself around Mao Tse-Tung. The most revolutionary section of the Party, including Chiang Ching, Chang Chun-Chiao, Yao Wen-Yuan, as well as more 'traditional' figures of the Party, such as the Prime Minister and the Mayor of Peking, joined forces with Mao and fought politically against the Teng Hsiao-Ping line. Teng Hsiao-Ping was finally expelled from the Central Committee and superficially the heat subsided.

It is also important to note that during the same period, there were the violent confrontations which took place in Tien Anmen Square.....there are conflicting reports on whether the confrontations were organised or 'spontaneous'.

An understanding of these events is clearly tied up to a precise analysis of the relation between struggle within the Party and struggle among the masses.....this relation must not be assumed, it must be explained: otherwise there remains no room for contradictions between Party and the masses. The struggle in the Party may be, and in this case was, absolutely valid but it does not automatically devolve to mass level.

Another point to remember is that Teng Hsiao-Ping was attacked during the Cultural Revolution and was later allowed to return given time for self-criticism. First hands reports suggest that the majority of the Chinese people were ill-prepared (a) for his return and (b) for his final expulsion. This we believe must be born in mind when analyses of the Anmen Square confrontations are attempted.

(*) See various articles Peking Review and the excellent article in China Now by Michael Sheringham - a teacher at Peking University.

It is our opinion though, that the real causes of the struggle are to be found inside the Chinese social formation. The causes are still there and thus the outcome of the struggle very much open. It is for this reason that we consider it absolutely important for all militants to grasp the real nature of the struggle which is entirely tied up with the problems encountered by each and every people engaged in the concrete process of building a socialist society.

The obstinate and complex questions which are part and parcel of all process of transition can be resolved in different ways. The CCP has attempted to resolve certain of these questions in a particular manner. The construction of socialism in a capitalist environment is the context in which the Teng-Hsiao ping affair took place...the ways of resolving this affair chosen by the CCP must be studied for they provide invaluable theoretical and practical lessons.

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The CCP has always, since its birth, proceeded from the principle that the class struggle, the motor of history, effects the development of theory. This explains how and why from right back in 1927 the CCP opposed the strategy put forward by the Communist Party of the Soviet Union and actually based itself on the peasantry in the countryside. It proceeded through the Long March, then the Anti-Japanese United Front, to the situation where it took power in 1949.

Continually, against all 'established opinion' and 'experts' in the world communist movement...including the opinion of Stalin and Trotsky among others.

But the practical and theoretical development of the CCP does not stop in 1949. Turning all established status-quo on its head, the Chinese communists draw the experiences and lessons from their struggles, their victories as well as their defeats and develop their strategic and tactical capacity.

On the one hand, the revolutionary process develops through central objectives which permit the Chinese masses to organise and educate themselves: this is what the CCP calls a "mass line" - something most Western communist Parties have historically lacked.

On the other hand, taking as a starting point the real needs of the masses, the Party intervenes so that reality can be transformed. The CCP leads its struggle from the principle "to start from the masses in order to return to the masses". This is how the CCP attempts to focus on the essential role of mass involvement and participation in political activity - in all revolutionary struggle. The CCP also estimates that even after the revolution, class struggle continues between the capitalist and the socialist road. The outcome of this struggle is not a guaranteed victory for socialism.

In their struggle against right-wing elements, Mao-Tse-Tung, as well as the majority of the CCP leadership, have also been guided by the principle of constantly restraining and checking bourgeois law and bourgeois rights.

Certain texts by Mao on the dictatorship of the proletariat clarify the manner through which the Chinese approach this question in a society of transition. (1)

Mao says;

"Why did Lenin constantly emphasise the necessity to exercise the dictatorship of the proletariat on the bourgeoisie? This problem must be well understood. If we don't grasp it correctly the risk of falling into revisionism is great...China is using a wage system based on eight echelons and under the principle 'to each according to his work'. Monetary exchange and all connected activity do not differ greatly from what existed in the old society. The difference is that the system of property has changed. "

And he continues;

"Our country uses still a system of commodities; the wage system is not yet egalitarian-there are eight echelons...all this we can only limit under the dictatorship of the proletariat. This is why if people like Lin Piao succeed to power, it would be easy for them to install a capitalist regime. Thus we must study more and more marxist-leninist works. "

He also says;

"Lenin said: Small production brings about capitalism and engenders the bourgeoisie, constantly, every day, every hour, in a spontaneous manner and in vast proportions. It is also the same thing even for a Party of the working class, for a Party of communists. Bourgeois life-styles manifest themselves inside the the proletariat as well as inside the personnel of the State and Party organs. "

It is clear how Mao sets out, in this text, a series of fundamental problems encountered during a stage of transition in a socialist society. The dangers and risks facing all revolutionary process even after the bourgeois State has been smashed are real.

Other texts by Yao Wen-Yuan and Chang Chun-Chiao also study the same theme:

For Yao Wen-Yuan (2)

(1) Peking Informations (in French) no.9 1975

(2) Peking Informations ' On the social basis of the anti-Party fraction of Lin Piao'

" bourgeois rights and bourgeois law which still, inevitably, exist on the domain of monetary exchange and redistribution under a socialist regime"

must be

"....restricted under the dictatorship of the proletariat in order to be able, through the long process of socialist revolution, to gradually reduce the three inequalities (: between workers and peasants, between the country and the towns and between manual and intellectual workers) and all hierarchical differences; in order to create progressively the material and spiritual conditions which would facilitate the elimination of these inequalities and differences.

If on the contrary, we...consolidate, enlarge and re-affirm bourgeois rights and law, and the inequalities they bring about in their wake, a polarisation will inevitably be brought about " which

will create favourable conditions for a counter-revolution. And he continues:

" The worker comrades are right in saying 'bourgeois rights and law, if not restricted, will hamper the development of socialism and will push along capitalism!'"



Finally, Chang Chun-Chiao insists(3) on the necessity of the consolidation of

" an integral proletarian dictatorship on the bourgeoisie on all the domains and during all the phases of the development of the revolution...and especially we must never stop half-way in the process of transition. "

If this dictatorship is not developed on all the domains he concludes:

"...isn't it to prepare the conditions for the restoration of the bourgeoisie ? "

(3) Peking Informations no.14 ' On the integral dictatorship on the bourgeoisie'.

It is interesting to remark that, although these texts are illustrated with quotes from Marx, Engels and Lenin, on the question of the dictatorship of the proletariat, Stalin's name is curiously absent - obviously not an accident or an oversight.

Let us then summarise the arguments from these texts:

1. There exists in China two main types of property: State and collective property on the one hand and remnants of private property on the other. The survival of private property, the exchange of commodities which it engenders and the problems of the necessity of redistribution that it brings about, explain the existence of a system of bourgeois rights and law. We must also add to this fact that property which might be named collective is not necessarily so in real content.

2. The CCP considers the bourgeois rights and law brought about by private property and petty production as an 'economic base' which could give birth to bourgeois elements. In other words, bourgeois law and rights could play an active role in the (re) constitution of a bourgeois class.

The existence of this economic base is proof that there is as yet unequal distribution of consumption goods. This economic base must be limited and restrained in order that these inequalities which have a "spontaneous tendency to grow" (Lenin) can be fought against.

3. If bourgeois law and rights are not combatted " a minority will get hold of an ever growing share of commodities and money through legal or illegal means". The commercial merchant (capitalist) sector will increase its influence while the socialist sector will mark time. The traditional division of labour will extend itself and set the context of a possible return to capitalism. This will be pushed by bourgeois elements getting into positions of power.

SUCH A PROCESS HAS ALREADY TAKEN PLACE IN THE USSR.

It is thus absolutely necessary to continue an "integral dictatorship on the bourgeoisie on all the domains".

These are, briefly presented, the analyses of the Chinese communists on the question of transition to socialism. They necessitate a few remarks:

1 The above analysis, starting from the concrete forms of the types of property which prevail in China, breaks sharply from the economist viewpoint which dominated the world outlook of the communist movement in the 20's and the 30's and is still held in many quarters today.

- (a) It points out that although the fundamental framework of society has changed, there still remain different forms of property, capitalist and socialist, which determine the market and monetary exchange.
- (b) It also shows that the struggle against the capitalist sector is not only an economic question but ESSENTIALLY a political one. Contrary to what the leadership of the Bolshevik Party attempted to do after 1923-1924 in the Soviet Union, through the New Economic Policy and then the various Plans (4), the leadership of the Chinese CP affirms that the conscious political intervention of the masses is absolutely indispensable to control this struggle against the old forms of property.

2 The analysis of the CCP also points out that contrary to revisionist dogma, the existence of the dictatorship of the proletariat, and of State or collective forms of ownership of property, are not enough for the relations of capitalist production to 'disappear' or 'be abolished'. In other words, the dictatorship of the proletariat does not 'guarantee' a classless society. The antagonistic classes and class struggle do not die but may well assume new forms of existence. This is in fact a straight return to Marx and Lenin. To Marx for whom the dictatorship of the proletariat is the necessary point of transition in order to achieve the suppression of class differences in general. To Lenin who often stressed that classes remain and will remain in the epoch of the dictatorship of the proletariat and that class struggle goes on by assuming other forms. And this analysis is a mighty slap in the face of those who go on and on about 'bureaucracies' and 'degenerated workers states'. It is also a sharp break from the analyses produced by Stalin who, for example, in 1936 in his report to the VIIth Congress of the Soviets of the USSR, was saying:

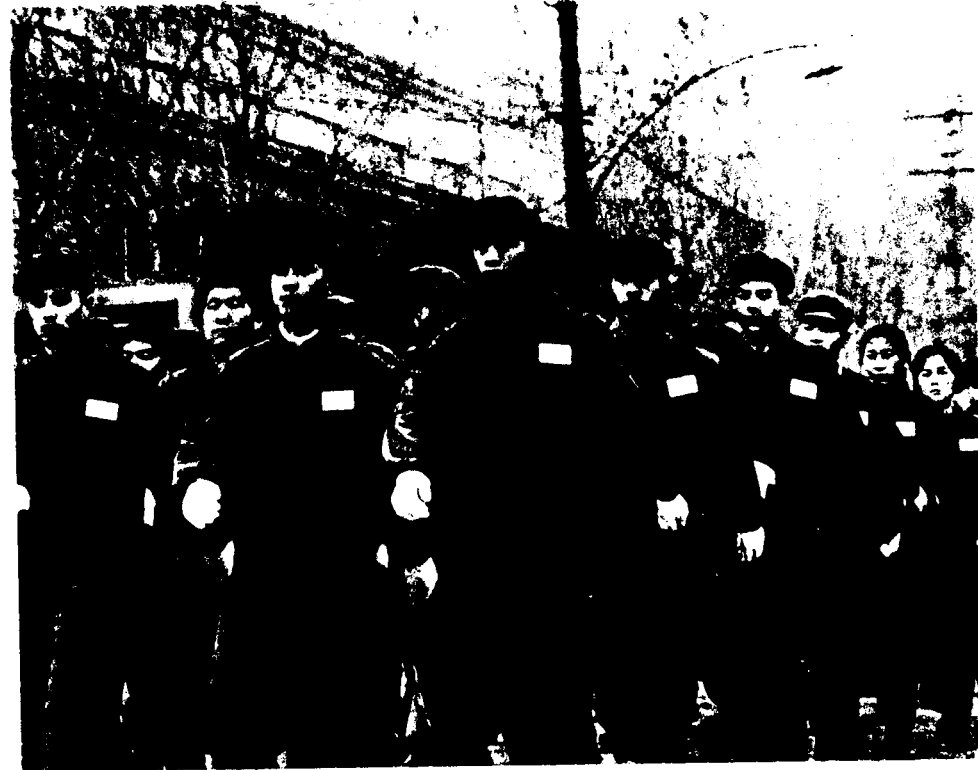
" No more class of capitalists in industry. No more class of kulaks in agriculture. No more merchants and speculators in commerce. So that all exploiting classes have been liquidated. "

It is clear how such a thesis disarms the workers by persuading them that the class struggle has now come to an end.

3 The fundamental task in China today is to transform the social relations inherited from the old capitalist society. This transformation cannot be regulated and controlled except by the simultaneous development of the productive forces as well as the level of political consciousness of the masses. The productive forces proper to socialism are based on initiative and creativity of the masses, their enthusiasm, their ingenuity, their self-discipline and their self-education.

The continuing existence of the private sector, alongside the State and the collective sector, must be fought not only economically but especially politically. This for the main reason

because, as we have stated innumerable times in the journal, private property and capital are not things...they are relations between people. In the case of China, the key question is the destruction of these relations as part of the relations workers have with other strata of the people - relations, of course, which are as much economic as political and ideological.



form & real content of property

Another very important aspect of the same question is that the existence of a State sector, however important it may be, is not a guarantee for socialism. Here we must distinguish very carefully between apparent forms of property and real content of property. It is absolutely essential to underline this point, for it is of primary importance in all discussion on nationalisations, the expansion of the Public Sector and any process of transition to socialism.

A socialist State could control important sectors of the economy which it will attempt to gear against the private sector. The State sector will thus play an ever increasing role in the econ-

omy of the social formation. But an indispensable condition in this expansion of the State sector must be a corresponding increase of the political organisation of the workers in that sector who must be able to control the objectives of production, its planning and forms, and must be able to gradually transform their relations to the means of production.

It is obvious that we are talking here of a social formation where the bourgeois State has been smashed...we do not think that such a process is possible, even partially, while a capitalist State rules supreme.

If the workers don't get control of their relation to the means of production, the real content of State property remains unchanged and untouched; the only transformation takes place in the legal ownership, the form, of the property.

Mao-Tse Tung says on the question:

" It seems that if the proletarian cultural revolution is not successful, things won't work, because our base is not solid enough. I have observed let us say not in the absolute majority but in many factories, that the real direction is not in the hands of either real marxists or the working masses...this shows that the revolution is not yet terminated. "

And Chang Chun-Chiao adds:

" These words above...make us understand ever more clearly that in what concerns property, as in all other questions, we cannot stick blindly to the apparent form of things but we must discern their real content...We would be wrong if we neglected to take into account the interaction between property and all the other elements of the relations of production: the relations between people and the form of the distribution as well as the interaction of the superstructure on the economic infrastructure."

Therefore it is absolutely essential to distinguish between apparent forms of property and the real content of property in terms of control. And if there is convergence and correspondence between the two, then one can talk of an effective socialisation of property. Otherwise, one ends up repeating cliches about bureaucracies and workers states (of course degenerated) based on " social relations brought about by the October revolution in the USSR". As if these social relations could remain unchanged after 50-odd years of ferocious repression: the proletariat having lost all political power and all possible control of the process of production. (5)

(5) Without preempting a concrete analysis of the USSR, a task considered of central importance by the journal, we would argue the existence of an exploiting class in the USSR, which although without formal rights to property and the means of production, nevertheless organises production in a blatantly capitalist manner.

This is what Engels teaches on this question:

" The transformation of property into State property does not suppress at all the quality of the productive forces as being capital...productive forces becoming State property is not the solution to the class conflict but has, in itself, the formal means, the manner, of approaching a solution."

" No society can hope to remain in control of production for long, nor master the effects of its process of production forever, if it doesn't suppress exchange between individuals."

Thus, the continual existence of bourgeois norms in the area of exchange and distribution is an attribute of a society in transition. It is also a constant proof that the division of labour is not yet fully transformed and that technology is not yet entirely revolutionised and controlled by the working class. This situation renders absolutely crucial the uninterrupted development of a revolutionary transformation of the society in all its domains: politically, but equally, economically, technologically and culturally. This transformation has as a corollary a corresponding economic development as well. And this is perhaps the fundamental lesson of the Chinese revolution: economic development does not bring about automatically a socialist society.

Based on this observation the CCP plans now to intervene actively in transforming the very structure of the wage system. The Anchan Charter, which regulates the wage structure of Chinese society, drawn up by Mao Tse-Tung in 1960, had already constituted a sharp break from its Soviet counterpart: the Magnotogorsk Charter which was held up as an example to Soviet industry at the time of the first 5-year Plan, back in the 20's. The Chinese leadership had opposed the latter charter's inspiration from capitalist organisation of labour (Taylorism) and had instead worked on the principle " the working class itself is the greatest of all productive forces".

Recently, the Chinese leadership began developing the following theoretical hypothesis: Because the Chinese wage structure, although the most egalitarian relative to any other functioning wage system, is still based on 8 echelons and thus retains a basic inequality, it is possible to arrive at a situation where a minority takes control of the means of consumption and exchange. Such a control would not only aggravate existing inequalities but would obviously have a negative effect on the relations of production themselves. Further, this minority would then be able to accumulate, always at the expense of the proletariat.

So, there is always the risk of the (re) constitution of a new bourgeoisie. For the C.C.P. the historical development of the U.S.S.R. has proven the validity of such a hypothesis.

The essential idea developed here is that a return to capitalism is always possible even in social formations where the nature of the State and the system of property have apparently changed and where State planning exists. This return to capitalism would be mainly impelled by the persistence of a private sector and bourgeois law and rights and their probable interaction with production. Finally the reconstitution of a new bourgeoisie is possible and could take place based primarily on capitalist division of labour and other surviving capitalist relations of production, consumption and exchange.

Therefore, in order to avoid this return to capitalism, bourgeois law and rights must be attacked simultaneously with the existing social relations being changed; this attack must have the development of the productive forces as a corollary but it must not be seen as, and acted upon, simply as an 'economic' question.

the withering away of the state

The fight against bourgeois relations of production is a global fight on all the various instances and fronts of a society. Here again we come up one more time against the question of the already mentioned 'integral proletarian dictatorship'. We are reminded again of Lenin's words that only if the proletariat exercises its iron rule will the society move towards socialism and the withering away of the State, the ultimate aim of a socialist society will then, and only then be achieved.

Marx raises the same question in his 'German Ideology'. There he explains that beside the big majority of the people still living under the slavery of the wage system in a socialist society, there begins to develop another CLASS, liberated from directly productive labour, which begins to take control of the economic, political, educational and cultural affairs of the society. The division of labour asserts itself and produces class divisions

This raises the question of the problem of 'experts' and 'specialists' - very much on the agenda for discussion and conflict in China today.

It is fair to say that the positions of the Chinese communists on these questions are not exceptionally original. The systematic reference to Marx, Engels, and Lenin is perhaps a reminder that what IS original is not so much the 'theoretical innovation' but the rediscovery of how to put these theoretical propositions into practice - effectively and in the midst of, literally hundreds of millions of people.

Here again lies the tremendous political importance of the Chinese revolution, the fact that it is a living proof that Marxism as a science is correct, possible and a suitable guide for building socialism.

In this context, we believe that if we are to judge any aspect of the Chinese revolution, we must first and foremost examine its real practice and not simply barricade ourselves behind formal declarations of principle. This would apply as much to the questions of transition briefly examined in this essay, as to the relations of the Communist Party of China with the IIIrd International and Stalin - as well as to the ever more popular 'themes' of the negative aspects of China's foreign policy.

For the Chinese themselves are the first to admit that class struggle continues in China; this is not a pure formulation; it means that in PRACTICE anti-socialist or pro-capitalist currents will develop, perhaps even become hegemonic... it means that debate will continue, ideological struggle will unfold whose outcome is far from certain. But the essential point to grasp here, and especially in Ireland where a real debate about China has been stifled and for obvious reasons, for so long, that what is at stake is not only the 'theoretical purity' but also the development of socialism in China, in South East Asia, and on a world scale. And this particular question concerns not only the Chinese masses but the entire proletariat on a world scale.

This is our proposed framework in which to discuss the 'Teng' affair, Mao Tse-Tung's death, the question of who will lead China, and so on. If our own position could be briefly summarised (always a risky thing to do) we could say that we are committed to the building of socialism on a world scale and we consider the political support of the People's Republic of China, its masses and its Communist Party, as an unbreakable part of that commitment. What this commitment implies in practice is first and foremost, ever more responsibility to truth, disciplined vigilance and revolutionary criticism towards the Chinese revolution.

Mao Tse-Tung is dead.
The revolution lives and grows.

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This essay continues the analysis presented in issues two and three of the Ripening of Time.

Since those articles were published, we have received many comments and criticisms from the readers of the journal. Many unresolved questions were further examined, emphasis shifted, and a number of ideas modified. In this context, we could say that the Editorial Collective of the journal has been able to look at the previous two articles critically.

Most of the criticisms and further explanations of obscure points will be introduced in this third and last essay. After all, once an article written and published, it does not belong to its author(s) anymore.

This essay will deal with the following:

Part I: Internationalisation of capital and its effects on social classes.

Part II: Internationalisation of capital and the world hegemony of U.S. capital.

Part III: A further look into the concept of national capital and inter-imperialist contradictions.

the capitalist state & social classes

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Part 1

Internationalisation of capital and its effects on social classes.

A.

In issue number one of the Ripening of Time, in the article on V.I. Lenin pp13-22, we had illustrated that two of the six fundamental characteristics of the Leninist conception of imperialism were the division of the world among the 'capitalist' combines and the 'big powers'.

Lenin says:

"The epoch of the latest stage of capitalism shows us that certain relations between capitalist combines grow up, based on the economic division of the world; while parallel and in connection with it, certain relations grow up between political combines, between states, on the basis of the territorial division of the world, of the struggle for colonies, of the struggle for economic territory." (1)

This "struggle for economic territory" needs a closer look: In Lenin's statement, the "parallel" growth of the economic and political division of the world corresponds to a new stage of capitalist development to the imperialist extension of several Nation-States. This "parallel" growth puts into contact, in the era of imperialism, different national capitals (2) in fact different bourgeoisies historically determined inside different Nation States, having their own and special zones of accumulation. But this contact, and resulting competition which becomes immediately apparent, get deeply transformed in the era of internationalisation of capital.

In the first place with the breaking up of the old empires and the emergence of new local comprador bourgeoisies, almost all dominated social formations become the stage where different capitals from different nation States, intermingle and interweave with one another under an ever increasing rhythm of competition and conflict. Different monopoly capitals, different national capitals (whether private or State) compete for domination inside countries, like Ireland -always on the back primarily of the working class but also other exploited fractions and strata of the people.

Further, the birth and growth of States in the periphery imply by necessity a deep change in the political and social conditions in the reproduction of capital inside these social formations. The new and growing ruling class demands and usually gets, an ever increasing share of the total surplus generated by the working people. In this sense, it would be incorrect to think of the ruling class of dominated social formations, even the comprador fractions, as simple tools or

(1) Lenin; Imperialism the Highest Stage of Capitalism. p.89. Peking Edition.

(2) for precise definitions of national capital, see: Ripening of Time no. 2. P. 49 and no. 3. P. 21.

puppets of international capital. The power bloc of dominated states has a proper place and a specific autonomy in its relations with imperialist States and foreign monopolies.

It is true that this autonomy is only relative and historically determined - never absolute. It works out as perhaps what we could call a 'partial delegation of political and social responsibilities' by international capital to the domestic ruling class.

This double role of dominated bourgeoisies and their State: their dependence on international capital on the one hand and their specific and relative autonomy on the other, defines the present world situation of such States inside a severe crisis. This double function, sets the possibilities as well as the limits of confrontation between national and international capital in dominated social formations. This analysis, if accepted, goes against all possible hypotheses of either a 'world bourgeoisie' unified and coherent on a world scale, or indeed an anti-imperialist 'national' bourgeoisie, capable of achieving a democratic revolution in the era of the internationalisation of capital.

This way of looking at dominated ruling classes sets out the naked opportunism of both class collaboration on the one hand and abstract leftism and utopia on the other. It also clearly highlights the importance of the historical role of the proletariat - the only class capable of carrying through even democratic transformations, let alone a socialist revolution. It also maps out the historical responsibility of all revolutionary and anti-imperialist organisations.

B.

Simultaneously, there has also developed a powerful movement of internationalisation of capital BETWEEN imperialist metropolises themselves. This movement goes now far beyond the limits of frontiers of empires or markets 'protected' by Nation-States; it engulfs and rips through all central imperialist social formations, including the US.

These social formations become themselves stages of an increasing interpenetration of capitals, of either foreign or national origin, always in an unequal fashion and in ever deepening competition.

Lenin had already sensed this movement of capital and he summed it up in the following manner:

"The characteristic feature of imperialism is precisely that it strives to annex NOT ONLY agrarian territories but even most highly industrialised regions (German appetite for Belgium; French appetite for Lorraine), because 1) the fact that the world is already divided up obliges those contemplating a REDIVISION to reach out for every kind of territory and 2) an essential feature of imperialism is the rivalry between several Great Powers in the striving for hegemony...." (3)

(3) as above. Lenin. P. 109.

Lenin's concept of "industrial regions" and his already mentioned "economic territory" must not be understood in either a strictly political sense implying territorial annexation, or a commercial sense, meaning conquest of markets.

It is in this context that Lenin introduces his notion of finance capital: it is the internationalisation of finance capital which determines the industrial and economic relations between imperialist States....and it is through 'cut-throat competition' that the different imperialist powers divide and re-divide their control over production and accumulation on a world scale.

This type of contradiction, usually referred to as inter-imperialist contradiction(s), is in fact one of the main reasons why the national character of the bourgeois State is not put into question in the era of the internationalisation of capital.

The relative strength of the finance capital originating from nation-States, and the place assigned to it in the world chess-board of finance capital, determine the relations between nation-States - their points of convergence as well as inter-dependence and conflict.

The overall dominant position of certain metropolitan imperialist States, a reflection of the strength and dominant position of their finance capital and the fraction of the bourgeoisie 'carrying' that capital, determines to-day the new forms of dependence of other capitalist metropolises.

When Lenin was talking of "diverse forms of countries which although enjoy nominally a political independence, they are caught in reality in the net of financial and diplomatic dependence", he was already drawing the attention of his contemporaries to places like Portugal or Argentine, countries which enjoyed 'formal independence', were not neo-colonies but nevertheless were caught in a new form of dependence.

Today, this type of analysis would help us situate the position of the petrol-producing countries (Iran, Venezuela, Algeria) as well as countries like Brasil, Mexico or Nigeria...countries more and more transformed into imperialist relays of dominant finance capital, reproducing itself on a world scale.

This we will argue is the only basis upon which an understanding of the connection between dominated States and their bourgeois classes and imperialist metropolises can be built. We will attempt to concretely demonstrate how this framework would help us grasp the relation of the 26 Cos State and the southern ruling class to international capital in the article on the 26 Cos State later in this issue.

Let us turn now to some facts concerning the global domination of US capital inside the process of the internationalisation of capital.

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Internationalisation of capital and the world hegemony of US capital

A.

In contemporary Marxist circles a lot of political ink has flown to comment on the extent of the domination of US capital both on a world scale and in Europe. Most of these analyses, concentrating as they are on the relative 'strength' or 'weakness' of the US and European economies, usually pose the question in terms of the 'competitiveness' of national economies. In general, these arguments are restricted to mostly economic criteria, which considered in themselves, do not mean very much (rates of growth increase in GNP etc.) (4). Most of these analyses, by completely ignoring class struggle, end up by extrapolating from these famous 'economic' criteria, in quite an arbitrary manner, into cul de sacs and rosy fairy lands.

We have argued consistently, and will continue to argue, that the very question USA v The Rest is a false question. It is our opinion that what is currently at crisis, on a world scale, is not the hegemony of US imperialism but the **WHOLE SYSTEM OF IMPERIALISM UNDER AMERICAN HEGEMONY**. What is currently being hit by the crisis is not US hegemony, but rather the entire intricate chain of inter-imperialist connections.

The primary cause of the crisis, we have argued many times, is the ever widening and deepening resistance of the working class and the other exploited fractions of the people on a world scale... the reason behind our statement that it is not US hegemony that is being hit but the entire imperialist system, is that the present level of internationalisation of capital and capitalist relations of production, do not give any possible theoretical ground for a separation of US capital out of its concrete process of inter-penetration and inter-dependence.

This point is of the greatest significance: One, because we believe that to accept and use the notion of US capital in movement and interaction with other national capitals, is not at all the same as extrapolating it out of this process and presenting it as the main victim of the crisis.

Two, because if we separate US capital out of its intricate chain of internationalisation, it will inevitably follow that one will end up 'expecting' or rather 'hoping', for the European or Japanese bour-

(4) For diversion, consult the article by Michael Ross in 'The Irish Economy' - What has to be done' an ASTMS publication P. 45...where the author introduces his article by stating that notwithstanding appearances the state of the Irish economy is not really that bad.

geoisies to 'attack' the hegemony of US capital...this is an utter illusion. This type of analysis is a very convenient justification for the politics of class collaboration and class compromise so much in fashion these days.

We argue that the key question for the Japanese, the European and indeed the Irish bourgeoisies, is not how to extricate themselves out of US hegemony but rather how to reorganise themselves within this hegemony of US capital - faced as they are with mounting resistance inside their respective countries.

This, in our opinion, has been shown clearly all through the continual backsliding of Japan and the EEC vis-a-vis the US, on all important questions - from the petrol crisis, to the dollar crisis or the Common Agricultural Policy. Successive withdrawals, especially by the EEC, which are, at times, falsely interpreted as either " a renewed US offensive to restore its hegemony " or " technical problems the EEC is having in getting itself into shape " .

US capital has no need for a 'renewed offensive' to restore its hegemony for the very simple reason that it has never lost its hegemony; (5) as for the clownings of the EEC, the mess of Rambouillet and Puerto-Rico (6) being mere 'technical hitches' or a simple question of time we can only repeat the well-known saying, that there is never any smoke without a fire. The smoke is there for all to see - the fire is the ever-growing competition between German, French, British and other capitals and the deepening conflict between national identity and total capitulation to US capital. But it is strange to see how our Marxists get blinded by the smoke and miss the fire, the trees and the forest all in one go.

In this 'One step forward - two steps back' of the EEC, in this re-organisation of the European bourgeoisie under the hegemony of American capital, the Federal Republic of Germany has a key and ever increasing role to play. In future issues of the journal, we will take the question of Germany further.

B.

In this section of our essay, we will attempt to clarify the basis of our assertion that US capital has never lost its hegemony inside Europe. (7).

(5) We will argue this point further in Section B. of this Part 11.

(6) The presidents of the US, France, Germany and the British PM met in the French resort of Rambouillet in 1975 and in Puerto Rico this Summer; these summits incurred the wrath of the excluded EEC partners - even our own Fitzgerald was forced to bleat on this question.

(7) Main arguments and figures taken from N. Poulantzas 'Social Classes under Contemporary Capitalism' pp. 50-57.

1 Since the 11 World War, the proportion of US capital within the overall volume of foreign investment in Europe is increasing.
In 1930 US investment was 35% of all foreign investment in Europe.
In 1960 " " " 60% " " " " " " " " " "

Between 1960 - 1968, this tendency has continued, and the gulf (8) between the US and other imperialist powers has widened further.

In 1960 the real value of US controlled direct investments in Europe came to 30,000 million dollars.
In 1972, that value had risen to 80,000 million dollars.

In only 8 years, between 1965 and 1973, the US direct investment in Europe rose by 166% (9).

2 What is more important however, is certain features of these investments:

a. Contrary to public myth, Europe, and not the Third World or Latin America, is the preferred investment area for US capital.

In money terms, between 1957 and 1967, US investment in Europe quadrupled while it remained static in Latin America and only doubled in Canada.

Inside Europe, the percentage of US investment as a percentage of all US foreign investment has been steadily rising:

15.6% in 1955
20.5% in 1960
28.0% in 1965
31.0% in 1970.

b. At the same time, 70% of US investment in Europe is direct; in other words, it is investment in fixed capital tending to taking control of companies. Only 30% is portfolio investment i.e. purchase of minority shares, short term stock exchange and financial speculation and as minority share-holding in US controlled firms. So, because it is direct investment, US capital in Europe is effectively multiplied by its cumulated value and by the tremendous reinvestment of profits on the spot. In fact 40% of US profits accumulated in Europe are reinvested inside Europe, although not necessarily always in the country where they were accumulated.

40% reinvestment is a massively high rate. (10)

c. Another striking characteristic of US capital in Europe is the fact that it is concentrated in the manufacturing industry and not in extractive industries, commerce or the service sector. In 1950, 24.3% of total US investment in Europe was in the manufacturing sector....10 years later, in 1960, the same rate had risen to 40.3%. Today, over 50% of US investment is in the manufacturing sector.

(8) J. Dunning 'Capital Movement in the 20th Century'.

(9) The Economist no. 42. 1975. 'European Trends, US investment -its role in Europe'.

(10) The 1975 rate was 52%. See The Economist. as above.

Is National Capital a Pertinent concept?

A.

In Ripening of Time no. 2, pp. 47-48, we examined some of the significant traits of internationalisation of capital. We showed that the extension of the basis of capitalism, the fusion and merger of different capitals into units and the international division of labour were three of the most important traits of the process. There have been several attempts by Marxists to draw the conclusion from these traits that due to the extent of the internationalisation of capital the very concept of 'national' capital is in serious theoretical doubt. In other words, the question is often posed in the following terms; " To what extent has the internationalisation of capital dissolved the notion of national capital "...in simpler terms can one talk any longer of US capital, German capital etc. in the era of the internationalisation of capital?

In P. 21 of the Ripening of Time no. 3, we attempted to define national capital and explain why we thought it to be a relevant concept. Let us now go further:

- It is true that the extent of the internationalisation of the process of production and that of realisation leads to a very advanced international social organisation of capitalist ownership. The level of inter-penetration of monopoly capitals of diverse national origin is very high and makes any attempt of extrapolation of this or that capital a very hazardous affair.

- It is also true that the interweaving of different capitals inside the same social formation produces an important dislocation/disjunction between the concept of national capital and the notion of national economy.

To give one example, already mentioned in Ripening of Time no. 2 pp. 49-50, as well as in the article on the US p.62 of the same issue, one would find it extremely hard to measure the role of US capital on a world scale by basing it solely on the strength or weakness of the domestic US economy, especially if one takes into account the very increasing penetration of European and Japanese capitals inside the US; the weakness of the British economy and the undeniable strength of British capital outside Britain is another example.

What we are suggesting, of course, is not that the relationship between national economy and national capital disappears altogether, but rather that there is a dislocation between the two - a gap through which the strength of national capital does not automatically mean a corresponding strength of the economy. This gap reaches even more gigantic proportions in the cases of social formations like Iran or S. Arabia where the strength of Iranian or S. Arabian capital abroad is out of all proportion to the basis of accumulation these capitals have inside their own social formations, and the dependence of the economy on international capital.

3 Based on these characteristics, American investment also exhibits a very high degree of productivity. US capital has a very high rate of exploitation of labour based on the most advanced technology and the infamous Yankee 'know-how'. US capital tends to have a very high organic composition.

Even inside the manufacturing industry, US capital tends to dominate the most technologically advanced sectors. For example, inside Europe, 85% of US capital in the manufacturing sector, is concentrated in the metal and engineering industries, chemical and synthetic products, electrical goods and electronics.

Under these conditions, the rate of growth of this capital is 9-12% per annum. This is twice the average rate of increase of the European GNP (Gross National Product) and more than twice the growth rate of the GNP inside the US.

4 Finally, the number of branches of American banks in Europe increased from 15 to 19 between 1950 and 1960. In the following 7 years it rose from 19 to 59.

This would in one sense reflect the growing strength of US banking capital as well as the tremendously important role the US dollar began playing in the world monetary markets. This tendency has been accelerated inside the EEC since GB joined the Common Market since the City of London is the preferred financial centre of US banking capital. In 1970, 50% of Eurodollars were held in London, the majority by American banking establishments.

All these brief indicators point to a very initial conclusion that American hegemony, inside Europe, is not on the decline. The figures quoted above still remain to be complimented by figures obtained by calculating 'indirect' US investment made in Europe under the cover of firms, 'legally' European - with German, British or Swiss names, but actually under US control and economic ownership. This is particularly the case with 'Swiss' and more and more 'British' and 'German' investment.

Inside Europe, it is first and foremost in GB and West Germany where US investment has grown most massively and rapidly. At the end of 1973 the accumulation of US capital in Europe had reached:

11.1 billion dollars in the UK.	
8.0 billion dollars in West Germany	
4.3 billion dollars in France	
2.6 billion dollars in Switzerland	
2.5 billion dollars in Benelux.	(11)

These are particularly important figures especially because the 'political' positions of the UK and the Federal Republic of Germany are becoming daily more indistinguishable from the positions of US imperialism.

(11) The Economist. as above.

- Finally, the capacity of international capital to reproduce itself locally through re-investment of extorted surplus value or borrowing on the spot, tends to limit the scope of the international circulation of capital, and simultaneously makes any attempt to 'separate' one capital from another a very difficult process.

Based on these observations, are we to conclude that the 'national' character of capital is a rather dubious concept and that the present extent of the internationalisation of capital has effectively dissolved any notion of national capital? Can we now speak of international or multi- or a- national firms, outside any ties with particular nation-States and slowly becoming uncontrollable monsters with power of their own, submitting States to their whims, wishes, etc. etc.?

Such a view would seem to us to be hasty and incorrect.

However advanced the process of internationalisation may be, it does not bring about at any point a total unification of capital on a world scale, in the sense of an equal merger or fusion. The mergers and fusions which do take place, are 99% of the time carried out under the domination of one type of national capital or another. There is no theoretical base, as far as we can see, upon which to argue for the emergence of a 'cosmopolitan' capital - outside any economic, political or ideological ties with particular nation-States. Thus all type of sloganeering, such as 'Down with the Multinationals' is basically unsound and opportunistic - it spreads confusion and clarifies nothing.

But this observation raises another more fundamental reason why the notion of 'cosmopolitan capital' is pure abstraction and outside the realms of theoretical and practical possibility. Each fraction of capital, while it expands its basis of production and realisation internationally, it is itself submitted to a necessary nation-alisation. This, because the process of growth and extraction of surplus for any capital is defined INSIDE national boundaries and subject to the class struggle unfolding in social formations.

This couple: internationalisation/nation-alisation is inescapably tied to the economic and political reality of nation-States, the strength of the bourgeois class or its weakness, the political organisation of the exploited masses - to class struggle. There is no way out from reality.

The international expansion of capital is tied to social formations:

- for historical reasons in so far as all fractions of capital carry the traces of their initial process of accumulation. The determinate nature, in national terms, of the birth and growth of ALL capital shapes and influences in an indelible manner the interaction of different capitals of diverse national origin. Workers selling their labour to US capital, experience entirely different conditions of exploitation etc. from other workers who sell their labour power to, say, Irish non-monopoly capital.

- also for POLITICAL reasons in so far as all fractions of capital cannot but be carried socially and juridically by a specific fraction of the bourgeoisie, itself tied in a specific fashion to the specific conditions of its nation-State.

This analysis, if correct, does not exclude at all the possibility that each national capital, and more precisely each bourgeoisie owning and controlling the different capitals, can include fractions more representative of the interests of international capital....but such a hypothesis is on a very different scale from the rantings of a so-called world or 'international' bourgeoisie.

Thus, we conclude, and throw the debate open, that the concept of national capital is an operative concept. To talk of US capital, British capital or Irish capital is legitimate in Marxism in the era of the internationalisation of capital. And further, that to deny this is to fall direct prey to all types of mystification.

Inter-Imperialist Contradictions

B.

On the basis of such an analysis, we can now look at some important questions concerning the relationship between national capitals and the whole system of inter-relationships between nation-States.

Each nation-State, whether dominant or dominated, is an agent of social cohesion. The necessity for such cohesion puts each nation-State into a direct relationship with ALL the fractions of national and non-national capital operating inside the social formation in question.

This establishes an indefinitely delicate and complex web of relationships between the State and all the fractions of capital. This situation far from establishing a supposed 'neutrality' of the State 'above' the divergent, and at times contradictory, interests of the different fractions of capital, on the contrary, dictates a specific role of the State as an agent of CONDENSATION of these contradictions, especially in the political arena.

Certainly, the capitalist nation-State being, first and foremost, the unifier of the ruling power-bloc and under the domination of the hegemonic fraction of the bourgeois class, it has to lend its political and if necessary military force to the power bloc. The hegemonic fraction of the bourgeois class, expands its economic and political power inside and if applicable, outside the social formation through the STATE.

Simultaneously though, the State has to mediate to the smallest detail the entire complex web of inter-relationships, between the hegemonic fraction and the non-hegemonic fractions of national capital, between national and non-national capital, and now more and more between different component parts of non-national capital operating inside the social formation.

This gigantic game of give and take, of tightrope walking, of attempting to solve conflict between competing capitalists, also takes place inside the primary contradiction of capitalist society, capital v labour. The State is obliged to act, in solving these inter-bourgeois and inter-imperialist contradictions, in a manner which must never touch the political dictatorship of the bourgeois class as a whole. So while the economic interests of this or that fraction of the bourgeoisie may be jarred through State intervention, the POLITICAL INTERESTS of the bourgeoisie must remain intact, indeed strengthened if possible.

This is the role of the State and not some imaginary arbiter role with a neutral technical and co-ordinating role which the working-class one day could hope to lay its hands on...if any hands are to be laid it must be for destroying and not playing around with it.

It is in such a complex and intricate context we must situate the comments about State intervention made in Ripening of Time no. 3. In P. 16 of that issue we had defined four general ways of State intervention and again in P. 30 we outlined J. Hirsch's explanation of the economic function of the capitalist State. Now, all those general formulations must be placed squarely inside the outlined framework of analysis.

State intervention is not the expression of a Machiavellian class will of the bourgeoisie. State intervention is the expression of the economic and especially political interests of the bourgeois class as A WHOLE; as such, our conception of the State is totally divorced from any notion of the State as a tool or instrument of this or that clique.

In very crude terms, State intervention is the way the bourgeoisie must act - is obliged to act, in order to continue its reign. State intervention is not the will of the bourgeoisie, or a reflection of its capacity to act as it wishes.

The nuance is infinitely small and the dividing line extremely tenuous. But we would argue that in this tiny nuance crystallises the gigantic gap between reformism and revolutionary politics.

For if we accept the notion of the State as a tool of the ruling class and the notion of State intervention as an expression of the (good?) will of the bourgeoisie, then it would follow suit that either that tool can be appropriated peacefully and put into the service of the people or that with a bit of pressure and pushing, the bourgeoisie can be led to act not exclusively for its own interests but for the 'general interest' as well. These notions are common currency among many organisations of the Irish Left - where they lead is clear for all thinking individuals to decide. If, on the other hand, the intervention of the State is the way the ruling class MUST ACT, then it follows that the job of the working class is not to lay its hands on that way but really to destroy it...for even Conor Cruise knows that the 'American way' can only lead to one, two, many Vietnams..

☆☆☆☆☆☆☆☆☆☆

Conclusions

It is this backdrop of understanding which highlights the elements and extent of the most severe crisis capitalism had to face since the Big War.

A crisis inside social formations as well as in their relations between the different nation-States. A crisis producing unemployment, inflation, wars and conflict, instability; a crisis provoking and accentuating struggle bringing down regimes and governments. A crisis putting ever-developing barriers to the economic and political unification of Europe - a crisis breaking apart all the methods of co-ordination, monetary and agricultural policy, all these 'medicines' capitalism had manufactured to guarantee its expansion and domination.

First and foremost, the very existence of these attempts to create these supposedly super-national institutions, be they financial such as the IMF, or political ones like the Council of Europe etc., is a clear sign of the growing incapacity of the established nation-States to reproduce the entire spectrum of the economic and political conditions necessary for the production, circulation and accumulation of capital in its present stage of development and internationalisation.

Simultaneously, these super-national hybrids are never given and can never acquire more than a partial competence and legitimacy which must be DELEGATED to them by their constituent nation-States. Thus, for example, the whole charade around the European Parliament, the 'advice' of the EEC either to France on the problem of the wine-growers or to the 26 Co. State on the question of Equal Pay - these are all mediated through the relations of power these States enjoy with their partners on the one hand and their own working class on the other.

This is obviously a very precarious and fragile situation, further made difficult to handle through the domination of US capital and its own specific brand of needs.

The instability of the present situation is not as some would have it, a technical hitch or a management question, but the reflection and articulation of deep and far reaching contradictions opposing the different imperialist nation-States, their finance capitals and the state of the class struggle in their respective social formations. This situation defines simultaneously an absolute necessity for co-operation and also an inevitable conflict. It is a double movement pulling this way and then the other way...it is a couple of dependence on the one hand and autonomy on the other.

It is like a whirlpool which gives the ruling class always less space for political manoeuvre and limits the possibility of a peaceful solution.

It is this situation which defines the world hegemony of US capital and its capacity to further aggravate the crisis of its competitors by exporting its crisis. The solution of the dominant partner is becoming becoming more and more the problem of the dominated one - especially under the present conditions of internationalisation. Here again,

Engels' prediction that the solutions of a crisis for the bourgeoisie always carry within them the germs of the crisis which is to follow is becoming daily more relevant.

Further, the capacity of the bourgeoisie to find 'solutions' is always determined by the combativity, militancy and degree of organisation of the proletariat. It is not an accident that the hegemony of the US and to a lesser extent German capital are very much part of the political weakness of the American and German working class.

All attempts at political and economic re-organisation of the capitalist system is an attempt to make the working class, and the petit-bourgeoisie pay. In this sense, the conditions for a deepening popular resistance are the very requirements for the bourgeoisie to resolve its crisis; this especially in countries, like Italy and France, where the proletariat enjoys a relative strength and capacity for resistance . . . this is also the case in Ireland in a certain sense, for the petit-bourgeoisie and parts of the working class are organised and armed - if not always for socialist or working class objectives. In such countries, especially where the ideological fibre of bourgeois society begins to break apart, the necessity of the ruling class to introduce repression and violence becomes absolute.

In our view, the short-term future of Europe can perhaps be best described as a prolonged crisis, of a patched-up succession of conflicts, of brutal bourgeois offensives and working class resistance . . . from the bourgeois point of view always between the Meabh of capitulation to US capital and the Cu Chulainn of a revolutionary upheaval.

From the point of view of the working class the increasing possibility of political reorganisation and challenge for power on the one hand and the likelihood of severe defeat on the other.

In either case, the responsibility of the revolutionary left is obvious and gigantic. Whether one can defeat a paper tiger with a 700 ton flea - is a political question and not a simple question of technicalities.★

STATE of IRELAND



This article is a continuation of the article on the development of the Irish State, the first part of which appeared in Ripening of Time no. 3.

PHASE TWO

In Pursuit of Status cont.

Contrary to what one would have thought, the labour force engaged in manufacturing industry did not show any fantastic gains in the 1920's and 1930's: from 1926 to 1946 people engaged in manufacture grew only by 33,000 or 2% while during the same period the total labour force remained virtually static, or in fact fell slightly from 1.305 million to 1.298 million.

Thus it would seem to indicate that while concentration in industry was shooting ahead, the socialisation of the labour force did not follow to any considerable degree.

Another important factor of the period is that between 1934 and 1938, farmers put three times more money into the banks than they took out in loans. This again would seem to indicate that the total surplus available in Ireland at the time was rising fast. Some of it was being put into productive use, mainly by the activities of the State. Another important part of it was being invested abroad, not necessarily by farmers, but by the British controlled banks which, at the time, were investing one-fifth of their assets abroad. (1)

The world crisis during the 1930's saw the rise of fascist movements in Germany, Italy and Japan, the very same period during which State intervention in economy and repression accelerated in Ireland.

Fianna Fail had come to power in 1932, on an alliance of pettybourgeois and bourgeois interests. But by the mid-1930's the bourgeoisie was weakened and this had the effect of fractionalising the petty-bourgeoisie in different directions. This fractionalisation of the pettybourgeoisie was broadly around two poles: the one crystallising in the Blueshirts and reaction, the other in socialist-communist circles. This division reflected itself in the Republican movement of the time. Many recall the bitterness engendered by the 'South Groups' attack on Shankill workers from the North when they came to march at Bodenstown with republicans and were stoned. (The 'South Groups' refer to the supporters of Sean South, and were an extremely reactionary section of the republican movement)

(1) Report of the Banking Commission in Central Bank Report. Winter. 1972.

The Blueshirts, like the Brownshirts in Europe, expressed their own brand of corporatism which they tried, by violence to imprint on the 26 Co. State of the time. The following quote by General O'Duffy at the first Fine Gael Ard Fheis in 1934 illustrates the point:

"After our victory at the polls, it will be essential for the country to turn its back on party politics and to organise with utmost efficiency its social and economic life. The present Pope has proclaimed it as the primary duty of the State and of all its citizens to abolish conflict between classes with divergent interests. He, the Pope, has declared the aim of vocational groups the re-establishment of vocational groups. This is the aim of the United Ireland Fine Gael has put to the forefront of its social programme." (2)

On the other hand, George Gilmore in 1935 expressed the culmination of an entirely opposite political direction, reflecting the high level of unity of the working class north and south, reached at occasional moments of the period.

"The revolutionary programme of the Republican Congress will entail the organising of the Republican people around worker and small farmer councils, this creating organs of struggle which will in the logical sequence of events be turned into organs of government once power has been achieved. . . . while urging support of one free state party as opposed to another free state party, the congress would at the same time be carrying out its own campaign to win the leadership of the Republican people of Ireland away from both these parties and to create a revolutionary republican leadership to lead us past both these parties to the seizure of power by workers and farmers of Ireland." (3)

But if the capitalist mode of production was dominant in Ireland, other modes of production, and early capitalist relations persisted alongside, as is common in many dominated social formations. In Ireland the persistence of a large fragmented whole of small farmers holders, labourers, tenant farmers resisted integration and it is precisely to these, that the Republican Congress and other revolutionary groups addressed themselves, to forge a movement under the direction of the working class.

It is important to remember that the political direction of the Republican Congress must have been strongly influenced by the arguments for popular fronts then circulating in the 111 International and forward at the 7th Congress of the Communist International in 1935 by Georgi Dimitrov. These arguments, were underpinned by a narrow definition of the economic interests of finance capital, with the State as simple putty in the hands of the dominant class or fraction. (4).

(2) Saohair: Vol 1. no. 1 1975. pg. 56.

(3) The Republican Congress. Cork Workers Club.

(4) G. Dimitrov: 'For the Unity of the Working Class against Fascism'. Scientific Booksellers.

This tendency to treat the State as a 'tool' of the dominant fraction can be discerned in statements of the Communist Party of Ireland at the time, in welcoming the emergence of the Republican Congress:

" Finance capital is increasing its grip over the country. The Cosgrave-created State apparatus of Civil Service, CID, police and land commission is functioning actively against the interests of the Irish people. " (5)

The historical importance of the 1930's has been widely recognised and written up. Here, only a few highlights of that period are mentioned. The late 1930's was not only a world crisis but also a transition, during which capitalist state intervention was increasing in most dominant countries. In the political vacuum, there was surge forward of revolutionary ideas. Debate in the 1930's reached a high point over the way forward through the crisis; was the political direction to be a United Front or a Workers Republic?

The State's interventions by the end of the 1930's were frequently wound up with ideas of corporatism, a common theme in fascism, and in the interests of finance capital. Its political interventions in repressive legislation were in the interests, primarily, of a national bourgeoisie trying to maintain itself in power throughout a crisis. That is, the State represented the immediate political interests of the bourgeoisie and the long term economic interests of another fraction excluded from government but not from the power bloc. This dislocation was frozen with the outbreak of the 2nd World War and erupted in the political chaos of 5 governments in 10 years once the war was over.

In 1932, the first year of Fianna Fail in power, a Eucharistic Congress was held in Dublin, attracting thousands and thousands of Catholics to Ireland and arousing a wave of devotional hysteria. The Congress strengthened the ideological hold of the Church through the expansion of lay-associations in the following 2-3 years. The story is told that General O' Duffy, leader of the Blueshirts, was a central steward at the congress. The chairman of the Eucharistic Congress Committee was J.J. Mc Elligot, later to become 2nd governor of the Central Bank.

In 1934, the famous or infamous siege of Strand Street, Dublin was incited from the pulpits of Dublin churches by anti-communist clergy. Communists organised in 1930 into Revolutionary Workers Groups were besieged in a meeting house and aid was sent from some republican groups to help them. The 'mob' attacking the building included dockers, some lumpen proletariat close to the 'Animal Gang' and catholic mens confraternities egged on by anti-communist clergy. The Workers Union of Ireland building was stoned during this violent period. The confraternities had their match among the pettybourgeoisie in the more secret Knights of Columbanus and Free

(5) History of the Communist Party of Ireland. p.22.

Masons . Legion of Mary members participated in a pogrom of jewish people in Limerick. Jewish cinema owners in Dublin were threatened with violence. Fellow business men appealed to the Bishops to silence the more extreme pulpit politicians, especially among the Jesuits, against whom James Connolly had argued so strongly 20 years earlier in his replies to Father Kane in 1910. (6)

In 1934 Fianna Fail established an important Banking Commission whose report recommended the establishment of a Central Bank. This banking commission included the Church, represented by a Bishop. One of their reports included the following:

"The state could materially contribute to investors confidence by direct and indirect management of affairs and the manner in which it invests in industry. " (7)

Some members of the commission, which was very divided, even suggested that the Irish pound should be tied to the U.S. dollar rather than the pound sterling.

Not long after in 1939, Fianna Fail established a commission on Vocational Organisation out of which today's Vocational School system developed. Vocationalism was an ideology around the organisation of sectional interests on sectional grounds of trade, occupation, profession etc. This was to remedy according to Pius XI the problem of:

"the labour market...an arena where two armies are engaged in fierce combat." (8)

The commission included Professor Tierney of U.C.D. Mr Odlum the miller, Mr Crampton the builder, James Larkin, Louie Bennett of ITGWU, Fr Hayes of Muinter na Tire and the Bishop of Galway. This amalgam of employers, trade union leaders and church dignitaries did not agree either among themselves or on a common basis for the abolition of class conflict. But one reads in the final

report many references to the renewal of the guilds. Not surprising since the terms of reference of the commission included:

"...the commission will have to investigate ...the type of corporativism best suited for Ireland...will have the experience of Portugal and Italy to guide them." (9)

Pius XI in 'Quadragesimo Anno' (10) supported a corporate state and a revival of the female centred family. This converged with the demands of certain craft unions, Printers in 1931 and Tailor and Garment Union in 1947 to get married women out of the work force. (11)

In the face of these conflicting social forces, the republican movement split. The state lent the legitimacy of violence to part of the Republican movement to fight the fascist blueshirts. Elements from these forces, the Broy Harriers were integrated into what we know

(6) J. Connolly: 'Labour, Nationality and Religion'.

(7) Central Bank Report. Winter 1972. p.69.

(8) J. Kavanagh. Manual of Social Ethics. p.63.

(9) See excellent article by John Swift. Saothair. Vol. 1 no.1. 1975.

(10) See Ripening of Time. no. 2. p.35.

(11) Paper by M. Daly. 1975. to Irish Labour History Society.



as today's Special Branch. Perhaps this special origin of the Special Branch explains the very different relationship of the Special Branch within the repressive apparatus of the State, their separateness from the rest of the Gardai, their vendetta-like hatred for the republican movement.

To summarise briefly, the Free State was founded in a State of Emergency: The Army Emergency Powers Act, 1922, and by the end of the 2nd phase of imperialism, the state was still in a 'state of emergency', with the Offences Against the State Act of 1939. But by then, the state itself had become an unwieldy unity of different branches intervening in new areas of economic and social life. The 2nd phase saw little or no socialisation of labour, but nevertheless an enlarged surplus was circulating in the society. That surplus was shared out not only among the competing interests of the 26 county ruling class, but also with imperialist interests which dominated the society, and for whom 'protectionism' was a mere re-negotiation of the terms of dependence.



PHASE THREE



Shadow of a Gunman

The 2nd World War marked the transition for the Free State from the 2nd to the 3rd phase of imperialism, in which we are living today. It was a period during which many dominated countries experienced a weakening of the links in imperialist domination, impulsing a short lived independent expansion of capitalism inside those formations. The 2nd World War had very different consequences for Ireland compared with say, France or Holland at that time. Instead of 'unity and alliance' with Britain against Hitler, diplomatic and political antagonism increased sharply. The 26 county state's so called neutrality was a constant source of irritation to Churchill. In fact, Irish agricultural produce was exported to Britain throughout the war, which was not so neutral really at all.

De Valera observed, as did the I.R.A. of the time, that England's weakness was Ireland's advantage... an advantage to be seized in both cases by threatened or actual violence. Sean Lemass himself had admitted earlier:

"Fianna Fail is a slightly constitutional party... our objective is to establish a Republican government in Ireland. If that can be done by the present methods we have, we will be very pleased, but if not, we would not confine ourselves to them." (12)

De Valera did not exclude the possibility of an invasion of the 6 counties by force during the war. The I.R.A. however proceeded with a campaign against British targets.

Transitions are violent affairs. The 26 counties was no exception. The 'legitimate' violence of the Free State confronted the 'illegitimate' violence of the IRA with the sinister Offences Against the State Act 1939 and the Emergency Powers Act 1940 leaving a trail of deaths, imprisonments, hunger strikes, north and south, of censorship, internment and juryless courts. The power of the downing fraction of the bourgeoisie may have been undermined by a sharp fall in agricultural production especially in pigs, beef and poultry. However compulsory tillage of cereals led to the expansion of tilled acres by 1944 to an area greater than had ever been seen before in Ireland since 1872. (13) Post Office Savings Deposits quadrupled between 1929-46 and

(12) cited in Bowyer Bell J. The Secret Army. Sphere Books. p.95.

(13) J. Meenan. The Irish Economy. p.117/238.



DUBLIN 1934



GALWAY 1934

the money value of bank deposits rose by 103% between 1938-46. (14) 1944 was the only year where a surplus in the budget was recorded. These factors would suggest that in the war years there were important changes in the total surplus available and how it was being distributed amongst the ruling class. But the political consequences that one would expect from this did not manifest themselves until the 2nd World War ended. The war involving the world powers entrenched the rival ruling class fractions, who in turn both entrenched the working class in a Wages Standstill Order and in internment camps.

During the war, small capitalism blossomed in the 26 counties. " ...the outbreak of war in 1939 brought about an improvement in the financial position of the railway companies. During this period stringent restrictions were imposed on the use of private transport. Railway fares and rates were increased while wage increases were restricted by the the control operating during the emergency. The railway companies also enjoyed heavy traffic in the transport of turf to the cities and large towns and other special war-time traffics." (15)

Cattle were slaughtered, deer slain in the Phoenix Park and mince meat canned and shipped for rationed Europe...all on the backs of the working class whose actual numbers were falling between 1926 and 1946.

These are some of the factors which sustained Fianna Fáil in power throughout the war, notwithstanding the emergence of a new political party: Clann na Phoblachta, following the execution of Barnes and Mc Cormack, two IRA members in England.

The post war years are fraught with profound and deep changes particularly in the state, which few books of the period attempt to deal with seriously. The 26 county state changed in the extent, breadth and areas of intervention...such as new investment in infrastructure or in the relationship between capital and labour between workers and bosses.

During the years 1947-57, the 26 county states interventions in economy were heavily concentrated, preparing the road, for new industrialisation. In this light we can group together:

- Coras Iompair Eireann (.C.I.E. Transport) 1945.
- Institute for Industrial Research. 1946
- Shannon Airport. 1946.
- Aer Linte. (Air Lines) 1947.
- Industrial Development Authority. 1949.
- Transport Act. 1950.
- An F oras Tionscal. (Investment) 1952.

These groups of Acts were the second major expansion of the State branches, equalling in breadth only that of the 1930's. These laws and acts permitted the restructuring of Irish capitalism for a future penetration of internationalisation capital, feathering the nest for the cuckoo's egg.

(14) cited in Jack Gale. Oppression and Revolt in Ireland. 1975. p.135.
 (15) Committee of Inquiry into Internal Transport. 1957. par. 20.

The second major group of economic expansions were in those areas as yet uninteresting for international capitalism, such as natural resources.

In that context, we can group together the establishment of:

Bord Iascaigh Mhara in 1955. (Sea Fisheries Board.)
 Bord na Móna in 1946. (Turf Board.)
 Minerals Company Act. 1947.
 Mianraí Teoranta 1945. (Minerals area)

These expansions were to develop the productive forces, in the area of agriculture, for example, a cost too burdensome for US capital at that time, sectors where foreign capital was not yet strong and which would not enter into competition with new independent industrialisation.

This apparently conflicting post-war policy in the role of the State in the economy was dealt with by Joachim Hirsch in his article in Ripening of Time no. 3.

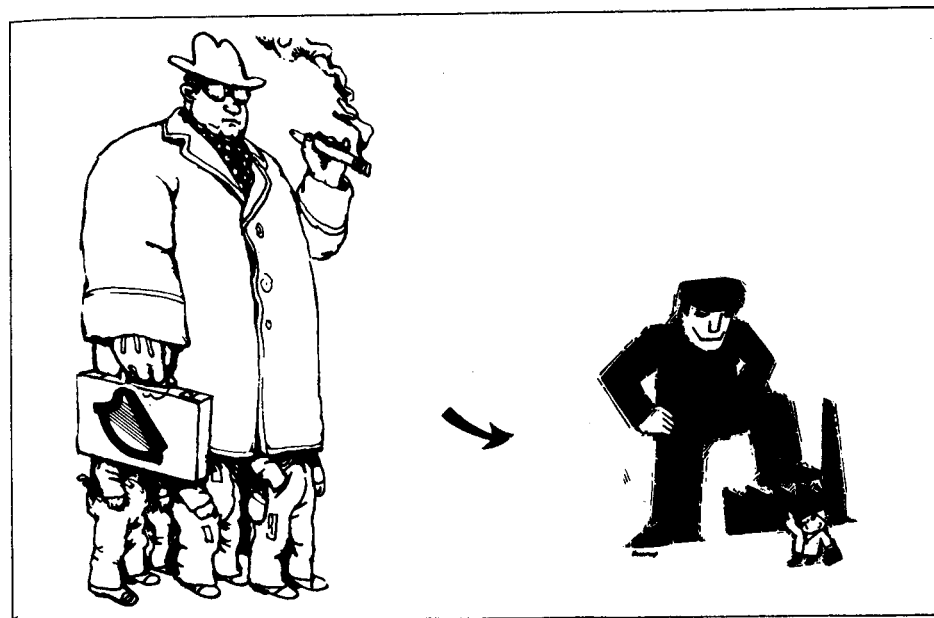
Those same years, 1947 to 1957, were plunged into severe political crisis. In those ten years, there were five governments, one after the other, three times Fianna Fáil and twice interparty governments combining Labour, Fine Gael and Clann na Phoblachta (a new political party with a populist ideology and which succeeded in attracting many previously Fianna Fáil supporters among small farmers.). This musical chairs was a struggle for dominance between the different bourgeois fractions and equally a struggle for partnership with the US for control over the State and the US aid being channelled through it. During this crisis, the 26 Co. State's interventions were being widely extended into the type of interventions we experience today.

To understand this, one is helped by looking at the role of the US after the 2nd World War from which it emerged as not only the victor over Germany with the Allied Forces, but victor within the Allied Forces as well. At the end of the war, in 1946, the US prepared to reboot its capitalism by reconstruction of Europe. This policy was based on the twin pillars of AID and NATO (1949). The most famous of the Aid Programmes was MARSHALL AID in 1947. One commentator describes how it was:

"to attempt to alleviate suffering and prevent starvation, to restore the economic health that would provide the best defence against communist subversion." (16)

Marshall Aid loans and grants were given to European countries to purchase US goods and services and thereby to build their indus-

(16) European Studies. no. 17. 1973.



tries on the US model, with American technology and for export abroad, in total: to bootstrap US capitalism and European capitalism in its image. (17)

This reflected:

"..the US preoccupation with ensuring that the international functioning of the reconstructed capitalist system was consistent with the maximum exploitation of US dominance." (18)

Now, the 26 Co. State had been 'neutral' during the 2nd World War but was nonetheless included in this 'reconstruction programme'. Marshall Aid was granted to the 26 Co State between 1948 and 1950. It was used to establish the Agricultural Institute, Bovine TB scheme and produced a gigantic deficit in the balance of trade between exports and imports of £123 million in 1951. (remember the budget surplus of 1944) (19)

This was the highest deficit ever recorded in the 40 years from 1924 to 1964 when it began to rise again. (20)
 Altogether the 26 Co. State got 146 million dollars, of which 18 ml. dollars was grant and 128 million dollars a loan in the European Recovery Programme, sums increased by subsequent devaluations. This will be repaid by 1983 by which time £71 million will have been paid out on foot of the original debt. So much for aid! (21)

(17) See Ripening of Time. no.2. on Irish Agriculture and US.
 (18) Armstrong. Glynn. Sutcliffe. Harrison. Section.8. 1-8-13. 1976.

(19) O' Mahony. The Irish Economy. p.109. note 4. and Meenan (above) p.73. Table 3.2.

(20) Meenan (as above) Table 3.2 p 73.

(21) Moynihan. Currency and Central Banking. 1975. p.347. and Teresa Hayter. Aid as Imperialism.

This extraordinary penetration of US capital had immediate consequences and throws into new relief the establishment of the Central Bank in 1942.

"By participating in the European Recovery Programme, Ireland not only secured access to additional capital resources, but laid itself open to external influences favourable to the concept of central economic planning." (22)

The Central Bank was to prove a key agent in the channelling of U.S. aid seven years after its foundation. In 1950 the Central Bank became a member of the US dominated Bank for International Settlements, conveying the latter's views in its 1951 report, that strict emphasis in economic policy should be placed on productive investment only.

"Seldom since the Communist Manifesto has a slim volume produced such a medley of noise and heat." (23)

The report was attacked by all the political parties and had few defenders, particularly as the government changed while it was being written. It is worth remembering that U.S. military bases established in the North during the war remained on until the announcement of their closure last year. Presumably in the event of communist subversion actually materialising. In case it did, Archbishop McQuaid, in 1951, declared it a mortal sin to vote for the Irish Workers League, a communist organisation.

State intervention was not only in economy and in repression, and in banking to channel in aid, but also for the first time, laws were passed enabling the state to intervene in the relationship between Capital and Labour. The establishment of the Labour Court in 1946 was couched in lofty ideals of:

"fair dealing... and as high a degree of social justice circumstances permit us to attain." (24)

Circumstances did not permit ...and still don't.

Attempts by Noel Browne, Minister for Health in the inter-party government and a member of Clann na Phoblachta, to introduce State protection for the mother and her child by a limited scheme of free health met a wall of opposition. Professional and church interests defeated the measure in 1951. At the time, infant mortality was over 45 per 1000, well above European levels. (25) The farsightedness of the Mother and Child scheme proposed by Noel Browne was that it proposed a state intervention not for the interests of capital directly, or mediating between capital and labour, but in the reproduction of labour power itself: childbirth... indirectly in the interests of capital.

(22) M. Moynihan. (as above) P. 361.

(23) The Leader. 21.11.53.

(24) Quoted by Mary Maher. Irish Times. 20.8.76.

(25) The Health Services and their further Development. Govt. 1976.

Following the new economic interventions and the revolving chair of five successive governments, of the worst unemployment in the 1950's since the 1880's, there followed a period of relative stability. Politically, Fianna Fáil returned to power in 1957 and by 1958, equipped with T.K. Whitaker's programme for economic expansion, were speeding ahead with the extension of the post war changes, which would attract overseas investment to the 26 counties. The I.R.A. border campaign was in full swing at this period with not a great deal of popular enthusiasm.

Fianna Fáil's traditional backbone of support was in the countryside. The following table shows how the post war years affected the different groups of farmers:

	1949	1960	change
5-30 acres holdings	176,000	144,000	-32,000
30-50 " "	62,000	62,000	stable
50+ " "	80,000	84,000	+4,000

(26)

From the sixties to the seventies, these trends continued, though not at as fast a rate. As in the table above, the small or landless farmer was being decimated while the numbers of bigger holdings were on the increase. The most stable group were and are the middle farmers. As Ripening of Time number 2 attempted to show the middle farmers were closely identified with the interests of the ranchers, through the emerging National Farmers Association, later to become the I.F.A. Emigration seems to have drained away the

poorer farmers, During the period: 1951-61: 412,404 emigrated from the 26 counties. (27)

In Ripening of Time no. 2, it was argued that the monopolization of agriculture accelerated in the post war period, fortifying the political strength of the ranchers and driving off the small farmers from the land as a consequence of among other factors: Marshall Aid. The growth of landed estates was accompanied by a massive expansion of cattle herds. Cattle numbers increased 50% between 1963 and 1973. (28) Between 1961 and 1971 the number of farmers with under 15 acres of land fell by 27% and in the 15 to 30 acre group numbers fell by 24%. During the same years the numbers of men in agriculture fell by 25% or by 102,000. (29) (30) People were simply replaced by cattle in the hands of big landowners.

(26) J. Meenan. (as above). p.108.

(27) O' Mahony. (as above). p.4 Table 11.

(28) R. Crotty. Cattle Crisis. p.7.

(29) A.G. Conway. Foras Taluntas. 1975.

(30) B. Kearney. paper. 15.10.75.

The political offensive of the farmers under the leadership of the middle farmers but in the interests of the ranchers against the government in 1966-67 led to the establishment of the NFA as a political organ, an extension of the State branches. This marked the client period of Fianna Fail's relation to small farmers. Client in the sense that State dole, medical cards, grants, scholarships in rural areas are so many levers to weigh on the rural vote. Clientelism which is elsewhere engendered by the integration of small farmer and rancher into a single system of unequal cattle production, of dependency and servility which the sociologist calls passivity, others call conservatism but which a Marxist might call exploitation compounded by oppressive capitalist relations.

Although we have identified the penetration of international capital in Ireland as far back as the 1910's and 1920's, it is this third phase that undoubtedly underlines how the dominant finance capital on a world scale, that is US capital, asserts its domination, transforms the class structure of dominated and underdeveloped social formation and reproduces itself, not only in economic form but politically and ideologically as well.

An unusual feature of this period, was that the expansion of capitalism during this period, did not destroy early capitalist relations of production such as conacre. On the contrary, the penetration of foreign capital co-existed and even saw the expansion of conacre by 12,000 acres between 1960 and 1970. Nor should it be quickly assumed that we are talking in the 26 counties of legal ownership of the land. A survey of 762 western farms in 1967 revealed that:

42% were fragmented into scattered holdings
8% of holdings were let under conacre
40% of farmers had access to communally owned grazing
53% had no clear legal title to 'their' land.

These non-capitalist or early capitalist features of Irish agriculture were examined in the outline article "Two Forgotten Faces of Irish Capitalism: Agriculture and Fishing" in Ripening of Time number 2.

Again, during the same period approximately, bank loans to agriculture more than tripled from £51 million in 1964 to £179 " " 1973. (31)

Agriculture was capitalised at an accelerated rate, labour expelled and the total under grassland expanded through the sixties into the seventies. The State's intervention under Fianna Fáil organised the circulation and distribution of surplus through Bord Baine (milk) and Pigs and Bacon Commission, Erin Foods, Agricultural Credit Corporation etc.

(31) Crotty. (as above) Tables 3 and 15.

Between 1947 and 1952, over half of the £266 million spent on domestic investment was raised by loans, overseas aid and borrowing. The 1950's which at the outset saw a huge capital inflow of £106 ml. of which 50% was Marshall Aid, between 1949-52 on a wave of anti-communism and a freezing of militancy under the cold war effect. An Act of US congress obliged Sean Lemass to abandon the idea of an independent capitalist development for Ireland, with the economic cooperation of the US in favour of mutual security agreements, a change in the terms of US aid which by this time was being spent in the 26 Co.'s under the guise that there was no strings attached. But strings there were....

US capital assisted in the growth of infrastructure and the decline in traditional industrial and agricultural sectors.

In the late '60's: 8000 jobs lost in metal products/electrical/transport industries.

1951 - 1961: 29,800 lost jobs in mining, construction and public service. In Total. 130,00 men and 36,000 women lost jobs in those years.

1951 - 1961: 412,000 people emigrated from Ireland, not far off half a million.

Despite the high capital inflow of £171 million between 1949-58, only 24 foreign companies set up in Ireland between 1952, when An Foras Tionscal was established, and 1960.

But between 1961-71 of £343 net capital inflow, £113 ml. was net direct investment, £84 ml. of which went to finance direct foreign investment in industry. This does not include finance raised through resident banks in Ireland, or grant payments, takeovers, joint ventures and so on. A study completed in 1973, showed that over 50% of fixed asset of Irish registered industrial and service companies was owned by foreign companies by the end of 1972. (32)

The 1963 Industrial Amendments Act provided better incentives to international capital and accelerated the export-tax reliefs which permitted US, Japanese, German and other capitals to exploit labour with no tax on profits.

As argued in the Internationalisation of Capital article, US investment in Europe has been direct rather than portfolio. Portfolio means by subscription to share issues, through stock brokers, securities and such like. This is born out in the 26 Co.'s. by the research of D. McAleese.

Between 1961-70, of 401 foreign companies coming into the 26 counties, 98 were US companies representing 25% of the total number of new overseas companies and 34% of total investment. Today, U.S. capital makes up 43% of new overseas foreign investment.

"Direct investment represents not so much an international capital movement, as capital formation undertaken abroad." (33)

(32) J. Sweeny. MA Thesis. UCD. 1973.

(33) Kindleberger. The International Corporation. MIT.

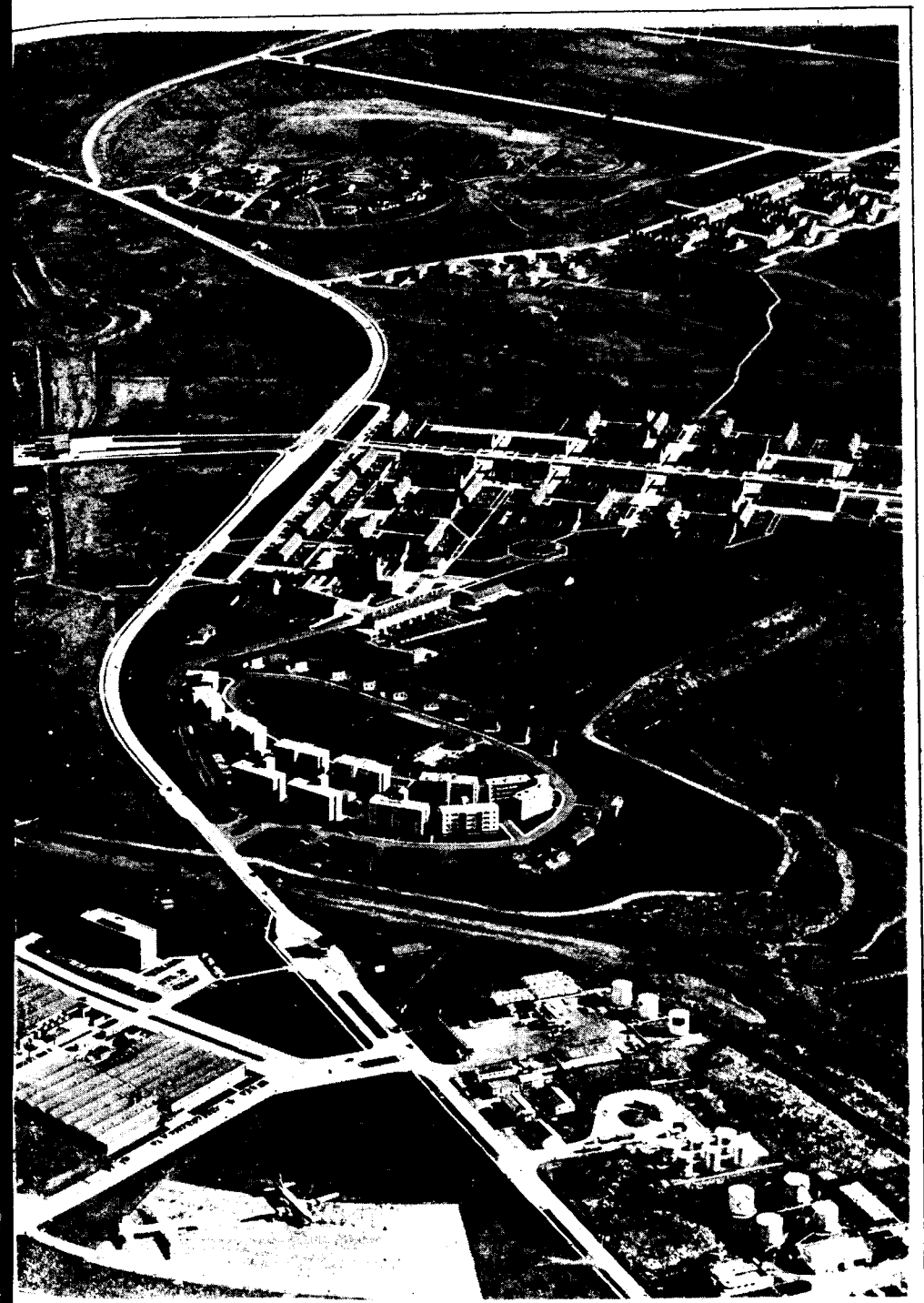
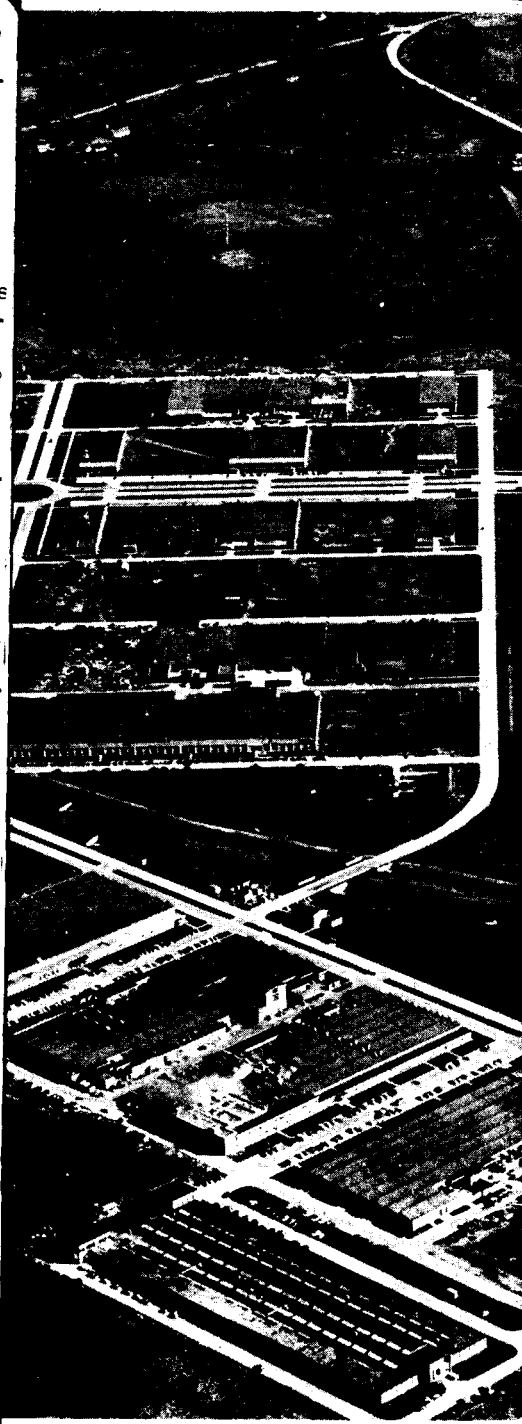
Both politically and economically, perhaps the most advanced example of international capitalist penetration was the 1947 Act which established a customs free zone at Shannon Airport; the first of its kind in the world. This has developed into what can, without exaggerating be called: "an occupied territory". That is, an industrial tax-free zone with its own customs posts for entry and exit, the largest single centre of US investment in the 32 counties, exporting almost the entirety of its output. The whole social-physical-industrial complex is managed by the Shannon Free Airport Development Company (SFADCO) which combines local authority, IDA, Bord Failte, the State etc. into one streamlined agency which besides renting 100 thatched cottages across the region, managing Shannon town, shopping centre, and canvassing overseas investors is currently advising the government of San Salvador and of Uruguay on how to do the same.

84% of companies on the Shannon estate are overseas subsidiaries. 43% of SFADCO's income comes from land, factory and housing rentals - true comprador style. Industrial employment fell in the region between 1972-75.

30% of SFADCO's spending is to repay loans.

In the chemicals and electronics plants, 60% - 70% of output was imported in the first instance. Having socialised labour in the Shannon region in the post war period, the State today, with the effects of the U.S. recession on the region, can only de-socialise labour all over again; by AnCo courses in roof thatching and by offers of allotment gardens by SFADCO to former farmers - now propertyless and landless workers.

Is this development ?



The 1960's and 1970's were the years of consolidation for U.S. imperialism, in the socialisation of labour, the restructuring of industry (see Ripening of Time number 1.) and the internationalisation of capital, provoking profound changes in the makeup of the Irish economy.

One of those changes was the role of the State in trying to curb the insurgent militancy of the working class during those years. Yet the labour force, by 1966 was smaller than 20 years earlier.

1946 : 1,298,000
1966: 1,118,000
1972 : 1,119,000

Unofficial strikes, spread like wildfire across the sixties. From the notorious E.I. strike at Shannon in 1964, when a U.S. company tried to refuse recognition to a trade union, to the imprisonment of power workers in 1967. Between '61 and '68 there were 38 strikes by power workers alone, not to mention focal public sector strikes by teachers, Bord na Móna workers, busmen and others. (34) The combined weight of the revamped Labour Court, a Department of Labour and an Industrial Relations Act and an Employer Labour Conference between '63 and '66 barely sufficed to head off an Irish May '68 and caught the 26 county government off guard with the rise of the civil rights movement in the 6 counties in 1969.

" How can a person, or class be free when its means of life are in the grasp of another ? " asked James Connolly in 1910.

By 1967, a tiny minority controlled the land, property, and means of livelihood of the vast majority of the people. P.M. Lyons shows:

62% of adults owned NO wealth (shares, assets, etc)	(35)
5% of adults owned 64% of all personal wealth	

In 1967, Dail Deputies contained 30% small shopkeepers and publicans, the traditional petty bourgeoisie, who made up 20% of the cabinet at a time when they represented 3.2% of the population. This part of the petty bourgeois class exercised enormous political strength, out of all proportion to their actual numbers. (36)

Between 1963-67, government expenditure increased 12% a year. app
 Between 1968-72, " " " 14% " " "

(34) See Charles McCarthy. 'The Decade of Upheaval'.

(35) P.M. Lyons. Economic and Social Review. April 1975. vol. 16. no.3.

(36) B. Chubb. The Government and Politics of Ireland.



An increasing proportion of this public expenditure was being raised through taxation, especially direct taxation on wages and salaries and on goods consumed.

Taxes as a proportion of Gross National Product rose from:

22% in 1960
29% in 1968
31.4% in 1972.

Government expenditure was not financed as in some other dominated countries by customs and excise duties, taxes on export earnings or overseas corporations or on land. On the contrary the profits of ranchers and overseas companies are tax free to a large extent. At the same time, state borrowing as a source of revenue doubled between 1973 and 1975.

1973 : £1298 borrowed.
1975 : £2376 " "

(37)

State aid to certain sectors of international capital in the 26 counties has been narrowly confined to 2 or 3 branches of high growth industries, such as pharmaceuticals, synthetic fibres, electronics-computers and engineering. These sectors have experienced tremendous growth in output, exports and profits despite the recession which has hit the traditional industries, including British capital since 1972. Pharmaceutical and fine chemical output grew 300% from 1970-1973. (38)

Two solutions are currently popular as economic remedies to the present crisis of capitalism in Ireland.

One carries the justification for increased repression, ideological domination and economic dependency. This argument suggests that we can only survive if we attract more foreign industry to create employment, increased role for the I.D.A. and other State agencies. This is the political expression of the dominant fraction of the bourgeoisie in the power bloc... the comprador fraction whose voice is Fine Gael.

Another solution argues to stop the foreign industries, disband the I.D.A. stop 'selling out' the country, impose forms of protection and import substitution and foster the home market with labour intensive industries, utilizing the advantage of a growing population and thereby increasing the demand for all goods.

This latter is essentially an alternative bourgeois argument, but one which implies that such a programme can only be achieved by a planned economy with the expansion of the State sector into 'productive' investment. Neither solutions relate to the nature of capitalism or the fact of its internationalisation.

(37) Irish Times. 26.1.76. p.12.

(38) J. Beirne. IDA News. vol.1. no.4. 1974.

The second solution, espoused by certain socialists, assumes that the state taking over from 'gombeen' or private capitalists will on the one hand give some kind of freedom for state employees and workers but also iron out contradictions inherent in 'competitive' capitalism.

Joachim Hirsch in Ripening of Time no 3. pointed out that:

"...the state apparatus is not the negation of competition, but competition is reproduced inside the state apparatus itself" (39)

The state, we repeat is not some unified 'thing' that sways from serving the interests of the ruling class to serving the interests of the working class and its allies. History, which in the last instance is the real teacher, has never proven such a formula for liberation.

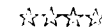
Today we see that different apparati of the 26 county state reflect within them different interests of the various fractions of capital. The Industrial Development Authority, which gets the largest subvention from the state and Gaeltarra Eireann, which plays the role of introducing capitalism to the Gaeltacht, have both associated themselves with the fortunes of foreign capital. That association is at the expense of the Irish working class, including the new working class of areas like the Gaeltacht, who have the bitter memory of being detained under the 19th century Conspiracy Against Private Property Act, of being charged and found guilty of a scheduled offense for... organising a strike!

The I.D.A. is directly wound up with the interests of foreign capital in Ireland. By purchasing shares in these overseas subsidiaries, the I.D.A. lessens the cost of setting up these subsidiaries in the 26 counties.

The I.D.A. has share capital in:

name of company	IDA share%	product	country of origin
Ferenka	7.5	steel cord	Dutch.
Wellman Internat.	10	nylon fibres	U.S.
Mitsui Denman	5	electro manganese	Japanese
S.N.I.A.	20	nylon fibres	Italy.
Asahi.	10	acrylic fibres	Japanese
Noritake	45	porcelain.	Japanese.

(40)



(39) Ripening of Time. no.3.

(40) IDA News. vol. 12. no. 3.

Business and Finance. Sept. 1975

Trade Union Information. 213-214.

Conclusion

If ever a State had growing pains, it was the Irish Free State. This two-part article has outlined the growth of the 26 Co. State within the three phases of imperialism. This is a contribution toward a class analysis of Ireland, but is not in itself a class analysis.

In each phase, the Free State has attempted to assert its legitimacy in the face of partition and dependence - to no avail. Enmeshed in a web of diplomatic, financial, technological and industrial domination, the State fails to establish its credibility with conviction. Not surprising, since no amount of tip and tige on the high seas with Soviet ships will answer the daily needs of the 1,000,000 men, women and children, 29.9% of the population, dependant on weekly State welfare benefits to survive.

Here the weakness of the State does reach 'subversive' proportions - educating for the dole queues - training for redundancy. This touches the heart of the role of the State vis-a-vis the ruling class as a whole - namely to maintain capitalist relations and the reproduction of the capitalist system as a whole.

Again and again, we have stressed the destruction inherent in a State born in military violence. The bourgeois class themselves conceal that violence, like a cancer, contaminates the whole society - so State violence ferments through the State apparati, paralysing here - erupting there - in the repressive apparati, army, police and judiciary, whose very function is to keep the people in subjugation by force.

The 26 Co. State has grown from an instrument of Irish capitalists to resolve some few conflicts with England while regulating their exploitation of the working-class, to an interventionist State, affecting all our lives.

But in apparent paradox, each new enclosure of a different area of daily life has encircled all the class and anti-imperialist contradictions in that arena. The 'Statification' - State management of enterprises - elicits demand for their nationalisation (e.g. Dublin Gas Co.), while workers struggling in the State enterprises have their claims processed by 'injunctions' and 'prosecutions'.

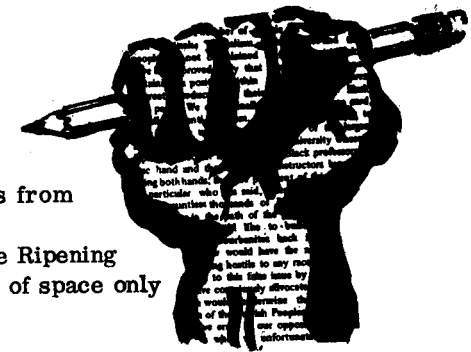
The 26 Co. State is internally weak. At present, it is failing to unify the diverse interests of the ruling class on any issue other than repression. Conflict between State branches is rife and serves the different imperialist interests whose penetration of the State is unequally divided by sector. This phenomenon ridicules the various parties obsession with 'The Plan'. Planning in a dominated society is a contradiction in terms. A State cannot plan for that over which it has only partial or no control.

The exceptional measures employed by the 26 Co. State historically have destabilised States with a constitutional and parliamentary tradition far deeper and more profound than the veneer in Ireland. Time and money, TV space and stamps, have been expended in celebrating the Bicentennial of another country...the US. Time and money have been spent in prosecuting a commemoration of 1916.

A State so fearful of its origins can only fear for its future. ✧

Included here are excerpts from 3 letters received by the Ripening of Time. * denotes 'excerpts' from a readers letter and + denotes excerpts from the editorial collective's reply.

Although all letters addressed to The Ripening of Time will be answered, problems of space only permit a limited reproduction.



letters page

* Dear Comrade,

I read the first two issues of the Ripening of Time - devoted to an analysis, understanding of Imperialism - with inspiration. At the outset I would like to commend the editors for their excellent attempt at a coherent analysis of perhaps the greatest problematic of revolutionary struggle the world over. What is Imperialism? A misunderstanding of the nature, the mechanism of Imperialism, daily, hourly, bedevils the tactics, strategy and general class perspective of otherwise meaningful and consistent militants; however revolutionary struggle needs more than a moral revulsion, versus the bourgeois order, and more than readiness for self-abnegation. It is here that the problematic of Imperialism definitely and acutely poses the problematic of theory and practice: an organisation of a correct theory of Imperialism is an organisation of a correct theory of the transition to Socialism.

Lack of time obliges me to be extremely brief in the present commentary.

- The conception of Imperialism - is decidedly Leninist: "The Highest Stage of Capitalism". At this stage, let us pose the question how far have the pamphlets achieved a coherent analysis of Imperialism? The pamphlets (especially explicitly in no 1) chose the method of analysing imperialism through a summarized exposition of "contributions of Marxists" to the understanding of Imperialism. At the outset let me absolve myself of any - even hinted charges of belittling the contribution of the well-known Marxists Lenin, Luxemburg, Paul Baran, Poulantzas, etc - whose ideas and books are referred to. But the method of analysis has a severe castrating effect as it personalizes certain aspects of a Marxist analysis of Imperialism: eg. underdevelopment with Gunder Frank and Paul Baran. An alternative method of analysis would have subsumed - and critically - the contribution of Marxists in a Marxist conception of this or that dominant aspect of Imperialism: underdevelopment, transition to socialism in the advanced capitalist formations. In this context Rosa Luxemburg would have been treated more substantially - her contributions much more critically appreciated, the same goes for Paul Baran. A. Page. Paris.

* Dear M McBride,

I found the issue of the "Ripening of Time" which you sent me both interesting and informative. I agree most strongly that there is a great need in this country for a platform for the development of proper ideological discussion.

I sincerely hope that your journal has all the success it deserves.

E. Gladney. Wexford.

*Points arising from number 2.

Agriculture Section:

Central problem is the fact that a multi-class system accepts the lead of its most exploiting element, the ranchers who control the I.F.A. The lower two thirds are suppliers of semi-finished animals to the upper third. In the case of dairy people, whose main income is milk, the fluctuation in calf price (£100-£5 in 2 yrs) is not a disaster, only an inconvenience. For the western beef-calf producers it is a disaster.

Co-ops though they have deals with multinationals conserve their democratic structure. They cannot be bought over. This has development potential.

Big weakness in whole CAP system in Ireland is the degree of dependence on intervention, for beef and skim powder (not butter). No attempt to develop proper marketing. Meat factories and skim powder producers simply looked on intervention as a market. This helped to build the 'mountains' and will lead to disastrous collapse as EEC slowly evolves towards a 'repeal of corn laws' (cheap food) policy, having got rid of most of its own farmers.

The main basis for an alliance between urban workers and small farmers would be:

(a) a cheap food policy, obtained by the State levying the intervention price, i.e. reducing the price to the large producers while keeping the EEC intervention price for itself. This would be passed on to the consumer.

(b) a land tax at the con acre rate (say £50 per acre) on all excess land above say 50 acres prime land equivalent.

This would raise revenue from which small farmers could be compensated for the reduced prices by means of a social fund, payable as a marriage and family allowance etc. It would bring also land from underutilised large holdings onto the market.

Fishing Section:

Problem is to develop the ports, shore-processing and fleet to a level such that a sustainable yield from a 200-mile limit could be managed; also to defend the area with physical force, as does Iceland. Decisive State intervention alone can do this, with co-ops playing a back up role.

A state sector in shore processing could be developed to match the 200-mile output and foreign trawlers could be licensed to land in Ireland while the Irish fleet built up. For one job on the sea in Ireland, there are 7 in shore processing.

R. Johnston. Dublin.

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Issue 5

We will be printing some of the papers read to the Conference in Commemoration of 1916 held in Liberty Hall, Dublin in Spring of this year. The Conference included papers by economists and historians on the relevance of 1916 for today, sixty years later.



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