

**BASIC PRINCIPLES OF  
MARXISM-LENINISM  
A PRIMER**

**JOSE MARIA SISON**



**FOREIGN LANGUAGES PRESS**

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## FORWORD

*Basic Principles of Marxism-Leninism: A Primer* was written by Jose Maria Sison when he was in prison. After the manuscript was smuggled out, it became part of the mandatory study for new members of the Communist Party of the Philippines, serving as the main study material for the Advanced Party Course (“AKP”). Two aspects of this book make it important for study.

### **Accuracy**

First, its content continues to be valid and relevant, in spite of having been written three decades ago. Thus, by studying this book you will be able to grasp the development of Marxist ideology more deeply and with an up-to-date understanding.

This text was written a few years after the death of Mao, at a time when revolutionary parties who were upholding Mao Zedong Thought were still debating the universal validity of those teachings, debates that did not reach the cell where Sison was detained. But while the goal of this study wasn't to formulate a synthesis of Mao's teachings, but rather to explain in a comprehensive and modern way the *three component parts of Marxism*, we can see that at that time Sison already had a clear understanding of what philosophical teachings of Mao were universal.

## **Service to the Revolution**

Second, the background of how and when this text was written demonstrates the unwavering dedication of its author to serve the revolution.

Sison wrote the primer from his jail cell. Arrested in 1977 during the fascist Marcos dictatorship, the military believed his capture and arrest would be the blow to the Revolution that could lead to the liquidation of the Communist Party of the Philippines. To that aim, they did everything they could to force its founder to betray the Party.

In December 2015 the United Nations adopted a resolution commonly known as the “Mandela Rules,” which defined the standard of treatment of prisoners. It explicitly banned “prolonged solitary confinement,” meaning the isolation of a prisoner for more than 15 days, because modern studies proved that such detention constituted a form of psychological torture. From his arrest in 1985, Sison was held in solitary confinement (with the exception of a few months in 1980 and 1981 when he was reunited in a “partial isolation” with Julie de Lima, his wife), and water “cures” and beatings were routine.

All of the regime’s measures were in vain, and Sison, trained as a teacher, made use of this time to do everything he could to help to advance the revolution. In the beginning of the 80s, the first ideological confusions born out of Right and “Left”

opportunism emerged in the CPP—confusions that would lead to the Second Rectification Movement a decade later. From prison and through his lawyer, Sison wrote and sent out many letters and articles to address and criticize the confusion. He understood that criticism wasn't enough—comrades needed a more comprehensive understanding of the basic principles of Marxism. It took two years to complete this work; the book you hold in your hands is the result of it.

Released in 1982, Julie de Lima smuggled the text out of jail, and while its study was immediate and widespread, it was only in 2013 that the International Network for Philippines Study (INPS) officially released it in the 4th volume of the Selected Works of Jose Maria Sison (*Detention and Defiance against Dictatorship*).

## **Ongoing Study**

Studying this primer will help you understand the core of the ideology of today's Marxism—that is, Marxism-Leninism-Maoism—and see the world through the lens of class struggle and the dynamics of contradictions.

But it's important to keep in mind that this text is, as it is titled, a “primer.” It takes more than one book to understand our complex ideology, and this book can't replace the study of the works of Marx, Engels, Lenin, Stalin and Mao. Moreover, each country has its own particularities that need

to be studied, analyzed and tested in practice.

If you wish to pursue your study to understand more of the history of Marxism we recommend *Marxism-Leninism-Maoism: Basic Course* written by the Communist Party of India (Maoist) and the *Five Golden Rays* and *Five Essays on Philosophy* by Mao Zedong, which will help you to grasp communist principles and world outlook more deeply.

We wish you a fruitful study.

*Redspark Collective*







## INTRODUCTION

Marxism is a comprehensive ideology, ranging from philosophy to strategy and tactics. It seeks not only to interpret the world but to change it. It is acclaimed as universal, serving as guide and general method of cognition and practice in both natural and social sciences.

It is a system of ideas or ideology that guides the organized conduct of the working class and the people as well as proletarian parties and states in building socialism and carrying out the anti-imperialist movement. This ideology has inspired and impelled the rapid social, economic, scientific and cultural progress of socialist countries in a matter of a few decades. It has adherents of no mean magnitude and significance in the third world and in the capitalist countries.

In summing up Marxism, Lenin cited philosophy, political economy and socialism as its three basic components. Describing Marxism as a development of revolutionary theory and practice on the high road of civilization, he pointed to the fact that Marx and Engels based themselves on the most advanced sources of knowledge during their time.

Marx and Engels applied their critical-creative faculties on German philosophy (especially on the materialist Feuerbach and the idealist Hegel); on British political economy (especially on the classi-

cal economists Adam Smith, David Ricardo, etc.); and on French social science (especially on the democratic revolutionaries and utopian socialists).

In pointing to political economy, specifically *Das Kapital*, as the core of Marxism, Lenin clearly recognized its significance as the most profound explanation for an entire historical epoch, that of capitalism. Marx explains the emergence, development and maturation of capitalism in a comprehensive and thoroughgoing manner.

Up to the present, the theory and practice of Marxism is known to have undergone three stages of development.

The first stage covers the period when Marx and Engels clarified the laws of motion in free competition capitalism that led to ever-increasing concentration of capital; and when revolutionary activities (not even led by Communists or Marxists) ranged from the 1848 revolutions through Marx's ideological leadership in the International Working Men's Association (First International) to the first successful armed revolution of the proletariat, the Paris Commune of 1871, which lasted for over two months.

The second stage covers the period when Lenin clarified the growth of capitalism into imperialism and the Bolshevik revolution won and gave way to the building and consolidation of socialism in one country. Stalin carried on the theoretical and practical work of Lenin for a long period.

The third stage covers the period when socialism exists in several countries and Mao Zedong Thought confronts and clarifies the problem of revisionism and restoration of capitalism in some socialist countries. Even as imperialism and the world capitalist system are in rapid decline, the problem of revisionism has also arisen in socialist countries. Mao put forward the theory and practice of continuing revolution under proletarian dictatorship.

It may be observed that although Marxism or Marxism-Leninism is a theory based on the fundamental teachings of Marx and Engels, it is continuously developing, in stride with the ever-changing world and with the particularities of countries. Marxism today is the acclaimed guide to the world transition of capitalism to socialism and, in semi-colonial and semi-feudal countries particularly, the completion of the democratic revolution and transition to socialism.



## CHAPTER 1. DIALECTICAL MATERIALISM

Marxist philosophy is otherwise known as dialectical materialism. It assumes that reality is material (constituted by particles) and that consciousness arises and proceeds from matter; and accounts for development or change in terms of the laws inherent to matter as well as the interaction of matter and consciousness, peculiar to man.

It may sound redundant and trite to speak of reality as material or as consisting of matter. But we must recall that for long periods in the history of philosophy the Platonic and Augustinian kind of objective idealism held sway and dictated that reality is ideal or consists of ideas and that the material, sensible things are but a reflection and poor copy of that reality.

Even in the present scientific milieu there is the view posed by subjective idealism, especially along the line of the empiricist Hume, that reality is but a mental construct of the sense data of the individual human perceiver. There is the denial of the material object of the physical sciences, which object is put at par with the mere belief in the supernatural.

### **A. Materialism**

To understand dialectical materialism, let us first clarify its root word materialism. The best way to do so is to clarify the meaning and relationship

of matter and consciousness in a general manner.

At the outset, however, let us make short shrift of the kind of materialism that preachers, reactionary politicians, landlords and the leading lights of the bourgeoisie often inveigh against but in fact always indulge in. This is supposed to be greed, moneygrubbing, gluttony and all kinds of selfish vices of which they themselves are guilty.

To Marxists, materialism is the outlook and methodology that correctly understands the nature and composition of the universe and the relationship of matter and human consciousness.

Matter is a general term that embraces things constituted by particles, existing in certain modes and measurable in space and time; it is the physical object of human perception and cognition. Consciousness ranges from sensations to thoughts or ideas.

Matter is the source and basis of consciousness. Consciousness is the product and reflection of matter. It is in this sense that we begin to speak of matter as being primary, while consciousness is secondary.

Thought itself is an electrochemical phenomenon emanating from specially arranged matter called the human brain. But, while thought is secondary to matter, it is the highest product of matter. Insofar as it is correctly reflective of the laws of motion in matter, it is capable of interacting with and transforming things faster than nature can on



its own without human intervention.

Unlike mechanical materialism, which reduces things and processes to the laws of mechanics, Marxist materialism stresses the comprehensive capability of man in transforming nature and society. It guides and integrates the advances made by natural and social sciences.

Whether we refer to common day experience or to geological history, matter precedes consciousness in time. Before we can venture to think or speak of anything, we assume the existence of the thing that is the object of our interest.

Natural science shows that homo sapiens or cognitive man is only some 50,000 to 60,000 years old.<sup>1</sup> The earth was bereft of human consciousness and yet this planet existed. One can only be astounded by the enormous amount of time involved in the sequence of inorganic matter, organic matter and the differentiation of flora and fauna down to the differentiation of the hominid (manlike ape) and homo sapiens.

We can therefore easily assert that matter can exist independently of consciousness while the latter cannot exist independently of the former. When Marxists refer to objective reality, they speak of things as existing independently of whatever one may think.

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1. Available fossil evidence and testing instruments and techniques have so far put the figures back to some 200,000 years ago. - Editor

It is common notion that matter is finite while consciousness is infinite. It results from a failure to distinguish correct from incorrect ideas. Correct ideas are a reflective approximation of objective reality. They cannot go beyond the material facts. They tend to trail behind the material events or phenomena.<sup>2</sup>

Even fantasies are a mere distortion of reality or jumbling of parts of reality. The idea of an infinite self-subsistent supernatural being has been invented in the same manner as Walt Disney's Mickey Mouse. If one studies the history of the various religions, one cannot fail to see the concept of the supernatural as a mythological creation of human imagination.

The four major religions existing to this day maintain values that belong to the slave society. These were perpetuated as the suffocating ideology of feudal societies. While Marxism philosophically opposes religion, it politically tolerates it in the recognition that superior scientific ideas will prevail in the long run through persuasion, social practice and the benefits of science and technology. Marxism carries over from liberal democracy the principle of upholding the freedom of thought and belief.

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2. For a further discussion on Pre-Marxist Materialism and Idealism, refer to Appendix 1 - Editor

## **B. Materialist Dialectics**

Pre-Hegelian dialectics simply means argumentation in the abstract, or abstract argument counter abstract argument. This is exemplified by the Socratic dialogues as written by Plato and by the similarly metaphysical coordination and disputation of fixed ideas (dogmas) in theological circles.

Materialist dialectics is the signal achievement of Marxism. Marx and Engels drew the most advanced and correct ideas from the best of idealist philosophy and materialist philosophy of their time, especially in Germany where philosophic activity was at its peak. They set Hegelian dialectics aright and put it on a materialist basis as partly indicated by Feuerbach. The result is an original and epoch-making advance in philosophy.

Hegelian dialectics asserts that development is first of all the self-development of thought before it is realized in history or in the material world. What makes Hegel the most outstanding idealist philosopher is that he dynamized the arid, static and lifeless dialectics of all previous idealism and took into account the development of the material world.

Feuerbach correctly pointed out that ideas are merely the sensuous reflection of the material world in human perception. He fell short of the Marxist comprehension of the endless interaction

between cognition and reality and the capability of man for critical-revolutionary activity.

While it may be said that Marx and Engels put Hegelian dialectics on a materialist basis, they did not simply adopt his formula of thesis, antithesis and synthesis, which ends up in synthesis as final perfection. But rather they asserted that change is an endless process because anything at any stage always consists of contradictory aspects.

The most fundamental meaning of Marxist materialist dialectics is that things by their very essence are in the process of constant change. So Marxists say, nothing is permanent except change. But this does not mean that the things of nature change only by themselves without human direction and participation. It is precisely because of man's increasing scientific understanding of and mastery over nature and his society that the processes of change can be directed and hastened.

Materialist dialectics or the law of contradiction is the law of motion inherent in matter, springs from the differences and interaction of things, and operates in a two-way interaction of matter and consciousness. The materialism of Feuerbach one-sidedly took into account only the one-way reflection by human perception of material reality.

In the philosophical writings of Marx and Engels, three laws of dialectics can be drawn. These are: 1) the law of the negation of the negation; 2) the law of the interpenetration or unity of

opposites; and 3) the law of quantitative to qualitative change.

The first law means that things run into their opposite in the full course of development. For instance, capitalism started as free competition, in contradiction with mercantilism but has eventually become monopoly capitalism.

The second law means that in everything there are two opposite aspects. One is the principal aspect that determines the basic character of the whole thing. The other is the secondary aspect which is needed by the principal one but which continuously struggles to assume the principal position.

For instance, the capitalist class and the proletariat are in the same thing, the capitalist system. They need each other and at the same time struggle against each other in the course of development. In so far as everything, including capitalism, comes to pass, the struggle of the two classes is permanent and absolute, while their unity within the same system is temporary and relative.

The third law means that change may at first be conspicuously quantitative or incremental but a point is reached at which the rise in quantity results in what is called a qualitative leap. In other words, evolution precedes revolution. Reforms precede revolution.

The three laws of dialectics are interrelated and integral, and may be summed up into the law of

contradiction or the law of the unity of opposites.

The law of contradiction is universal: it embraces all things and processes at every stage and phase of development; it is also particular in that there are specific laws of motion peculiar to different things, knowledge of which laws leads us to the appropriate methods of handling them.

Everything has its principal and secondary aspects. In complex things and processes, there is one principal aspect but among other several aspects there is always one next in importance which may be identified as the secondary aspect. For instance, in capitalist society, the capitalist class is the principal aspect and is most directly contradicted by the working class as the secondary aspect, even as there are intermediate classes and strata, making the whole situation complex

Several kinds of contradictions may be at work in the same thing or process. To determine the basic operation of the thing or process is to determine the principal contradiction and secondary contradiction. Thus, contradiction can be solved one after the other; and the solution of the principal contradiction or problem leads to the solution of the next.

Contradictory aspects constitute an identity in the sense that they are bound either in cooperation or in struggle, under given circumstances; and also that if the secondary aspect replaces the principal one from the ruling position, strength merely

passes from the former to the latter.

### **C. Theory of Knowledge**

Social practice is the basis and source of knowledge. The latter is the reflection and approximation of social practice. However, knowledge gained from social practice leads to a higher level of practice, which in turn leads to a higher level of knowledge. The spiraling process is endless. Mao depicts this as advancing in waves.

Social practice embraces three things: 1) production; 2) class struggle; and 3) scientific experiment. All these involve the collective experience of large numbers of people.

Production, the struggle to transform nature, began with the advent of man and has differentiated him from all other animal species. In all times past and in all times to come, man is ever involved in the struggle to understand and master nature for productive purposes and for widening his freedom. The general level of production determines the general level of knowledge and the kind of society possible.

Class struggle arose with the advent of exploiting and exploited classes. Classless society, preoccupied mainly with the mysteries of nature, lasted for several tens of thousands of years. Class society is some 5,500 years if we base ourselves on the findings of archaeology, anthropology and history. This kind of society is characterized by the appro-

priation of the economic surplus (over and above subsistence of the mass of real producers) by a small section of the population.

Consequently, it is characterized by the resistance of the deprived and exploited mass of real producers.

One kind of exploiting class society after another arose and passed away. The slave system led to the feudal system. Each reigned for thousands of years. Capitalism arose from feudal society some hundreds of years ago. Presently, it is trying to perpetuate itself in the developed countries and spread to the underdeveloped countries where there are still significant vestiges of feudalism.

Capitalism cannot last for as long a period as the previous social formations because it has created the very conditions and means for its relatively rapid supplantation by a non-exploitative class society, socialism. Science and technology for mass production have been greatly developed by capitalism. It is obvious that the masses through the modern means of large-scale production are capable of satisfying their needs and raising their cultural level and yet so small a class, the capitalist class, maintains an exploitative social system that allows it to privately appropriate and accumulate the social wealth rapidly.

Class struggle is far more accelerated now than at any stage in the history of civilization, especially because for the first time an exploited class strug-



gles not only for its own emancipation but also for that of other exploited classes and strata. Out of the intensified many-sided struggle between socialist and capitalist countries, among capitalist countries themselves, between the imperialist and developing countries; and the class struggle within every country, knowledge and material progress are making rapid strides.

Scientific experiment had its rudimentary beginnings in slave society but was suppressed due to the hegemony of religious dogmas, especially in medieval times. Following the rise of humanist (as against divinest) ideas in the Renaissance, scientific experiment flourished in the 16<sup>th</sup> and 17<sup>th</sup> centuries. Since then the progress of science has accelerated astoundingly.

According to Mao, the process of knowing basically involves two stages: 1) the perceptual or empirical and 2) the cognitive or rational. Perceptual knowledge is one derived from the gathering of raw data or facts through sense perception and social investigation. Out of these some ideas can be formed to be brought back to and improve practice. Consequently, knowledge of a higher level can be drawn from this improved practice. Decisions, judgments and stable conclusions would arise. These are called rational knowledge. This process is a continuous and spiraling one. While social practice is the basis and source of knowledge, it is also the testing ground and method for

verifying the validity, invalidity or inadequacy of that knowledge. Practice guided and enriched by correct theory leads to the further development of theory.

Truth can be derived only from the facts. But without letting the ideas rise to a higher level through social practice, these ideas remain narrow, one-sided and fragmented. One runs into the error of empiricism.

On the other hand, correct knowledge or proven theory can become rigid, lifeless and false when it stops to develop in accordance with changing conditions or when new conditions and new facts are simply construed to fit old ideas in the manner of cutting the feet to fit into an old shoe. This is the error of dogmatism.

Truth is both absolute and relative. It is absolute only in the sense that certain ideas are basically and stably correct in applying on a certain set of conditions. But because conditions keep on changing, truth or correct ideas are also relative. There is no final, cut-and-dried formula for social transformation. Also in the physical sciences, Newtonian physics has had to advance to Einsteinian physics. The former retains a certain limited validity, but the latter has become the comprehensive explanation so far for physical phenomena.

Marxism, as founded by Marx and Engels, would have become a lifeless dogma, were it not for its further development by Lenin, Stalin, Mao

and other subsequent thinkers and leaders in accordance with changing conditions.

Marxism holds that the struggle for freedom is an endless one. Freedom is but the recognition of necessity and the ability to transform reality. Every development gives rise to new necessities and problems that man needs to master and solve if freedom is to be advanced. Even basically correct solutions lead to new problems at a new and higher level of development. There is no such thing as a society of final perfection. Such a utopia is an impossibility.

Even after the final defeat of exploiting classes and those who wish to restore exploitation, even after a society of economic superabundance has been achieved, the infinitude of matter and complexity of relations continuously provide man with the problems to solve. There will always be a struggle between correct and incorrect ideas.

A society of perfect harmony would mean the end of humanity. Man would die of boredom and stagnation. Anticommunists do not actually speak of Marxism when they say that communists, in wanting to eliminate poverty and social inequalities, are advocating an impossible utopia where man would cease to be challenged and to take initiative to widen his won freedom.

As envisioned by Marxists, socialism is a whole historical epoch that results in the elimination of private ownership of the means of production and

the withering of the State as a violent, coercive instrument of class rule. But even as communism will be rid of class exploitation and oppression, there will be public authorities and there will be friendly competitions between individuals and groups not in terms of profit making or the rat race of the salariat but in terms of serving the entire people and achievements in science, arts, literature, technology, etc. Man, as we know now in overwhelming numbers, will be lifted from being preoccupied simply with earning his daily subsistence and will have abundant opportunities for social service and dignified self-fulfillment.

## CHAPTER 2. HISTORICAL MATERIALISM

Historical materialism may be briefly defined as the application of dialectical materialism on the study of the various forms of society and their development from one form to another. It focuses on that part of nature or material reality where the conscious, social activity and development of man is involved. It delves into the social sciences, rather than into the natural sciences.

Historical materialism studies and deals with the fundamental terms of the existence of societies and their social development. It seeks to comprehend the material base and superstructure of any society and the interaction between the two, while a certain form of society exists and carries the potential or is in the actual process of changing or being changed into another form. It links dialectical materialism to political economy and other aspects of social study.

Historical materialism uncovers and shows the most essential laws of motion that operate in all and in each of human societies and that govern their development, from their initial growth through maturation to decline and either replacement by a new and higher form of society or retrogression to a lower one.

In the entire life of mankind so far, there have arisen several forms of societies in a generally ascending order. Chronologically and progres-

sively, these are: 1) primitive communal society; 2) slave society; 3) feudal society; 4) capitalist society; and 5) socialist society. Communist society, a classless society, is projected by Marxists as the form of society that would eventually follow socialist society.

We shall follow mainly the historical experience of Western Europe because this is where capitalism and socialism appeared for the first time in a series of social transformations.

### **A. The Material Base of Society**

The material base of society is its mode of production or economic system. This consists of the forces and relations of production.

The forces of production include the means of production and the people in production. The means of production include the tools of production and the available natural resources which are the object of human labor. The people in production include the actual producers of wealth with a certain level of skills.

The relations of production refer to the organization of production or division of labor, the common or private ownership of the means of production and the distribution of the products of labor. In primitive communal society, some simple division of labor existed but such division did not yet evolve into classes of exploiters and exploited. It was in succeeding forms of society that classes

have evolved. The division of labor did not only become sharper but owing to the evolution to private ownership of the means of production, also an ever-sharper division developed between definite classes of exploiters and exploited and correspondingly in the distribution of the products of labor.

In general, the forces of production determine the relations of production and may be considered primary. But at certain times, the relations of production play the primary role either in hastening or restricting the growth of the forces of production.

In general, the mode of production as a whole determines the form of society, including the character of noneconomic activities in the superstructure. However, such noneconomic activities interact with and have a powerful influence on economic activities. We shall discuss this more when we study the superstructure of society.

The full significance of the mode of production needs to be recognized. It is oftentimes taken for granted or deliberately obscured. No society whatsoever is possible without it. And such higher things in life as philosophy, politics, science, the arts and letters, lifestyle and the like cannot exist without the necessary material base supporting them.

It is through production that man has differentiated himself from other animals and has steadily

gained mastery over the spontaneous forces of nature. The prehensibility of the hands, the acquisition of language and the development of the brain and thinking are the triumphs of man in tens of thousands of years of crude productive labor.

According to progressive anthropologists, man made himself. This statement is made in repudiation of the myth in the Genesis that Yahweh created him whole and placed him at first in Eden without having to sweat and labor.

The forces of production in primitive communal society were at an extremely low level. The Palaeolithic savage society had for its most potent tools of production crude stones and was dependent on hunting, fishing and picking fruit. Typically this kind of society consisted of a nomadic clan. It lasted for several tens of thousands of years before the Neolithic society could emerge.

The Neolithic or barbaric society had for its most potent tools of production polished stones and the bow and arrow. Subsequently, it developed husbandry, tillage, basketry, pottery, the use of the cartwheel and the smelting of soft metals (tin and copper). Typically this kind of society consisted of a tribe. Social development accelerated but society still lasted a fewer tens of thousands of years.

The level of the productive forces was so low that it could not produce a significant surplus for so long. The smallness and limited productive capacity of society limited the surplus it produced.



The surplus product was not sufficient for a part of society to be able to form itself into an exploitative class to appropriate and increase that surplus. Stones as tools of production were available to everyone, and it was impossible for any class to gain exclusive ownership or control over them.

Although society had not yet divided into exploiting and exploited classes, it certainly was no paradise as man had to contend with the harshness of nature only with crude tools. There may have been father figures, matriarchs or leaders in clans or tribes, aside from priests or medicine men. However, these individuals did not comprise an exploitative class. They themselves had to take part in labor.

It took some 50,000 or 60,000 years before civilization emerged, with the slave society as its first form. By civilization, we mean the existence of literacy, metallurgy and class-divided society. The earliest slave societies now known to archaeology, anthropology and history hark back to some 6,000 years ago. These include the Mesopotamian and Elamite societies (dating back to 3500 BC), Egyptian (3000 BC) and Chinese (2500 BC). As civilized societies, they had a significant degree of urbanization and they left written records and artifacts of culture far superior to that of the primitive communal society. At least, they consisted of intertribal nations.

Earliest evidence available on the making and

use of a hard metal, bronze (an alloy of tin and copper) as tools dates back to 3000 BC. Evidence available on the early use of iron tools dates back to 1050 BC. Bronze and iron tools became the most potent tools of slave society, especially for agriculture and construction. These could not yet be produced abundantly and thus easily lent themselves to private ownership by a definite class.

The private ownership of the means of production was also extended to the ownership of men and women as slaves, as beasts of burden. At first, this was a progressive development from the old barbaric practice of simply killing off serious offenders in society and captives of war. But eventually the ruling class in society made it a systematic and sustained practice to turn more men into slaves until these became a major means of production in society.

The Hebrew society that we know from the Old and New Testaments of the Bible was a slave society. So were our sources of ancient classical learning, the Athenian city-state and the Roman empire. The basic classes in these societies were the slave-owning aristocracy and the slaves. The economic needs of society were in the main produced by the slaves and the slave-owning aristocracy lorded over society.

In slave society, there were also the nonbasic or intermediate classes like artisans, free holding peasants, the plebeians, the merchants and intel-

ligentsia.

Just as the slave society could arise only on the basis of the productive level achieved in a barbaric society, so did the feudal society on the basis of that achieved by slave society. It took some 4,000 known years of slave civilization before feudal societies came into full existence in the Middle Ages in Europe. In China, it took 2,000 known years of slave civilization before the feudal society emerged.

Upon the breakup of the Roman Empire, under the onslaughts of revolts by slaves and subjugated nations and peoples, feudal societies emerged in Europe. With land as the principal means of production, the relations of production between slave master and slaves transformed into those between landlord and serf, with the former in control.

The slave became the serf. He could no longer be bought or sold like a beast of burden nor be subject to extremely arbitrary laws which easily cost him his life. But he was bound to the piece of land assigned to him and could not leave it unless allowed by his lord. He was obliged to pay rent to his lord.

Agriculture and husbandry greatly expanded in feudal society. Metal tools for clearing the forest and tilling the soil became more available. Deep plowing, inter-cropping, fallowing, more efficient use of draft animals and improved irrigation were adopted.

In the early period of feudal society, the serf was given the illusion of owning the piece of land he tilled, especially when he was the one who cleared it. Thus, he was encouraged to put more land to tillage. He paid rent in the form of labor service, by devoting certain days of the week to work on the land of his lord.

Subsequently, landownership slipped away from the serf through various devices. The distinction between land owned by serf and lord was erased and the serf was obliged to pay rent in the form of crop share. In the later period of feudal society, land rent in the form of cash was increasingly adopted as the bourgeoisie increased its role and influence in the relations of production.

The growth of agriculture encouraged the distinct growth of the handicrafts, which included the production of agricultural implements, cloth and the like. Towns emerged as distinct centers of handicraft production and centers of commerce between the products of the town and the village.

The handicrafts stage of bourgeois development, characterized by the guild as a form of organization, gave way to manufacturing. No longer was a complete product made by a few men in the same small shop but a large group of men would be devoted to making only a single part of the complete product day in and day out. The relations between the guild master and artisans was replaced by the manufacturer and a mass of work-

ers put in line according to a high degree of a division of labor.

The advance of manufacturing though still based on handicrafts made the bourgeoisie a wealthy class, influential as the moneybags in the royal court. As early as the 16<sup>th</sup> century; it was obvious that the needs of the king for funds to carry out wars to consolidate his power coincided with the needs of the bourgeoisie for a secure market. Also, their interests coincided in colonial expeditions.

The scientific advance in mechanical physics from the 17<sup>th</sup> century onwards gave way to technological inventions which promoted manufacturing in an unprecedented manner in the 18<sup>th</sup> century. The best known of these inventions were the steam power and the spinning jenny. The bourgeoisie found the feudal mode of production too restrictive and wanted to change and control the relations of production.

The French revolution brought the bourgeoisie to power for the first time in history. By the 19<sup>th</sup> century, the bourgeoisie had already come into full control of the relations of production in several countries in Europe. Either the landlord class had to compromise for gradual dissolution or be destroyed outright by political upheaval. This class could linger on in Europe, unable to resist absorption into the capitalist economy.

The advance of science and technology became

even more rapid in the 19<sup>th</sup> century. It gave rise to what is now often called the industrial revolution. Large-scale machine production or mass production became the dominant characteristic of the economic system in a number of European countries. The new powerful means of production were owned by the capitalist class; and the mass of industrial workers or proletariat increased in order to build them up. The relations of production were one basically between the capitalist class and the proletariat, and the former was in control of it.

The Communist Manifesto in 1848 noted that the material achievements of capitalism outstripped in a very short period those of all previous civilizations by so many times. It also pointed out that a world economy had arisen, with the capitalist countries capable of bombarding all backward countries with the commodities of capitalist production.

But the fundamental message of the Manifesto was that the capitalist class had also summoned to life its own gravedigger, the proletariat. Capitalist society was increasingly being divided into two great camps, that of capital and labor. For the first time in the history of mankind, an exploited class had arisen with the capability not only of overthrowing the class that dominates it but also of linking up with other exploited classes in a struggle for emancipation in order to build a new socialist society.

In presenting the internal laws of motion of capitalism and its course of development, Marx did his greatest work in *Das Kapital*, which we shall deal with in a later chapter. In the large terms of historical materialism, Marx and Engels pointed out the social character of the means of production (which in the first place is congealed labor) and the private character of appropriation by the capitalist class.

Marx uncovered the extraction of surplus value (unpaid value of labor above paid labor or wages) which leads up to the compelling accumulation of the means of production or productive capital in the hands of the capitalist class and the consequent relative crisis of overproduction. As a result of this, the workers are compelled to stand up and struggle for their class interests; at first through trade unions and subsequently through political parties.

Just before the end of the 19<sup>th</sup> century, capitalism grew into monopoly capitalism in certain countries. Increasingly, in the 20<sup>th</sup> century, it found in the export of capital aside from commodities the solution to the overconcentration of capital. It was Lenin's turn to study and explain this new phenomenon, which he called modern imperialism, the highest and final stage of capitalist development.

He said that just as the old form of capitalism led capitalist rivalries to break out into wars, modern imperialism would lead to more bitter rivalries

breaking out into larger wars. But these wars, he pointed out, are self-defeating and would lead to social upheavals and revolutionary civil war. He described modern imperialism as the eve of social revolution and called for turning war into revolution.

The first inter-imperialist war, World War I, resulted in the victory of the first socialist revolution in the weakest of imperialist countries, Russia. World War II resulted in the victory of socialism in several countries and the rise of national movements against imperialism and colonialism in the colonies and semi-colonies. In turning to modern imperialism, therefore, capitalism has merely temporarily postponed its demise in its home grounds and has made possible not only the worldwide anti-capitalist (anti-imperialist) movement but also the rise of socialism.

The socialist mode of production, in sharp contrast to the capitalist one, involves primarily the public ownership of the means of production. In the concrete circumstances of countries which have so far become socialist, however, there have been transitory concessions to private ownership of the means of production, especially in the case of the peasants and even some capitalist entrepreneurs. All strategic industries, ill-gotten productive bureaucrat assets, capitalist farms and sources of raw materials are definitely nationalized at the inception of socialist society. In so far as there are



considerable vestiges of feudalism, it is both politically and economically wise to carry out bourgeois-democratic land reform. This means the free distribution of land to the peasants. Over a period of time, their individual ownership would be raised to the level of cooperative or collective ownership.

The process of dissolving private ownership of land among the peasants is smoothed by education, the introduction of farm machines and other modern means, the development of localized industries and the increased capacity of the national industries to absorb those that may be displaced from the farms. However, in collective farms, small private plots are allotted to peasants for gardening to serve home use, private taste and some amount of localized exchange.

Concessions to some private capitalist entrepreneurs and even private traders are usually more short lived than those extended to peasants. These concessions are extended on varying considerations, depending on the concrete conditions. At any rate, the most important economic reason is that entrepreneurial and professional skills and widespread small trading facilities continue to be useful, after all the commanding heights of the economy are already socialist. It is only a foolish leadership that encourages the expatriation of people, especially when these have skills to contribute. Communist society is still too far away for any

dialectical and historical materialist to be able to work out its details. It is enough to know the basic principles and outline of the communist future. Although some writings of Marx and Engels state that socialism is the first stage of communism, Lenin—favored by further proletarian revolutionary experience—said that socialism would take an entire historical epoch. At any rate, we can say that the socioeconomic, political and cultural achievements of socialism prepares the way for the communist society.

In socialist society, private profit ceases basically and then completely. But social profit takes its place. In the *Critique of the Gotha Program*, Marx thoroughly debunked the idea of “the equal distribution of the fruits of labor” as too simple-minded and nonsense. In the socialist mode of production, the income above wages will be allotted in the following manner: 1) the expansion of productive capacity, not just simple reproduction of capital or simple replacement of depreciation; 2) increased fund for public-welfare (public housing, public transport, nurseries, hospitals, schools, theaters, libraries, parks, recreation facilities, etc.); 3) administration and 4) defense.

Private profit that under current circumstances is frozen in unproductive assets or wasted on luxurious, conspicuous spending by a few shall cease to exist. So shall unnecessary and bloated costs of administration, like excessive salaries, allowances

and bonuses for the bosses and the unnecessary costs of private economic competition and bankruptcies.

The possibility of the communist society lies in the awesome capacity of the modern means of mass production, hastened by the cumulative progress of science and technology and unfettered by the motive of private profit; in the steady increase of the real wages or the purchasing power of the workers; and in the rapid expansion of public welfare facilities. The work time can even be reduced to allow people to engage in more cultural and other worthwhile activities and thus become well integrated. Thus, work itself ceases to be a drudgery and becomes a joy.

The high-tech productive capacity of the imperialist-dominated world today is enough to wipe out poverty. But the wealth created by the people is taken away from them through the exploitative relations of production obtaining. Myths of scarcity and limits to growth are also spread and the environment is ravaged for the purpose of private profit. If the United States of America were to turn socialist today, it will not only permanently eliminate its problem of unemployment and poverty for a considerable portion of its population (20 percent) but will facilitate and accelerate the growth of other countries by several folds.

Anyhow, high technology accelerates the crisis of overproduction in the world capitalist system

and creates at a faster rate the conditions for the people's resistance to imperialism and neocolonialism and for the irrepressible advance of socialism through the twists and turns of history. The capitalist relations of production are becoming more and more incapable of containing the growth of the forces of production.

## **B. The Superstructure of Society**

The superstructure of society consists of the ideas, institutions and fields of activity above the mode of production. Philosophy, the arts and sciences, politics, economic theory, jurisprudence, religion, morality and the like belong to the superstructure. The institutions, personnel and activities in the superstructure are maintained by the surplus generated by the mode of production.

The superstructure is founded on the mode of production. The former reflects the latter. In general, the material base of society determines superstructure. Thus, the level of cultural development and the dominant currents of thought in a society are expressive of the basic mode of production.

While it may be said that the mode of production is primary to the superstructure, Marxism goes further to state that they interact. At certain times, the superstructure can restrict the growth of the mode of production. And at other times, the former can hasten the latter. Just as reactionary ideas can linger on in the superstructure, progres-

sive ideas can arise in it ahead of the actual transformation of the mode of production.

The contradictions in the mode of production are reflected in contradictions in the superstructure; and the latter influence the former. Marxism encompasses the complexity and dialectical relations of the mode of production and superstructure. It shuns economic determinism, the one-sided dictation of the economic system on the superstructure.

Of all institutions and organizations in the superstructure of a class society, the State is the highest form. It is the most powerful and most comprehensive. It claims the obedience of all inhabitants within its territory; and it has the means to enforce that obedience.

Defenders of the bourgeois State present it as a supra-class instrument for the general good and often quibble about the forms of government in order to obscure the class character of the State. Thus, the Athenian slave State is simplistically referred to as “the cradle of democracy” simply because at certain periods the general assembly or representative assembly of slave-owning aristocrats and freemen held sway instead of an autocracy or oligarchy at the helm of government. Completely obscured is the essential fact that this so-called democracy was the rule of the slave-owning class over a great mass of slaves and other people.

In this regard, an ecclesiastical chapter in the

Middle Ages might as well be called a democracy. Along this line, many bourgeois historians actually call the Magna Carta of the 13<sup>th</sup> century a milestone of democracy. In this document, the feudal monarch of England pledged himself to consulting with the feudal barons before imposing new taxes. To the Marxists, the most important consideration in characterizing a state is what class rules. To them the State is the special instrument of class coercion over another class in order to realize a certain kind of society. It is the institution in the superstructure which preserves the relations of production in the material base of society. It consists essentially of the army, police, the courts and the prisons—the very same apparatuses that the bourgeois political theorist would point to as the guarantee to law and order for the common good.

The State arose with exploitative class society. In the long, long period of primitive communal society, there was merely the authority of the clan, tribal leader or council of elders. The community was so small that the leaders or elders were close to their followers and together they could easily make decisions whenever they wanted to. Contrary to the idyllic presentation of primitive society, the leader could at times be abusive. But certainly he was not yet the representative of any ruling exploitative class.

All menfolk were warriors in the interest of the community and normally there was no special

body of men performing military duties full time. There were simply no means of production yet which could be monopolized by any class. There was simply no surplus product to take away. The whole community had to struggle together for bare subsistence.

Considering the extremely low level of its mode of production, the primitive communal society had a very crude kind of superstructure. Apart from their practical thoughts related to production, the primitive people had superstitious beliefs ranging from animism and magic through ancestor worship to polytheism; and made uncomplicated rhythmic melodies and flat, childlike drawings. They were not literate. The society could not generate the surplus product to support special bodies devoted to various fields of activity besides the simplest division of labor in economic production.

As we go further to discuss the superstructure of the various forms of society, take note that we seem to set one form of society from another absolutely. This is so because our main interest now is to present the basic characteristics of each type of superstructure. When we deal with social transformation, we shall give due attention to the fact that the embryo of a later form of society is necessarily found in a preceding form of society. This is true with regard to both mode of production and superstructure.

The slave-owning class built the State for the first time in civilization. Whether there was tyranny (autocracy) or a representative assembly of slave owners at its helm, the slave State maintained the relations of production whereby the slave masters dominated the slaves. This was true from the most ancient oriental civilizations down to the Roman Empire.

As a coercive instrument of class rule, the slave State saw to it that the exploited class of slaves was constantly replenished by people who could not pay their debts, violated laws against property and persons or were captured from other communities. The slave State also went into empire building for the purpose of getting slaves, booty and tribute. These empires ranged from the small one, wherein one city-state dominated a few others, to the vast one of the Romans.

With society already capable of creating surplus product, distinct institutions and activities in the superstructure developed. Such groups of individuals as politicians, scribes, administrative officers, priests, philosophers, master builders, poets, painters, sculptors, other artists and professionals arose mainly in the service of the ruling system.

For brevity, let us cite only the most outstanding achievements of slave society with great influence in the Western tradition. The Hebrews put forward through the Old and New Testaments most vigorously the concept of monotheistic reli-



gion, an advance on highly irrational polytheism and emperor worship. The Greeks gave natural philosophy, great works of poetry (especially the epic and drama) and excellent architecture. The Romans merely elaborated on the cultural achievements of the Greeks but raised to a new and higher level the art of administration and jurisprudence.

The feudal societies that emerged from the collapse and fragmentation of the Roman Empire had, of course, the feudal State as the main feature of their superstructure. As the emancipated peoples and slaves settled down and developed a feudal mode of production, the feudal State arose to maintain the relations of production whereby a hierarchy of landed aristocrats lorded over the masses of serfs and other people.

A striking feature of the superstructure was the ideological monopoly enjoyed by the Catholic Church. During the overthrow of the Roman Empire, Christianity had managed to be on both sides of the conflict. It was the state religion of the empire since the fourth century and Christian missionaries were deployed among the subjugated nations and peoples. Bereft of any ideology or culture higher than that of their adversary, the subjugated peoples adopted Christianity. Thus, Christendom prevailed in Europe.

The Catholic clergy cultivated the union of church and state and likewise the idea that God is the source of authority. They advised the feu-

dal rulers and instructed the children of the royalty and nobility. The ecclesiastical organization was even more extensive than the administrative system of the State. The parish was based on the village and the priests were in ways depended on for certain functions of government, especially tax collection.

In cooperation with the church, the secular rulers had to contend not only with the clergy within society but also the papacy seated in Rome. Except for certain periods of extreme corruption, debauchery and loss of authority, the papacy was the effective international power arching over the feudal societies. The empire of Charlemagne was a flash in the pan. The Holy Roman Empire existed from the tenth century to its end in the 16<sup>th</sup> century. It was a farcical copy of the original Roman Empire in the long run, but it nurtured the European feudal states under the canopy of Christendom. In the first half of the Christian millennium, from the fifth to the tenth centuries, the Church concentrated on catechism. The highest level of education was available only to monks, and it consisted mainly of the study of the Bible. Except for what served the Christian ideology, the philosophical, proto-scientific and literary works of Greece and Rome were suppressed.

As Engels would say, natural philosophy was subordinated to theology. What was most cherished in philosophy was metaphysics. To be pre-

cise, only the Augustinian adaptation of neo-Platonism (Plotinus) was propagated until the late 13th century. Thomas Aquinas made an adaptation of Aristotelianism on the basis of secondary materials, the commentaries of the Islamic scholar Averroes. No university existed in Christendom until the University of Paris was established in the 11th century. But the main fare was still theological and metaphysical. More advanced secular learning and ancient classical learning were available either in the schools of Islamic Spain, Norman Sicily or scholarly circles in Constantinople.

The Roman Catholic monopoly of the superstructure in all societies of Western Europe was eventually undermined by the increasing virulence of the conflict between state and secular interests, the Italian Renaissance which promoted secular humanist literature emulating pagan works of the past, the Reformation and rise of Protestant movements, the rise of scientific investigation and, of course, the rise of the manufacturing and commercial bourgeoisie. To the extent that the capitalist mode of production took hold of certain parts of Europe, the germinal bourgeoisie were conceded political rights by the feudal authorities. This occurred in divided Italy where cities which economically benefited most from the religious crusades and Mediterranean trade became republican communes and were responsible for their own economy and defense, as early as the 13th century.

But it was first during the civil war in England in the 17th century that a flourishing bourgeoisie made a powerful bid to acquire its own political power in a major European country. The French revolution was eventually the culmination of the long-drawn efforts of the bourgeoisie to gain state power for itself. Against an extremely resistant nobility and clergy, the bourgeoisie together with the other classes of French society went on to overthrow feudal power.

In revolutionizing the feudal superstructure, the bourgeoisie promoted subjective idealism (empiricism in England and rationalism in the continent); the idea of rational, secular and scientific enlightenment and progress; liberal democracy (under such slogans as liberty, equality and fraternity) and the separation of church and state; and the economic theory of free competition (an advance on mercantilism, whereby the feudal monarch and the national bourgeoisie worked hand in hand through state trading monopolies and concessions to the bourgeoisie).

The West European bourgeoisie took advantage of the workers' armed uprising in 1848 to trounce feudal power on a wide scale and at the same time suppress the working class and carry on the industrial revolution further. After getting hold of state power, the bourgeoisie used it to control the working class and suppress any resistance to capitalist exploitation.

Compromising with a landed aristocracy on the wane, the bourgeoisie reverted to old ideas and recanted on its blasphemies against church and religion. Of course, it continued to avail of science and technology in pushing the growth of productive forces. But even in this regard, the advance of science and technology has been subordinated to and restricted by the process of maximizing profit. Productive forces have been destroyed repeatedly via the economic crises and wars, not to speak of the wasteful consumption in boom times which induced every consequent crisis.

In the imperialist era of capitalism, in the midst of which we are, individual freedom and free enterprise are still the catchwords of the capitalist class in its prevailing theories and propaganda. But the fact is that whole masses of individuals (the proletariat and other exploited classes) are being oppressed and exploited by capitalist states and their client-states. It is monopoly capitalism and not free enterprise that actually rides roughshod over the people in the capitalist world.

In comparison to the superstructure of feudalism, that of capitalism is definitely more advanced. Under feudalism at its best, education was available only to the children of the nobility and the bourgeoisie in schools run by clerics. Under capitalism, there is universal public education in the elementary grades or even up to high school and also state universities, and there are all sorts of nonsectarian

private schools at every level. The media of information and education have also vastly expanded through the advance of science and technology.

The needs of the capitalist mode of production are met by the superstructure, in terms of training more men and women in the various professions. This is not only to enhance production for profit directly or indirectly but also to throttle or mislead the exploited classes. While the upper classes of society in the capitalist world have a cosmopolitan character, the kind of “pop culture” dished out to the masses consists of trivial works that promote the individualistic values on money grubbing, sex and violence. This totalitarianism of the capitalist class over the exploited masses in the field of culture is touted as the hallmark of freedom. It is counter-posed to the revolutionary ideological and political unity of the exploited masses.

The inhabitants of the economically advanced capitalist society today can boast of a lifestyle and flashy possessions far above the income level of the workers and peasants and even the lower and middle-middle classes in the colonies and semi-colonies. But it should be noted that the ability of American workers to get creature comforts, often on mortgage, rests on the imperialist exploitation of other nations, while the crisis of overproduction and capital overaccumulation does not yet result in economic stagnation and massive unemployment even in capitalist countries.

An unprecedentedly grave economic crisis is now occurring in the capitalist mode of production. This is reflected in a growing crisis in its culture. There is huge waste of resources and serious threats to mankind in the rivalry and arms race between an imperialist and social-imperialist power; cutthroat competition among the capitalist countries; the demands of the third world countries and people for emancipation and development. All these are putting every capitalist country in dire straits.

Socialist society has arisen only a few decades ago, in 1917. But it has chalked up material productive achievements that took the bourgeoisie several centuries to make. On the basis of this, a socialist superstructure is flourishing. Even in the Soviet Union, which has retrogressed into state monopoly capitalism, it cannot be denied that what it previously achieved through socialism is so great as to enable it to continue confronting the United States in the Cold War.

Socialist societies have so far arisen in countries with a backlog of feudalism. Thus the socialist states have taken the form of people's democracy, with the alliance of workers and peasants as the main political base. At the same time, proletarian dictatorship is exercised to disempower the exploiting classes. It is proletarian, Marxist ideology, politics and organization that prevail, even as bourgeois-democratic reforms like land reform

have to be undertaken for a while in a period of transition.

The Communist Party is the chief propagator and applicator of Marxism in a socialist society and it is preeminent in the socialist State because it has been the leader in the transformation of the old society and in the continuing proletarian revolution. Thus, in China until today, various non-communist parties and associations continue to exist and are represented in the People's Consultative Council and the National People's Congress.

All the freedoms formally guaranteed in a liberal democratic constitution are carried over into a socialist constitution, with the crucial difference that the proletarian dictatorship and the basic alliance of the working class and peasantry are upheld and the bourgeoisie and the landlord class are deprived of the freedom to exploit and oppress the people under the guise of individual freedom and the right to own property, including the means of production.

While the people achieve real freedom, only a comparatively small number (a handful) of exploiters and counterrevolutionaries lose or have their freedom restricted according to their political or criminal culpability. Unlike the bourgeois State, the socialist State frankly admits that it is a class dictatorship against its class enemies even as it is the democratic instrument of the people.

Freedom of thought and belief is respected in



socialist countries. Marxism maintains the scientific and optimistic view that correct ideas emerge through debate and democratic persuasion and through social practice where the ideas are tested and verified. Within the Communist Party, no line or policy is adopted without democratic discussion. In society at large, the freedom to espouse any idea or belief is wider, short of any overt act of violence against the socialist State and counterrevolutionary effort to restore the exploiting classes to power.

The materialist-scientific outlook of Marxism is conducive to the rapid advance of science and technology, not for the sake of private profit but of social profit. What happens in the first place in the socialist transformation of the means of production is the removal of fetters imposed on them by the selfish and narrow interests of the exploiting classes. Thus, we are witness today to a China, extremely backward only three decades ago, fast approaching the most advanced standards of science and technology for agriculture, industry and defense.

The quality of life of the large masses of workers and peasants improves in accordance with the expansion of socialist production. Education at any level is open to the workers and peasants and their children without any cost. The new heroes of the culture are revolutionary workers, peasants, soldiers and intellectuals. New values run through

the works of arts and letters. At the same time, learning from the past and from abroad is encouraged to serve the present needs of the socialist society.

Socialism as a form of society is still relatively new, but its achievements in both material base and superstructure are already gigantic. It will take an entire historical epoch before it passes on to communism. We can also say that socialism will outlive its purposes, the historic mission of the proletariat, at an accelerated rate when modern imperialism shall have been defeated.

The withering of the State is pointed to by Marxists as the most decisive characteristic of the transition of socialism to communism. So long as imperialism exists and so long as there is still an internal danger of capitalist restoration, socialist societies cannot be expected to let down their guard and dissolve the instruments of coercion by which the proletariat can keep down and eliminate the bourgeoisie as a class. Those who are capable of thinking only in terms of pre-socialist state power cannot imagine how the State could ever be dissolved. They call this impossible and utopian. What compounds their ignorance of the Marxist definition of the State as a class instrument of coercion is that they think unfairly that Marxism prescribes the end of all authority in communism. That is not Marxism but anarchism.

We can say in the most general manner that

some authority will still exist in communist society. But it will certainly not be an authority with coercive apparatuses for the private gain of any exploitative class or group. Even at its early stage, socialism has already demonstrated that there can be a kind of state which still uses the coercive apparatuses against its enemies but which has put an end to productive and social relations whereby a few belonging to a narrow class can exploit masses of people belonging to another class.

Given more time, socialist society can generalize the level of living and education of the present upper-middle class. If such were the condition of the people in the whole society, is there any need for the instruments of class coercion? Crimes against property because of economic want will go down to zero. Most crimes and legal cases today relate to property and poverty.

The long period of socialism will create not only the economic conditions but also those social, political and cultural relations that will make a classless society, communism, possible.

### **C. Social Transformation: Revolution**

A society is ripe for a radical transformation when the forces of production have grown to the point that they can no longer be contained by the relations of production obtaining. In a manner of speaking, the integuments of society are burst asunder. The socioeconomic crisis leads to a politi-

cal crisis in which the ruling class is unable to rule in the old way, the people are desirous of revolutionary change and there is a revolutionary party strong enough to lead the revolution.

Under these conditions, the struggle between the ruling class and the ruled class intensifies. The ruling class tries to preserve the outmoded relations of production and mollify or suppress the ruled class. The latter is determined to overthrow the ruling class and seeks to change the old relations of production. The class struggle rises from the mode of production to the superstructure and the whole of society. The ruling class tries to make use of the superstructure, especially the State, in order to preserve the outmoded relations of production. Likewise, the ruled class tries to make use of anything it can in the superstructure and hasten to create the political and cultural means in its favor. Thus, the superstructure becomes a field of class struggle.

In the course of class struggle, reforms or revolution may occur. Under certain circumstances, the relations of production may still be adjusted and concessions granted to the ruled class. Or the ruling class may simply refuse to make reforms, even when still possible, and thus provoke a revolutionary upheaval that takes the form of armed revolution by the ruled class. Conditions may also reach such a point that mere reforms would no longer suffice to preserve the relations of produc-

tion.

The ultimate weapon of any ruling class in order to retain its class rule is the State as an instrument of coercion. It is openly used to repress the ruled class when all assuasive means such as the parliament and other civil institutions fail to appease the ruled class.

In the face of flagrant armed repression by the State, the ruled class is induced to resist and organize its own revolutionary party and armed force. If the ruled class does not fight, it continues to be dominated by an outmoded relations of production and by the state power of the exploiting class. But the tendency of the ruled class to struggle for its own rights and interests will still be there. If the ruled class chooses to fight and organizes an armed force, it is determined to change the relations of production and establish a completely new society.

The outbreak of an armed revolution depends on the objective conditions in the mode of production and how the two sides in the class struggle consciously maneuver in the use of the superstructure. It is also possible for the leadership of the exploited class to be coopted or defeated by the ruling class for some time so that the coopting or winning class (the ruling class) can arrange the relations of production either by way of further reaction or a series of reforms to reinforce reaction.

Reformism rejects the theory and practice of social revolution, especially that which entails

the armed overthrow of the reactionary State. It is a system of thought that insists on pursuing an indefinite series of reforms to improve the incumbent exploitative and oppressive class society.

History has shown that, independent of the wishes of the reformists, the political crisis in a capitalist society can lead to the inciting moment that triggers the acceleration and climax of the revolutionary process of seizing political power. It has also shown that in an underdeveloped and semi-feudal society, with a large peasant population, the chronic socioeconomic and political crisis provides the basis for a protracted people's war of encircling the cities from the countryside.

In Marxism, the armed seizure of political power by an oppressed and exploited class is the central task of revolution and is the necessary prelude to all-round social revolution. Without political power in its hands, the proletariat cannot make the social revolution. This social revolution involves essentially the total transformation of the relations of production. It also involves a prolonged process of totally transforming the superstructure, making it correspond to and thereby enhance the relations of production.

The historic revolutionary mission of the proletariat is not limited to an armed seizure of power. It extends over a long period of struggle from the change of political power to the period of socialist revolution and construction until the dawn of

communism. It is bourgeois or feudal confusion of mind or misinterpretation of Marxism to narrow down social revolution to a mere spasm of violence.

The Marxist understanding of revolutionary violence as the people's sovereign right against oppression is no different from that of the liberal-democrat. Such right is always implicitly or explicitly upheld in liberal-democratic constitutions. The only difference lies in the goals: the Marxist wants socialism and the liberal democrat wants capitalism.

Social revolution is a conscious mass undertaking. Marxism rejects a number of false theories in this regard. Among them are the theory of mechanical inevitability, the theory of spontaneous masses and the theory that great individuals rather than the masses make history.

The theory of mechanical inevitability puts the ruled class in the passive position of not consciously doing anything to change the relations of production because it is the growth of the productive forces that will inevitably change the relations of production.

What is obscured by this theory of mechanical inevitability is the fact that the ruling class has a prior conscious control not only of the relations of production but also of the superstructure. It can one-sidedly prolong the relations of production if the exploited class does not make effective resis-

tance. This explains why as late as the 16<sup>th</sup> century onwards master-slave relations in the Americas could exist side by side with lord-serf relations as well as with capital-labor relations. Until now, there are still remnants of primitive communal, slave and feudal societies in the most backward parts of the world. In many colonies and semi-colonies, feudalism and semi-feudalism persist on a large scale.

The theory of spontaneous masses posits that the ruled class without any conscious leadership and without a definite ideology, program and organized strength can transform society into a new one. This is an anarchist notion. It again obscures the prior ruling class control of the relations of production and the superstructure. To say the least, the unorganized masses are eventually rendered helpless before the highly conscious and highly organized ruling class, which is in command of a large number of armed personnel that can prevail over spontaneous mass uprisings.

The direct opposite of the theory of spontaneous masses is the theory that great individuals rather than the masses make history. The Marxist view is that the people are the motive force and makers of history and that great men as leaders are at best representatives of great mass movements. The brilliance of leaders can help hasten the advance of a movement; or the loss of such leaders can delay such an advance. But so long as a



conscious, well-organized mass movement exists, a structure of leadership can replace a leader as soon as he falls or is lost. Marxism requires both correct leadership and mass participation in the making of revolution.

When they speak of the people as the motive force and makers of history, Marxists mean a single leading class and the other exploited and oppressed classes rising against the ruling class. The leading class must be able to rally under its leadership other classes and strata against the ruling class.

Broad organizations and groups of various interests are aroused and mobilized against the ruling class. And the revolutionary army enlists fighters from the broad ranks of the people. To serve as the vanguard of the revolution, the leading class has a political party with a progressive ideology, political program and a solid organization of cadres and conscious and conscientious members.

In the face of a ruling class like the bourgeoisie, which is highly conscious of its class interests and has a complex array of highly developed means either for crushing or misleading any attempt at radical social transformation, the proletariat as the leading class has to comprehend the proper relationship of people, class, party and cadres or leaders.

Let us now review social transformation as it has occurred in the history of mankind.

In primitive times, the Paleolithic clan commune lagged for a painfully long period. In this regard, we can easily observe the primary role that the forces of production, particularly the means of production at this stage of human existence, played in the development of society. The Neolithic society of the extended clan or tribe could arise only on the basis of the refinement and improvement of stone tools. This took another painfully long period.

The crudity and puniness of the forces of production and the reflective flimsiness of the superstructure have prolonged the process of social transformation. A long period of social evolution had to take place before there could be social revolution. Man had to struggle hard from being a blind part of nature to becoming one increasingly distinguishable from it through the growth of the forces of production.

The transition from primitive communal society to slave society was made possible on the basis of achievement in the former. In the womb of Neolithic barbaric society, man started husbandry, agriculture, the use of hard metals and the conversion of social offenders and war captives into slaves. These were the forces of production which increasingly wore out the simple division of labor during the late period of those barbaric societies that managed to graduate into the slave form of society.

The slave society firmed up and expanded the conversion of men and women into a class of slaves from the ranks of social offenders and war captives in order to produce the surplus product for the benefit of a slave-owning class and its civil retinue of priests, scribes, administrative officers and the like, and its army and other coercive apparatuses. For the first time in the history of mankind, classes arose and the State was established to maintain the political and economic power of the ruling class. The drive to increase the surplus product impelled nation-building and empire-building for expanding the ranks of slaves from war captives.

The majority of slaves were mainly deployed in the fields to till the land for the benefit of the aristocrats and freemen. Agriculture was expanded. Upon the tremendous increase of slaves, the master-slave relations of production started to become outmoded. Oppression and exploitation increased even as it became more difficult to manage so many slaves on the wide fields. The slaves started to rebel. So did the subjugated nations and peoples in the empire as they were obliged to create more surplus product for the military governor and the imperial coffers.

The class struggle between the slave-owning aristocracy and the masses of slaves intensified. As the magnates of slavery tended to accumulate slaves and land, vast numbers of landed freemen who owned a few slaves and even lower sections of

the slave aristocracy were bankrupted.

The Roman Empire reached its peak in the first and second centuries but in the third century it began a protracted period of decline. The weakening and fragmentation of the empire eventually resulted in the emancipation of slaves. Either upon the victory of the revolts of slaves and subject nations or upon the adaptation of original slave owners to the feudal relations of production, large masses of slaves became converted to the status of serfs.

It should be observed that in the transformation of a slave society into a feudal one, the largest exploited class did not become a ruling class. But it made substantial gains. It was no longer prey to customs or laws that easily cost the lives of its members. At the early stage of feudal society, the serfs were also often given the illusion of owning their own parcels of land, provided they worked on the lands of the landlords on certain days. This served to stimulate the clearing of land and expansion of agriculture.

In the feudal mode of production, land is the principal means of production and the serfs were in the main the people in production. These forces of production were subject to the relations of production dominated by the landlord class or feudal aristocracy. The tithe collecting Roman Catholic Church was also part of the landlord class. The Pope was landlord of the so-called papal states and

the monastic orders and parishes owned land in the European states and colonies. In many European countries, the church corporately became the biggest landlord.

Though several feudal states sprung from the ruins of the Roman Empire, they were dominated by a single interstate ideology and institution—that of Christianity. The church and the state were the powerful forces in the superstructure of European feudal society. They united to defend the system against common foes but they also had conflicts of interests.

At the peak of feudal development, serious peasant rebel movements were already cropping up and often took the form of heretical movements. The religious crusades at first tended to absorb peasant unrest and unify the monarchies in Europe under Christianity. But in the 13th century, both the church and state took violent measures such as massacres to suppress the serfs who combined antifeudal resistance and religious heresy.

The papacy merely manipulated the various feudal states to get what it wanted and sometimes got the short end of a conflict with a more clever secular ruler. But by the 16<sup>th</sup> century, the papacy had its own army to assert its power in the papal states and punish rebellious peasants. Against the rise of the secular humanist spirit and the outbreak of peasant rebellions in the 16<sup>th</sup> and 17<sup>th</sup> century,

the church in cooperation with the State expanded the work of the Inquisition from suppressing heretics to wide-scale witchhunt. The Church also repeatedly instigated religious wars against Protestants.

In Western Europe, after the so-called barbarians had settled down, no peasant movement succeeded in seizing political power from any landlord class dominating feudal society. In China, some peasant movements succeeded in taking over political power over entire feudal states but could not go beyond the feudal form of society. Their leaderships merely took over the role of the deposed landlords. As in China, the peasantry of Europe was not pushing forward any new mode of production even if they were moved by clear specific grievances. They only had vague ideas of what constituted more just relations of production than what existed. They were often provoked to revolt by excessive rent, taxes and other levies. They could not propose any progressive ideology, except some alternative notions of Christianity considered heretical by the dominant church.

Within feudal society, however, a new class pushing a new mode of production and a new outlook grew. At first, a mercantile bourgeoisie arose with the towns and cities which served as centers of handicraft production and trade between town and country or between farflung areas. Subsequently, a manufacturing bourgeoisie arose from

the ranks of the mercantile bourgeoisie.

When the manufacturing bourgeoisie developed further into an industrial bourgeoisie, especially in the later part of the 18<sup>th</sup> century, the bourgeoisie was in a position to make a frontal challenge to the old feudal aristocracy for political supremacy. In previous times, the bourgeoisie had tactfully cooperated with the feudal monarchs in the consolidation of national markets and in the financing of colonial expeditions and wars.

Beside the growth of the capitalist mode of production, which had extended to capitalist farming, there had been a long period of ideological preparation for the political ascendancy of the bourgeoisie. This ranged from such development as the Italian renaissance in the 15<sup>th</sup> century through the scientific inquiries into physics in the 17<sup>th</sup> century to the French enlightenment in the 18<sup>th</sup> century.

Unlike the peasantry, the bourgeoisie stood for a new mode of production that was capable of replacing the old feudal mode, and it easily adopted a progressive scientific outlook that effectively destroyed the ideological monopoly of the Church. In the French revolution, the bourgeoisie took the vanguard position and allied itself with the peasants, workers and other sections of the population to overthrow the state power of the landlord class and the authority of the Catholic Church. The political supremacy of the industrial bourgeoisie over society was established.

In capitalist society, the new class struggle is between the capitalist class and the working class. The growth of large-scale machine production and the proletariat has reached the point that the capitalist relations of production hinder rather than enhance them. The capitalist relations of production and the capitalist class can be removed and the proletariat can establish the socialist relations of production.

Unlike the peasantry, the proletariat stands for a new mode of production. As a matter of fact, the peasantry is dissolved by the expanding mode of capitalist production and has no place to go but join the ranks of the proletariat. Thus, the Communist Manifesto speaks of a society increasingly divided into two great camps, that of capital and that of labor.

For the first time in the history of mankind, an exploited class which does not previously own the means of production is in the position of becoming the ruling class in a completely new form of society. It stands for a mode of production that continues to forge ahead long after the seizure of political power. Also for the first time, an exploited class cannot emancipate itself without emancipating all other exploited classes. As never before in the history of mankind, the freedom of the entire people can be achieved.

The development of the working class has undergone three stages. The first one was the



machine-smashing stage when workers displaced by machines anarchically destroyed or sabotaged machines in vengeance. The second one was the trade union stage when the workers learned to organize themselves for the first time to fight for their own economic interests. The third one was the stage when the workers started to form their political parties to wage political struggles in their own class interests and in alliance with other oppressed classes in society.

In 1848, Marx and Engels wrote the Communist Manifesto as a programmatic guide for the workers of all countries. Without even having read this manifesto, significant numbers of workers participated in uprisings in several cities of Europe in 1848. These were quelled and bourgeois reaction reigned. Marx and Engels further laid the ideological foundation of the working-class movement and participated in the work of the International Workingmen's Association (First International).

In 1871, the proletariat of Paris seized political power and it survived for a little over two months. This is a milestone in the history of Marxism as it proved the thesis of Marx that the proletariat as a class is capable of organizing itself in order to seize political power and hold it. Marx hailed the achievements of the Paris Commune, criticized its errors and drew the lessons for the future advance of the working class.

In an attempt to resolve the contradiction or

class struggle in capitalist society, the capitalist class in the various capitalist countries engaged in modern imperialism. The result was that alliances and counter-alliances of capitalist countries resulted in graver crises of overproduction and world wars.

World War I led to the victory of socialism in one country. World War II led to the victory of socialism in several countries and the vigorous growth of national independence movements. To the extent that there were still vestiges of feudalism in countries that turned socialist, bourgeois-democratic reforms like land reform and concessions to national entrepreneurs were undertaken.

What makes the capitalist society radically different from all social formations is that it has internationalized its system of oppression and exploitation through modern imperialism to the point that in many countries today working-class parties have arisen to fight it and its reactionary puppets.

## CHAPTER 3. POLITICAL ECONOMY

Political Economy is the study of the fundamental laws of motion of the whole economy of a society. It can be sharply distinguished from the microeconomic interests of particular enterprises or industries although these, through aggregation, generalization or abstraction, are within the sphere of political economy.

The classical British economists were the first to firmly established this subject as a definite field of study in the latter part of the 18<sup>th</sup> century and the early 19<sup>th</sup> century when commodity mass production, particularly the capitalist mode of production, was rising to a dominant position in the leading European economies. The growing complexity of a commodity system of production demanded systematic study.

Of the classical economists, Adam Smith in his *Wealth of Nations* (1776) made the most comprehensive and coherent presentation of capitalism at the stage of free competition. Strongly opposing mercantilist strictures imposed by the State, he put forward the theory that self-interest and free competition make the market a self-regulating mechanism for the efficient allocation of resources, the continuous accumulation of capital and the attainment of the common good.

Adam Smith pointed to labor as the source of value in the commodity but was overwhelmingly

concerned with the important role of the market. David Ricardo elaborated on the labor theory of value and was concerned with the differing interests of the workers, entrepreneur and landlord and with how utterly unjust it was that a share should go to the unproductive landlord whose claim is based on sheer traditional private ownership of land. He perceived the injustice done by the landlord to the capitalist, but he fell short of perceiving the injustice done by both capitalist and landlord to the worker.

To this day, bourgeois economists like religious fundamentalists preach free competition or free enterprise despite the fact that capitalism has long developed into a system of gigantic monopolies. However, due to the recurrent and ever worsening economic crisis, bourgeois economists in varying degrees would welcome the intervention of the capitalist State in the economy through fiscal and monetary policies and measures.

As a result of the Great Depression of the 1930s, the Keynesian idea of using the State to salvage capitalism from economic crisis, restoring the equilibrium of demand and supply through public works, has become an outstanding part of the gospel truth of bourgeois political economy. Previously, since the middle of the 19<sup>th</sup> century, John Stuart Mill had lucidly endorsed state intervention for reasons of redistributive justice.

As it has evolved from the works of the classical

economists, bourgeois political economy has by and large stood for the perpetuation of the capitalist system, the principle of private profit and private ownership of the means of production, the subordination of the production system to the distribution system, the obfuscation of the ultimate source of incomes (profit, wages, interest, rent, etc.) and the myth of free enterprise even in the face of monopolies dominating capitalist society.

Marxist political economy is a more comprehensive and deep-going study of the laws of motion of capitalism than bourgeois political economy. Karl Marx laid its foundation in *Das Kapital* (Vol. I published in 1867) and this covered the genesis, development and decline of capitalism and pointed to the possibility of socialism. To delve into the internal laws of motion of capitalism, he concentrated on the production system rather than on the distributive system and proceeded from the analysis of the commodity as the cell, the basic organic unit, of the capitalist mode of production rather than that of the market phenomena as bourgeois political economy does.

Marx laid bare the fundamental laws of motion that impel free competition to develop toward the concentration of capital and create the very forces that are bound to bring about socialism. However, the development of Marxist political economy did not end with him. Building further on the theoretical foundation laid by Marx, V.I. Lenin con-

centrated on monopoly capitalism in his Imperialism, the Highest Stage of Capitalism. Still Marxist political economy did not cease to develop. It has come to encompass the building of several socialist economies. In brief, Marxist political economy ranges from Marx's theoretical writings to the building of socialism.

But in this chapter, we shall tackle only the following: 1) Marx's critique of capitalism; 2) Lenin's critique of monopoly capitalism; and 3) the decline of capitalism and US imperialism. We reserve to a later chapter a full discussion of socialism. An appendix is provided as a backgrounder on preindustrial capitalism or the primitive accumulation of capital since the chapter concentrates on industrial capital as Marx and Lenin did.<sup>3</sup>

### **A. Marx's Critique of Capitalism**

Karl Marx dealt mainly with the capitalist mode of production at its industrial stage, when commodity mass production gained dominance in the leading economies of Europe. He had a great advantage over the classical economists (whom he studied thoroughly in conjunction with the enormous amount of economic data available at the British Museum) in that capitalism developed more fully than before and was therefore more open to comprehension. He could go as far as to

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3. See Appendix 2: On Preindustrial Capitalism and the Primitive Accumulation of Capital - Editor

analyze the financial system of capitalism as never before by his predecessors in the study of the political economy.

At any rate, in his critique of capitalism, he started with the analysis of the commodity, using critically and developing further the labor theory of value which had been put forward by Adam Smith and David Ricardo and which the former had borrowed from the philosopher John Locke of the 17<sup>th</sup> century. Like his predecessors, Marx affirmed that the value of the commodity is the amount of labor time expended on its production. Labor time remains to this day a measure of labor power used in production.

To focus on the commodity as the starting point of analysis is absolutely precise. It affirms the primacy of production over distribution in the study of a certain mode of production. Commodity mass production is what differentiates capitalism from all previous economic systems, which had been basically natural economies highly dependent on nature or land—the original source of wealth and characterized by self-sufficiency or subsistence in small localities.

To be called a commodity, a thing must have use value and exchange value. Use value means that the thing can satisfy a human want. Exchange value means the thing can be exchanged in the market for another thing that normally involves the same amount of labor power. If one unit of a

certain commodity takes one day of work to make, it will exchange for two units of another commodity each of which takes a half day to make.

In the commodity mass production that characterized capitalism, no worker can lay claim to having produced an entire product. If we were to measure the amount of labor power that goes into the making of a commodity, we have to go into abstracting or averaging the various standards of labor time or rates of productivity that go into the making of the commodity in a given society. Thus, we speak of socially necessary average labor time that goes into that commodity.

Labor power itself is a commodity in the capitalist system. Its value is the amount of socially necessary average labor time to produce the basic necessities (wage goods) to maintain and reproduce the worker and his family. In the labor market, the capitalist buyer of labor power offers the price of labor power, which is called the wage—the value of labor power in money terms.

By and large, the capitalist class gives the working class a subsistence wage. This should cover at the least the barest physical needs of the workers to keep them coming back to work and also to maintain a class as the source of labor. To hold the line, the workers themselves insist on a minimum wage level. When business is good, increments may even be made so as to raise the level of productive skills among the workers.



It is to the interest of the capitalist class to allow the maintenance and reproduction of the working class. Labor power is the sole commodity that is capable of reproducing itself and all other commodities. Capital by itself cannot produce anything. Historically, it is but an accumulation of labor power. It is congealed labor power. In the production of new commodities, no new value is created by the machines and raw materials. Their old values are merely transferred into the new commodities. New added values can only come from the labor power of the workers attending to the machines and raw materials.

The capitalist class extracts its profits from the process of production itself. The workers required to work for a period longer than it takes to produce the equivalent of the wages paid to them. The difference between the total value that the workers create and the wages that they receive is what is called surplus value or unpaid labor. This is the source of industrial and commercial profit, interest payments and land rent. To extract a larger amount of surplus value, the capitalists lengthen the working day and depress the wages. This is called absolute surplus value. During the period of the primitive accumulation of capital which went on for centuries and extended into the first half of the 19<sup>th</sup> century, the workday ranged from 18 hours to 12 hours at extremely low wages.

The capitalists can also shorten the workday

and raise wages. But they resort to such methods of raising productivity as the speed-up, especially as a result of the introduction of the conveyor belt; extremely high production quota and the non-fulfilment of which cuts into wage; systems of rewards and punishment that motivate the worker to put more work in less time; and the like. In this case, relative surplus value is what is extracted.

As a result of the increasing use of machines and worker resistance to the long work day, this was reduced to 12 hours in the greater part of the 19<sup>th</sup> century until it was further reduced to 10 hours in the later part of the century. The eight-hour work-day is largely a 20<sup>th</sup> century achievement of the international proletariat.

Though the capitalist class needs the workers as the source of new values in production, from which profits can be obtained, there is always a considerable portion of the working class that is unemployed either due to a lag in the absorption of displaced peasant by industry in a developing economy or due to the disequilibrium in the fully developed economy. These unemployed are called the reserve army of labor. The more they are, the more they tend to press down the level of wages and increase the surplus value obtainable from those employed.

The larger is the surplus value, the higher is the rate of labor exploitation. The rate of surplus value, also called the rate of exploitation, is arrived

at by dividing the amount of surplus value by the amount of wages paid.

It is the theory of surplus value that radically differentiates Marxist political economy from bourgeois political economy. It shows that profits are extracted from the process of production, particularly from surplus value. It likewise shows that exploitation of the working class is rooted in the process of production and not in the market.

Though the leading classical economists Smith and Ricardo had affirmed the labor theory of value, they did not develop it to the extent that Marx did. After them, the general run of bourgeois economists, especially in the 20<sup>th</sup> century, have obscured it or completely negated it by asserting the primacy of the market mechanism over the productive process and by claiming the profits are made in the market in the difference of buying and selling price and vice versa.

According to Marx, it is certainly important for individual capitalist enterprises to take into account buying and selling prices. But in the market no new material values are created. And in the entire economy, total values in production are equal to total prices in the market.

What is self-serving for the capitalist class and its economists in adducing to the market as the source of profit is to conceal the process of exploitation in capitalist production and in the whole history of capital. Capitalists can claim that their invest-

ment simply generates employment one-sidedly at a fair price settled in the market, without anything being taken from the workers beyond what has been fairly paid for. Also, the industrial capitalist class can ante up the merchants as the scapegoats when an economic crisis sets in and is manifested in the form of serious price fluctuations.

Consequent to the fact that they extract surplus value from the total value created by workers and that they thereby accumulate capital, the capitalists compete with each other to raise their productivity and achieve economies of scale. More goods are produced in less time and at less cost. Those who fail to adopt more efficient methods of production are priced out of the market.

At an early stage, the competition is essentially one of raising capital. The winners can raise more capital than the losers. This capital is divisible into two parts: 1) constant capital which consists of the means of production (capital equipment, raw materials, plant site and the like;) and 2) variable capital which is the fund for wages.

But as the competition rages and goes from one round to another, there is the ever-increasing trend to raise the organic composition of capital, that is to say, constant capital. After all, the winners in the competition swallow up the loser through mergers and other forms of absorption. There is always a need for the competing capitalists to build up constant capital in order to consolidate their position

and to raise productivity further.

Constant capital is raised at the expense of variable capital. The labor-saving machines displace the workers. In the heat of competition, the capitalists also think that they can improve their competitive position and raise their profits by reducing the variable capital. At first, this means that they depress the wages. Eventually, they reduce their workforce by acquiring labor-saving machines, in effect, increasing constant capital.

The competing entrepreneurs or firms act anarchically in pursuit of their respective profit-seeking interests. They are out to trounce each other. Each fails to understand that by reducing variable capital and laying off workers each is actually reducing the source of new values and in effect profits.

The result is the tendency of the rate of profit to fall. The profit rate is determined by dividing the surplus value by total capital (constant capital plus variable capital). If constant capital is increased but variable capital is diminished, the amount of surplus value is reduced and the profit rate is likewise reduced.

The high productivity of capital goods and capitalist competition reinforce each other to produce goods at low prices in comparison to those produced in backward modes of production. Commodities are sold at production prices, equivalent to cost of production plus a small and dwindling average profit. The average profit is small and

dwindling due to the diminution of variable capital in the process of production.

Variable prices of a certain commodity which arise in the market in the course of competition even up at the level of production price. A capitalist might underprice his product in order to undercut his competitor. But when he has gained the upper hand, he raises his price and recoups what he has "lost." Thus, the variable prices even up at the level of the production price.

Capitalist production is basically divisible into two departments: department I which produces the means of production or capital goods; and department II which produces the articles of consumption.

In the race to raise the organic composition of capital, the competing capitalists build up department I. But then, greater production under this department leads to still greater production under department II. This comes into contradiction with the diminution of variable capital or wage fund.

The increasing supply of the articles of consumption does not jibe with increasing unemployment and diminishing purchasing power of the workers. The market, consisting mainly of workers, is narrowed by layoffs and depressed wages resulting from the competitive drive to concentrate capital. Thus arises the crisis of overproduction, relative to the market. In the crisis of overproduction, both overinvestment and underconsumption are oper-

ative. It is obvious that existing capital goods are capable of producing more than what the market can carry. At the same time, the workers do not have the income to purchase and consume all that is in the market. Neither can the puny number of capitalists consume what has been produced even if they are the ones who have high incomes.

The occurrence of the crisis of overproduction exposes the fatal weakness of capitalism. The economy operates far under capacity. Tremendous amounts of human and material resources go to waste. Commodities are even destroyed in order to adjust the supply to the constricted market. The reserve army of labor becomes so large that it no longer simply presses down the wages but cuts down effective demand. Both employed and unemployed are restless and tend to unite against the capitalist class.

The crisis of overproduction becomes an occasion for the big capitalist firms to swallow en masse the smaller firms that go bankrupt. The drive towards even greater concentration of capital continues unabated. The economy becomes revived after so much waste and after the winning capitalists have grown so much bigger than before and start to rehire the unemployed. A period of boom follows only to end up in another bust that is worse than the previous one. This again leads to a higher concentration of capital in firms fewer than before.

The crisis of overproduction necessitates the use of the State in shoring up the capitalist system and appeasing or subduing the proletariat. At worst for the system, the crisis exacerbates the class struggle and is liable to lead to a revolutionary civil war and the victory of the proletariat. There is also the likelihood that the crisis leads to an international war. However, Marx was not yet able to elaborate on this possibility.

Marx sometimes was criticized by some bourgeois economists who have not even read him for supposedly predicting the collapse of capitalism in the offing, perhaps within the 19<sup>th</sup> century, in one fell swoop. This is nonsense. Marx was dealing with large historical forces and processes that could not be reduced to a timetable.

Other bourgeois economists, however are astonished that he was able to predict the rise of monopolies to a dominant position in the capitalist system although at the time that he wrote *Das Kapital* a mass of small enterprises still characterized that system. The emergence of socialism in 1917 should be even more astonishing.

Marx correctly laid bare the laws of motion of capitalism and showed why and how free competition leads to concentration of capital; and the crisis of overproduction recurs and becomes worse at each recurrence; thus prompting the working class to take ever greater revolutionary efforts. Subsequent developments have verified all these.



Marx pointed to the rise of the working class first as a class in itself and then as a class for itself. As a class for itself, it first formed the trade unions to fight for its economic interests and then the political party to fight for its political interests and also for those of others exploited in capitalist society. He indicated sufficiently why and how the proletariat will eventually depose the capitalist class and replace the capitalist mode of production with a socialist one.

## **B. Lenin's Critique of Monopoly Capitalism**

As Marx scientifically predicted, free competition in his time (mid-19<sup>th</sup> century) actually led to the high concentration of capital in the hands of a few capitalist firms during the last three decades of the 19<sup>th</sup> century. Capitalists of Europe, the United States and Japan made an outcry for the expansion of the market in view of their limited home markets.

The British capitalist magnate Cecil Rhodes, the American politician Theodore Roosevelt and men of letters like Rudyard Kipling and even Victor Hugo were among the most raucous in calling for imperialist expansion and placing every part of the world in the capitalist network. They frankly admitted the capitalist motives even as they couched these in the rhetoric of civilizing the world. They echoed the clichés of old-type mercantilist colonialism and applauded the bloody

adventures of modern imperialism.

Great Britain, the leading capitalist country, did not only have its old colonies (India, what are now Pakistan and Bangladesh, Ceylon (Sri Lanka), what is now Malaysia, Australia, Egypt, parts of Latin America, etc.) but also acquired the largest share in the late 19<sup>th</sup> century rush to colonize Africa. It consolidated the largest spheres of influence in China.

Next only to Great Britain as the largest imperialist power was France. It had its old colonies, which included Indochina, and acquired the largest share in Africa next to Great Britain. Small capitalist countries like the Netherlands and Belgium also had substantial colonial holdings. The former had Indonesia as the largest possession and the latter, the Belgian Congo.

Strong latecomers to capitalist development like the United States, Germany and Japan participated in the rush to acquire colonies. Notwithstanding its large frontier in the west, its acquisitions from colonial powers (Spain and France) in North America and its hegemony over the main part of South America, the United States provoked Spain into a war in order to seize Puerto Rico, Cuba and the Philippines and sidled up to Great Britain in order to have a share of the imperialist action in China,

Germany got some portions of Africa, spheres of influence in China, some Pacific islands, cov-

eted large portions of Eastern Europe and got into complex entanglements with Russia and Austria. The Alsace Lorraine areas taken from France by Germany as a result of the war of 1871 continued to be a bone of contention between the two countries. Japan held Formosa (Taiwan) and Korea as colonial possessions and a sphere of influence in North China.

Russia, the weakest of the capitalist countries, held on to large territories seized from China and was at odds with Japan in this area. It also coveted large portions of Eastern Europe and was at odds with the old Austro-Hungarian and Ottoman empires.

At the beginning of the 20<sup>th</sup> century, there was no longer a part of the world that was not in the international network of capitalism. The capitalist countries had drawn in the rest of the world as they competed for markets of surplus commodities, sources of raw materials, fields of investment, spheres of influence and positions of strength. The monopoly capitalists were out to relieve capitalist society of its capital glut, relative overproduction and class contradictions by being able to exploit the people in colonies and semi-colonies.

Among the first to put out studies on modern imperialism, as a phenomenon distinguishable from the old mercantilist colonialism which had been a part of the primitive accumulation of capital, were the avowed Marxist German economist

Rodbertus and the German revolutionary Rosa Luxemburg. The British economist John Hobson picked up ideas from them and pursued the subject further but did not go beyond denunciations of the abuses of modern imperialism. In his *Imperialism, the Highest Stage of Capitalism*, V.I. Lenin surpassed all his predecessors' writings on the subject by analyzing it so comprehensively and so profoundly that he came to the conclusion that it was the last stage of capitalism and the eve of socialist revolution. Moreover, he was the theoretician and leader of the first socialist revolution in 1917.

Lenin developed further Marx's theory of capitalist development. He proceeded to analyze the further development of capitalism into monopoly capitalism or modern imperialism. These two terms are synonymous and interchangeable. Given an understanding of the basic laws of motion of capitalism as laid out by Marx and proven by history, we can easily grasp Lenin's brief description of imperialism as the highest and final stage of capitalism or as moribund capitalism.

Let us state the five basic features of imperialism or monopoly capitalism as described by Lenin. They are as follows:

The concentration of capital has reached the point that monopolies have become dominant in capitalist society.

Industrial capital has merged with bank capital to become finance capital and create a finance

oligarchy.

The export of surplus capital, aside from that of surplus commodities, has gained importance of its own and is the outlet for the capital glut in capitalist countries.

International combines of monopolies, trusts, cartels, syndicates and the like have emerged.

The division of the world among the capitalist powers has been completed and its re-division cannot but lead to war.

In explaining the above features of monopoly capitalism, we shall often cite phenomena beyond 1917. The reason is obvious. We continue to be in the era of modern imperialism and Lenin's critique has continued to be borne out by events.

1. Monopoly means that one company or a single combination of companies controlled by a single group of capitalists dominate the main part or entirety of an industry. At the start of the 20<sup>th</sup> century, such strategic and major industries as steel, oil, coal, machine-building, chemicals, railroads, etc., were already in the hands of monopoly capitalists.

As early as 1890, public clamor in the United States against such monopoly capitalists as the Rockefellers in oil, DuPonts in chemicals, Mellons in steel, Vanderbilts in railroad, and others came to such a high pitch that the Sherman anti-trust law was enacted. But at most the monopoly capitalists could only be summoned to administrative

hearings where they were advised to merely rearrange their investments. Eventually, the law was directed more against trade unions as supposed monopolies in restraint of trade.

The era of free competition basically came to an end towards the end of the 19<sup>th</sup> century. All major fields of economic activity was dominated by the large monopoly firms and these continued to grow larger. In the era of imperialism, the monopoly firms have become even larger by extracting super-profits from the colonies and semi-colonies and by continuing to engage in mergers as a result of recurrent economic crisis.

One learns something about monopoly by perusing the assets, sales and profits of such companies as the Standard Oil chain of companies, General Motors, Ford Motors, General Electric, US Steel, Bethlehem Steel and the like. One learns that all the talk about free enterprise by bourgeois economists is all a lie.

In the late 1950s the 135 largest manufacturing corporations in the United States accounted for half the manufacturing output in the United States and that the 250 largest firms turned out a flow of goods equal in value to the output of the entire economy prior to World War II.

2. The merger of industrial and bank capital has put more capital at the disposal of the monopoly capitalists than ever before and has spawned a finance oligarchy that amasses profits not because

of its entrepreneurial skills but because it simply controls and manipulates finance capital. The monopoly capitalist class hires the managers to run its productive enterprises and, as a rentier class, simply sits back to await the dividends from shareholdings.

Monopoly capitalists who own banks (Rockefellers in Chase Manhattan and National City Bank of New York; Fords in Manufacturers Hanover Bank; Mellons in Mellon Bank; DuPonts in Chemical Bank; etc.) actually lend the money of other people (including deposits of workers) to their own industrial firms at prime rates for their expansion. And they borrow from their own banks in order to buy stocks.

In times prior to imperialism, the banks were autonomous from manufacturers and they at first specialized in extending commercial credit or handling bills of exchange. Subsequently, they extended loans for industrial projects but still retained their autonomy. Finally, in the imperialist era, the monopoly capitalists put the banks and industries under their ownership and control.

The role of monopoly capitalists as rentiers is underscored by the use of holding companies, trust funds and tax-exempt government bonds. They are further removed from the process of production and their parasitic character is starkly obvious. It is their hired financial managers who manage their mounting funds. The monopoly capitalists have

no claim to income except by the backward principles of private property and heredity.

According to the Lampman 1922-1956 study ("The Share of Top Wealth Holders in National Wealth," 1922-1956) 1.6 percent of the adult population in the United States owned 32 percent of all privately owned wealth. Among the several items in the list of their wealth are 82.2 percent of all stocks and 100 percent of state and local (tax exempt) bonds.

3. The export of surplus capital takes the form of loans and direct investments. These serve to relieve the capitalist economy not only of its capital glut but also of its surplus commodities. Loans facilitate the sale of surplus commodities, paves the way for direct investments and earn interest and becomes converted into equity upon failure of the debtor to pay the debt, Direct investments are forthright and even more effective than loans in gaining control over another economy. They establish ownership and earn profits. They facilitate the sale of surplus commodities and the acquisition of raw materials for the industries in the metropolis.

Though the initial impulse in the export of capital is to seek relief from capital glut, it results in the aggravation of the original problem because it brings home to the metropolis a much larger amount of capital, fattened by profits and interests. The monopoly capitalists at home must still look for new outlets for their capital.



In the relationship between a metropolis and its colonial or semi-colonial dependent, the export of surplus capital is comparatively quite a new thing under modern imperialism. In the old-type mercantilist colonialism, when the primitive accumulation of capital was the process involved, the colonial power embarked at worst on blatant, undisguised plunder or at best a grossly unequal trade. For a change, modern imperialism is compelled by capital glut to go through the motion of making loans and direct investments.

Some amount of development, above the level achieved by old-type colonialism, occurs. But this remains superficial, lopsided and sporadic inasmuch as it is restricted by the dumping of surplus commodities on the dependent economy. The flow of investments is made in such a manner that the dependent economy remains basically a reliable supplier of raw materials and an importer of manufactured goods from the metropolis.

Thus, foreign direct investments go mainly into extractive industries and export agriculture. Loans are extended to favor this type of productive activity and to divert the client-state from promoting a well-balanced developing economy into merely improving the infrastructures (road, bridges, ports and the like) for the purpose of reinforcing the unequal exchange of raw materials from the dependent country and manufactures from the metropolis. It is definitely not in the interest of an

industrial capitalist country to allow a subservient underdeveloped economy to develop into another industrial capitalist country and another competitor.

4. According to the law of uneven development, capitalist countries differ in economic strength and they therefore take their place in the capitalist world accordingly. But according to the same law, growth and competition of the capitalist economies continue to upset every given balance of relations.

At every given time, one capitalist power may dominate another or several lesser capitalist countries, or such countries are allied for mutual accommodations and advantage in a competition against another groups of capitalist countries. However, all capitalist countries always tend to be totally united against the proletariat or against the oppressed peoples in colonies and semi-colonies.

In this context, it is easy to understand why international combines of monopolies, cartels, trusts, syndicates and the like arise. To this day, as we are still in the era of imperialism, Lenin shed light on the phenomenon of transnational or multinational corporations and the alliance of capitalist countries to exploit others.

Competition always rules the relations of capitalist countries. Under conditions of peace, each capitalist economy continues to accumulate capital and is in due time afflicted by a series of

worsening crises of overproduction (the business cycle). Modern imperialism has never been a complete and final solution to the basic contradictions within capitalist society.

Competition among the capitalist countries is always sharpened by a series of crises and protectionist measures. This is a competition for markets, fields of investment and sources of cheap raw materials and cheap labor. The selfish and narrow interests of each capitalist country as well as the alliances and counter-alliances among them become increasingly pronounced.

Take note that each of the last two world wars was preceded by a series of worsening economic crises and protectionist measures. In the relations of capitalist countries, economic war precedes the shooting war.

5. At the beginning of the 20<sup>th</sup> century, there was no more part of the world that was not under the domination of a capitalist power or a number of capitalist powers. Africa had been the last continent to be fully divided among the capitalist countries. The division of the world among the capitalist powers was completed. A re-division of the world was no longer possible, without causing a war. In this regard, Lenin said that imperialism means war.

The structure of colonial possessions and areas of imperialist domination is disturbed by the ever-pressing concentration of capital and eco-

conomic crises in capitalist countries. A capitalist country which has a large productive capacity but which has very limited area for internal and external economic expansion is bound to press for a re-division of the world and disturb the balance of economic and political power. Those who control the arrangement are of course bound to resist.

In the period before World War I, the accumulation of capital in Germany became so large in relation to a limited market and field of investment at home and overseas. Being late in the race, it had only a few colonies in comparison to others. Thus, when economic crisis worsened, Germany became increasingly bellicose and eventually launched a war. It spearheaded the Central Powers (Austria and Italy were the others) against the allies, France, Great Britain, Serbia and the United States.

Although it lost in the war, Germany was able to save its industries by surrendering to the allies before their counter-attack on German cities. In the peace settlement, Alsace-Lorraine was given back to France, its spheres of influence in China were given to Japan and its African colonies were given to other European powers.

Soon enough, the squeeze effect of great industrial capacity and limited area for expansion surfaced and produced a Hitler. After becoming the chancellor, Hitler engaged in massive public works and military production. But while these were out-

lets for surplus capital, they brought a dwindling profit rate for the German monopoly capitalists. Clamoring for “living space,” Germany undertook a series of aggressive actions in Eastern and Western Europe until these led to World War II.

In Asia prior to World War II, Japan was able to build a large industrial capacity. It was encouraged by the Western powers to be a foil to Czarist Russia in the Far East and then it was allowed to have ample territory in China, Korea and Taiwan and accommodated in the Southeast Asian market. But it still became afflicted with crisis and this produced fascism as in Europe. It schemed to grab the whole of Asia for itself. Thus, it joined the Axis powers (Germany and Italy were the two others) in plunging into World War II which engulfed the whole world.

We shift to Lenin’s work. Lenin concluded that imperialism is the eve of social revolution. Imperialism has not solved the basic problems of capitalism but has merely aggravated them and put them on an international scale. It has served to engender unprecedentedly powerful revolutionary movements among the proletariat of capitalist countries and the oppressed nations and peoples of the colonies and semi-colonies.

Under Lenin’s theory of uneven development, Russia as the weakest capitalist country could as well be the most susceptible to social revolution and it was up to the proletariat to prepare itself

to carry out its revolutionary tasks. This is diametrically opposed to misrepresentations made by anti-Marxists that Marx declared in absolute terms that England being the leading capitalist country in his time was the country most ripe for social revolution of the proletariat.

To make revolution in a leading or strong capitalist country is not automatically made easier by its high level of economic development. The monopoly capitalist class in such a country is certainly equipped with more means to repress or avert a revolution than that in the weakest capitalist country.

Nevertheless, revolution always remains a possibility in any capitalist country so long as the conditions of crisis are there and the proletariat is prepared to overcome the ruling class.

Marx and Engels in their time always watched where the actual focus of revolutionary ferment was. They acknowledged the shifting of this focus and they observed both objective and subjective factors at work that bring it about. While the social means of production in England were good for the proletariat to take over, was the proletariat ready ideologically, politically and organizationally to depose the capitalist class? With regard to Germany, a country with a large backlog of feudalism then, they said after the revolutionary tide there ebbed that for the proletarian movement to surge forward again a second edition of the peas-

ant rebellion was needed.

The truth of Marx's critique of capitalism as well as Lenin's critique has been resoundingly proven by the victory of the first socialist revolution in the wake of World War I. The results of World War II have been even more disastrous to capitalism and imperialism: several countries have become socialist and revolutionary movements for national independence and democracy have surged forward as never before. All these have progressively constricted the area for exploitation and oppression by imperialism.

### **C. Decline of Capitalism and US Imperialism**

Capitalism has basically followed the path of growth and decline theoretically mapped out by Marx. Thirteen years after the publication of the first volume of *Das Kapital*, the accelerated concentration of capital and elimination of free competition among a multitude of small enterprises were already too conspicuous to be denied. Before the end of the 19<sup>th</sup> century, monopolies were already dominant in the leading capitalist economies.

In only 14 years also from the publication of the monumental work of Marx, the proletariat of Paris was able to seize political power and establish the Paris Commune in the wake of the Franco-Prussian war. In only fifty years from the same point of reference, the Marxist Bolsheviks were able to seize political power and launch a social-

ist revolution. In terms of historic time, especially when it pertains to so fundamental a transformation of society as the elimination of private property in the means of production, the validity of Marx's theory has been proven in a relatively short period of time.

The victory of the first socialist revolution proves that capitalism, in developing further to modern imperialism, had only enlarged and worsened the basic class contradictions that Marx saw in capitalist society. One-sixth of the world became emancipated from the clutches of capitalist exploitation. That was no small reduction of the capitalist world.

After World War II, several new socialist countries emerged in Eastern Europe and Asia. The country with the largest population (one fourth of the world) turned socialist. One-third of the world population embraced socialism. This is a massive reduction of capitalism's stomping ground.

The capitalist powers could no longer return to so many colonies and semi-colonies in Asia and Africa in order to restore the status quo antebellum. Powerful national liberation movements were surging forward. In the three continents of Asia, Africa and Latin American, anti-imperialist movements were set on reducing the scope of the capitalist world.

Among the capitalist countries themselves, one half of a major capitalist power—Germany—



could not be returned to the capitalist fold. In other major capitalist countries, like France and Italy, the Communist Party emerged as a major political force.

The advance of the Marxist-Leninist parties and organizations to gain political power was not simply the result of the inter-imperialist wars. In periods before such wars, persevering work had been done in order to develop them as the capitalist system, went through one economic crisis after another of increasing severity.

Long before World War I, the trade union movement and working-class parties worked indefatigably to strengthen themselves, broaden democracy and oppose the monopoly capitalist class. Long before World War II, communist parties worked indefatigably to develop the revolutionary forces. In China, a long drawn armed struggle was carried out against the imperialists and their local puppets.

During World War II itself, the Soviet Union effected the turning point for the whole of Europe and the world by defeating the German invaders at Stalingrad and rolling them back all the way to Germany. In Asia, the Chinese revolutionary forces led by the Communist Party tied down the bulk of Japanese troops and defeated them. In so many countries, communists took the lead in guerrilla warfare against the fascists.

World War II was created by the series of severe

economic crises after World War I that culminated in the Great Depression. The capitalists and other reactionaries in countries that found themselves squeezed by the crisis resorted to anticommunist demagoguery and supporting fascist movements. Thus, Mussolini, Hitler, Tojo, Franco and so on were lifted to power.

Great Britain, the United States and France were also caught in the squeeze between overinvestment and under-consumption. But they had a wider area of maneuver to deal with the economic crisis.

The Great Depression and then World War II resulted in the massive destruction of productive forces and in political upheaval as no other economic crisis and war could in the past. The world capitalist system as a whole weakened more profoundly than ever.

After the war, however, the United States emerged as the No. 1 capitalist and imperialist power, replacing Great Britain from that position. It was the only country not damaged by the war, except for the Japanese flea bite at Pearl Harbor in Hawaii. As in World War I, it had gained enormous war profits and poured its own manpower and means into the war only in the last stage in order to pick up the spoils.

It could benefit tremendously from the reconstruction of the devastated capitalist economies. It put under its hegemony both allies and former

enemy. It gained dominance in those colonies and semi-colonies still vulnerable to imperialist penetration or colonial reoccupation. To cite a few examples, it was able to take over British oil interests in the Middle East and the Dutch oil interests in Indonesia; and such colonies as South Vietnam from France, and South Korea, Taiwan and the Pacific island territories from Japan.

It was able to put together the widest ever capitalist empire, larger than the British empire. The wealth and political bluster of the United States gave the Philistines the illusion that the world capitalist system was strong and invincible. Despite all its advantages over its kindred capitalist countries, the United States was faced with the problem of having to rapidly reconvert its military plants into civilian ones. At the same time, it was politically concerned with the rise of the socialist countries and national liberation movements.

Thus, it launched the Cold War in 1947 to justify a slower rate of reconvertng its military plants to civilian ones. It boasted of its monopoly of the atom bomb and provoked incidents in Europe, Asia and elsewhere. It sought justification for the maintenance of increasing US military bases around the world. It was not until 1949 that the Soviet Union successfully tested its atom bomb to break the US nuclear monopoly. In 1950 the United States launched the Korean war, but this ended in a stalemate, exposing the limits of US

military power. Not only were the high US casualties politically untenable. But even Eisenhower saw that the whole adventure as profitless and inflation-causing; and the military-industrial complex as becoming too powerful for civil comfort.

Kennedy reversed the austere policy of Eisenhower and started a “military” policy of heavy government spending for military purposes. Overseas military bases were beefed up. Military production and space research were intensified. US launched a war of aggression against Vietnam and suffered a historic defeat a decade later, after using up a total of \$150 billion in war expenditures. All these rising military expenditures created a gross imbalance in the US economy.

In one respect, these have been an outlet for capital glut in the United States. But at the same time, these have grossly mis-allocated economic resources and have created an ever-mounting inflationary spiral. Military contracts, notorious especially for gold-plating, are responsible for what bourgeois economists call cost-push inflation, although they blame it solely or mainly on a high wage level and high wage demands in the United States.

The military industries draw resources to themselves and boost wage standards. Despite the lopsidedness of the US economy, the consumer industries could still expand for quite some time. A very wasteful kind of consumerism has even flourished.

In addition to the inflationary activities within the American economy, the United States has been able to maintain military bases and forces abroad and conduct an extremely expensive war like the Vietnam war.

Aside from the relative exploitation of the US working class, two reasons can be cited for the US being able to go its profligate and inflationary ways for some time. One is that it has been making a lot of profits and getting cheap raw materials abroad, especially in third world countries. Two is that it has been flooding the world with its currency through so-called aid programs, multinational firms and military bases.

There are limits to US monopoly profit-taking and abuse of currency abroad. US capitalist allies and third world countries, including client states, are increasingly at odds with US monopoly interests.

The capitalist economies destroyed or severely damaged in the last war have fully recovered since the late 1950s and are now competing with the United States in a limited world capitalist market. The point has been reached that protectionism is on the rise and the US dollar is often denounced as abusively being used for takeover purposes or unfair trade practices. The capitalist world is now often upset by a crisis of overproduction.

Recessions are occurring more often than before. Production is curtailed in order to bring

the monopoly capitalist class a higher rate of profit. Though recessionary policy is intended to cut down the inflation rate, it does not achieve the purpose. But when an inflationary policy is resorted to, neither does the economy perk up from stagnation. There is now a long-drawn economic disease called stagflation, both stagnation and inflation going on at the same time. The fiscal and monetary remedies of Keynesian economics have been inefficacious.

The curtailment of production in the capitalist economies has a disastrous effect on the colonies and semi-colonies like the Philippines. These are so dependent on the export of raw materials and yet a stagnation or recession in the capitalist economies results in the absolute reduction of exports or in the depression of prices of exports. At the same time, they have to pay for the ever-rising prices of imported manufactures.

As a result of the economic crisis in capitalist economies and the constant attempt to shift the burden of crisis to the underdeveloped colonies and semi-colonies, the exploited people become restive and even client-states begin to make demands on the United States. Thus, there is the demand for a new international economic order and the confrontation in the North-South dialogue.

But the most powerful economic action so far undertaken by some developing countries to counteract the capitalist economic crisis has come from

the OPEC. No longer can capitalist countries get oil, the lifeblood of industries, at extremely cheap prices as before. A byproduct of OPEC action, however, is the intensified difficulties of other developing countries which do not produce oil. These difficulties will press on them to assert their own independence from the imperialists in the long run.

A point has been reached in the capitalist economic crisis that the capitalist countries are competing to tap new markets in socialist countries. The latter are now purchasing new technologies previously banned from them. Even the dependent countries have been allowed to seek new markets. As early as 1969, US policy makers had seen the necessity of having economic relations with a country like China in close connection with the need to wind down the futile war of aggression in Vietnam.

The US and other capitalist economies are now faced with an economic crisis far worse than the depression of the 1930s, which started with the stock market collapse in 1929. It is becoming more and more obvious that bourgeois political economy, especially Keynesian economics, has never really solved the basic problems of capitalism that Marx and Lenin pointed out. It has only succeeded to cover it up during certain periods and at the same time prolong and deepen it.

Too much credit has been given to Keynes. The

economists of Mussolini in the 1920s and Hitler in the 1930s have a prior claim to the idea of pump-priming. Hoover started it in 1932. Richard T. Ely, chief economist of Roosevelt, laid out the pump-priming program of the New Deal. Despite its seeming recovery in 1935-36 due to pump-priming, the US economy again plunged until the outbreak of World War II. It was really the war that brought about a recovery and big boom in the US, as all the other capitalist countries busied themselves with destroying each other.

Since the end of World War II, the United States has always been faced with the problem of overinvestment and overproduction. Until the Vietnam war, recessions and recessionary trends were solved by increasing military expenditures. But the Vietnam war has already demonstrated that, while for a time the war industries reap profits at a satisfactory rate, the whole economy suffers soaring inflation.

At the moment, the United States is caught in a dilemma, whether to shy away from activities reminiscent of the Vietnam war and suffer depression or whether to face up to Soviet social-imperialism increased military expenditures and suffer inflation. The problem is complicated by increasing competition from other capitalist economies and the adoption of anti-imperialist attitudes by third world countries. One thing is sure the United States is on the path of decline. It is now turning



out that the American empire is practically a flash in the pan in comparison to prior empires.

Bourgeois economists always try to “disprove” Marx by dogmatically cutting off Marx from Lenin and by one-sidedly celebrating capitalist prosperity during boom periods in the 20<sup>th</sup> century. They should not fail to see that the world capitalist system has been disrupted and reduced by economic busts and wars that are worse in the 20<sup>th</sup> century than in the 19<sup>th</sup> century. At this very moment, the whole capitalist system is once more on the eve of a colossal depression far worse than the one in the 1930s. The danger of a world war also looms.

No genuine Marxist has yet dared to say when capitalism will collapse. But since Marx there has always been the contention of Marxist economists that the capitalist crisis will keep on recurring and becoming graver. It is not true as claimed by anti-Marxists who have not even read Marx, that he predicted that world would become socialist in one big bang during his lifetime or soon after. Capitalism has declined through a series of worsening crises and wars.

Socialist economies might even prolong capitalist economies for some time by using them as a special supplementary source of capital goods and new technology. But when socialist economies become stronger both by their own self-reliant efforts and through trade with capitalist countries, capitalism will eventually have a narrower market

and find itself in a more difficult situation. The nonsocialist developing countries also tend to cut down the privileges of the capitalist countries by defending their legitimate interests.

The restoration of capitalism in the Soviet Union and some other socialist countries can prolong to some extent the life of capitalism in the world, but in the long run will not stop the decline of capitalism and the demand for socialism. After suffering the restoration and full play of capitalism, the people would rebel someday in order to re-institute socialism. With the emergence of the Soviet Union as a social-imperialist power, the longstanding capitalist countries can only find themselves in an even more tightened world situation. The danger of war between the two superpowers is rousing countries to choose nonalignment and peoples and nations to assert independence and wage revolution.

## CHAPTER 4. SCIENTIFIC SOCIALISM

Scientific socialism is the theory and practice of the modern industrial proletariat for revolutionary class struggle to emancipate itself, together with other oppressed people, and become the ruling class in lieu of the bourgeoisie; to bring about and develop a society in which the means of production are under public ownership and planned production is for the good of the people rather than for the private profit of a few; and thereby to prepare the way for the classless communist society.

The Communist Manifesto, drawn up by Marx and Engels for the Communist League in 1848, laid down for the first time the comprehensive theoretical foundation of scientific socialism. Previous to this, socialism was a loose term referring to various trends of thought denouncing the abuses of the bourgeoisie on the proletariat and seeking to ameliorate the condition of the latter.

The Manifesto in its third section identifies three forms of socialism preceding scientific socialism: 1) reactionary; 2) conservative and bourgeois; and 3) critical-utopian socialism and communism.

The reactionary socialists included the feudal socialists, the petty bourgeois socialists and the German or “true” socialists. In common, they reacted to and opposed the new historical conditions brought about by the bourgeoisie and proposed some backward model of society. Marx and

Engels regarded them as foolhardy and reactionary for wanting to turn back the wheel of history.

The feudal socialists were characteristically members of the decadent aristocracy and the clergy who took up the grievances of the proletariat against the bourgeoisie in order to advocate a return to the feudal system. The petty bourgeois socialists were representatives of the independent peasants and artisans who were in the process of dissolution and hankered for the restoration of the craft guilds and patriarchalism in agriculture. The German “true” socialists were intellectual pedants who imported French socialist literature only to rephrase this into idealistic bombast bereft of concrete analysis and obscuring the class struggle; they proposed the Philistine German intellectual of the Middle Ages as the model of humanity in general.

The conservative and bourgeois socialists included a number of economists, philanthropists and petty do-gooders who believed that the grievances of the proletariat could be redressed within the capitalist system and that anything good for the bourgeoisie was good for the proletariat. The proletariat was urged not only to stay within the bounds of bourgeois society but also to cast away all ideas of class struggle so that it can enjoy the bourgeois system as the New Jerusalem. Political movement among the workers was depreciated because it was held that mere changes in economic conditions and mere administrative reforms would

suffice to improve the lot of the proletariat.

The critical-utopian socialists and communists included Henri St. Simon, Charles Fourier, Robert Owen and others who acknowledged the class antagonisms between the bourgeoisie and the proletariat but who could not as yet see in the infant industrial proletariat of the early 19<sup>th</sup> century a force capable of historical initiative or political movement. So, they believed in their separate ways that individuals like them from the ranks of the educated could transcend the class struggle and invent some form of social organization into which the workers would spontaneously and gradually enter for their own good and for the sake of social harmony. They therefore appealed to the sense of charity and philanthropy of the bourgeoisie to either support or emulate their ideas and projects of class reconciliation.

St. Simon made the most panoramic proposal for the reorganization of society. He envisioned not only a new French society run by the industrialists, philosophers, physicists, chemists, astronomers, mathematicians and other men of modern scientific learning for the benefit of the poor and actual producers in society; but also a federation of European states run along the same line.

Fourier conceived of the phalanx, a productive community where industry and agriculture were integrated, where the workers would live in harmony with the capitalist and where the proletariat

would receive the largest share of the profits. For several years, he kept office daily solely to await the capitalist who would support the project. No charitable capitalist ever came.

Robert Owen was a successful capitalist himself who proved that he could increase his profits by improving the working and living conditions of his workers. He gave higher wages, shorter working hours (ten and a half hours) and better housing than was the standard followed by other capitalists. He later conceived of the home colony, a voluntary productive organization similar in many ways to that of Fourier.

Followers of Fourier and Owen put up in America several isolated communities along the lines designed by their masters. So did the followers of the utopian communist Cabet and Weitling who had previously experimented in France and Germany, respectively. All these experimental societies broke up under the pressures of the surrounding capitalist society.

Marx and Engels described the foregoing conceptions and projects as utopian building of castles in the air and fantastic pictures of the future of society, painted at a time when the industrial proletariat was still in a very undeveloped stage. But at the same time, they noted that these corresponded with the first instinctive yearnings of that class for a general reconstruction of society. They pointed to the critical element that made the utopian

socialist and communist publications full of the most valuable materials for the enlightenment of the working class. These criticized every principle of bourgeois society and in this regard proposed quite a number of practical measures such as the abolition of the distinction between town and country and of the carrying on of industries for the account of private individuals; the conversion of the functions of the states into a mere superintendence of production; and so on.

At the time of Marx and Engels, the socialists and communists of the utopian kind had degenerated into narrow religious sects, pedantically repeating the outdated writings of their departed masters, fanatically opposing political action by the workers and becoming more reactionary as the very conditions for socialism became apparent. They could not keep pace with the growth of the proletariat and the development of historical conditions.

Engels' *Socialism: Utopian and Scientific* (actually a section of *Anti-Duhring*) elaborates on scientific socialism as the diametrical opposite of utopian socialism. Marxist socialism is scientific because it analyzes capitalism and grasps that law of motion that leads to its socialist transformation. Of all pre-Marxist forms of socialism, utopian socialism came closest to the yearnings of an infant industrial proletariat but fell far short of the theory of scientific socialism.

Scientific socialism was formulated at a time that capitalism had developed sufficiently to reveal not only its past and present but also its future. The very growth of modern industry and the proletariat could already be observed as contradictory with the capitalist relations of production. As the forces of production grew, the capitalist mode of production became increasingly marked by crisis. The Communist Manifesto avers that capitalism creates its own gravediggers—the proletariat and modern industry.

The most incontrovertible proof for Marxist socialism as a scientific theory is the series of victories that the proletariat has achieved under its guidance. The ceaseless advance of the revolutionary movement of the proletariat has continuously enriched and developed such a theory. The correctness of scientific socialism is today best demonstrated by the actual building and progress of socialism in several countries.

It is commonly said that class struggle is central to the theory of scientific socialism. This requires further qualification to show the full scope of Marx's development of the theory of class struggle. In a letter to J. Wedemeyer dated 1 March 1852, Marx wrote: "no credit is due me for discovering the existence of classes in modern society or the struggle between them. What I did that was new was to prove: 1) that the existence of classes is only bound up with particular historical phases



in the development of production; 2) that the class struggle necessarily leads to the dictatorship of the proletariat; 3) that this dictatorship of the proletariat itself only constitutes the transition to the abolition of all classes and to classless society...”

### **A. Class Dictatorship of the Proletariat**

The chief overall requirement for the establishment of a socialist society is the class dictatorship of the proletariat. This simply means that state power must be in the hands of the proletariat as the ruling class.

Marxism or scientific socialism frankly admits that the proletariat or socialist State is a class dictatorship, unlike the bourgeoisie which misrepresents its own state power or class dictatorship as a supra-class instrument for the common good of all classes, groups and persons.

As a class dictatorship, the socialist State is definitely turned against the bourgeoisie and other enemies of the people. The coercive apparatuses of the State are used to guarantee, consolidate and defend the socialist revolution and construction against internal and external enemies.

The socialist revolution deprives the bourgeoisie of its political power and its private ownership of the means of production. The determination of the bourgeoisie to retain these or, upon defeat, to recover these can never be underestimated.

Before a socialist society can be established, the

bourgeoisie does everything in its power to prevent the victory of the proletariat. The strength of proletariat at the inception of its rule is developed and acquired through difficult struggle.

The class dictatorship of the proletariat against the exploiting classes means at the same time a socialist democracy for the proletariat and all other exploited people who have emancipated themselves. Without being able to put reactionaries and counterrevolutionaries in their proper places, the proletarian State would be incapable at the same time of guaranteeing democracy for the entire people.

The socialist constitution expressly upholds the class leadership of the proletariat on the basis of its alliance with all other democratic forces, like the peasantry, the petty bourgeoisie and the like. Decisive practical measures to favor the formerly exploited classes are spelled out in such a constitution.

The best of bourgeois liberal constitutions completely refrains from pointing to the existence of classes and class struggle. It deliberately uses abstract and universalistic references to individual rights, without class distinctions of any kind, in order to cover up and promote the effective legal right and freedom of the exploiting classes to exploit the great masses of individuals belonging to other classes and accounting for more than ninety percent of the population.

While dictatorship of the proletariat may sound terrifying to some and evoke images of indiscriminate acts of violence, it is a well-established principle of scientific socialism to remove the political and economic basis of class oppression and exploitation and to give even the members of the erstwhile exploiting classes the amplest opportunity to remold themselves and contribute what they can to the progress of socialist society. Only in specific cases of criminal offense are offending individuals called to account according to law.

On the basis of theory and actual experience in the building of socialism, not only exceptional individuals but entire sections of the bourgeoisie and other exploiting classes abandon their class standpoint and join the revolution. The class dictatorship of the proletariat makes political allowances for them. It has never occurred that the proletariat has ascended to power without allies. And the legitimate interests of these allies are respected; concessions are given to them in many respects for the sake of advancing the democratic and socialist cause.

Even the general run of officers and men in the defeated bourgeois army are amnestied and are provided with suitable means of livelihood upon demobilization. Enemy troops who are workers and peasants receive the same benefits that go to other members of their class. Enemy officers and men who join the revolution any time before vic-

tory are considered bona fide troops of the revolution.

The ultimate objective of any revolutionary party of the proletariat is to establish a socialist society. Therefore, its long-term interest is to establish the class dictatorship of the proletariat. But the fulfilment of such a long-term interest cannot be attained by a mere subjective wish of anyone or any party. There are immediate conditions and immediate interests to attend to before the question of socialist revolution can be taken up. Even in an advanced capitalist country, where the issue of socialism is closer at hand than elsewhere, there are those immediate conditions and immediate interests that must be attended to before the socialist revolution becomes possible. In a semi-feudal country, the more is it pressing and definite that the bourgeois-democratic revolution is a stage that must be dealt with for a considerable period of time before the socialist revolution becomes possible.

Under conditions that the ruling class in a capitalist country is willing to allow the Communist Party to operate legally, said party does not reject the opportunity. After all the main interest of such a party is to raise the level of consciousness of the proletariat and other people and to organize them. Reforms can also be won from time to time. Without certain conditions favorable to armed revolution, to wage it would be disastrous to the party

in view of the highly urbanized character of the country and the highly centralized character of communications.

Even in a semi-feudal country whose terrain is sufficiently wide for a protracted armed struggle, a communist party does not reject the opportunity to engage in legal political struggle, when such opportunity exists. Conditions can easily arise that it is to the immediate interest of promoting national independence and democracy that the Communist Party unites with the bourgeois government and the national bourgeoisie against imperialism and feudalism.

In either capitalist or semi-feudal country, armed revolution is justified and is likely to succeed when objective conditions favor it and the subjective factors of the revolution are strong enough.

Objective conditions refer to the situation of the ruling system. A political and economic crisis of that system can become so serious as to violently split the ruling class and prevent it from ruling in the old way. The ruling clique engages in open terror against a wide range of people and is extremely isolated. The people in general, including those unorganized, are disgusted with the system and are desirous of changing it.

The subjective factors of the revolution refer to the conscious and organized forces of the revolution. These are the revolutionary party, the mass

organizations, armed contingent, and so on. To gauge their strength fully, one has to consider their ideological, political and organized status and capabilities. The objective conditions are primary over the subjective factors. The former arise ahead of the latter and serve as the basis for the development of the revolutionary forces. The Communist Party cannot be accused of inventing or causing the political and economic crisis of the bourgeois ruling system.

At any rate, it is possible for the objective conditions to be favorable for armed revolution but the subjective factors of the revolution are weak. Sometimes also, it is possible for subjective factors to be strong but the objective conditions are not favorable for armed revolution. In either case, it is foolhardy to rush into strategically decisive armed confrontation with the bourgeoisie. Let us take examples of armed revolution waged by the proletariat.

Even before the Communist Party could take root anywhere, the proletariat spontaneously launched armed uprisings in many countries in continental Europe in 1848. Their actions coincided not because of any international coordination but because of a severe political and economic crisis that swept Europe. The ideological, political and organized strength of the proletariat was still very inadequate. Thus, the bourgeoisie was able to take advantage of their actions to serve its own end

against the aristocracy even as it also quelled the proletariat in the name of law and order.

In 1871, the political and economic crisis of France was exacerbated by its defeat in the Franco-Prussian war. The workers of Paris dared to seize power from the bourgeoisie with the very same arms given them as national guardsmen. They were able to hold power for two whole months and thus proved for the first time the capability of the proletariat in acting as a progressive ruling class. They passed many progressive measures.

The Paris Commune that they established fell because of those weaknesses and errors Marx would subsequently analyze. Among these were that they were not able to link up with the rest of the French people, they did not completely reorganize the state machinery, their Central Committee passed power too soon to a popularly elected representative assembly, they did not pursue immediately the weak bourgeois government in retreat, they overlooked the possibility that the bourgeois armies of France and Prussia would unite against them, and so on.

Until the outbreak of World War I, the bourgeoisie of all capitalist countries appeared to be able to put the proletariat under control and assuage the class struggle, notwithstanding the worsening economic crisis. It also appeared that the development of capitalism into modern imperialism had already given the bourgeoisie the lee-

way for mollifying the proletariat at the expense of the colonized peoples in the East. (Even previous to modern imperialism, Marx and Engels had also noted temporary solutions to the economic crisis in the destruction of commodities, exploitation of new markets or intensified exploitation of old ones, emigration of surplus labor to America and other colonies, etc.)

Developing Marxism further, Lenin pointed out that capitalism was in for bigger trouble of its own making by becoming monopoly capitalism or modern imperialism. He said that the recurrent crisis would become bigger and more disastrous and would affect not only the capitalist countries themselves but also the whole world. Indeed, a series of severe economic crises would occur soon, causing a violent split among the capitalist countries and the outbreak of World War I.

Russia, the weakest capitalist country, plunged into the war and sent millions of its ill-equipped troops to the front. As two million of them died in the battlefields, the people at home increasingly suffered from starvation and deprivation of freedom. Thus, the bourgeois-democratic revolution occurred in February 1917, with the active participation and full support of the Bolsheviks. The Bolshevik-led workers of Petrograd were the vanguard in bringing down the Tsar and the Tsarist troops started to form solidly under the banner of the Bolsheviks.



The bourgeois leadership of the government succeeding the Tsarist regime committed the fatal error of continuing the war policy of the Tsar. The Bolsheviks raised the outcry for bread and freedom and for turning the imperialist war into a civil war. The workers and peasants rallied to the call and the bulk of the government troops joined the Red Army. The first Red Army was drawn from the reactionary army. Thus, the socialist revolution of October 1917 occurred.

The Bolshevik party and the people withstood and won against the reactionaries in the civil war and subsequently against the foreign interventionist forces sent in by Germany and then by the former allies of Russia.

World War I upset the balance of power. In the peace settlement following it, China was one of the backward countries where the perfidy of the winning imperialists was completely exposed to the people. The allies awarded to Japan, instead of to China, the German spheres of influence in China. This roused the Chinese youth and people to launch massive campaigns of protest against the Versailles Treaty. These actions nurtured revolutionaries who would ultimately emerge as the leaders of the Chinese Communist Party.

After the victory of the socialist revolution in Russia, it became clearer than ever that a democratic revolution is a distinct stage preparatory to the socialist revolution in a country where vestiges

of feudalism are significant. Marx and Engels had earlier pointed out that in such countries as Germany, Poland and Russia that had considerable vestiges of feudalism, agrarian revolution would have to be dealt with in a revolution led by the proletariat. They also observed that in Poland the struggle for independence would have to be based on agrarian revolution.

The Chinese Communist Party was founded in 1921. It united with the Guomindang in 1924 in order to fight the northern warlords and assert the authority of the Chinese Republic which had been betrayed by Yuan Shi-kai. After the Revolution of 1911, Sun Yat-sen had relinquished the presidency to him, who subsequently turned himself into an emperor. The KMT and CPC agreed on fighting for national independence and democracy and were supported by Soviet Russia. At that time, no Western imperialist power was willing to support the KMT.

But after the death of Sun Yat-sen, the British and American imperialists intensified efforts to woo Chiang Kai-shek. He succumbed to the seduction and betrayed the KMP-CPC alliance by massacring hundreds of thousands of Chinese communists and workers in 1927. In Shanghai alone, 300,000 communists and suspects were massacred. The CPC was therefore compelled to fight back and launch uprisings.

A number of communist-led divisions broke

away from the National Revolutionary Army under KMT-CPC joint command, and Mao started to form peasant guerrilla units in the Chingkang Mountains. The decision of the Chinese Communist Party to wage armed resistance was not a sudden one-sided decision but was preceded by the violent acts of Chiang in the service of the Anglo-American imperialists.

For the first time in the history of the revolutionary proletariat, the CPC demonstrated that armed struggle could successfully be waged against the pro-imperialist bourgeoisie in the specific conditions of China. Mao explained that this was possible because the imperialists were plunged in crisis and were divided against each other and that was also the situation of their respective warlord puppets in China.

However, in 1936 when the Japanese invaded Manchuria and made clear its intention of conquering the whole of China, it was the Chinese Communist Party which took the initiative of calling on the KMT to come to an anti-Japanese alliance and set aside the internecine warfare. Chiang refused until he was arrested by his own commanding generals in Xian and they compelled him to enter into a truce agreement with the CPC.

In the anti-Japanese resistance, the CPC became strong because it fought the Japanese hard. The KMT grew weak because it avoided battles against the common enemy. Chiang adopted the policy of

“letting the tigers fight” (the Communists and Japanese) and launching an anticommunist onslaught whenever he had a chance. These policies proved unpopular. Popular support went to the CPC.

When the CPC and KMT went into another round of civil war from 1947 to 1949, the conclusion was clear beforehand. At the beginning, Chiang appeared strong because he had eight million troops and the CPC had only one million troops. But any well-informed observer could see that Chiang’s army was conscripted and only US money and equipment propped it up while the troops of the people’s army were volunteers for the revolutionary cause and were battle-tested in the war of resistance against Japan. Inflation was raging and KMT officers cheated their men of pay and rations. No wonder that entire large units of the KMT kept on shifting to the revolutionary side.

We have paid special attention to China because it accounts for a quarter of humanity and because the victory of the proletariat there has profound effects on the life of the world capitalist system in the long run. Also, we should not fail to see that the economic crisis of the 1930s brought about World War II and in turn this war led to a tremendous weakening of the capitalist system, the rise of several new socialist countries and national liberation movements.

In the period after World War II, the victory

of the Indochinese peoples against US imperialism has demonstrated one more thing. The people of a small country can successfully wage a protracted armed struggle against the strongest imperialist power even under conditions where the country is not involved in a world war.

The proletarian parties that have waged armed struggle are the ones that have succeeded in completing the democratic revolution and then making the socialist revolution. The army that they have built in the course of the democratic revolution becomes eventually the main component of the socialist State or the dictatorship of the proletariat. In countries where the Communist Party has won power after World War II, the class dictatorship of the proletariat has taken the form of a people's democratic republic. Such a state must complete the bourgeois revolution and must therefore carry out bourgeois democratic reforms, especially land reform, but at the same time begin the socialist revolution.

All political parties that have supported the revolution are represented in a coalition arrangement, usually a people's consultative council, and in the people's parliament. Although the Communist Party is recognized as the leading party because of its proven political leadership and capabilities in the revolution and its command of the revolutionary army, it makes it a point to continue encouraging the participation of allies in governmental

responsibility because that is the necessary democratic and effective way of knowing problems, resolving differences and uniting the people.

Each one of the patriotic and progressive parties that continues to exist in a socialist society can propose any measure and contest the proposed measure of any other party. The Communist Party itself is bound to put its proposed measures under the test of a collective discussion. Persuasion is the rule among the representatives of the various currents of public opinion. But the coercive apparatuses of class dictatorship are applied on those who have no desire but to destroy or subvert the socialist society.

There is yet no proletarian party that has won political power and built socialism without building an army and waging armed struggle. But certainly there are also proletarian parties that operate legally under the bourgeois State and are not any less revolutionary because they cannot overstep the immediate conditions under which they can still work for the immediate interests of the proletariat and people and also under which they need to strengthen themselves, whatever the future may hold in the ever recurrent crisis of imperialism and reaction.

The Bolsheviks participated several times in the Duma even under Tsarist rule. The Communist Party of China went into a united front twice with the Guomindang government. The Laotian

communists went into coalition with the neutralists and rightists in a certain period and then only with the neutralists in another period. In capitalist countries, Marxist-Leninist parties just like the revisionist parties operate legally.

Every proletarian party and state must be guided by proletarian internationalism. But this does not mean that revolution can be imported or exported from one country to another. Every revolutionary struggle must take a national form because the proletariat in one country has to settle matters first of all with the bourgeoisie in the same country. The Communist Manifesto points this out.

Marx and Engels observed that the revolutions of 1848 were not fought in vain even as these called mainly for national independence. These pushed forward the conditions under which the proletariat of every country would struggle against the bourgeoisie within defined national limits. Proletarian internationalism was unthinkable in the conditions before 1848. The national struggles of the working class in various countries are the building blocks of proletarian internationalism.

The socialist State is a defender of the sovereignty of the nation and people. Within its national boundaries, the class dictatorship of the proletariat has all the right to deal appropriately with the bourgeoisie or with any other local class; and ward off the aggression, intervention, inter-

ference and other extraterritorial acts of an imperialist power. The assertion of national sovereignty and independence by the proletariat in power or not yet in power is a just weapon against imperialism.

At this stage of world history, only the people within each country can best know their own situation and have the right to determine their destiny. The hegemonism of the United States or the Soviet Union today is an unjust imposition on other peoples.

When the Soviet Union speaks of an “international proletarian dictatorship” it is a complete violation and a gross distortion of the Marxist theory of class dictatorship and proletarian internationalism. No state whatsoever has the right to arrogate unto itself the right to determine the fate of other states or peoples.

## **B. The Socialist Economy**

The socialist economy has been made possible in world history by the growth of modern industry and the proletariat in capitalism. These forces of production outgrow and rend asunder the capitalist relations of production which have become their fetters. They therefore become liberated and can grow at an accelerated rate.

In a socialist society, social or public ownership of the means of production replaces private ownership. The new relations of production are made



to correspond to the social character of the means of production. The entire mode of production is revolutionized.

The proletariat uses its political supremacy to wrest step by step all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, and increase the total productive forces as rapidly as possible.

The Communist Manifesto lists down a number of measures for revolutionizing the mode of production in the most advanced countries but at the same time point out that these measures will be different in different countries. These measures are the following:

Abolition of private property in land and application of all rents of land to public purposes.

A heavy progressive or graduated income tax.

Abolition of all rights of inheritance.

Confiscation of the property of all emigrants and rebels.

Centralization of credit in the hands of the State, by means of a national bank with state capital and an exclusive monopoly.

Centralization of the means of communication and transport in the hands of the State.

Extension of factories and instruments of production owned by the State; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a general plan.

Equal liability of all to labor, establishment of industrial armies, especially for agriculture.

Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equable distribution of the population over the country.

Free education for all children in public schools. Abolition of children's factory labor in the present form. Combination of education with industrial production, etc.

Marx's *Critique of the Gotha Program* shows how the total product of society is divided. There are the funds for 1) wages; 2) capital reproduction; 3) public welfare; 4) administration; and 5) defense. The wage system is retained but the essential difference between capitalism and socialism in this regard is that there are no more gross disparities in income and that the average level of income is deliberately made to rise above mere subsistence level. The surplus product (above wages) is no longer appropriated as private income by any exploiting class but used for capital reproduction, public welfare, administration and defense.

In the payment of wages, the principle to be followed is "from each according to his ability, to each according to his deeds." There are wage or salary differentials according to differences in productivity. A manager or an engineer will still get a higher wage than a skilled worker; and the latter will get a higher wage than an unskilled worker

or apprentice. For some time, the industrial proletariat will get higher wages and more benefits than the peasants. But at the very start, steps are taken to remove the gross disparities in income in the old society. The long-term objective is to raise the productivity of one and all through education and training; and to actually expand production in order to steadily raise the general level of income and social services.

In considering wage differentials, we can see that the socialist society at the early stage bears the birthmarks of the old society. This cannot be avoided. Socialism has to start from the productive forces inherited from the old society. Any damage to the productive forces in case of civil war or imperialist war prior to the establishment of socialist society has also to be overcome and rehabilitated.

With social profit taking the place of private profit, a tremendous and ever-increasing amount of the surplus product is released every year for the reproduction of capital. Such ills endemic to capitalism as misallocation of resources, the anarchy of competition, conspicuous consumption, the business cycle and excessive military expenditures are done away with.

National economic planning takes the place of the conflicting calculations by various private firms in the market. Production is for use rather than for private profit. The most essential and necessary

commodities and projects are given priority. The internal balanced and self-reliant development of the socialist economy is carried out.

Economic planning is effective because all economic factors are under unified control and all active components of the economy at all levels report the information and recommendations to serve as the basis for the plan. An economic plan is the result of the open interaction between the central planning body and lower levels. National goals are related to actual capacities. Economics acquires the precision of an applied science. In a capitalist society, economics as well as economic planning is really a far more imprecise field of knowledge and is often a guessing game as the individual capitalist firms keep from each other and from the public production, trade, technical and other secrets in the name of private ownership and competition. Only partial information is given publicly by private firms when it serves their ends.

The expansion of public welfare facilities augments the wage system. These include public schools, theaters, libraries, housing, health care, recreational facilities, means of transport and communications, electricity, and so on. The State at various levels, economic units and mass organizations maintain initiatives in the buildup of public facilities.

In a capitalist society, the best of facilities maintained at a great cost to society are available only

to the ruling classes and a few hangers on. One needs only to be reminded of exclusive schools, private hospitals, mansions, country clubs, private cars and so on in the face of mass unemployment and poverty, a large mass of out-of-school youth, shabby and limited public hospitals, slums and shanties, overcrowded parks, inadequate public transport and the like.

The cost of administration or management in the political, economic, social and cultural institutions and organizations of socialist society is quite low. That is because simplicity of administration is maintained. There are no unnecessary organizations and functions as those proliferating in a capitalist society. Political leadership and economic management are closely related in general and are actually unified in basic units of production and at a number of higher levels.

In a capitalist society, there is an administrative separation of government and the economy; and each side has a proliferation of unnecessary organs, offices and functions. On the side of government, bureaucratism is the rule. On the side of the economy, there is the anarchy of production and marketing among a number of firms which are actually involved in the same line. Worst of all, exploitation of the working people is the rule.

Defense is a necessary concern in socialist society as we have already pointed out in our discussion of the dictatorship of the proletariat. Without

defense, socialist society would be destroyed by its internal and external enemies. But the cost of defense in such a society is relatively far, far smaller than in capitalist society. Especially in the case of imperialist powers, their military expenditures are astronomical in magnitude. Worst of all, the police and military forces are used for the purpose of repression and aggression.

The military policy of a socialist state is truly defensive and is opposed to aggression from its own side or from another. The military forces are built according to the principle of the people's army. In connection with the economy, military units are actually productive units, aside from being military, political and educational units. Periodically beefing up the standing army, the youth are rotated into military service and training. The people in general are politicized and trained as militia units and are not detached from production.

With the exception of the eastern part of Germany, which was mainly agricultural, none of the major capitalist countries has yet become socialist. So far only the weakest capitalist country—Russia—became socialist in the wake of World War I.

It is obvious that the sheer high development of a capitalist society does not automatically lead it to socialism. On the contrary, a strong capitalist country when afflicted with crisis is in a better position than a weak capitalist country to pass on the burden of crisis to others and prevent the over-

throw of its bourgeoisie by force and deception. Thus, Marx and Engels never declared that the more advanced a capitalist country is the more it would become socialist, although they recognized that the forces of production available there would be the best possible basis for socialism.

The socialist countries that have so far arisen and developed can best be appreciated by knowing their starting point and how far they have advanced from there in so short a time. Socialism on the stage of world history is still in its early stage and yet its achievements are already astounding.

The first socialist country Russia was the weakest link in the chain of imperialist powers. It had the rudiments of a capitalist economy, especially the production of steel, coal, oil, textiles and the like. But its few large cities were surrounded by a vast countryside where feudal and semi-feudal relations still existed. Moreover, it suffered greatly from the effects of Tsarist participation in World War I, a civil war and the war of intervention waged by all the capitalist powers.

As soon as the Bolsheviki were able to win power, the socialist revolution began with the nationalization of land and all major industries in Russia. The soviets (committees of workers, peasants and soldiers) took charge of the economy. But because of continuous warfare, production was often disrupted and requisitioning from producers and rationing to the people became the rule.

Socialist Russia could survive only by relying on the people and playing off the capitalist powers against each other. After the war of intervention by several capitalist powers, the main point was to reconstruct and revive production immediately even if it meant taking a pause in the drive to socialize the means of production. Thus, the New Economic Policy was decided on to give concessions to rich peasants, small and middle entrepreneurs and traders.

As soon as the economy was reconstructed and revived, the first of the five-year plans started. As the pioneering socialist country, Russia found it necessary to put the stress on heavy and basic industries. In agriculture, the State and collective sectors were developed. Within the collective sector, cooperativization and the introduction of farm machines were considered as the key factor in dissolving private ownership of land among the peasants. In certain areas for a short while, the rich peasants opposed the agricultural collectivization by slaughtering animals and destroying facilities. But the combination of socialist industry and the agricultural collectivization and mechanization prevailed.

To get new technology from abroad, Russia during the 1920s dealt with private American companies which were hungry for expanded sales and also with the continental European countries which continued to suffer from economic



crisis. Great Britain, the No. 1 defender of capitalism then, was the most stubborn in opposing the growth of socialism in Russia. In the 1930s because of the great depression, Soviet trade with the capitalist countries expanded tremendously. But in the total effort at developing socialism, the benefits from foreign trade constituted a small and supplementary part. It was the great political and economic mobilization of the people that built socialism.

By the time that Germany invaded the Soviet Union, the industrial and agricultural capacity of the latter had already been developed in depth. Even as the invaders occupied large chunks of Soviet territory, the Red Army could build up the strength to roll them back. The American lend-lease came late and was a mere drop in the bucket compared to the armaments turned out by Soviet industries.

The Soviet counteroffensive against the German war machine was the most decisive factor in defeating Nazi Germany and the scourge of fascism and liberating the people of Europe and beyond. As a result, people's democracies and socialism could be established in Eastern Europe and East Germany. The biggest blow that capitalism and imperialism suffered in the aftermath of World War II was the liberation of China. Socialism arose and the capitalist spheres of influence could no longer be restored. The country with the

biggest population went out of the orbit of capitalist exploitation.

Free distribution of land to the landless tillers was thoroughly carried out all over China. The modern industries, capitalist farms and sources of raw materials were taken over by the State. These immediately placed the State in a commanding position in the entire economy. These had been owned by the imperialists and comprador big bourgeoisie before liberation.

In the case of imperialists like the British and French, who were willing to negotiate payment for their assets, China accommodated them and made a satisfactory settlement. They stood to gain more from continued trade than demanding high compensation or the right to own property within China. On the other hand, the United States took the attitude of rabid anticommunism at all costs and declared a policy of embargo on China.

Practically all capitalists closely tied up with the Chiang ruling clique fled China and there was absolutely no reason to talk business with them. As they were traitors and participants in corruption in government, their properties were liable for seizure. But capitalists who supported the anti-Japanese struggle and also the struggle for liberation were given concessions.

They were encouraged to enter into joint venture arrangements (the so-called joint state-private enterprise) with the government. The main inter-

est of the State was to keep the industries going and expanding, without any disruption, especially because the work of reconstruction coincided with the Korean war.

Eventually, after some years, the policy was adopted to freeze private capital and to give the capitalists fixed interest payments rather than profits. All that the State would need to do is to enlarge the share of the State in the joint enterprise and to apply the law abolishing the inheritance of capital funds and means of production. In his lifetime, the law-abiding capitalist can live in comfort and send his children to school and see his children get jobs appropriate to their merit and ability. There was no need for them to depend on inheritance.

Petty and middle entrepreneurs have also been encouraged to go into joint enterprises with the State. Just as in the case of large joint state-private enterprises, the entrepreneurial and managerial skills learned in the old society are properly channeled and further developed. The State provides credit and additional equity for the development of these enterprises until the capital of the private investors becomes a very small portion of total capital. Phasing out private capital is the ultimate objective, at least within one generation.

The inheritance laws allow the bequeathal of durable articles of consumption but not of means of production and large amounts of capital. The

petty and middle entrepreneurs are assured, as were the bigger entrepreneurs, that their children get free education and appropriate jobs within socialist society.

After the distribution of land in land reform, agricultural cooperation rose from the stage of mutual aid and labor exchange through the stage of cooperatives to the stage of the people's communes. Dissolution of private ownership of land among the peasants was done through the development of cooperatives, capital construction, introduction of machinery, development of rural industries and side occupations and absorption of peasants trained to become workers into modern industries beyond the commune level. Ownership of the redistributed land would pass from individual ownership to shares in the cooperative and further on to the commune at its highest level of development.

Apart from the land worked in common at the commune, the peasants were allotted private plots on which they could produce what they want and which they could dispose of in any manner to augment their incomes. There are free markets where they can sell their surplus private produce.

The long-term objective of any socialist society is to develop the forces of production to the point that all industries and agriculture are along the line of modern industry and are under public ownership. One five-year plan after another has

been adopted and carried out to rapidly develop a modern economy.

Improving on the Soviet experience, the Chinese assert that agriculture is the base of their socialist economy while industry is the leading factor and have been consciously developing light industries to address immediate consumer and producer needs and bridge the gap between heavy industries and agriculture. Pricing policy has been used consistently to ensure rising income for the peasants though still lower by some small degree than that of the proletariat on the basis of productivity.

It took China only three years to reconstruct itself from the ravages of the last world war and the civil war. This was accomplished despite the requirements for the Chinese volunteers in the Korean war. From 1952 to 1958, the basic socialist transformation of the relations of production was accomplished. At the same time, the forces of production grew rapidly.

China made still larger strides in all-round economic development by following the strategic line of the Great Leap Forward. This enabled China to overcome the natural calamities, the imperialist blockade and the Soviet revisionist sabotage of hundreds of industrial projects. Because it pushed socialist development forward, it was viciously attacked as a failure by the capitalist West and the Soviet Union.

From then on, the rapid progress of the Chinese socialist economy could no longer be denied. During the period of the Great Proletarian Cultural Revolution, still greater progress continued to be made in socialist revolution and construction. The cultural revolution under proletarian dictatorship involved class struggle against the residual and recrudescing bourgeoisie and caused the revolutionization of the mode of production and superstructure in order to combat revisionism, prevent capitalist restoration and consolidate the factors of socialism.

The ratio of industry in industrial-agricultural output value has increased from 30 percent in 1949 to 74.4 percent in 1978. Steel output has increased 200 times since 1949. The machine-building industry supplies 80 percent of the equipment of the basic industries. Oil-fuel power industries are self-sufficient. Grain output has increased 2.5 times since 1949; and cotton output, 4.9 times since 1949.

With its present drive for modernization of industry, agriculture, science and defense, China expects that in another two decades it shall be in the front ranks with the United States and the Soviet Union. Its industrial capacity has already gone past the level of Great Britain. This is being premised on the rejection of the achievements of the Great Leap Forward and the Great Proletarian Cultural Revolution.

Grave dangers loom ahead for the cause of socialist revolution and construction because the capitalist-oriented reforms being undertaken and the integration of China in the world capitalist system can bring about the full restoration of capitalism and the bourgeois class dictatorship in China. Mao pointed out a long time ago that the ascent to a higher stage of social development from a lower exploitative kind of society involves revolutionary violence but a descent from a higher to a lower of social development can occur through peaceful evolution.

### **C. Transition to Communism**

Scientific prediction is possible only on the basis of the available facts and the laws of motion that can be drawn from them. In social science, a prediction can only indicate the general direction of events in view of many variables. To venture into details about a long future could easily result in wrong guesses or even fantasies.

Marx and Engels could only indicate the general direction of events on the basis of the facts of capitalist society and the laws of motion that they discovered therefrom. They defined the basic principles of socialist revolution and construction and anticipated the general outline on the basis of their study and critique of capitalism and imperialism. With regard to the transition of socialism into communism, they prognosticated the withering

of the State, the emergence of classless society, the massive and rapid growth of productive forces and the all-round development of human civilization.

The withering of the socialist State or class dictatorship of the proletariat means the steady dissolution of the coercive character of political authority. By then, there shall have been a lessening and finally a disappearance of the need for a distinct class, the proletariat, to hold in check another class, the bourgeoisie, with the use of the coercive apparatuses of the State like the army, police, courts and prison.

The advance of socialism, especially in its mode of production, is expected to dissolve the very conditions that create such antagonistic classes as the proletariat and the bourgeoisie. A generalization and equalization of conditions occur for the benefit of one and all. It is not an impossible dream to anticipate the growth of productivity to the point that all members of society need to work for a far lesser number of hours than now and have more time for other creative endeavors in private and in public.

One knows exactly how the bourgeoisie is differentiated from the proletariat in capitalist society. By their right of ownership of the means of production and by extracting profits for themselves, the bourgeoisie lives a more comfortable and even luxurious life while the proletariat is consigned to the drudgery of a long daily work routine and



the coarse conditions of poverty and misery. Certainly, one cannot fail to see the benefits derived by the working class by succeeding through struggle to reduce the working day progressively from 16 hours to eight hours, although the worker still remains exploited in capitalist society.

The attainment by all of the material conditions enjoyed by an educated middle-class family relying on high salaries and not on private ownership of the means of production is not an impossibility. While this is an impossibility for the working class under capitalism, socialism can bring this about because the growth of productive forces and all-round social development are no longer restricted as in capitalism.

Modern industry is capable of wiping out poverty overnight. But capitalism would rather manipulate and restrict the forces of production in order to exact a high rate of profit.

Marx pointed out clearly the problems that socialism in transition to communism would have to solve. These are the contradictions between the vestiges of the past and the new socialist society, between town and country or industry and agriculture and between mental and physical work.

The contradictions between the vestiges of the past and the new socialist conditions can be solved by further developing the achievements of socialist revolution and construction. The contradiction between the town and country or industry and

agriculture can be solved by bringing mechanization and the amenities of urban life to the countryside and building smaller cities integrated with rural life. The contradiction between physical and mental work can be solved by expanding educational and other cultural facilities, increasing real wages and reducing the workday for all.

Since Marx, it has been generally understood that the mode of production can be developed to such a point that the income of producers will no longer be decided according to their productivity. There will be such a superabundance of public facilities and articles of consumption that it will become embarrassing for anyone to talk or think of being deprived and disadvantaged regarding these things.

By then, the principle of distribution in society shall have become “from each according to his ability, to each according to his needs.” Needs here means all kinds—economic, social, cultural and so on. The productive level of society is such that the satisfaction of needs will no longer be restricted by one’s earning capacity.

There is the reactionary argument that in socialist society people would become lazy because they can never hope to own the means of production. Those who argue this way forget that in an exploiting society like capitalism it is those who work the hardest who do not own any means of production. And it is those who do no work that own these.

There is as well the argument that in communist society people would also become lazy because all their needs will be satisfied. Those who argue this way think that money grubbing in capitalist society is the best possible kind of life. These are certainly more worthwhile challenges and more fulfilling endeavors than working for one's subsistence. People do not become so much more stupid when their daily necessities are satisfied that they would refuse or fail to do their assigned work at greatly reduced hours. In fact, work is no longer a drudgery in communist but a joy like study or sports.

The logic and pretensions of the bourgeoisie should not be confused with the communist milieu. In communist society, the average man has the opportunity to develop a well-integrated personality by daily having enough time for work, study and leisure which may be used for cultural activity, entertainment, sports, further study or scientific experimentation.

The law of contradiction will continue to operate in communist society. It will have its own problems to solve. For one thing, the struggle to understand, wisely use and harmonize with nature will continue. There will be a struggle between correct and incorrect ideas and between the old and the new. To the extent that man still remains ignorant of many things, because of the infinitude of matter, man will still have to struggle for greater

freedom from that ignorance. Man will continue to be challenged by problems and moved by a desire to solve them.

Those who say that Marxism envisions communism as a final form of society, which is Eden regained, do not actually know Marxism. It is simply impossible to have a final society of perfect harmony. New forms of struggle in communist society will arise. Communism itself is destined to be supplanted by a new form of society.

The actual building of socialist societies since 1917 has made clear that there is no smooth sailing from socialism to communism. It is not a simple case of developing continuously the forces of production.

The development of the socialist mode of production is indeed the basic part of the preparation for communist society. But there are problems involving the class dictatorship of the proletariat and the entire superstructure of society. To obscure these problems would even adversely affect the mode of production.

Lenin was the first to say categorically that socialism entails a whole historical epoch, not a brief transitory period. The building of socialism itself is not a simple case of unilaterally doing what is to be done in the mode of production in one's own country. The dictatorship of the proletariat must be consolidated to guard against dangers and to put limits on the concessions that still need to

be given to backward elements.

The defeated bourgeoisie in a country multiplies its resistance to the rule of the proletariat tenfold and retains countless connections with the international bourgeoisie. Old ideas, old customs and old habits persist for a long time. Petty production which is allowed for some time engenders the bourgeoisie anew. Bureaucrats in the State are also liable to divorce themselves from the masses and become a new bourgeoisie.

In 1936 Stalin made the mistake of proclaiming that classes and class struggle had ceased to exist in the Soviet Union and that a classless society of the whole people had been achieved. This was quite a grave error because it obscured the problem that there were still classes and class struggle and because it supported the tendency to misconstrue contradictions among the people as contradictions between the people and the enemy.

Because it became very easy to misrepresent any contradiction on issues as a contradiction between the people and the enemy, it also became very easy to adopt harsh administrative measures against a considerable number of people also became very easy. An injustice could be easily committed. Even when a measure was justly taken, it was something performed by the state organs above the masses who should have been involved in class struggle.

Stalin also said, "Technique decides everything." This depreciated the role of political mobi-

lization. It encouraged the idea that the cadres and experts knew what was best and the people could be simply told what to do. This undermined the role of the proletariat and other working people in decision-making. There is no substitute for a democratic interaction between leaders and masses, even as centralism holds after a decision has been made. The principle of democratic centralism means that centralized authority is based on democracy.

Under the notion that classes and class struggle no longer existed in the Soviet Union the modern revisionists were able to gradually usurp power in the organs of the State, public organizations and in the superstructure as a whole. It was too late when Stalin realized his error in 1953, a year before his death. In 1957 the modern revisionists were able to openly seize power for themselves under Khrushchev. They declared that the Soviet State was no longer a dictatorship of the proletariat but a state of the whole people and the Communist Party, a party of the whole people. The proletarian class standpoint was abandoned.

Subsequently, they put out an overextended 20-year program to build the material and technical foundation of communism. They said that it was all a matter of economics and technology that communism would be achieved and that the international communist movement should be subordinated to the accomplishment of such a

program. They put out the line of peaceful coexistence, peaceful transition and peaceful competition to the chagrin of revolutionary forces fighting for national liberation against colonialism and imperialism.

In 1965, Brezhnev replaced Khrushchev. He maintained the line that inside the Soviet Union there was no more need for the dictatorship of the proletariat and that the Soviet State was only for defense against imperialism. He pursued further the Khrushchevite line of restoring capitalism in the Soviet economy. He recentralized the economic activities that Khrushchev had decentralized in order to promote bureaucrat monopoly capitalism and the arms race.

State officials continued to raise their salaries, allowances and luxury facilities. Industrial and farm enterprises were individually put on a profit-for-itself basis. Managers could get large salaries and bonuses for themselves and were given the power to hire and fire workers on such a basis. The private plots of peasants were enlarged and free markets were increased and encouraged. The effect was neglect of collective farms and Soviet agriculture went into shambles. Eventually private teams could operate large farms for their own private profit.

The means of production in the Soviet Union are still in the main owned formally by the public. But the bureaucrats, particularly the monopoly

bureaucrat bourgeoisie, are now running a state monopoly capitalist economy and are privately aggrandizing themselves in many devious ways. Their incomes can compare with capitalists in capitalist countries, while workers find the level of their income decreasing. Unemployment has also been increasing.

As early as during the time of Khrushchev, the Soviet Union exposed the pernicious character of its foreign relations. Unable to make China submit to its ideological stand, it withdrew its experts from China and tore to pieces the blueprints for hundreds of projects. It was discovered subsequently, however, that the Soviet Union had been delivering shoddy and overpriced capital goods and other commodities to China.

The worst in foreign relations came when Brezhnev took over. Unlike Khrushchev, he has been openly bellicose. In 1969, the Soviet Union invaded Czechoslovakia and openly installed its puppets. Since then, the Soviet Union has been called social-imperialist. Social-imperialism means socialist in words but imperialist in deeds. This corresponds to its domestic social-capitalism and social fascism, that is to say, capitalism and fascism in the name of socialism.

Learning from the experience of the international proletariat, especially in the Soviet Union, Mao Zedong wrote a thoroughgoing class analysis of socialist society, *On the Correct Handling*



of Contradictions among the People. He stated categorically that in socialist society classes and class struggle persist and showed how these could be handled, making a distinction between contradictions among the people and those between the people and the enemy. He laid stress on the consolidation of the dictatorship of the proletariat and the ideological remolding of the intellectuals among others.

Subsequently, he put forward the theory of continuing revolution under the dictatorship of the proletariat and put it into practice in the Great Proletarian Cultural Revolution in order to combat revisionism, prevent the restoration of capitalism and consolidate socialism. The key point in this theory is the proletarian class struggle and the repeated revolutionization of the entire socialist superstructure so as to prevent modern revisionism or the restoration of capitalism.

Mao held that as in the Soviet Union the revisionists first subvert the superstructure and prepare public opinion for the restoration of capitalism. Subsequently, it takes only a coup to seize political power. Thus, the restoration of capitalism can be undertaken in a relatively peaceful way. To put back the proletariat in power would entail an armed revolution.

The revisionists in socialist society belittle and oppose the proletarian class struggle and revolutionization of the superstructure. In the Soviet

Union, they claim that the proletariat has already fulfilled its historic mission of building socialism by way of saying that there is no more need for struggle, In China, they claim that there is already a withering away of the class struggle and that the people are practically through with it. They consider the sheer development of the productive forces as adequate in the march towards communism.

To bring about communism, not only the mode of production should be revolutionized but also the superstructure. The revolutionization of the latter would enhance the former, and vice versa. The interaction of the two would bring about the rapid progress of socialism towards communism. As socialist society is continuously revolutionized, the only other condition to consider would be the external factor of imperialism.

Communism cannot arise so long as imperialism exists. No socialist state can bring down its guard so long as the bourgeoisie abroad can choose to launch aggression, intervention and the like. An important objective of the theory of continuing revolution under the proletarian dictatorship is also to frustrate the hope of the imperialists that on the third or fourth generation after a successful revolution there is a restoration of the old society.

Imperialism is definitely declining. But the rise of modern revisionism can result in the restoration of capitalism and in the temporary defeat of the

socialist cause. The restoration of capitalism in the Soviet Union and elsewhere does not really reinforce the world capitalist system but can aggravate its crisis in the long run.

The phenomenon of modern revisionism and the gradual restoration of capitalism can afflict the former socialist countries and can result in worse conditions for exploitation and oppression for the working people of the world. Worse conditions of crisis, repression and aggression will arise. But precisely these shall generate a new wave of revolutions led by the proletariat against the bourgeoisie. The epochal struggle between the proletariat and the bourgeoisie will continue until imperialism is defeated and the cause of socialism can advance towards communism.



## APPENDIX 1: PRE-MARXIST MATERIALISM AND IDEALISM

In the history of western philosophy, there has been a constant struggle between materialism and idealism. The starting point of materialism is matter going on to consciousness. That of idealism is consciousness. The objective idealist goes so far as to say that consciousness, in the form of supernatural beings, is capable of independent existence from material reality. The subjective idealist affirms only that which is humanly perceivable and denies or doubts the existence of God but at the same time has the same attitude towards the material object.

Rudimentary materialism dominated pre-Socratic philosophy, with its proto-scientific hypothesis. The rudimentary materialist in the pre-Socratic period who is most appreciated by Marxists is Heraclitus for his hypothesis on the process of change internal to matter. In post-Socratic philosophy idealism as propounded by Plato and Aristotle prevailed.

Plato posited that a hierarchy of ideas topped by the Absolute Idea is the original reality from which things are mere copies. Although he engaged in more empirical studies, Aristotle also posited that “substantial forms” take precedence over matter. However, he pointed out that the form resides in material things.

Although Plato and Aristotle prevailed in the post-Socratic period, the materialist philosopher Democritus taught the hypothesis that atoms are the building blocks of matter. He is the other rudimentary materialist most appreciated by Marxists.

In the Middle Ages, from the fifth to the 13th century, adoption of Platonic metaphysics (through the writings of Plotinus) by Augustine into Christian theology prevailed. In its purest form, this was called realism, which posited that the universal idea precedes the thing. Opposed to it was nominalism, which asserted that the universal idea as name comes after the thing.

As if to strike a balance between the two, Aquinas adopted Aristotelianism into Christian theology. In the 13th century this would only serve to increase the philosophic ferment within the Church. Nominalism would later develop into Ockhamism, verging on the empiricism of the modern era. William of Ockham advocated the discarding of realism because it created too many things from one thing.

For instance, if you have one horse before you, you could speak of its animal-ness. That is supposed to be one ideal entity. Then you can speak of horse-ness; that is another entity. This business of claiming too many essences before the actual horse is confusing, according to Ockham. The so-called “substantial form” of Aristotle was used to perpetuate Platonic idealism.

Christian Platonic-Aristotelian philosophy came increasingly under the attack of more out rightly materialistic philosophies in the 17<sup>th</sup> century. These coincided with the series of scientific experimentations of Copernicus, Galileo, Newton, etc.

In England, there was the empiricist philosophy of Francis Bacon and John Locke. Both assumed the existence of material objects even as they asserted that human perception and observation lead to knowledge. It is for this that they are the empiricists better appreciated by Marxists than the empiricists Berkeley and Hume who asserted that reality consisted only of sense data and denied the material object.

In 17<sup>th</sup> century continental Europe, it was rationalist philosophy which emerged, spearheaded by Rene Descartes who affirmed the existence of matter as the object of scientific investigation and cast doubts on the philosophic authority of the Church beyond the spiritual realm. He depicted the universe as a clock made by God to run on its own. In the 18<sup>th</sup> century, the philosophes of France ranged from the deistic rationalism of Voltaire to the atheistic, mechanical materialism of Holbach.

Marxist materialism would subsequently criticize mechanical materialism as too narrow for reducing all material things and processes to mechanics, underestimating the all-round capability of man and thus giving room for the inter-

vention of some supernatural being.

But this mechanical materialism which described man himself as a machine was progressively significant in that it affirmed the capability of man to explain the world in scientific, materialist terms. The mechanical materialists were influenced and limited by the level of scientific achievement in their time, especially the experiments of Galileo and the mechanical laws of Newtonian physics.

In the 19<sup>th</sup> century, Marxism would be able to avail of a far greater amount of scientific achievements in various fields and at the same time learn from the most radical and advanced progress of idealism in Hegelian dialectics.



## APPENDIX 2: ON PREINDUSTRIAL CAPITALISM AND THE PRIMITIVE ACCUMULATION OF CAPITAL

Though Marxists give full credit to capitalism as an economic advance on feudalism, it exposes the gross inhumanity by which it first accumulated its capital. The primitive accumulation of capital is dealt with in *Das Kapital*. But the focus is on industrial capitalism, when commodity production has become dominant in society.

The seed of capitalism grew within the womb of feudal society. Within a predominantly natural economy (mainly dependent on land), commodity production developed gradually for a long period.

Before commodity production in the form of industrial capitalism became the dominant mode of production in the 19<sup>th</sup> century, it went into two stages: the handicrafts stage; and the manufacturing stage of several hundreds of years in Europe.

The craft guilds were the basic producing units in the towns that emerged during the Middle Ages. Under the direction of the guild master in a small shop, each of the artisans made a complete product with simple handy tools which he personally owned.

It was in the late Middle Ages, particularly in 13<sup>th</sup> century Italy, that preindustrial manufacturing started to develop. The basis was still handicrafts, but these were brought to a higher level

of productive organization or division of labor. Day in and day out a set of workers would do one limited part of the whole process as other sets of workers did their respective parts of the whole process. Production was faster and larger in scale in comparison to the craft guild.

As manufacturing gained ground, the craft guilds were elbowed out. The artisans lost hold of their petty tools and were compelled to join the assembly line in the factory system.

Manufacturing matured and started to glide into industrial capitalism in the late 18<sup>th</sup> century. This was hastened by new inventions like the steam engine and spinning jenny.

The handicraft and manufacturing stages may be lumped together as the period of the primitive accumulation of capital. The historical origins of the industrial capitalist class and the working class could be traced to this. The manufacturing capitalist effectively deprived the artisan of his tools and amassed capital from the most inhuman forms of exploitation.

The period of the primitive accumulation of capital did not simply mean the adoption of more efficient means and organization of production. There is a whole expanse of inhuman exploitation perpetrated by the manufacturer and merchant.

In the factory system, men, women and children were made to work for as long as 16 to 18 hours on the average and even 20 hours in extreme

cases. Down to the first half of the 19<sup>th</sup> century, this work time standard was extended. The wages were extremely low so that even children far less than ten years old had to work. The work place was unsanitary and so cramped that workers could easily be killed or injured by machines. Physical punishments were inflicted on workers. Their living quarters were like pigsties.

The growth of preindustrial manufacturing caused the enclosure movement. Peasants were forced out of the land as this was turned into pasture lands for sheep (wool was the object of interest) and specialized production of technical crops (cotton, beet, potato, etc.). As the peasants were forced out of the land, they had to compete for jobs from the manufacturers. There were always too many for a few jobs, thus depressing their wage conditions. Paupery and banditry were rampant from the 16<sup>th</sup> century onwards. Large-scale peasant rebellions also occurred in the 17<sup>th</sup> century.

The manufacturing class and the feudal monarch cooperated in carrying out a mercantilist policy. The manufacturer was interested in the consolidation of the national market against competitors in other countries and also against unruly feudal barons who exacted tolls at so many points on the road and in waterways. The interest of the manufacturer coincided with the king's interest in a consolidation of his political power and in financial support from the manufacturers and merchants

for his wars.

Mercantilism was also the main economic motive of the colonial expeditions since the 16<sup>th</sup> century. At first, the object of interest in the colonies were gold, spices and other exotic products. Subsequently, the metropolis decided to produce commercial crops in these colonies for its benefit.

Not only the native peoples were forced to cultivate the commercial crops (like tobacco, sugar, cotton, pepper and the like). But in South and North America, where there was a shortage of native Indians willing to work under the whip, slaves had to be gotten from Africa by force by all the colonial powers. Incidentally, even in this the fine excuse was to expedite the Christianization of the black heathens. The Portuguese Jesuits became very active in the slave trade, especially after they caused the death of thousands of Indians in Brazil when they put them in concentration camps.





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