

FIRST LECTURE

OUR GOAL: COMMUNISM

We are at present living in the epoch of transition to socialism. It is an epoch in which, despite the unfortunate split in the international communist movement, the balance of forces has definitely tilted in favour of socialism and against imperialism.

The people in the socialist countries are engaged in building socialism. In fact, in one country they have already completed the task and gone over to the next task. The advanced capitalist countries are in the grip of a very deep general crisis—economic, political and ideological. The working class there is engaged in big class battles against its own monopoly capitalists. The newly-independent countries are engaged in bitter struggle for economic and political independence against the onslaughts of foreign imperialists. The general movement for peace, democracy and socialism is growing rapidly throughout the world.

Our Main Task

The main task before the communists all over the world now is to unite these streams into a mighty anti-imperialist torrent.

We, Indian communists, are engaged in a bitter struggle for the establishment of *national democracy* as a first step for laying down the prerequisites for socialism. It is essential for us, therefore, to educate ourselves and equip our cadres ideologically to enable us to carry on this struggle firmly and consciously to victory.

How Man Developed

We must naturally begin our study with the question of the birth, growth and decay of our present society—capitalism, study its movement, study the laws of its development.

Capitalism arose out of feudalism, which is merely a landmark in the march of man from the primitive communal society

to socialism. We will have to undertake a systematic study of this march to enable us to understand our present-day society clearly and to have a peep into the future.

The story of man from the earliest times to the present day is a long one. We will discuss it in detail in the next lecture. We will here confine ourselves to only some salient and most important points, just enough to enable us to study the present capitalist society correctly.

Science: the Basis of Our Knowledge

We have to base ourselves strictly on science, in scientific study of the data furnished by history. For the understanding of the primitive communal society now lost in antiquity we will base ourselves on the scientific study of the data furnished by the Red Indian tribes of North America, of the Australian and African tribes and in India of the Adivasi tribes like the Todas, the Nagas and the Gonds. Sociologists like Morgan made a deep study of their languages, customs, instruments of production, folk-lore, songs, etc. Many of these tribes were actually living in such communes or had just passed on to a slightly higher stage when discovered. Moreover, we have the evidence collected by the archaeologists such as skulls, stone implements, earthenware, etc.

On the basis of these and other strictly scientific data, we know definitely that man has passed through this stage everywhere on earth. What does science tell us about the early man?

Early Man

Darwin, who made a very careful study of various species of living beings came to the conclusion that the early man sprang from apes. The missing links in the chain, which he had predicted, were also found later and we now know how man developed.

Born out of the animal world, the first problem that confronted him was how to live, how to obtain food, clothing, etc. And he invented his first tools, and thus made a break with the animal world. His first great discovery was 'fire'. It was at once a means of protection and a means of adding cooked meat and fish to his diet, which consisted till then of fruits, berries and roots.

His Implements

His early implements were made of flint and bones. Many such sites have been found in India—on the banks of the Pravara in the Deccan, for instance. He then invented the mace and the spear (not with an iron-head but with a bone- or flint-head). He gave up his nomadic life now and turned into a hunter, hunting wild beasts for food. He now began to live in 'villages'. He could now make dug-out vessels (and dug-out canoes, later), discovered the art of basket weaving, of making stone implements, etc. For the first time, he began to use 'beams' for 'houses'. He also learnt pottery.

And then he learnt and developed the art of *cattle-breeding* and of '*cultivating*' the land with the wooden hoe.

Starting with dogs, he now learnt to domesticate cattle, horses and in America the llamas. According to his physical surroundings, he developed either as a cattle-breeder or as a cultivator. And now for the first time, he was assured of a constant and reliable supply of food. No longer was he required to chase and catch an animal every alternate day. The food was there right at his 'doors'.

Not only animal flesh but milk and milk products also became available; and there were hides, bones, horns etc. Sitting near the fire and working with it, he discovered metals, copper in the first instance, bronze later and iron still later.

Subsistence Economy

What was the kind of life which this primitive communal man led? With the instruments of labour then available it was impossible to fight the forces of nature and to secure the means of subsistence in isolation. Only labour performed in common by all members of the primitive commune, their unity and mutual assistance enabled them to acquire the necessary means of subsistence. Common labour entailed common ownership of the means of production.

And since there was no private property there could be no exploitation of man by man in this society. The primitive instruments provided such a meagre subsistence that there was

scarcely enough to feed the members of the commune. There was simply no surplus that could be taken from the producer.

Evidence of Indian Communes

Did we have such society in India? There is a lot of primary and secondary evidence to prove its existence.

The Vedas and epics furnish a lot of secondary evidence. There are references in the Vedas that go to indicate that in the beginning the "Brahman" starved often and the Prajapati gave him a "divine cow", which multiplied, supplied him with food and life. The awe and reverence with which he held fire are in evidence in the conceptions of his time. His whole life and work rotated round the fire. Even in present-day society, the Hindu marriage is solemnised only in the presence of the sacred fire and every *sanskar* right up to cremation has to be done in the presence of fire. The Parsis worship fire and never allow it to go out in their temples. The rituals connected with yagna clearly indicate that the primitive Aryan communal man knew only stone and bone implements. The story of Dadhichi shows with what reverence he was held by them because he furnished Indra, with his own bones, to enable him to make the necessary weapon of war—the Vajra. In Vedic rituals, the sacrificial beast is killed not with a knife, but with hand-blows and the carcass is cut only by a bone-knife.

No State

That there was no exploitation in this society and, consequently no state, can be inferred from some oblique reference in the Mahabharata. In Shanti Parva, Bheeshma in answer to a question put him, says:

It is heard (from memory) that formerly there was no state, no coercer and no monarch. There was no 'danda', or 'dandin'. People protected each other by 'dharma' (i.e. by moral precepts).

He further added, "it is said in the Puranas that the people used the weapon of censure only."

We have treated this subject at some length because *that is*

the only formation in the past, when there was no exploitation of man by man.

It should be noted that though we have quoted scriptures, they are only secondary evidence. There is enough primary evidence, too, to bear out the truth.

The primitive communist society passed out and a society based on slavery in some form or other came in. It was followed later by the feudal society. Both of them were class societies, same as our present-day society, i.e. societies based on exploitation of man by man. In this respect, there is no difference between the capitalist society and these societies. But *whereas the exploitation in the two older formations was open, exploitation in the capitalist society is hidden.*

We will look into it later.

How did these societies spring up?

How Slavery Arose

In the old primitive society, we saw that the instruments of production, viz. the mace, the bow and arrow, etc. were very primitive. The primitive commune could just manage with their aid to earn the means of subsistence. Productivity of man's labour was very low and the conditions around him forced him to lead a communal life. There was no private property in the means of production and, therefore, in distribution, too. The Red Indians, it is reported, were genuinely surprised when the English settlers asked them to 'sell' their land to them.

Men now mastered the secret of melting metals. The plough with a metal coulter, metal axes, bronze and iron tips for spears and arrows became widespread. Agriculture developed further. Domestication of animals and their use as draught power for tillage greatly increased the productivity of labour. Production skill improved. Agriculture and animal husbandry and then handicrafts emerged as special kinds of labour activity. Exchange of products began to develop, first between the tribes and then within the commune itself. The need for common labour within the commune gradually disappeared. Families sprang up. There was division of labour and private property appeared and with it the possibility of exploitation, for production had now developed to such an extent that human labour had begun to

produce more than what was required for the bare subsistence of the workman.

And slavery arose. Formerly, in wars, the prisoners were just killed. Their labour could not produce any surplus. The *Puru-shamedha yagna* is proof of the existence of such a custom. The prisoner was just 'sacrificed'.

Rise of State

Now, with the possibility of creating and appropriating man's labour, the prisoner, instead of being sacrificed, was turned into a slave and made to work for his master. The foundations of this system were private property not only in the means of production but also in those who worked them, i.e. the slaves, too. The master owned not only the means of production but also the slave in *toto* and he made him work under the threat of a lash. The brutal exploitation of the slaves evoked bitter sentiments and opposition on the part of slaves.

Says Kumbhadasi Punna of Therigatha: "I have to fetch water whether it is the cold, the hot or the rainy season, during the day and at night. If I do not do it, I have to suffer threats and abuse at the hands of my master." The slave in Mazzima Nikaya says, "Even on festival days, I have no rest. I must run errands for fear of losing my arms, my legs, ear or nose." This opposition expressed itself sometimes in the form of open revolts. Spartacus revolt in ancient Rome has become a legend of history. In India, too, the Shakyas and the Vajjis had to wage defensive wars against the all-powerful Magadha slave-owning kings.

And in order to crush this opposition, a special apparatus of coercion had to be created. This was the state with all its paraphernalia of armies, law codes, law courts, prisons, bureaucracy, etc. *Manusmriti* and *Kautilya's Arthashastra* have classified the slaves in India. There were "slaves conquered in war, slaves who slaved for food, slaves born of slave girls, slaves bought or found, inherited slaves", etc. They worked as "soldiers in the king's armies, as mahouts, as labourers on land, as dancers in their masters' houses, as water-carriers, etc."

And the *Smritis* lay down specific and precise rules as to how they should be exploited and prescribed penalties for their violation.

Slavery: An Advance over Commune

It should, however, be remembered that the *slave system* was a definite advance in human progress. It ushered in further improvement in the means of production and in the productivity of man's labour. Now, man could produce much more surplus wealth with a day's labour; the surplus product went on increasing day by day. Improved implements led to increase in the surplus product.

But a time came when slavery began to hamper the growth of further production, of the production forces. What was now needed was a producer, who took interest in agriculture, in the new implements, in the new instruments of production.

And on the ashes of the slave system arose a new system, a new society, the feudal society.

The feudal society was also a class society. Exploitation continued, but its nature changed. The serf in Europe owned a piece of land and instruments of production, too. Whatever he produced on this place was his (or his family's). But he could do so only if he agreed to labour on his master's land without any return.

Open versus Hidden Exploitation

The exploitation of the slave was open. Whatever he produced with the aid of his master's tools went to the master. All that he got in return was a coarse piece of bread, a piece of cloth and whatever shelter his master offered him. The serf was half-owner, half-slave. He owned a piece of land and instruments of production and claimed the product as his own. But he had to labour on his master's land without any return. His exploitation was thus clear and the division of the created product was also clearcut.

In capitalist society, there is exploitation. But it is veiled. The worker in a capitalist society is 'free' to accept or not to accept job offered to him by his capitalist master. He is equally 'free' to accept or not to accept 'the wages offered to him for the day's work'. And still he is exploited. He feels it, he senses it but cannot lay his finger on it. *The exploitation of a worker in the capitalist society is hidden.*

Rise of Capitalism in India

How did capitalism originate? First, there must be accumulation of wealth in the hands of a few in the form of money. But that is not enough. Capitalist needs workers to man his machines on wages. And this cannot take place unless they are divested of their means of production—their land and tools of their handicrafts.

In India this kind of thing was actually taking place in cities like Bombay, Ahmedabad and Dacca. But before it took deeper roots in came the British bourgeoisie and thwarted the process. So, for the study of the rise and growth of capitalism, we must again turn to Europe.

Rise and Growth of Capitalism in Britain

Briefly, the British bourgeoisie accumulated money by way of loot of the newly-discovered American continent, slave-trade and unequal trade with the more backward countries like India. They drove out the British peasants forcibly from their land by 'enclosing' their lands and turning the fields into sheep pens. The British peasants and the British craftsmen were thus forcibly divested of all their means of production (land included) and provided the capitalist with the first workers to run his machines on wages.

And now money began to bring in more money in the form of profits. The merchant began to invest in industry. Industry turned into modern industry, with thousands of power-operated machines simultaneously operated by thousands of workers. It may be noted that the money for British industry came from the loot of Bengal, loot of our own people. In their very first year of rule, they raised the land tax from £817,000 to £1,470,000.

Use Value and Exchange Value

How does money (capital) bring in more money (profits)? What does an industrial capitalist do? With the accumulated money in his hands, he puts up a factory, say a shoe-making factory. A shoe is a 'useful' thing. It satisfies a human want. If it did not, nobody would care to buy it and money would not turn into more money. Further, a shoe has to be sold on the

market. Marx calls these qualities 'use value' and 'value' (exchange value) respectively.

The capitalist is not at all interested in the product itself as such. He does not need it for his own use. His only aim is to sell it on the market. If he finds one day that a textile factory offers better prospects (i.e. better profits), he may close down his shoe-factory and open a textile factory. Tata as an industrialist is engaged in the manufacture of various articles, e.g. iron and steel, engineering and mines. Same is the case with the Birlas. His list would be still longer. So the industrialist manufactures 'goods for the market' unlike the earlier peasant who produced articles for his own (or his family's) consumption. Articles made not for self-consumption but for exchange (for sale on the market) are known as 'commodities'.

How is value (exchange value) to be measured? A certain number of use-values of one kind (say, 2 coats) is exchanged for a certain number of use-values of another kind (say 20 kg. of sugar). Now, why is it so? What is common to them? Their common feature is that they have to be made, i.e. they are *products of labour*.

Measure of Value

So, how is value to be measured? How can labour be measured? Obviously, by the time needed to produce the product. But labour differs from man to man. A carpenter would certainly require less time to make a table than a man who has never handled the carpenter's tools in his life. Moreover, a carpenter working with a brand new machine may need very much shorter time than another carpenter who uses an old, out-moded machine. But a good carpenter with the latest machine in his hand will require almost the same time which another good carpenter would take with his new machine. So one has to take the *average* labour time needed to manufacture a thing in a society with a given state of the development of technique.

Marx calls this socially necessary labour. So value is nothing but the socially necessary labour-time incorporated in the article. And price is merely its expression in 'money'.

When commodities are exchanged, how are they exchanged? Is it according to their respective use-value? Certainly not. Air

is extremely useful but it costs almost nothing. Perhaps, according to quantity? No. Gold has far greater value as compared to its quantity than, say, cotton. Then, how are they exchanged? Is it the supply and demand principle? No, it is not. Supply and demand balance each other, the commodity still has a 'price'. How are they exchanged then?

Socially Necessary Labour Time

Suppose you go to a cobbler for petty repairs and he demands a rupee from you. You say: "Look here! My friend, it takes only ten minutes! I have not asked you a job which would require more time. That job may take more time and you would be justified in asking me to pay even two rupees." Thus we come to the great economic law, viz. the law that commodities are exchanged in terms of their values. If an average skilled shoemaker takes two hours to make a shoe with the aid of the modern machine and an average skilled blacksmith takes two hours for making a pair of knives, with his modern machine, the shoe can be and is exchanged for a pair of knives. How are exchange values determined in actual life? By the increasing and oft-repeated process of commodity-exchange. It will be clear from this that since commodities of equal values are always exchanged, the gain or profit cannot be made merely by the sale or purchase of an article.

Labour Power and Labour

And still we see that the capitalist does make a profit. Where does that come from? It does not come because he sells the article for a price beyond its value. It is clear that he makes profit even when he sells it (as he must) for its value. How does this happen?

It is evident that in the production process, there must be a certain commodity which, while reproducing itself, creates new values. Is there any such commodity? Marx says: "Yes! There is such a commodity. And that commodity is labour power!" Remember "labour power" and not "labour".

Where Does Surplus Value Come From?

Let us take a simple case. An owner of a textile factory buys

cotton and turns out cloth with the aid of his machines and workers.

Let us assume that during the course of an 8-hour working day he consumes a certain amount of cotton. To this will naturally be added the wear and tear of the machines, buildings, etc. Suppose all this adds up to Rs. 1,000 (in terms of money value). For running his machines, he has engaged workers, the total amount of whose wage-bill for the day comes to, say, Rs. 2,000. What is the value of the labour power engaged by him?

That is again determined by the amount of labour needed for its reproduction, i.e. for enabling him to recoup himself as a worker and reappear at his machine the next day to operate it. That would mean the value of food, clothing, rest, entertainment, travel, housing, etc. that he needs for himself and for his family for the day. For all the workers together this value has come to Rs. 2,000.

But, mark the point and mark it very carefully: How much value has been added to the cotton? Rs. 2,000? No, very much more.

When the capitalist takes the cloth produced to the market, he gets Rs. 5,000 for it and not Rs. 3,000, which he actually spent in the process of production. He appropriated a surplus (profit) of Rs. 2,000. Where did it come from?

The capitalist says to the labourer—I have fully paid for your labour—8 hours' wages for 8 hours' work. The surplus produce belongs to me because I own the machines, I paid for the raw materials, fuel, etc. and I fully paid for your labour. Has he?

He has paid for the use of the *labour power* of the labourers for 8 hours. This use of labour power for 8 hours has produced value corresponding to 8 hours' labour, which has gone into the manufactured cloth and which the capitalist realised in the market. The capitalist did not pay back to the labourer the full added value corresponding to the 8 hours' labour. He paid him only for the use of his labour power for 8 hours, which is a different and smaller magnitude. The value of the use of labour power for 8 hours, i.e. for one day, is the value needed for its reproduction—i.e. the average value of commodities, etc. needed by the worker and his family for subsistence per day. This

amounted to Rs. 2,000 in our example, while the total labour produced amounted to Rs. 4,000. Thus, when the labourer produced value corresponding to 8 hours' labour, he was paid only a part, i.e. 4 hours' labour as his wages, while the extra 4 hours' labour was appropriated by the capitalist.

Peculiar Nature of Labour Power

Thus, for the capitalist the value of commodities he bargains for is Rs. 1,000 (for cotton and depreciation) and Rs. 2,000 (for labour power)=Rs. 3,000. But the value of the cloth he obtains as a result of this process is Rs. 1,000 (for cotton and depreciation) + 8 hours' labour (not labour power but actual labour) the value of which, in terms of money, is Rs. 4,000=Rs. 5,000.

So, the only commodity which, while being used up, adds to its own value is labour power.

And this explains our original riddle: Where does the 'extra' value in the form of profits come from? It comes, as we have now seen, from the surplus value created by the worker while expending his labour power for the employer.

And thus Marx solves the basic problem of capitalist society. *The whole edifice of the capitalist system is built on the hidden exploitation of the worker.* This also explains why the worker at all comes to the door of the employer of his own 'free' will. The worker comes to the factory gate because, having been divested of any means of production, he has nothing but his labour power for sale on the market.

Two Ways of Increasing Surplus Value

We need not go deeper into it. But we must see what the results are. It is clear that what the capitalist industrialist is after is profits. They can come only from surplus value. That is why the employers always insisted on as long a working day as possible. The Bombay worker, for example, worked for 12, 16, 18 and sometimes even more hours per day in the years 1852 to 1880. It was only in 1911 that the workers fought and gained an 11-hour working day. In 1922 they earned a ten-hour day and in 1946 an 8-hour day. The story of the British worker is the same, only older.

The second way of earning more profits during the same

working day is to intensify productivity, thus reducing the workers' actual share of the product. This may be done either mechanically by increasing the workload or by introducing modern time-saving appliances and methods. Ford's belt method is one of such method. The introduction of automation will serve the same purpose. With the aid of this machine, the employers will be able to get the work of 100 clerks or operatives done by a handful of them, say, by 6 workers. They might pay them double the wages to start with but they can do away with 94 workers now and thus reduce their 'wage bill'.

Origin of Economic Crisis

That is why in their urge for profit, the employers try to introduce better machinery to face competition from other employers. But in this process they tend slowly to kill the hen itself that lays the golden egg. They are turning out thousands of workers and other toiling masses on to the streets. And this is the very mass which is their customer as a whole. This mass gets continually impoverished; its purchasing power steadily declines and finished products no longer find a market. The industry enters into a crisis, crisis of overproduction because the capitalist is no longer able to sell his products and earn profits. Since 1840 England experienced such periodic crises every 10 years. The biggest crisis of world capitalism came in 1929 when bumper crops of wheat and maize were burnt in the engines as fuel as there was no market for them, while thousands died because they had no money to buy food.

Concentration and Centralisation of Capital

But this process also leads to concentration and centralisation of Capital. Labour productivity is now raised through the renewal of the capitalists' plant and equipment. This creates a demand for machinery—means of production. Little by little the market begins to revive and then follows a period of boom. After a time, this leads to a new crisis and the cycle goes on for years.

That is why Lenin wrote: "Capitalist production cannot develop otherwise than by leaps and bounds—two steps forward and one step (sometimes two steps) back."

Thus, as capitalism develops, the portion of capital spent on factory equipment (means of production) increases while the portion spent on labour-power (wages) diminishes. Technological progress under capitalism thus hurls millions of people into the ranks of the unemployed while increasing capitalist profit.

A Fetter on Development of Productive Forces

With the accumulation of capital, large number of workers and colossal means of production are concentrated in gigantic enterprises in the hands of the biggest capitalists. The weaker capitalists are crushed. Instruments of labour get transformed into such instruments as can only be used in common. The contradiction between the social character of production and private capitalist form of appropriation gets intensified to an extreme degree. At the same time society becomes more and more sharply split into a handful of financial magnates on the one side and the mass of workers united by large-scale production on the other. In India, 75 monopoly houses have come to own the largest factories while thousands of workers are forced to rise against them. The working class now strives to convert capitalist property into socialist property. The capitalist mode of production now increasingly becomes a fetter upon the further development of the productive forces of human society. *Capital* (Vol. I) says:

Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated.

This general process takes place through the development to a higher but moribund stage, the stage of imperialism. Let us, therefore, study what imperialism is.

Imperialism Is Monopoly Capitalism

What is imperialism? Lenin, who made a very deep study of the development of capitalism into imperialism, has pointed five main characteristics of imperialism.

As capitalism develops, individual capitalists enter into a fierce competition with one another. In this, the smaller fry are ruined

and their factories and capital are taken over by the larger ones. Thus production and capital both begin to get concentrated in fewer and fewer hands and this process develops to such an extent that monopolies spring up in each field. Monopolies now concentrate in their hands enormous funds as capital and the size and output of their factories also expand enormously.

In India, during the last 20 years, a mere handful of 75 monopoly houses have come to own almost half of the wealth in the hands of all registered companies in India and even amongst them the two topmost houses (the Tatas and the Birlas) together account for a quarter of the wealth held by these 75 monopoly houses. Figures for America are truly staggering. Here they are in relation to our Tatas and Birlas.

	<i>Own capital in billion Rs.</i>	<i>Controlled capital in billion Rs.</i>
<i>INDIA</i>		
1. Birlas	$\frac{3}{4}$	3
2. Tatas	1	4
<i>USA</i>		
1. Mellon	26	79
2. Du Pont	28	120
3. Rockefeller	35	457
4. Morgan	52	487

In the USA, 17 monopolies dominate the iron and steel industry and control 94 per cent of the steel productive capacity and the top 2 monopolies control half the steel productive capacity. In the oil industry, the largest monopoly is Standard Oil, which includes 20 companies, with a dominating influence in the oil industry of the USA and other countries.

Merger of Finance and Industrial Capital

The second important characteristic is the merging of industrial capital with banking capital leading to the creation of 'finance-capital' oligarchy which virtually rules every capitalist country.

In India, for instance, 5 top monopoly houses have huge banks of their own. This merger helps them to secure finance when they need and keep out other competitors by refusing to

advance loans to them. Through banks, these oligarchies control the agricultural market and fleece small peasants and producers and become virtually the masters of the country. In India, the topmost five private banks have control over public deposits to the tune of Rs. 2,500 crores. The top eight American banks control public deposits to the tune of Rs. 165,000 crores.

Export of Capital

The third important feature of imperialism is the export of capital as distinguished from the export of mere commodities.

The British capitalists at first deliberately refrained from exporting capital to India for the simple reason that they did not want any competitors here. But whatever their wishes, capitalists are soon forced to export capital because they cannot allow it to remain idle and secondly because, in backward countries, they can make enormous profits. Labour power is cheap, raw materials are cheap and transport charges are saved. Later, capital is exported even to advanced countries.

In 1949, American capital investments abroad were greater than those of all other capitalist countries put together. Between 1939 and 1955, the US total foreign investments increased almost fourfold.

International Monopoly Combines

Fourthly, international monopoly combines come into being and divide up the capitalist world between themselves.

For instance, eight international oil companies control between them 80 per cent of oil in the capitalist world and 60 per cent of production. In India, Burmah Shell, ESSO and Caltex had a capital of 598 million rupees and their net profits for the years 1954 to 1966 amounted to Rs. 156.2 million. During the same period, the foreign refineries earned a net profit of Rs. 945 million. Besides economic power, these companies play a very mischievous political game in the Middle East.

Rise of a Rentier Class

Imperialism leads also to a growth of a stratum of rentiers. Some imperialist countries get transformed into rentier-states.

Imperialism also leads to political reaction. Monopolies strive to dominate the state machine. They, more often than not, discard bourgeois democracy and try to establish fascism; their terrorist dictatorship. This gives rise to the sharpening of the struggle of the people for democracy.

Monopoly also leads to systematic bribing of certain sections of workers, to the establishment of "labour aristocracy." This is the basis of opportunism in the working-class movement.

Competition for Division of the World

Lastly, the territorial division of the world by the greatest powers was virtually completed by the end of the 19th century. For instance, European powers ruled over 11 per cent of Africa in 1876. By 1900 the percentage went up to 90.

This naturally leads to wars for the redistribution of colonies by the imperialist powers. The first and the second world wars began in this way. Earlier there were the Spanish-American war, the Russo-Japanese war, the Boer war and so on. With the new situation in the post-Second World War period, many of these colonies have achieved their independence and taken to either the socialist or the people's democratic or the national democratic road to socialism.

Imperialism leads to three contradictions:

- 1) It leads to interimperialist rivalry;
- 2) It leads to intensification of struggle of the working-class of the metropolitan countries against the capitalists of their own country;
- 3) It leads to the intensification of the struggle of the colonial peoples for national independence against imperialism.

Creation of Political Requisites for Socialism

Imperialism creates not only the material prerequisites for socialism, but the political prerequisites also. Lenin established scientifically that imperialism is the eve of the socialist revolution. Large-scale socialisation of production in the period of imperialism creates the material prerequisites of socialism.

Imperialism leads to sharpening of the contradictions of capitalism which ultimately leads to the downfall of capitalism.

Under capitalism it is impossible for individual enterprises, industries and countries to develop evenly. Imperialism gives an unprecedented impetus to this process. As a result, some countries develop by leaps and bounds, while others slow down. The contradiction between the imperialist countries increases enormously, the imperialist front is shaken and weak links begin to appear in the chain of world imperialism.

Revolution in a Single Country

Uneven economic development in the epoch of imperialism is related to uneven political development, i.e. political prerequisites for the victory of the socialist revolution do not mature simultaneously in all countries.

Analysing this unevenness, Lenin came to the conclusion that the victory of revolution in all countries simultaneously was impossible and that, on the contrary, the *victory of the revolution was quite possible at first in several countries or even in a single country*. This makes it possible to break the chain of imperialism initially at its weakest link.

The First World War (1914-18) and the crisis that broke out in the imperialist camp resulted in the revolutionary outburst in Russia, which rapidly developed into the October socialist revolution under the leadership of Lenin and the Bolshevik Party fully confirmed this thesis of Lenin and his theory of the three contradictions of imperialism.

The victory of the October socialist revolution made the first breach in the fortress of imperialism and opened a new epoch of the advancing victory of socialist and national-liberation revolutions and of the downfall of imperialism and colonialism.

In the post-First World War years, the contradiction between imperialist powers sharpened; there was a revolutionary upsurge of working-class movement in capitalist countries of Europe and America and the national-liberation movements in Asia and Africa entered a new phase. Thus began the general crisis of capitalism—an all-embracing crisis of the system as a whole—characterised by the progressive disintegration of capitalism—the weakening of its inner strength—economic, political and ideological.

Rise of State-Monopoly Capitalism

In the new circumstances of the marked deepening and sharpening of the contradictions, a sharp transition to a new form of capitalist domination—the domination of state-monopoly capitalism—comes in. Its essence is the direct union of the power of the capitalist monopolies with the enormous power of the state. Monopolies now use the state machine as an instrument of capitalist accumulation. It leads to the creation of a substantial state market, to enormous exactions from the population, to active intervention of the state in conflicts between workers and employers, to state financing of export of commodity products, to the birth of aggressive blocs.

It also leads to militarisation of the economy in the imperialist states. This can only lead to a gradual exhaustion of the national economy, to depreciation of money, inflation.

Changes in the capitalist economic structure due to increased difficulties and contradictions and to the transition of monopolies to new, state-monopoly forms of rule aggravate and extend class antagonisms.

Basic Struggle Remains

The exploitation of the working class is inevitably intensified and its position worsened. The tendency towards a worsening of the conditions of the working class now continues to operate with full force. This does not, however, always lead to an actual upsurge of class struggle. Experience shows that the working-class movement develops unevenly due mainly to the increasing use of the state machine.

But the monopolists cannot abolish the basic reason for class struggle—the antagonism between labour and capital—nor the struggle itself. Alongside this major class conflict, an antagonism between the clique of monopolists and the entire nation arises and grows increasingly acute.

With the development of state-monopoly capitalism, considerable number of middle strata (i.e. peasants, urban petty bourgeoisie, handicraftsmen, retail traders, intellectuals, office employees, etc.) are confronted with complete ruin.

A handful of monopolies with the power of the state machine increasingly dominates all of the society, including the capitalists

themselves. State-monopoly capitalism thus accentuates the stratification within the bourgeoisie to the point of splitting its ranks.

Final Rung in the Historical Ladder of Capitalism

Capitalism has now come to the final rung in its historical ladder.

“The dialectics of state-monopoly capitalism is such that instead of shoring up the capitalist system it aggravates the contradictions of capitalism and undermines its foundations.” Its development represents merely the completion of the material groundwork for socialism.

Lenin wrote: “State monopoly capitalism... is a rung in the ladder of history between which and the rung called socialism, there are no intermediate rungs.”

Dictatorship of the Proletariat

Our study of the development of various social formations and of capitalism, in particular, leads us to the conclusion that the fall of capitalism and the establishment of socialism in its place is inevitable. It has also shown us that it is the working class alone which, in alliance with the other toiling masses, is capable of bringing about this revolution. Lenin wrote: “*The main thing in the doctrine of Marx is that it brings out the historic role of the proletariat as the builder of a socialist society.*”

How does the working class proceed to fulfil this historic mission?

Living conditions of the working class force it to carry on its class struggle in various forms—economic, political and ideological. Economic struggle has definite limitations. The genuine class struggle of the working class begins when it goes beyond these limits and develops into a political struggle. The highest stage of the class struggle of the working class is revolution. Socialist relations cannot come into being within capitalism. They arise *after* the working class has gained power, when the working people’s state has nationalised the capitalist-owned means of production and turned them into public, socialist

property. It is clearly impossible to do this before power has passed into the hands of the working class.

But nationalisation of capitalist property is only the beginning of revolutionary transformations the working class has to accomplish. To achieve socialism it is necessary to establish socialist economic relations throughout the economy, reconstruct social and political relations on socialist principles and solve complex tasks in the field of culture and education. *The socialist state is the chief tool the workers possess for building socialism.*

The political revolution of the working class may come about in various forms.

Having gained power, what does the working class do with the old state machine? Marx said that the task of the working-class revolution is to smash it and replace it with its own, proletarian state.

Leadership of the Working Class

Only the working-class can be the chief decisive force behind the socialist revolution. But the working class does not act alone. The interests of the working class coincide with those of all working people. Hence the possibility arises of an alliance of the working class as leader of the revolution with the broadest masses of the working people. Historical experience shows that a proletarian revolution may develop, from a bourgeois-democratic revolution, from a national-liberation movement of the oppressed peoples, from an antifascist, anti-imperialist struggle of liberation.

The toiling masses have to cover a very long and strenuous road from their struggle for the overthrow of the yoke of capital to the work of creating a new, socialist social system. The task of leading these masses can only be undertaken by industrial workers. This is known as the dictatorship of the proletariat. *It is power in the hands of the working people led by the working class and having as its aim the building of socialism.*

Socialist Democracy

The dictatorship of the proletariat is the central issue of the ideological differences between Marxists-Leninists and the

social-democrats. Lenin wrote:

Only he is a communist who *extends* the recognition of the class struggle to the recognition of the *dictatorship of the proletariat*. This is what constitutes the most profound difference between the Marxist and ordinary petty (as well as big) bourgeoisie. This is the touchstone on which the *real* understanding and recognition of Marxism is to be tested.

Proletarian dictatorship takes the form of socialist democracy. Lenin wrote: "This system provides the maximum democracy for the workers and peasants, at the same time it marks a break with *bourgeois* democracy and the rise of a *new type* of democracy of world-historic importance, viz. proletarian democracy, or the dictatorship of the proletariat." It is dictatorship directed *against* the bourgeoisie and democracy *for* the toiling masses.

The democratic *essence* of the dictatorship of the proletariat is particularly clearly seen in the fact that *it represents the alliance between the working class and all the working people and other democratic forces devoted to the cause of socialism.* This is the supreme principle of the dictatorship of the proletariat. The special feature of such an alliance is the fact that the *guiding role in it belongs to the working class.*

The conquest of power by the working class fundamentally alters the position of its militant vanguard, the Marxist-Leninist party. It now becomes the party of the ruling class. Experience has shown that after the revolution, its role as the leader of the working class does not decrease; on the contrary, it increases.

Forms of the Dictatorship of the Proletariat

Dictatorship of the proletariat may assume various forms. In the Soviet Union it assumed the form of *Soviet power*. It was essentially power in the hands of two classes only, the workers and peasants. Soviets were not elected on the territorial principle but on the industrial principle—in the factories, armed forces and villages. The development of the international liberation movement has given rise to another form of working people's power, *people's democracy*. Like the Soviet power it also rose historically. It included the working class, which played the

leading role from the outset, all the strata of the peasantry, the middle strata of the urban population, as well as the patriotic intellectuals and a fairly considerable part of the middle bourgeoisie.

Unlike the Soviet Union, in the people's democracies a *multi-party system* was retained. The possibility of *other* forms of the working-class power is not ruled out and may arise in the future.

The Programme of the CPSU states:

While the principles of law-governed processes of the socialist revolution are common to all countries, the diversity of the national peculiarities that have arisen in the course of history creates specific conditions for the revolutionary process, the variety of forms and rates of the proletariat's advent to power. This predetermines the possibility and necessity, in a number of countries, of *transition stages* in the struggle for the dictatorship of the proletariat and a *variety of forms* of political organisation of the society building socialism.

In countries with centuries of democratic traditions behind them, the dictatorship of the proletariat or corresponding democracy may, for instance, take the form of a parliamentary republic.

National Democracy

One of the basic problems today is that of paths and prospects of historical development of countries liberated from the colonial yoke like India. These young independent states belong neither to the system of imperialist states nor to that of socialist states. The economic construction taking place in these states after winning their independence, although still within the framework of capitalism, differs in a number of special features. Characteristic of these countries is the active role of the state in economic life, in creating and extending the *state-owned* sector of the national economy. Another important feature is *planning*. State-capitalism developing in these states is radically different from the state-monopoly capitalism, prevailing in the developed capitalist countries. It plays a progressive role. Should, however, capitalism continue to develop with the concentration of production inherent in it, the state-owned sector may here, too, become

the bulwark of a reactionary regime, if power gets into the hands of representatives of the biggest, essentially monopolist, national companies.

This shows that if the newly-liberated countries seeking to achieve economic independence, to liquidate their backwardness and to build advanced industry and developed agriculture, take the capitalist road, they face the danger of losing their independence and falling under the grip of neocolonialist reaction. That is why our Party Programme puts forward the noncapitalist path—the path of completing the anti-imperialist, antifeudal revolution, of curbing and progressively eliminating the monopolies.

Why National Democracy?

Two contradictory tendencies are clearly visible in the political life of the liberated countries :

—Wide sections of the working people and a considerable part of the national bourgeoisie that is interested in the solution of the main tasks of the anti-imperialist, antifeudal revolution and want to advance further along the path of consolidating independence and of social and economic reforms;

—Forces among the ruling circles, wanting to appropriate the fruits of the popular struggle and to hinder further progress of the cause of national independence and democracy, pursue a policy of agreement with the imperialists outside their countries and the feudalists within them and resort to dictatorial methods.

Since a considerable section of the national bourgeoisie is interested in consolidating the political, economic and cultural independence of their country, there still exists in these states a basis for broad cooperation of all the national and democratic forces—the working class, the peasantry, the progressive circles of the national bourgeoisie and the national intelligentsia. It is this prospect that provides the basis for the idea of a *state of national democracy* as a state that expresses the interests not of any one class but of a bloc of broad sections of the people, based on worker-peasant alliance as its core and determined to take the noncapitalist road described above.

What Is the State of National Democracy?

A state of national democracy is :

a state which consistently upholds its political and economic independence, fights against imperialism and its military blocs and against military bases on its territory; a state which fights against the new forms of colonialism and the penetration of imperialist capital; a state which rejects dictatorial and despotic forms of government; a state in which the people are assured broad democratic rights and freedoms (freedom of speech, press, assembly, demonstration, establishment of political parties and public organisations), the opportunity to work for the enactment of an agrarian reform and the realisation of other democratic and social changes and for participation in shaping government policy.

Only by the path of noncapitalist development is it possible to put a speedy end to age-old backwardness, to raise the living standards of the whole people and to consolidate properly the independence of the country. Under present-day conditions, with the present relation of forces in the international arena and with the support given by the world system of socialism, non-capitalist development of the liberated countries is a perfectly feasible path.

But the necessary condition for the actual realisation of the noncapitalist path in the setting up of a state of national democracy—arising out of mass nationwide struggle which will put an end to the monopoly of national bourgeois rule. As our Programme (Patna Congress) puts it :

The national democratic state in the hands of the national democratic front will be a transitional stage, in which power will be jointly exercised by all those classes which are interested in eradicating imperialist interests, routing the semifeudal elements and breaking the power of the monopolies. In this class alliance, the exclusive leadership of the working class is not yet established, though the exclusive leadership of the bourgeoisie no longer exists. The leadership of this alliance belongs to firm anti-imperialist, antifeudal, antimonopoly forces.

As the government of the national democratic front and the class alliance it represents will be based on worker-peasant

alliance as its pivot, the working class will increasingly come to occupy the leading position in the alliance, as it is this class which is the conscious initiator and builder of the national democratic front.

Socialist Society

Socialist society is not a utopia, a romantic dream of an ideal society. It "emerges from the capitalist society and still bears in all respects—economic, moral and intellectual—the birth-marks of the old society from whose womb it sprang."

As capitalism develops production becomes increasingly social. More and more people are associated in the making of every single thing; factories get larger and larger and the process links together a very large number of people in the course of transforming raw materials into finished articles. There is greater and greater interdependence between the people.

Why Nationalisation of Big Industry and Banks?

But the product, made by the cooperative work of society, is the property of an individual or a group and not the property of the society. The product is naturally not distributed amongst the people according to the work they put in. Capitalism which gave an unprecedented impetus to technology in the production of the surplus product during its nonmonopoly stage began to discourage technology during its later stage of monopoly. It retarded the further progress of society.

Naturally, the dictatorship of the proletariat starts with the nationalisation of big industry, transport and banks. The aim of socialist nationalisation is to lay the basis for a new mode of production by undermining the economic might of the bourgeoisie and putting the key positions in the national economy in the hands of the proletarian state.

The working class is also faced with feudal survivals and proceeds to confiscate big lands and thus breaks the power of the landlord class, which is the backbone of counterrevolution. The working-class state also takes in hand immediate and urgent demands of the working people such as the eight-hour day, paid annual holidays, removal of inequality for women, eradication of unemployment in the briefest possible time, better housing conditions, etc.

In the initial period after the victory of the revolution there are usually three forms of economic structure: socialism, small commodity production and private capitalism.

Socialist State and Peasantry

How does the socialist state deal with small commodity production? Small commodity production is represented chiefly by peasant farms as well as by craftsmen, artisans and other small producers who do not employ hired labour. Engels has said: "Our task relative to the small peasant consists, in the first place, in effecting a transition of his private enterprise and private possession to *cooperative* ones, not forcibly but *by dint of example and the proffer of social assistance for the purpose.*"

The basis for socialisation of production and its use for the society is that private ownership of the means of production checks production, prevents the full use of the productive powers which man has created. Hence the need for conscious planned development of the productive forces. Marx said that after taking power, "the proletariat will use its political supremacy... to increase the total of productive forces as rapidly as possible."

The national plan for production consists of two parts: the plan for new means of production and the plan for articles of consumption. Increased production under socialism means increasing the quantity of goods available and, therefore, the quantity taken by the people.

Socialism and Communism

How does distribution take place under socialism? Not equally. The distribution can only take place on the principle: "From each according to his ability, to each according to his work."

Only when productive forces reach a very high level, then only will surplus product be available in such large quantities that it will be possible to distribute the goods on the principle: "From each according to his ability, to each according to his needs."

This is the higher stage of socialism: COMMUNISM. The Soviet Union is presently engaged in the creation of prerequisites for this stage.

And that is the ultimate goal of us, communists.