

*A Consideration of the Marxist Theory
of "Crisis and Some Deductions About
Dependent Capitalism*

Supplement to:

**The Prospect of Destitution and the
Re-Escalation of the Revolution**

February 1980

A CONSIDERATION OF THE MARXIST THEORY OF CRISIS AND
SOME DEDUCTIONS ABOUT DEPENDENT CAPITALISM



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The following text, undoubtedly suffers from all the deficiencies and defects of a brief and general treatment of a reality which is comprehensive, broad and varied. Where the discussion is over recalling the principles of the Marxist theory of crisis, the above defect may be eliminated to some extent by referring the comrades to classical texts. But when we come to applying this theory, defects, ambiguities, unclarities, un-even treatment of important categories and relations or, possibly, the omission of some of these, and over-consideration of categories, relations and analytical levels of less significance, etc, arise. If in the first case we can refer ourselves to the rich past of the world workers' movement and turn for help to the great teachers of the proletariat to eliminate the defects, in the second case we must lay hopes on the resurgence of a theoretical-ideological struggle in the communist movement, in the context of the resurgence of the revolutionary movement of the Iranian working class. On the method of presentation and drafting, it must be said that we already accept the presence of defects and will learn of these through the comrades' criticisms and corrections. But, no doubt, we regard the points put forward in this text, and in particular the political deductions based on them, relevant, imperative and Marxist and in turn make it our task to expand, concretize and defend them.



The dependent capitalist system is not only not exempt from the general laws of capitalist production and its underlying contradictions, but displays these contradictions and their various symptoms in the most acute and striking manner. The appearance of cyclical crises in the course of capitalist production is an intrinsic and inevitable characteristic of this system, and dependent capitalism, in turn, conforms to these laws. It is obvious that crisis in a dominated capitalist country has its own special peculiarities, but these peculiarities must be searched for in the mechanism of appearance or transfer of crisis and in its manifestation, symptoms and operations, and not in its nature. Here, we briefly deal with the outlines of the Marxist theory of the economic crisis of capitalism and then try to draw, on the basis of that, some theoretical conclusions that can elucidate some of the peculiarities of the economic crisis of the dependent capitalism of Iran.

The appearance of cyclical crises in the capitalist system is in general the result of the internal contradictions of the process of accumulation of capital, and each crisis emerges, along with the accumulation, concentration and centralization of capital, with broader and deeper dimensions than the one before. At the most basic level, the law of the tendency of the rate of profit to fall is the basis of all the economic crises of capitalist society. The tendency of the rate of profit to fall (in the total social capital) is the inevitable

result of the process of accumulation of capital. Marx specifically shows that along with accumulation, the organic composition of capital (in the whole production system) inevitably increases. The increase of the organic composition of capital implies that the ratio of constant capital (the portion of capital used to purchase means of production) to variable capital (the portion of capital used to purchase labour-power) increases continuously. This is the reflection of the fact that with the expansion of the productive forces within the framework of the growth, expansion and accumulation of capital and the increase of the social productivity of human labour, the quantity (and also the value) of the means of production which every worker, on average, sets in motion over a specified period of time increases. But the fatal contradiction of the capitalist system of production lies in the fact that the increase of the organic composition of capital (which, as we said, expresses the increase of the productive capacity of human labour) inevitably gives rise to the tendency of the rate of profit to fall. The reason for the tendency of the rate of profit to fall, as a result of the increase of the organic composition of capital, can be explained briefly in this way (the detailed explanation of this point is not possible in this brief account; refer to "Capital", Vol.3, part 3, chapter 13):

The rate of profit is given by the ratio of the total produced surplus-value to the total capital advanced which itself is internally divided into two parts, constant capital and variable capital:

$$(1) \text{ Rate of Profit} = \frac{\text{Surplus-Value}}{\text{Variable Capital} + \text{Constant Capital}}$$

If we divide the numerator and denominator of the above fraction by variable capital, we obtain:

$$(2) \text{ Rate of Profit} = \frac{\frac{S.V}{V.C}}{1 + \frac{C.C}{V.C}} = \frac{\text{Degree of Exploitation}}{1 + \text{Organic Composition}}$$

Constant capital is not the origin of surplus-value and it is only variable capital, i.e., the part of capital used to purchase labour-power, that produces surplus-value. Therefore, assuming a given degree of exploitation, the mass of surplus-value increases proportionally to the growth of variable - and not constant - capital. It is clear, then, assuming that the rate of exploitation remains constant, the rate of profit decreases as the organic composition of capital increases (in the second formula the numerator has remained constant, while the denominator has increased; or in the first formula, the numerator has increased slower than the denominator). In other words, as a result of the process of accumulation of capital and the increase of its organic composition, (the degree of exploitation has not changed and this is the assumption of our problem in the above discussion), the total mass of surplus-value has probably even increased, but the rate of profit has dropped. A point to be emphasised in this connection is that the law of the tendency of the rate of profit to fall is not a mathematical (algebraic) deduction, but a socio-economic deduction which has been made on the basis of the cognition of the social reality of capital. The above was merely the mathematical presentation of the question. The fact is that in its process of accumulation, concentration and centralization, capital develops the productive forces and employs them more and more within the framework of surplus-value production and this inevitably means that the productive capacity of human labour (the productivity of the working-day of each worker) has increased. In other words, along with accumulation, a certain amount of capital (e.g. £100) each time employs, in the process of production and reproduction, greater means of production and less human labour-power and hence the mass of the products increases; but the profit of capital comes not from the means of production but only from the exploitation of human labour-power. And assuming a constant rate of exploitation, the utilisation of less labour-power is equivalent to obtaining a smaller mass of surplus-value for every £100 of capital, i.e., the rate of profit of capital decreases. Thus, the extension and accumulation

of capital turns into a barrier to the greater extension and accumulation of capital since the growth of capital has come into conflict with the maintenance of the rate of profit-making.

But why does Marx speak of the tendency of the rate of profit to fall and not of the necessity of its fall? The comprehension of this point also explains, to a great extent, the cyclical and alternate character of the economic crises of bourgeois society. Crisis indicates that the tendency of the rate of profit to fall has become concrete and the profit of capital has actually decreased. Different capitals go for one another in order to appropriate a greater share of the surplus-value produced in the whole economy, competition intensifies deeply, and many capitalists go bankrupt. On the other hand, the whole capitalist class takes the offensive against the level of subsistence of the working class in order to intensify exploitation and to produce more surplus-value and the social antagonism between labour and capital sharpens in all its dimensions. The cyclical character of crisis stems from the cyclical character of the actualisation of the tendency of the rate of profit to fall. The fact that crisis is cyclical is because the tendency of the rate of profit to fall reveals itself, not as a continuous, gradual and actual reduction of the rate of profit of capital, but as its rapid and alternate reduction, at definite junctures, after periods of some years of stability or even practical increase. Thus the fundamental question is this: taking into consideration the fact that the organic composition of capital increases continuously, what factors cause the tendency of the rate of profit to fall to manifest its effects not in a continuous manner, but alternately? In other words, what factors prevent the actual decrease of the rate of profit in the interval between the two periods of crises, and thus convert the fall of the rate of profit into a tendency?

The truth is that in the practical process of production and reproduction of capital, other tendencies and factors are also at work which can counteract, within

certain limits, the effect of the tendency of the rate of profit [to fall]. The essential point is that the influence of these counteracting factors cannot be permanent and the tendency of the rate of profit to fall will manifest its effects, in the long run and at alternate periods. Marx explains these counteracting factors (tendencies) immediately after putting forward the law of the tendency of the rate of profit to fall itself (chapter 14 of Capital Vol.3). Out of the factors Marx enumerates, we will briefly refer to a number of them:

1) Intensification of Exploitation. If we contemplate over what we said previously, we see that the tendency of the rate of profit [to fall] operates as an absolute law (i.e., the profit of capital decreases in practice), where the rate of exploitation increases slower than the growth of the organic composition of capital (in the above discussion the rate of exploitation was basically taken to be constant). Whereas, in reality, this is not necessarily the case and if capital is able to intensify exploitation, in various ways, proportional to (or faster than) the increase of the organic composition, it can increase, in the course of production and reproduction, the mass of the produced surplus-value to a point where it actually counteracts the tendency of the rate of profit to fall. (For a detailed explanation of the different ways of intensifying the rate of exploitation in the capitalist system, refer to sections 3 to 5 of Vol.1 of Capital, especially chapters 16 and 17). The increase of the organic composition of capital - since it expresses the increase of the quality and quantity of the means of production and hence the increase of the productivity of labour - is itself a factor which increases the degree of exploitation (the rate of surplus-value), since with the increase of the productivity of labour, the working-class, by employing more efficient means of production, produces its means of subsistence in a shorter period of time and hence more surplus-value is appropriated by the capitalist class (the production of relative surplus-value). The increasing of the speed of production, the reduction of

the rest-periods of the workers during the working-day, etc., are other methods for increasing the surplus-value produced over a definite working-day. On the other hand the capitalists may extend the working-day itself and, by adding to the working hours of workers, increase the degree of exploitation (the production of absolute surplus-value). In short, so far as capital intensifies exploitation in various ways, it can counteract the tendency of the rate of profit to fall to some extent. But the point is that the accumulation and the increase of the organic composition of capital cannot be stopped, whereas the intensification of the degree of exploitation, firstly, has distinctive physical and social limitations, and, secondly, becomes more difficult each time, and thus the tendency of the rate of profit to fall will, firstly, in the final analysis, impress its stamp on the process of accumulation of capital, and, secondly, is always implicitly masked, from the analytical standpoint, with the inevitable and unceasing striving of capital to intensify exploitation as much as possible (to prevent the actual reduction of profit).

2) Depression of workers' wages below the real value of labour-power

The value of labour-power, at any definite juncture in the development of capitalist society, is equal to the value of the means of subsistence needed by the worker in order to reproduce the labour-power that he has expended during the working-day. The law of movement of capital is such that the level of subsistence of workers is reduced to an absolute minimum; but this "absolute minimum" is not necessarily a physical minimum (i.e., a level that keeps the working class barely alive), but a "minimum" that the capital has been able, with respect to factors such as the degree of competition existing among the workers, and the degree of political consciousness and organisation of the working class and its ability to defend its level of subsistence, to impose on the workers as the "normal" level of their existence. The real value of labour-power is the value of the means of subsistence

that ensures this "normal level" of existence for the workers (for example, having a small refrigerator or a radio and a television has been more or less established as part of the normal level of existence of the workers of the European countries; but the bourgeoisie and capitalist system in countries like Iran refuse to even recognise the right to a shelter, a minimum health-care, and even adequate nutrition for large masses of workers and toilers. The significance of categories such as imperialism and class struggle in understanding this point need not be stressed). Thus, it is obvious that if the bourgeoisie has succeeded in depressing the level of subsistence of workers and toilers below the level that is "normal and usual", it has increased the profitability of capital and has counteracted the tendency of the rate of profit to fall, to some extent. From the analytical standpoint, the depression of the level of subsistence of workers or the intensification of the degree of exploitation (which we referred to previously) both add to the mass of the total surplus-value which is appropriated by the capitalist class, through the reduction of the share of wages in the value of the total products which the working class has produced; the difference being that in the first case (the depression of wages) the level of subsistence of workers decreases in practice, the workers become poorer, and in the second case (the intensification of the degree of exploitation), the level of subsistence of workers remains constant, but the value of their means of subsistence is reduced (since these have been produced in a shorter time span).

3) Cheapening of elements of constant capital (means of production). As mentioned earlier, the basis of the tendency of the rate of profit to fall is the increase of the organic composition of capital - the faster increase of constant capital relative to variable capital - which is itself the reflection of the fact that each time capital employs, on average, greater means of production relative to unit human labour-power. Thus, it is clear that if in the course of accumulation, for whatever reason, the value of the means of production decreases, capital can employ

greater or better means of production, without there occurring an increase, in the same proportion, in the constant capital advanced, and in this way, in the organic composition. Hence the decrease of the value of commodities* in the capitalist process of production, which is the inevitable consequence of the increase of the general productivity of human labour, is itself a factor which works in the opposite direction of the tendency of the rate of profit to fall. The decrease of the value of the means of production (the elements of constant capital) is possible through other ways, too. For instance, the intensification of the rate of exploitation in the department of the production of means of production; the extension of foreign trade and purchase of means of production from a country having higher productivity; the bankruptcy of a section of capitalists and the appropriation of their means of production, at a price lower than their real value, by stronger capitals. (A factor, which as we shall see later on, is one of the distinctive characteristics of the crisis period); etc.

So, briefly, the cyclical crises are the results of the mutual interaction of the tendency of the rate of profit to fall and its counteracting factors. But since the tendency of the rate of profit to fall operates, relative to the counteracting factors, at a deeper and more fundamental level (from the standpoint of the internal laws of movement and accumulation of capital), in the final analysis it reveals its effects on the profitability of capital. Crisis is the expression of the fact that the tendency of the rate of profit to fall has acted not as a tendency but as an absolute law, and the rate of profit of capital (the total social capital) has practically decreased. On the other hand crisis does not emerge merely as a "symptom" of the inner contradictions

* The phenomenon of inflation, in spite of the continuous decrease of the value of commodities, can be explained by examining the role of state credits and expenditure.

of capital, but, since it enhances the operation of a set of counteracting factors, itself also acts as the practical mechanism of alleviation of crisis, as the process of creating favourable conditions for a new round of capital accumulation. We shall explain this later on. Here it is necessary to refer to one point: there is a long way from an understanding of the law of the tendency of the rate of profit to fall and its counteracting factors, to the explanation and analysis of the economic crisis, in a particular society and at a particular period, and the way it appears from the viewpoint of form, depth, scope and the degree to which the important indicators of capitalist production change, etc., and also to the determination of the concrete influences of crisis on the course of class struggle and the inevitable movements of the bourgeoisie. The law of the tendency of the rate of profit to fall and its counteracting factors and mechanism, merely provide the most basic tools for the analysis of specific economic crises from a Marxist viewpoint; whereas, concrete analysis necessitates the understanding of other economic categories, relations, concepts and parameters, as well, which must be entered into the analysis and applied at every step in the course of movement from general laws to specific realities. The important point is that not only do these more concrete factors not violate the general laws of movement of capital, but in fact explain the way these laws are materialised and become concrete. The fact that the alleviation of the crisis of capitalist society at all times necessitates increasing the profitability of capital, is an irrefutable law, and at this very level it reveals the fundamental necessities of the economic and political movements of the whole bourgeoisie. But the more precise understanding of the movements of the bourgeoisie and its various strata, the more exact understanding of the political and economic programmes and the actual motives and abilities of the bourgeois state in the arena of the economic crisis and also of the political parties of this class, etc., and the understanding, in this way, of the necessities of the concrete movement of society at every specific moment for the purpose of adopting correct fighting tactics,

necessitates an ever-more precise understanding of the more concrete dimensions of the economic crisis of society. From this viewpoint, what we mention in this brief account does not go beyond the framework of references to the most basic laws and contradictions of the capitalist system and its inevitable crisis.

It was pointed out earlier that the economic crisis, besides being the expression of the aggravation of the internal contradictions of capital, is also the practical mechanism of its alleviation. On the one hand, crisis is expressive of the fact that the tendency of the rate of profit to fall has become concrete as an absolute necessity, and, on the other hand, provides the groundwork for the counteracting tendencies, too, to become concrete in the most manifest manner:

1) Crisis intensifies the existing competition among the different strata of capital and every section of capital tries to allocate for itself, through competition, a greater share of the surplus-value in order to preserve its rate of profit. The intensification of competition tightens the field for the weaker strata of capital and drives many to bankruptcy. This in reality is tantamount to a process of internal purging of capital. This is because as the weaker capitals become bankrupt, the conditions of profit-making become more suitable for the remaining sections. As the weaker capitals go bankrupt, the means of production of these capitals are appropriated by the stronger capitals at a price lower than their real value; thus, the total social capital becomes more centralized without its organic composition having increased in the same proportion. In this case the capacity of the means of production has not altered, the mass of the products and their total value have remained constant, but now the produced surplus-value belongs to capitals of less aggregate value and the rate of profit of capital (given by the ratio of the total surplus-value to total value of capital) increases. Even assuming that no centralization takes place, i.e., assuming that the means of production of the bankrupt capitals are not appropriated,

but that they are essentially driven out of the production sphere, the very exclusion of capitals which have lower productivity (i.e., they produce less surplus-value relative to unit capital) increases the average rate of profit, because the value of the total social capital (the denominator of the fraction of rate of profit) has decreased in greater proportion than the total produced surplus-value (the numerator of the fraction). The intensification of competition and the internal purging of the social capital open other doors too for the capitalists, in order to maintain or increase the rate of profit (such as taking over the sales market of the bankrupt rivals and increasing the scale of production, which is made possible by the greater productivity of labour, making use of more modern technical means, etc.), the detailed explanation of which cannot be fitted into this brief account. What must be stressed and concluded is that, firstly, by intensifying competition, crisis provides the necessary groundworks for the internal purging and re-organisation of capital and thus the increase of its profitability, and, secondly, since capital emerges out of every crisis more centralized, the next crisis appears with greater and deeper dimensions, causes more intensified competition and its alleviation necessitates a more all-sided reconstruction for capital. Thus, with every crisis, capital comes one step nearer to its disintegration.

2) Crisis practically provides the groundworks for the intensification of the degree of exploitation and also the depression of wages below the real value of labour-power. The bankruptcy of the various capitals and their exit from the sphere of production, at the same time makes their workers unemployed and drives them towards the labour market. The reserve army of the unemployed swells, the pauperisation of the masses intensifies, and the competition among the workers for jobs escalates. Thus, capital is able to extract greater and harder labour from the workers. On the other hand, the unemployment of large masses of workers, the securing of whose livelihood is inevitably shouldered by their toiling brothers and sisters, makes the working class as a whole, poorer. The

purchasing power of the wages of workers who have held on to their jobs also decreases in the face of the daily increasing inflation of prices. Thus, the mechanism of crisis reduces the "normal" level of subsistence of the whole working class. Evidently, in re-employing these workers, capital does not return to the pre-crisis level of wages and consequently the level of wages as a whole decreases to a level below the real value of labour-power and crisis displays its operation as the automatic mechanism of setting in motion the factors which counteract the tendency of the rate of profit to fall. In other words, during crisis the economic-class antagonism between labour and capital intensifies. Capital becomes more and more in need of increasing the rate of exploitation of the working class. The intensification of competition among the different strata of capital is in turn a reflection of the intensification of the antagonism between labour and capital. Competition shows to the different strata of capital that if they do not intensify the exploitation of the working class, then they will not all be able to make profit at the previous level. In this competition, the stronger capitals push out of the field their "incompetent relatives" who do not have the "capability" of the greater exploitation of the labour-power so that they themselves define anew the rules of the relation of labour and capital. The class struggle intensifies and precisely to the extent that the working class resists or even makes an offensive in response to the all-sided assault of the bourgeoisie, the existing fight among the different strata of capital, too, escalates. The end of the matter cannot be anything other than one of two things: either the proletariat enjoys such ideological-political-organisational strength that it draws the economic crisis of the bourgeoisie to the political arena and to a direct fight over the political power and thus it destroys for ever the bourgeois economy together with its crisis; or, the struggle becomes confined to the economic level and the bourgeoisie becomes victorious in its assault on the level of subsistence of the working class, exploitation intensifies, and the necessary conditions for the commencement of a new cycle of capital accumulation are

created for the bourgeoisie. There is no middle course, and the historical limitations and inability of the workers' syndicalist movement, in the final analysis, lies in this truth. In the period of crisis even the strongest syndicalist movement is unable to do anything in defence of the level of subsistence of workers, since, as a result of the millions having become unemployed, the level of their subsistence has actually decreased. At the time of crisis workers cannot achieve any economic gains (at the level of the whole working class), without questioning the very existence of private ownership of the means of production, without resorting to a struggle for the negation of this ownership. Struggle against the private ownership of the means of production, necessitates before anything else, a struggle for the seizure of political power. The seizure of the political power, or the acceptance of the lowering of the level of subsistence. These are the two alternatives which every crisis of capitalist society places before the workers. This has been proved by the Marxist theory of crisis and the world working class has experienced it, generation after generation.

Let us sum up: the economic crisis of the capitalist system, which stems from the internal contradictions of the movement and accumulation of capital, itself also provides the groundworks for the alleviation of these contradictions and the preconditions of a new cycle of capital accumulation. Crisis creates such conditions that the counteracting factors of the tendency of the rate of profit to fall are set in motion with greater intensity. The spheres of operation of these counteracting factors can be generally divided into two categories:

1) The mutual relations of the different strata of capital. Crisis intensifies competition and thus escalates an extensive purging and re-organisation within the total social capital and increases the profitability of the total social capital.

2) The mutual relations between labour and capital.

Crisis intensifies the class struggle; capital starts an extensive assault on the level of subsistence of workers and toilers. In the event of the defeat of the working class in this struggle, capital finds the possibility of reducing the price of labour-power in the context of the pauperisation of the masses, of intensifying its exploitation and of creating the necessary conditions for the commencement of a new cycle of capital accumulation (with adequate profitability).

But this is not the end of the matter, neither for the proletariat nor for the bourgeoisie. By this way the bourgeoisie has only delayed the collapse of its system of production for a limited while. Since, with every crisis, capital becomes more centralized and also the degree of exploitation intensifies, the next crisis emerges with greater intensity and depth and also more and more loses its efficiency as a mechanism of alleviation of the internal contradictions of capital. On the one hand, with the centralization of capital the process of its internal purging each time assumes more hostile and fierce dimensions, since the rivals have become fewer and larger (the competition among the monopolies intensifies as far as direct wars among the governments of capitalist countries). On the other hand, with the increase of the degree of exploitation, its re-increase becomes harder for capital, both economically and politically, especially because, with respect to the centralization of capital, the magnitude of this increase must also each time be more than the previous periods so that it can counteract the tendency of the rate of profit to fall. More importantly, the proletariat emerges out of every crisis more conscious and more militant, becomes more extensively organised in the political party of its class, the communist party, and with the leadership of the latter it finds the possibility of accomplishing its historic mission as the gravedigger of the capitalist system of production.

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Now let us see what theoretical tools the Marxist theory of capitalist crisis provides, even at the brief level we considered here, for understanding the economic crisis of dependent capitalism and more importantly, the crisis of the dependent capitalism of Iran. We said that dependent capitalism, whether in the course of production or reproduction or from the viewpoint of crisis, obeys the general laws of the capitalist system and the fact that it is dependent does not alter its capitalist nature. But the understanding of the more concrete characteristics of the crisis of dependent capitalism necessitates the understanding of the concrete peculiarities of production and reproduction in this system. The tendency of the rate of profit to fall, resulting from the increase of the organic composition of capital, is a general law of capitalist production and undoubtedly the dependent capitalist system is not exempt from it. Hence, precisely to the extent that the organic composition of the total social capital increases in the domestic market of the dominated capitalist country, the tendency of the rate of profit to fall also manifests its effects on the profitability of capital. But it must be born in mind that the crisis of dependent capitalism is not necessarily the expression of the operation and actualisation of the law of the tendency of the rate of profit to fall in the domestic market of the dominated country. The economic crisis in the dominated capitalist countries is mainly and in the majority of cases, the reflection of the "transfer" of the world crisis of imperialism - capitalism at its highest stage - to the domestic market of the dominated capitalist country. To understand the general mechanism of this "transfer" we must take a closer look at the relation of the domestic market of the dominated capitalist country to the world operation of monopoly capitals and the imperialist system of production. For this purpose it is necessary to initially recall some points about the general laws of the epoch of imperialism, from Lenin's viewpoint, and show how the domestic market of the dominated capitalist country plays a specific role in the production and reproduction of the world system of imperialism and then

deal with the main peculiarities of the domestic market of such countries:

A) THE GENERAL LAWS OF THE CAPITALISM OF THE ÉPOCH OF IMPERIALISM AND THE ROLE OF THE DOMESTIC MARKET OF THE DOMINATED COUNTRY.

Lenin formulates the characteristics of the capitalism of the epoch of imperialism in this way:

"And so, without forgetting the conditional and relative value of all definitions in general, which can never embrace all the concatenations of a phenomenon in its full development, we must give a definition of imperialism that will include the following five of its basic features:

1) *The concentration of production and capital has developed to such a high stage that it has created monopolies which play a decisive role in economic life;*

2) *The merging of bank capital with industrial capital, and the creation, on the basis of this "finance capital", of a financial oligarchy;*

3) *The export of capital as distinguished from the export of commodities acquires exceptional importance;*

4) *The formation of international monopolist capitalist associations which share the world among themselves, and*

5) *The territorial division of the whole world among the biggest capitalist powers is completed."*

(Imperialism, the Highest Stage of Capitalism, Progress Publishers, p. 84).

In the first place, the important point is that Lenin deduces the general laws of the capitalism of the epoch of imperialism precisely from the laws of movement of the capitalist system in general. The pivotal and determining role of the increase of the organic composition of capital and the law of the tendency of the rate of profit to fall in the transformation of capitalism into the stage of imperialism is saliently reflected in Lenin's formulation. "... the rise of monopolies, as the result of the concentration of production, is a general and fundamental law of the present stage of development of capitalism." (Ibid, p.20' our emphases) And, Marx in Capital "by a theoretical and historical analysis of capitalism had proved that free competition gives rise to the concentration of production, which, in turn, at a certain stage of development, leads to monopoly." (Ibid, p.20). So, monopoly arises out of competition and the stage of imperialism from the womb of the classical development of capitalism. In the above formulation of Lenin, points 1 and 2 are specifically the reflection of this general law of capitalism that the process of accumulation leads to the concentration and centralization of capital and the increase of its organic composition. The third point, i.e., the export of capital, is the operation of the law of the tendency of the rate of profit to fall. The operation of this law in the advanced capitalist countries, in whose domestic markets capital has become intensely centralized (its organic composition has increased), necessitates the movement of capital to spheres having greater profitability. From this viewpoint, the export of capital itself works as a counteracting factor of the tendency of the rate of profit to fall. Points 4 and 5 are specifically emphasising that the different monopoly capitals and the states which pursue the interests of these capitals in the political sphere, strive, in different ways, politically and economically, to provide the necessary economic and political conditions for the profitability of their exported capitals and also to preserve for themselves the spheres of export of capital against their rivals.

From the viewpoint of our discussion in this supplement, the essential point is the export of capital. The movement of capital from one sphere to another (export of capital) is before anything else expressive of the reality that the parameters of production, reproduction and accumulation of capital are necessarily different in these two spheres. In one (the exporter country) the domestic market has become saturated with capital, the centralization of capital has reached its height and the profit-making of capital is accomplished at a lower level; and in the other (the dominated country to which capital is exported) very favourable conditions for the profit-making of capital exist: labour-power is cheap and the organic composition of the total social capital in the domestic market is lower; in other words, the necessary conditions for the production of imperialist super-profits and the alleviation of the internal contradictions of monopoly capital exist. The production of imperialist super-profits through the export of capital, this is the fundamental axis of Lenin's theory of imperialism. And the understanding of the relations of dependent capitalism and the peculiarities of the domestic market in such countries must undoubtedly be founded on this Leninist understanding of the economic content of imperialism. Dependent capitalism is a system, firstly, in which capitalism has been established and, secondly, its domestic market is in the service of the production of imperialist super-profits. Let us contemplate over this formulation a little: the production of imperialist super-profits in a capitalist country means that the necessary conditions for the production of super-profits (of which cheap labour-power and high degree of exploitation are the principal pillars) must be produced and, be reproduced, during every circuit of reproduction of the total social capital. In other words, the point is not over labour-power being cheap in these countries beforehand, but over keeping it cheap. And again, the point is not over the degree of exploitation being high, but over keeping it high. The domestic market of the capitalist country is the general framework and context of such a relation between labour and capital - the rela-

tion of imperialist super-profit production, a relation for whose survival the monopoly capital mobilises all of its economic and political means world-wide. (On the political significance of this discussion, especially in the field of assessing the counter-revolutionary role of the Iranian bourgeoisie, refer to the pamphlet "The Iranian Revolution and the Role of the Proletariat, [Theses]", Sahand, March 1979)*.

B) CERTAIN PECULIARITIES OF THE DOMESTIC MARKET IN THE DEPENDENT CAPITALIST COUNTRY.

B1) The imperialist character of the historical process of formation of the domestic market (the process of "primitive accumulation"). The fundamental axis of the process of formation of the domestic market is the expropriation of the direct producers, which, on the one hand, transforms labour-power into a commodity (creates the proletariat) and, on the other hand, converts the means of production and means of subsistence into the material elements of constant and variable capitals, and thus practically enables the mercantile bourgeoisie to be turned into the industrial bourgeoisie. The historical process of formation of the domestic market is the very process of establishment of the capitalist system whose key is the expropriation of the direct producers (and particularly the rurals). (see part 8 of Capital Vol.1 - chapters 26-33 - and also the Development of Capitalism in Russia, part 1). In the classical conditions of development of capitalism, the process of primitive accumulation starts from the heart of the feudalist system and is expressive of the development of productive forces in this system. This process takes place, especially, on the basis of an agricultural revolution which prepares the necessary conditions for expropriation.

* See Issue No.1 of the present Translation Series -Ed.

The historical process of "primitive accumulation" and the formation of the domestic market in the dependent capitalist countries is otherwise. The domestic market in these countries is formed, in the majority of cases*, in the epoch of imperialism and through the export of capital. The emergence of the proletariat (as one class) which is to form the basis of super-profit production, is realized not in the course of a classical expropriation process, but through rapid, and from above, expropriations of the direct producers, through a speedy ruin of millions of masses. The most significant peculiarity that the imperialist character of the expropriation process imparts to the economy of the dominated country (which after the expropriation counts as a capitalist country) is that the division of labour in the domestic market takes shape from the very outset in accordance with the specific and world requirements of the monopolies, and not according to the historical growth of the commodity economy and traditional local division of labour, although, the traditional commodity production continues its existence all the same (although with a diminishing trend). The growing proletariats of these societies are more and more employed in branches and sectors which are in the service of the specific needs of monopoly capital. Likewise, the production and reproduction of use-values which must constitute the material elements of the total social capital, i.e., the production and reproduction of means of production and subsistence which capital needs for converting money-capital into productive capital, to different degrees and proportional to the specific needs of monopoly capitals at every juncture, leave the sphere of the home market and become subordinate to the world market. (For example, when Iranian capitalism is mobilised by the monopolies towards the production of mineral and

* At this juncture, considering our inadequate knowledge of the expropriation process in many of the dependent capitalist countries, we do not consider this general verdict generalisable to all of such societies.

fuel materials and also light consumer commodities, it is obvious that, firstly, the means of production of these industries are not, in the first instance, produced in the domestic market and, secondly, neither can the means of subsistence of the proletariat be left, in the first instance, to local production - which has become even more limited as a result of the expropriation process - and to its low productivity and inevitably its high prices.)*

* We have here referred to some of the objective, historical and irrefutable peculiarities of the development of capitalism in Iran. Perhaps the heart-aches of the supporters of the "national bourgeoisie" and "classic and independent capitalism of Iran" have been re-kindled. But undoubtedly they are alone in this remorse and lamentation. The bourgeoisie of Iran which has tired itself out to achieve this expropriation for more than 50 years, and has suddenly found it realized over 5 years (1963-68), is very much satisfied with the imperialist character of this process and has well exhibited its satisfaction by the inflation of its wallet and bank account during the last ten years. Nor does it make any difference at all, from the viewpoint of the Iranian proletariat, how it has been born, who has been its historical midwife, which of its brothers and sisters in the world have toiled to produce the bread it eats or where the instruments which employ it in the service of capital, have been produced. What is important for it is the fact that it has stood up, side by side with the other revolutionary workers of the world, for the destruction of the entire bourgeois system whether "national or non-national" and by the passing of each day it finds in itself, more than ever before, the strength for accomplishing this historical mission.

B2) The contemporary conditions of production and reproduction of the total social capital in the domestic market of the dominated country (main points).

Before anything else it must be emphasised that with the establishment of capitalism in the dominated country and in every capitalist country generally, i.e., with the conclusion of the process of expropriation and "primitive accumulation", the movement of social capital becomes independent of this historical process. For example, to provide the cheap labour-power that it requires in every reproduction circuit, capital does not need to re-expropriate the direct producers, but creates within the framework of the laws of its movement (and not birth), a reserve army of unemployed for the maintenance of the rate of wages at the lowest possible level. After the establishment of the domination of capital over social production, its laws of movement in all spheres become independent of the historic process of the arising of the capitalist system. (As Marx says, capital throws the crutches to one side and stands up on its own legs - itself makes the laws) Marx calls these laws of movement and reproduction, the contemporary (existing, present) conditions of capitalist production, conditions which must be created anew in every reproduction circuit of the total social capital. "Capital", except the part on primitive accumulation and some sections in Vol. I, generally deals with the explanation of the contemporary conditions of production and reproduction of the capitalist system. For the difference between the contemporary conditions and historic presuppositions, refer to the "Grundrisse", the part "Once developed historically, capital itself creates the conditions of its existence", Marx, English edition, pp. 459-465)*.

* For a striking example of confounding the distinction between the contemporary laws of movement of capitalism and the historic conditions of its arising, refer to "Fascism: Nightmare or Reality?", Part One, "Fah-c-Kargar"

As we said, the fundamental element in the domestic market of the dominated country is the existence of cheap labour-power which is absorbed by capital in specific spheres of production, with respect to the specific

[Worker's Path -Ed.]. Instead of explaining the laws of movement of the dependent capitalist society of Iran at the present specific conditions, comrades of Rah-e-Kargar substitute the way these conditions arise historically (historical division of labour, the destruction of agriculture and the lack of the "even" development of the productive sectors in the home market, etc.) and theorise this deviationist outlook thus: "Dependent capitalism is the result of an imposed division of labour at the international level. In this connection the consideration of the fact that usually in the dominated countries dependence, from the viewpoint of time, precedes capitalism, is of decisive significance." (our emphases). While, what is not at all decisive is, in fact, the very aspect of dependence which precedes capitalism from the standpoint of time. Thus, by exaggerating the peculiarities of the historic process of arising of dependent capitalism, the comrades of Rah-e-Kargar inevitably fail to analyse dependence, where this dependence not only does not take precedence over capitalism but is the product of its daily reproduction, and in practice, once again feed to our communist movement the same "technical" view of dependence (in which there is no mention of the laws of the capitalist mode of production and whose constituents we listed and analysed in the "Myth of the National and Progressive Bourgeoisie" as the bourgeois interpretation of the question of dependence), having injected into the text some Marxist terms such as "reproduction on an extended scale", "accumulation", etc., and this under conditions where our communist movement has been forced to think over its notion of dependent capitalism, undoubtedly not because of the "myth" of the "national" bourgeoisie but because of the plain and clear revealing of its fakeness and its open orientation against the revolution.

needs of monopoly capital at every juncture. The independence of the contemporary conditions of production from its historic presuppositions means that after having been extensively pulled out of the pre-capitalist system of production, labour-power must be reproduced anew as a cheap commodity on the basis of the laws of movement of capitalism itself. The reproduction of cheap labour-power is the fundamental pillar of movement of monopoly capital (and the total social capital which is subordinate to it) in the domestic market of the dominated country. In the absence of cheap labour-power, even the largest underground mines and reserves do not necessarily make a country the target for the export of capital, since capital is not after use-values, but after surplus-value, and, this, at a favourable rate.

The necessity of the reproduction of cheap labour-power in the dominated country, and thus the production of imperialist super-profits establishes a specific relation between labour and capital, on the one hand, and, based on that, a particular relation among the different strata of capital in the domestic market of the dominated country, on the other.

1) THE RELATION BETWEEN LABOUR AND CAPITAL IN THE DOMESTIC MARKET OF THE DOMINATED COUNTRY.

The wage which the capitalist pays the worker is the monetary equivalent of the means of subsistence which the worker needs to utilise for renewing his strength and re-starting the labour-process. The "cheap labour-power", thus, implies a relatively (cheapness is a relative category) low share of the value of the means of subsistence, used by the workers, in the total values of the commodities which they themselves produce. Assuming similar conditions of production, the use of cheaper labour-power implies a higher degree of exploitation. But how does monopoly capital maintain labour-power cheap in the domestic market (i.e., keep the degree of exploitation high or increase it)? In other words, how do the laws

of movement of capital in the domestic market of the dominated country ensure that the lowest possible share of the total value produced is allocated to the working class?

As we also said earlier, in the determination of the share of the working class in the total value produced in society, two variables are at work: a) the quantity of the commodities used by the working class, and, b) the unit value of these commodities. More simply, a) which commodities constitute the necessary means of subsistence of the workers at every juncture in the development of society (the quantity and quality of food, housing, welfare facilities, etc.), and, b) how much these means are worth. The systematic reproduction of cheap labour-power means the systematic prevention of the increase of these two variables or even their systematic depression by capital in the course of production and reproduction. On whatever division of labour the economy of the dominated country may be based, whether it is the producer of oil, coffee, or means of production, or, it essentially has an "even" home market, it relies, according to the specific need of the total social capital, on cheap labour-power, and thus it is compelled to realize specific conditions with respect to changes in the two variables which determine the value of labour-power in the home market. Firstly, the level of subsistence of workers and toilers must be maintained at the lowest level, at all costs; and, secondly, that very low level of subsistence must be produced, using all the world means of imperialism, in the cheapest possible way.

In connection with the first variable, we made some remarks previously. The depression of the unit value of commodities in the capitalist system (a reflection of the increase of productivity resulting from the centralization of capital) increases the purchasing power of the constant rate of wages - constant from the viewpoint of value. In other words, the working class can (assuming that the real rate of wages remains constant - i.e.,

assuming that the workers receive a constant amount of value in the form of wages) obtain more commodities as means of subsistence - it can increase its level of subsistence. To put it in another way, the workers' level of subsistence can increase along with the increase of the productivity of their labour. But in the framework of capitalism this is only a possibility and not an automatic and necessary mechanism. Defence of the real value of wages (let alone its increase), i.e., making the rate of wages consonant with the speed of increase of the productivity of labour, necessitates for the working class consistency in organised struggles, formation of unions, holding demonstrations and sit-ins, going through imprisonment and even sacrificing victims. The bourgeoisie does not "softly" make the workers "share" in the increase of the productivity of their own labour. And we also said that in the period of crisis, the bourgeoisie not only gives no consent to this but practically reduces the level of subsistence of workers. At any rate, however, from the standpoint of the operation of capitalism as a whole, the increase of the level of subsistence of workers, along with the increase of productivity, is a possibility.

In dependent capitalism, the conditions cannot be left as they are. Capital must, in a systematic manner, prevent the workers from "sharing" in the proceeds of the increase of productivity. In a sense, from this viewpoint, the workers of the dominated country exist in conditions of "generalised" and permanent crisis. To prevent the rise in the level of subsistence of the workers (with respect to the first variable), capital must stand in the way of the escalation of the economic struggles of workers, in a systematic and permanent manner. From the standpoint of capital in the dominated country, this is the necessary condition for preventing the increase of the first variable. If in the domestic market of the metropolitan country, capital tolerates, under the conditions of its standard and non-crisis operation, the existence of workers' unions, and only when the economic crisis deepens, does it resort to the

resolute suppression of the syndicalist movement, in the dominated country, the way of the syndicalist movement must be blocked basically from the outset, and even declared illegal, as far as possible. The labour law in the dominated country cannot maintain its democratic appearance (which, allegedly, coordinates the relations between the owners of two different commodities - labour-power and means of production). The state must directly and openly rise in defence of capital and for the negation of the democratic rights of workers. Here, then, the compromising leaders of the workers' movement cannot find decisive influence and call the workers' movement to conservatism from within. The notion of every worker of the dominated country about its mutual relation with capital, is a notion which the worker of the country which exports capital, achieves only in conditions of economic crisis. The suppression of the workers' movement, in any form and shape, is the vital requirement of monopoly capital in the domestic market of the dominated country. The anti-democratic character of the bourgeois states in the dependent capitalist states, rests on the axis of this specific need of the accumulation of capital, on the axis of the antagonism between labour and capital in the dominated country, and not, contrary to the conception of many of our Marxist-Leninists, on the "monopolist character" of monopoly capital or the non-development of "balanced" capitalism.*

* The continuous reproduction of cheap labour-power necessitates, in the first step, the continuous reproduction of such a state. A state which rests not on the influence of liberal illusions among the workers - through labour-aristocracy - but on the power of

* "The imbalanced economies of dependent capitalisms, do not allow bourgeois democracy to assert itself in these countries as an established institution". The above-mentioned article by Rah-e-Kargar, p.19 (Our emphases).

bayonets; and the power of the bayonet does not only mean the suppressive and well-equipped army or intelligence institutions and the police, but also the expansion of the executive organs of the state in the different spheres of the economic, political and cultural life of society. A large portion of the cheap labour-power must before anything else be employed in this state itself which is the necessary condition of capital accumulation in the dominated country. We shall return to this point later.

But, on the second variable, i.e., the value of the level of subsistence of workers; here, the determining factors are mainly economic ones. The monopoly capital in every particular dominated country, must provide the means of subsistence of the workers of the country in the cheapest possible way and here, no doubt, it reserves no "sacredness" for the framework of the domestic market in the dominated country. The value of the necessary means of subsistence depends (like any other commodity) on the degree of the productivity of labour in their production and in which country in the world the productivity of labour in the production of these commodities is the highest, reflects itself in the price of the commodities in the sphere of the world market. It is of course natural that in certain dominated countries which themselves occupy in the world division of labour the position of producers of means of subsistence, capital does not feel the need to open the gates of the domestic market to the import of such commodities, in order to reproduce the cheap labour power. But the law of the faster growth of the department of the production of means of production relative to the means of consumption, in practice leads to such countries being in a minority, particularly since the means of subsistence of the working class include different commodities all of which cannot necessarily be produced in a definite country in the cheapest way. The export of capital in the epoch of imperialism and the specific division of labour which is created in every juncture as a result of the movement of capital

in the domestic market of the dominated countries and also in the world market, puts the export of commodities on a new economic footing. The expansion of foreign trade (and the export of commodities) in the epoch of imperialism is, from the standpoint of content, the result of the operation of imperialism and not its ultimate aim.

From the standpoint of our discussion in this supplement the emphasis of some points is necessary: firstly, it is clearly obvious from what we said that the reproduction of cheap labour-power in the domestic market of the dominated capitalist country is a world phenomenon and relies entirely on the world operation of monopoly capital and its profitability and productivity in other regions of the world. In other words, that to what extent the total social capital (and hence all its components and units), for example in Iran, is able to increase the degree of exploitation and to augment its profitability is not restricted only to the framework of the relation between labour and capital in the domestic market of Iran, and depends, in the final analysis, on the relation which monopoly capital establishes with the whole of the world working class. This is the concept that we have in mind about "the dependence of the conditions of profit-making of capital on the world operation of monopoly capital"*. This, before anything else, expresses the complete and thorough dependence of all the strata of capital in the domestic market of a country like Iran on the monopoly capital and its world operation. The factors we enumerated (the political and economic factors involved in the reproduction of cheap labour-power) all function in the service of all the strata of capital - and not just monopoly capital - leaving aside whatever direct links

* "The Myth of the National and Progressive Bourgeoisie (1), preface and introduction", Sahand, May 1979. [See issue no.5 of the Translation Series -Ed.]

these capitals may have with specific monopoly capitals (the purchase of means of production, the acquisition of monetary capital, etc.). Naturally, this mutual unity is both in the profit and loss, in the accumulation and crisis. The world problems of monopoly capital too are thus reflected, through this same mechanism, in the domestic market of the dominated country and become the problems of all the units and components of the total social capital. We shall return to this in the discussion on the transfer of crisis. On the other hand, this fact is at the same time expressive of the unity of interests of the entire world working class against the monopoly capital. In the epoch of imperialism no worker is faced only with the indigenous bourgeoisie and its "independent" state, but is confronted with the world system of imperialism. But the fact that the export of capital creates different concrete relations between labour and capital in the countries which export capital and in the dominated countries, which form the spheres of production of super-profits for the exported capitals, deserves greater contemplation. These different conditions (in the metropolitan and dominated country) cause the economic dimensions of the capitalist crisis, the way the class struggle develops in its context and also the economic and political conditions of the way out of it, to assume different forms. The export of capital to the dominated country and the production of imperialist super-profits in its domestic market, enables the monopoly capital to alleviate the fatal contradictions of capital in the domestic market of the metropolitan country which has become saturated with capital. Political reaction in the dominated country is the necessary condition and the other side of the medal of keeping the appearance of bourgeois democracy in the metropolitan country. The unbearable destitution and poverty of the toiling masses in the dominated country, is the material basis for the existence and survival of labour-aristocracy in the metropolitan country and thus the stagnation of the class struggle of the proletariat of these countries. (Refer to Imperialism and the Split in Socialism, Lenin).

Let us sum up: the existence of the domestic market of the capitalist country dominated by imperialism, as the sphere of production of imperialist super-profits on the basis of cheap labour-power, is the basis of dependence of the total social capital in this market on the world operation and needs of monopoly capital - a dependence over the axis of which all the strata of capital in the domestic market make profit and are intensely interested in the preservation of. On the other hand, the world crisis of imperialism (which is rooted in the monopoly capital's tendency of the rate of profit to fall) is transferred to the domestic market of the dominated country through this very dependence and influences the profitability of the total social capital in this market, the relation between labour and capital and also the mutual relations among the different strata of capital.

II) THE TOTAL SOCIAL CAPITAL, SOCIAL PRODUCTION AND DIFFERENT STRATA OF CAPITAL.

As we said, the basis of capitalist production in the dominated country is the production of imperialist super-profits on the basis of the exploitation of cheap labour-power and the reproduction of its necessary economic and political conditions. This is the essence of the operation of imperialism in the dominated country, and any analysis and explanation of "dependence" which, in abstraction from this reality, primarily deals with the analysis of the relation of capital, production and division of labour, or the mutual relations among the different strata of capital, has clearly remained oblivious of all of Lenin's and Leninism's theoretical acquisitions. The basis of movement of monopoly capital in the domestic market of the dominated country is the production of imperialist super-profits and not the founding or the "enforcement" of a particular and pre-determined division of labour in the social production - and not the production of particular commodities. In fact the division of labour which the social production

in the dominated country assumes in each particular period, is because this division of labour provides the most favourable framework for the profitable utilisation of the cheap labour-power for the monopoly capital (and thus for the total social capital in the domestic market); a division of labour which more easily yields the necessary surplus-value (from the standpoint of rate and quantity) to meet the needs of capital in the process of accumulation. Capital always and everywhere looks for the production of value and, more importantly, the production of surplus value and not use-value. From the viewpoint of capital, the production of use-value becomes necessary [only] as the material and necessary substratum of the incarnation of value and surplus-value and not from the standpoint of the qualities and properties of the products. This law of capitalism is by no means breached in the era of imperialism. Just as a single capitalist needs, for the production of value and surplus-value, to produce that use-value in whose production more favourable means of profitability exist, the total social capital too must inevitably produce and create, in the production of value and surplus-value, that particular combination of products (and inevitably that particular division of labour) which maximises the profitability of capital in the whole production system. Historically, division of labour precedes capital. However, from the standpoint of the laws of capitalist production, the kind of division of labour obeys the requirements of the accumulation of capital. In other words, with the domination of capital over social production, the production of use-value and the division of labour (the qualitative aspect of social production) become a function of the production of value and surplus-value (the quantitative aspect of social production), and take shape on its basis. The social production is organised, through the involuntary (unplanned) mechanism of movement of the different capitals, from one sphere to another, in the direction of the profitability of the total social capital, and the productive forces in society expand and develop along the lines of and in accordance with the pattern of the specific needs of the total

social capital in every particular period. On the other hand, the imposition of any "supra-economic" change on this particular social division of labour, i.e., any change which does not spring from the movement and accumulation of capital, will automatically mean the lying dormant of part of the productive forces in one pole and the lack of it in another and the result of this will be none other than a drop in the profitability of capital in the whole production system. Thus, the division of labour which is a function of the movement of capital in search of more profits, is itself converted in the next circuit into the basis and pattern of movement of capital.

The domination of monopoly capital over social production will also inevitably mean that the cheap labour-power of the proletariat of the dominated country is employed by capital within the framework of a particular division of labour that is the reflection of the world division of labour of monopoly capital - and this is the necessity for the maximisation of the profitability of imperialist capital in the world market. The objective elements of production (means of production) expand within the framework of this division of labour. Thus, on the one hand, the total social production is mobilised and takes shape in a particular direction - in the service of monopoly capital - and, on the other hand, the conditions for the accumulation of capital in branches of production which this particular division of labour opens up become more favourable. The different non-monopoly capitals in the domestic market of the dominated country, are inevitably set in motion towards the spheres which have been opened up to all the strata of capital, on account of the operation of monopoly capital and the division of labour which is subordinate to it. Thus, the monopoly capital and its world operations determines the kind of the social division of labour of production, the growth of the productive forces, and the movement of the different strata of capital from one sphere to another in the domestic market of the dominated country.

But apart from the qualitative aspects of production (division of labour and production of use-values) and also the dynamism of the movement of the strata of capital to different arenas in the course of accumulation, the profitability of the different capitals in the domestic market is too at every juncture, a function of the operation of monopoly capital. About the general aspect of this dependence, i.e., the general conditions of production and reproduction of cheap labour-power by the monopoly capital, at the economic and political level - conditions which serve all the strata of capital we made some brief remarks earlier. Analytically, this means the dependence of the "rate of surplus-value (degree of exploitation)" in the domestic market on the operation of monopoly capital. But what must be examined, from the viewpoint of the discussion about crisis in such a system, are those specific relations which become established among the different strata of capital, according to the position that each occupies in the total social capital. The conception that each capital (and so each capitalist) produces its own profit, can at most be the false conception of the managers and owners of large and small industries and production enterprises who view and perceive the laws of the market from the angle of their own individual capital in the sphere of competition. Marxism has clearly proved the emptiness of such a conception. Marx shows that the different capitals make profit, through the mechanism of competition, as "shareholders in the total social capital". In other words, the profit of every capital, is its share in the total surplus-value which has been produced in the course of movement of the total social capital - of which every individual capital is a part; the surplus-value which is the product of the exploitation of the whole working class.* With regard to the mutual relations among the different strata and units of capital, this fact is nothing but an emphasis on the fundamental unity of all the strata of capital in the preservation and defence of the imperialist conditions of exploita-

* Foot note on the next page -Ed.

tion of the working class, of the political and economic relations necessary for this exploitation and also the social division of labour which takes shape on the basis of these necessities; and even this brief understanding demolishes the foundation of all the theories of "national and independent capitalism led by the national bourgeoisie".

The domination of monopoly capital over social production, on the one hand, and the dependence of the rate of surplus-value (degree of exploitation) in the dominated country on the operation of monopoly capital, on the other, means that in the determination of the mass of the total surplus-value which is to be shared out among the different strata of capital through competition, the monopoly capital plays a determining role. In other words, it is the process of accumulation of monopoly capital, its requirements and parameters, that determines the framework and limitations of the accumulation of non-monopoly capital. The decisive role of the operation of monopoly capital in the determination of the total mass of surplus-value produced in the domestic market, can take on different forms. The direct export of monopoly capital to the dominated country and the greater volume of this capital, and of the different capitals linked to it, in the total social capital, in particular, and, also, the effects of the operation of

* *"Average profit is the basic conception, the conception that capitals of equal magnitude must yield equal profits in equal time spans. This, again, is based on the conception that the capital in each sphere of production must share pro rata to its magnitude in the total surplus-value squeezed out of the labourers by the total social capital; or, that every individual capital should be regarded merely as a part of the total social capital, and every capitalist actually as a shareholder in the total social enterprise, each sharing in the total profit pro rata to the magnitude of his share of capital."*

(Marx, Capital Vol. 3, p. 209)

these capitals in increasing the social productivity of labour in the domestic market, in general, constitute the classical situation for the existence of such conditions.

But, here, will not the supporters of the "national" bourgeoisie, the Bani Sadrists, the opponents of the "consumer society", the supporters of the Semi-Feudal Semi-Colonial thesis, or those who persistently feed to the workers' movement of Iran the nationalist theory of "extra-territorial plunder and pillage" in place of Lenin's theory of imperialism*, catch us red-handed and say: "your words are invalid since Iran is not a sphere for the export of capital; the export of foreign capitals, and thus the share of foreign capitals in the total social capital and in the production of surplus-value in the domestic market, is very slight"? To these superficial observers, who borrow their theories, categories and concepts from bourgeois economic "science", must be said: "If the appearance of a phenomenon could reflect its nature fully, then science would not become necessary".

* "Rah-e-Kargar" is about to become the main protagonist of this bourgeois outlook in our communist movement: "However, since the exploitation and plunder of the oil resources has been the main reason for imperialism's interest in this country, our people were not so palpably feeling the presence of alien plunderers in the context of their lives ... If in other regions, imperialism is forced to increase the productivity of labour in a particular direction, for the better organisation of plunder and exploitation, it did not have such compulsion in our country" (Nightmare or Reality?, First Pamphlet, p. 13, our emphases). Or, even more clearly: "The monopoly bourgeoisie never made enough radical attempts for the organisation of exploitation of the labour-power of Iranian toilers (Alas!) but was so busy with the plunder and pillage of the national riches of this land, that it had left the radical organisation of exploitation to

There is no doubt that in this respect, the specific conditions of Iran do not bring to mind the classical case of the export of capital. The direct export of foreign capital forms an insignificant share of the total investment in the domestic market (5-7%); but this is merely the appearance of the problem. A veil of legal relations has concealed the existing reality in Iran. In fact, for the elucidation of the movement of monopoly capital in the domestic market of Iran, one must contemplate over the economic operation of the state. In other words, what must be considered in the specific case of Iran is not merely the measurement of the role of direct foreign investment, but the analysis of the origin and operation of state capital.

What is the origin of state capital? The main origin of state investment, i.e., that definite portion of value that is appropriated by the state and turned into capital, is undoubtedly the oil revenue. But where does this revenue itself come from? The income of the state from the oil industry is in fact the share of the Iranian state, as the monopoly owner of the oil resources in Iran, in the total surplus-value that the Iranian oil industry yields for the owners of the means of production in this sector. But what must be emphasised in this connection is the fact that the total mass of this

the 'leisurely tomorrow'." (Second Pamphlet, p. 6) In view of "Rah-e-Kargar" comrades, the economic content of imperialism in our country is not the production of imperialist super-profits on the basis of the fierce exploitation of the Iranian toilers but the "plunder of the oil resources" and "the national riches" (!) In other words, we have been dispensed of Lenin's theory of imperialism, since capitalism "has gone beyond" the epoch of imperialism and returned to the epoch of the "discoveries" of Christopher Columbus and Magellan! So, (as a justified political deduction) forward to the nationalisation of the oil industry and the "radical organisation of exploitation" in the domestic market!!?

surplus-value is not all the result of the exploitation of 35-40,000 workers of the oil industry of Iran, but a considerable portion of it is the "differential rent" which, because of the low production costs in Iran, relative to the average cost of production of every barrel of oil in the world, flows to the pockets of the monopoly owners of these favourable conditions of production.* In other words, the surplus-value which is obtained by the owners of the means of production in the Iranian oil industry (the oil companies and the Iranian state) is theoretically divided into two parts: 1- the profit of capital (including the surplus-profits resulting from the utilisation of the cheap labour-power of the Iranian oil workers by capital) and 2- the differential rent, (the difference between the cost of production in Iran and the average cost of production in the world). The reason for the existence of the differential rent, is the very monopoly ownership of the Iranian state (or the monopoly right of extraction which is granted to the oil companies in Iran) over Iran's oil resources. (In the absence of this monopoly ownership or right of extraction, the different capitals could proceed, unhindered, to produce oil products in Iran, in which case: on the one hand, this would reduce the average cost of production of every barrel of oil in the world and, on the other hand, would lead to the increase in the production costs of every barrel of oil in Iran. Thus, the free movement of capitals in the absence of monopoly ownership and the competition of these capitals, would eliminate the existing difference between the cost of production in Iran and the average production costs in the world, and would reduce the differential rent to zero.) The important point is that this revenue has not been produced in Iran but has flowed into Iran. A revenue which, as we shall point out later, is turned into the basis of exploitation of the cheap labour-power of the workers of the other

* For the theoretical definition and explanation of the category "differential rent", refer to "Capital" Vol. 3, chapters 38-43.

sectors of production, through the function of the imperialist -dependent state. Theoretically, the magnitude of this revenue (the revenue appropriated by the Iranian state) fluctuates in the limits of the total differential rent of the Iranian oil industry and is determined at every juncture through bargaining carried out between the Iranian state and the oil companies*. The maximum of this magnitude is theoretically equal to the total differential rent which the Iranian oil industry obtains on account of the low cost of production.

So, from the standpoint of the origin of accumulation, the state capital does not differ from foreign capital. The origin of the capital which is set in motion by the Iranian state in the domestic market, and which forms the main share of the investments in the whole country, is the same value which runs into Iran from the world market and at the expense of oil capitals of lower productivity. From this viewpoint, behind the veil of legal relations (which portray the Iranian state and the Iran National Oil Company, seemingly independent of imperialist capital) lies the export of substantial amounts of capital-value to Iran for the exploitation of labour-power and it is natural that in conditions where the imperialist capitals annually hand over considerable amounts of the surplus-value produced in the world market to their puppet state, in the form of differential rent, the direct export of capital loses its significance (and also its necessity) and the dependent state itself undertakes the task of playing this role - i.e., the circulation of this income in the domestic market in the service of the accumulation of monopoly capital.

But what more clearly reveals this reality as a manifestation of the export of capital behind the veil

* The formal and legal changes in the relations between the Iranian state and the oil extracting companies do not alter the nature and origin of this revenue.

of its particular legal relations, is the operation of the state sector in the domestic market and the mode of circulation of the oil revenue in the circuit of reproduction of the total social capital. The value which is obtained by the state from the oil sector, is not evaporated or dissipated into the air, nor is it used, contrary to the conception of certain Marxist-Leninists, for the "destruction" and "knocking down" of the country's economy or the "prevention of the development of the productive forces" (although, neither is it used for the creation of the kind of capitalism desired by the supporters of the "national" bourgeoisie). This value is again set in motion in different forms. To overlook this repeated course of circulation, is equivalent to seeing production but not seeing reproduction, to seeing capital but not seeing capitalism. Here we do not want to (and, anyway, cannot) examine the detailed moments of the course of circulation of this income, which links up, like a thread of beads, all the strata of capital to a particular system of production and places it as a single entity, in the service of the world system of imperialism. This course of circulation embraces innumerable actions and reactions, movements, exchanges, payments and receipts, among the different social classes and strata. From the payment of state officials to state tenders and projects, from merchants' credits to the health insurance of army officers, etc., each one in a way sets in motion a part of this revenue in a specific sphere. We will here briefly point out two main and general channels of the repeated operation of this revenue in the sphere of reproduction:

A part of the state revenue is directly consumed in the domestic market, i.e., used for the purchase of consumer commodities and the services of the state, and another part is transformed into capital. In both cases, this revenue enters the commodity market (whether directly by the state itself or indirectly, by the stipendiaries of the state). In itself and at this level, this measure leads to a considerable increase in the demand for and the expansion of the sales market of com-

modities (an increase which by virtue of its origin - differential rent - is always in excess of the continuous increase due to the accumulation and extension of capital in the sphere of domestic - non-oil - production and the incomes resulting therefrom). In this way, from the viewpoint of the domestic producer (and the interest-bearing and merchant's capitals which circulate the domestic products), theoretically, conditions similar to conditions for the export of commodities have been created. But from the same aspect, the foreign producers, who find a part of the revenue, which must form the basis for the realisation of the value of their commodities in the world market, flowing into the domestic market of Iran, extensively need to export their commodities to the domestic market of Iran, in order to sell them and realise their value. And the state dependent on imperialist monopolies, and its Customs policy, ensures that the monopolies (and specifically the monopolies on which the regime is dependent) easily find access to this market and disrupt the dream of the domestic producer and the merchant's and interest-bearing capitals alongside it, who have been expecting with relish to appropriate a surplus-value in excess of what they themselves have produced (and taking advantage of the confusion of our communist movement, have even named this "nationalism"!). Anyway, the sphere of competition (and its intrinsic collusions) arbitrates among these social parasites, and there is no doubt that the imperialist capitals have the upper hand in this sphere, and in the majority of cases the domestic producer and the "national" capitalist is forced, so far as it concerns the virtues of the increase in demand, to back down and remain "content" with the exploitation of the cheap labour-power of the Iranian working class, i.e., the very fundamental and "sacred" agreement of all the strata of capital.

Now, about the revenue which the state transforms into capital; these investments can be divided into two main parts: productive capitals and unproductive capitals. The productive section of state capital once more employs,

in the circuit of reproduction, the cheap labour-power of the Iranian workers in the various spheres in order to produce surplus-value and thus directly increases the total surplus-value produced in the domestic market. But two fundamental points must be borne in mind in this connection. Firstly, the state capital, apart from the direct production of surplus-value, creates, on account of the specific spheres in which this capital is set in motion, extensive means for the accumulation of capital in the non-state sector and in particular for the imperialist capitals. The examination of the spheres of investment of the state, clearly reveals the latter's role as the agent of monopoly capital. This role is the creation of the economic groundwork for capitalist production. In general, the movement of capital towards specific spheres of production, presupposes the existence of definite infrastructural means; means which the total social capital must create.* The more the creation of these groundworks and infrastructures necessitates extensive and long-term initial investments, the less means will the individual capitals have for entry into these spheres and will show less tendency and inclination to do so. With the entry of capital into the era of monopolies and the new role that has been assigned to the bourgeois states, as the representatives of the interests of the total social capital, the provision of such infrastructures is becoming more and more the tasks of the states. The extensive investment of the Iranian state in the construction sector (and in particular the non-residential sector such as, dams, roads, power-stations, etc.) and in the transport and communications sectors,

* "The export of capital is made possible by a number of backward countries having already been drawn into world capitalist intercourse; main railways have either been or are being built in those countries, elementary conditions for industrial development have been created, etc."

Lenin, Imperialism, the Highest Stage of Capitalism. Our emphases

have had no other meaning than the preparation of the necessary and fundamental preconditions for the accumulation of capital in the new spheres of production. Making such "expenditures", in a country which from the viewpoint of capitalist development is at the beginning of the road, is the necessary condition for the export of industrial capitals and their accumulation. Expenditures which the monopoly capital needs to "spend" anyway in order to use the cheap labour-power in Iran. Thus, a large part of the labour-power of the Iranian proletariat is placed, through the state, in the service of production of these infrastructural facilities. Naturally, the pattern of development of such productions and facilities, corresponds, to the highest possible degree, to the specific interests of monopoly capital at every definite juncture and also in the long-term, and the domestic capitalist or the petty producer does not necessarily benefit from this at the outset and immediately. But as these facilities are made available, the domestic capitalists too gradually plan their model of production on their basis and proceed with production and accumulation alongside monopoly capital and as its necessary appendages.

There is no doubt that the workers who are employed in the production of these infrastructural facilities are exploited and produce surplus-value. Here we arrive at the second point, the fact that the outcome of exploitation of these workers reflects itself not so much in the "state revenue" but initially in the profit of the capitals which have contracted such projects from the state and, at a later stage, in the profit of all those capitals which, freely or by the payment of a very small sum (in proportion to their capitals advanced), utilise these infrastructural facilities, after the completion of these projects. (It may be said that instead the state levies taxation on the companies, but it is a fact that whilst the state investments constitute the main part of the investments in the whole country, the taxations paid by the capitalists form an insignificant part of the state's income). In other words, the state undertakes the pro-

duction of an important part of the material elements of constant capital (and especially its fixed part) in the total social capital, and carries out this production in a capitalistic manner and through the employment of wage-labour, without itself realizing the resultant surplus-value by the sale of these "commodities". Thus, the capital-value that is appropriated by the dependent state through "differential rent", enters the reproduction circuit as state productive capital and its resultant surplus-value reflects itself in the small cost of the non-state investments in the next circuit (and hence the huge profits of these investments). In other words, the "natural favourable conditions" of the oil sector which formed the basis of the differential rent (a kind of monopoly surplus-profit) in the first circuit, give rise, through the channel of state investments and exploitation of the cheap labour-power of hundreds of thousands of workers, in the second circuit, to the appearance of "favourable infrastructural conditions" for the non-state (and particularly imperialist) capitals in the third circuit, which provide the possibilities of economising in the constant capital (and particularly in its fixed part). This cycle of repetition, whose plan was laid in the years 1930-1940, became founded, with the expropriation of the 60's and the indisputable establishment of the domination of capital over social production, on the basis of the new relations of this system, and reached its height with the increase in the oil prices in the 70's and particularly in the years 74-75.

But the unproductive section of state capital, i.e., the section which serves to facilitate the circulation of commodities and the realisation of their values, becomes, before anything else, the axis of the banking system and the credit system in the country and the "annexation" of private capitals in the domestic market to the monopoly capital (through the banking system). Before dealing with this point, it is necessary to give some explanation about the concept of "unproductiveness". From the standpoint of capitalist production, i.e., the concept as understood in the Marxist critique of this system, the

category of unproductive labour (or the unproductive capital that employs this "labour") is taken to mean unproductive from the viewpoint of surplus-value, and not in the sense of unproductive as regards use-value or "quality". Contrary to the quasi-Physiocratic views of Rah-e-Kargar comrades, not only unproductive labour, is not, from the standpoint of capitalist production, superfluous, "destructive", and so on, but is the necessary condition for the exploitation of productive labour-power and production of surplus-value in the total social capital. ("Fascism: Nightmare or Reality" abounds with such deviations: "A major part of the oil revenue is not only squandered in the unproductive sectors of the economy but also helps to ruin its productive sector ... The oil revenue instead of being placed in the service of modernisation of the productive economy of Iran (under what relations?!), has been used to inflate the unproductive sector. Before being the producers of any value, these [unproductive sectors] are the consumers of value; the purging of the services sector through the dissolution of the unproductive economy will cause a big explosion", No.1, p.17). Unproductive capital is a capital that is set in motion in the sphere of circulation of commodities and the realisation of their value (and not in their production). The unproductive capital is as much a necessary condition for the existence of capitalist production as the sphere of circulation is the integral part of the process of reproduction of capital. The circulation of commodities and the realisation of their value necessitates for the total social capital the expenditure of a part of social labour (as incarnated in the means of labour and also in living labour), and it is natural that the more labour that capital squeezes out of the wage-labourers in this sphere, the more it has reduced the costs. In other words, the unproductive capital, too, obtains surplus-labour from workers (surplus to the labour which has been used for the production of their means of subsistence), but the result of this labour, in the total social capital, is not the production of surplus-value, but economisation in the expenditure of surplus-value. Marx's example on this, is very telling.

The burning of coal and production of heat energy itself entails before anything else, the expenditure of a definite amount of heat energy for converting the coal from the solid state to the liquid state, and this is the necessary condition for burning the coal. Circulation of commodities too is the necessary and undeniable condition for capitalist production. The transformation of capital-value from the commodity-form into the money-form and *vice versa* is the necessary condition for the start, and repetition, of the labour-process in the production and reproduction of this system. The role of merchant's and interest-bearing capitals in the circulation and realization of the value of commodities in the market, is, from the viewpoint of the capitalist system, an undeniable necessity. To pose the question of "dissolving" the unproductive activities in the capitalist system (whether "dependent" or non-dependent), before conjuring up in the mind the perspective of a "social explosion", offers a worrying evidence of the survival of "rusty" bourgeois theories in our communist movement. In the absence of unproductive labour in the capitalist system, there can be basically no talk of society (the essential pillar of which is the reproduction of the economic existence within the framework of definite relations) let alone its "explosion".

But in any case, the unproductiveness of interest-bearing and merchant's capitals (and also the insurance companies and other services) does not mean that these capitals do not make profit, but means that their share in the total surplus-value produced, has been produced in the industrial sector (in the general sense - in the production of commodities). Moreover from the standpoint of the scale of profitability, the same general laws which apply to every unit of capital, are also true about these capitals. The merchant's profit and interest are the specific forms that the share of these capitals in the total surplus-value assumes. Naturally, the more centralized the unproductive capitals are and the more commodities, in proportion to their volume, that they circulate, with the greater and more condensed use of wage-labourers, the

lower will be, in proportion, the expenditure of the total social capital in the sphere of circulation and realization and the less will be the relative share of the mercantile profit and banking interest in the total surplus-value (the relative share of industrial capital will increase). Therefore, the general law of centralization of capital, in the course of accumulation, is also true about these capitals*. The determining role of state credits, or the credits of private banks which in turn rely extensively on state and monopoly deposits and credits, in meeting the credit needs of the different industrial and mercantile capitals in Iran is undeniable. The unproductive section of state capital becomes the basis of the rapid accumulation of non-state capital in producing (and also in circulating) commodities for whose production the monopoly capital and the state dependent on it, as well as creating a large reservoir of cheap labour-power, also continuously provide, and have provided, the conditions of massive profitability, through the productive section of the state capital (and the state's expenditures generally)**. The vital role of state credits in the accumulation of capital in the domestic market, today, in

* About productive and unproductive labour refer to capital Vol.2, the chapters of "The Time of Circulation" and "The Costs of Circulation"; see also "Theories of Surplus-Value" (the Fourth Volume of Capital), first book, chapter 4, "Theories of Productive and Unproductive Labour" and also the addendum, "The Productivity of Capital, Productive and Unproductive Labour" (unfortunately this book has not been translated into Persian). About the reproduction and circulation of the total social capital, refer to Capital Vol.2, part 3, under the same heading. On the operation, the role and the laws of movement of interest-bearing and mercantile capitals see Capital Vol.3, chapters 4 and 5.

** Credit plays a highly significant role in capitalist production (and also in deepening and aggravating the latter's internal contradictions). The facilitation of

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conditions where the contraction of these credits is revealing its effects, is being vindicated more than ever. (After the nationalisation of the country's industries, and after some revelations finally done, to

→ the process of equalisation of the rate of profit, the reduction of the cost and time of circulation in the total social capital and its different strata, the facilitation of the centralization of production and the emergence of monopolies, etc., impart to this institution in the capitalist society a particular position. (Refer to the Third Vol. of Capital, chapter 27). The role of credit in the reduction of the cost and time of circulation (and hence accelerating the process of accumulation), creates new problems, especially with the rise of state credits. Credit on the one hand enables the capitalists to commence the reproduction process before the produced commodities have been actually sold in the market, and, on the other hand, and on the same basis, it effects a break between the production process (and the speed of accumulation in it) and the realization of the value of commodities. This separation acquires extensive dimensions with the rise of state credits and the state's control over its supply. Production, on the basis of state credits which have already lost their proportionality with the mass of the produced surplus-value, grows, whereas the sale of the commodities at a price equivalent to their value, does not justify such extension. The different capitals increase the price of their commodities in order to replace the mass of value which they have advanced in production, as credit. But in the final analysis the total price of the products must be equivalent to their total value. This is an unavoidable law of capitalist production which ultimately impresses its stamp on the process of production and circulation of the total social capital. With the aid of state credits, commodities have been continuously produced and thrown into the market, but have been caught up in the sale circuit. Thus, overproduction, on the one hand, and inflation, on the other, simultaneously seize upon the total social capital, and the separation of the production process from

the advantage of Mr. Bazargah, on the financial state of the country, it became clear that the main part of the capital of the owners of industries comprised nothing but debts to the state). But the other important point in this connection, is the role that the banking system in general - which has as its basis the foreign and state monopoly capital - plays in the consolidation of the domination of imperialist finance capital over different capitals - large and small - in the domestic market. The extensive state credits, at the same time as facilitating the profit-making of the different strata of capital, act as a powerful lever in the hands of imperialist capital in the determination of the specific spheres of production, of their scale and magnitude, and, in the final analysis, in the control of the movements of the different strata of capital. The same fact, which in the normal conditions of production (non-crisis conditions), provides very favourable conditions for the profit-making of all the strata of capital, under the tutelage of the monopoly capital, places the monopoly capital, in conditions of crisis and of sharpening competition among the different strata of capital, in a much more powerful position. The internal and intrinsic dependence of all the strata of capital in Iran on the operation of imperialism, finds expression specifically in the dependence of the different strata of capital and their movements and accumulation on the banking system dominated by the monopoly capital.

At the end of these parenthetical explanations, we should also point out something about the "non-economic" expenses of the state. The economic domination of capital and imperialism over labour necessitates the maintenance of the political rule of the bourgeoisie over the proletariat. The provision of this domination

→ realization, which in the short-term accelerates the accumulation of capital, itself becomes a factor for deepening the crisis of capitalism. (the detailed explanation of this question must be left to another occasion).

entails in turn the expenditure of substantial amounts of the values produced in society for the "production and reproduction" of the politico-ideological superstructure of the rule of imperialist capital. The expenses of the army, the bureaucracy, the assorted creators and propagandists of the ruling ideology, and its various forms and alternatives, who come to the aid of the bourgeoisie in the nick of time, etc, all necessitate the incurring of a lot of expenditures which capital, by virtue of its nature, makes every attempt to meet as cheaply as possible. But one point is clear. From the viewpoint of capital, these expenditures are necessary. To lament over why this or that bourgeois state "squanders" its money in this way and why it does not, instead of these "destructive" measures, convert the money into capital and extract more labour and surplus-value from the working class, is shameful for a communist. To write that "the dependent monopoly bourgeoisie never made enough (!) radical attempts for the organisation of exploitation of the labour-power of Iranian toilers" and, busy with plunder, had left this to the "leisurely tomorrow", or that "the liberal bourgeoisie wants to convert the boundless oil revenue into 'capital' and set up the 'happy' capitalist society in Iran and roll over in the wealth and affluence of this 'happy' society, whereas in the Shah's regime the oil revenue was used, as a black plague, for the disintegration of the Iranian society", etc, is to become more Catholic than Pope for capitalism and the bourgeoisie. Capital knows its interests and does not need to consult with the romantic children who still, in the epoch of imperialism, "roll over" in the "sweet tales" of the industrial revolution. Capitalism cannot be criticized from a bourgeois position and with a bourgeois cause. In order to exploit, capital has to produce, has to transform money into capital, and the weapon of criticism of the proletariat has been aimed at this very exploitation (and not its absence or insufficiency). The "inflated state apparatus" and the "extension of unproductive services" signify two things: firstly, that the "productive capital" is exploiting so much, has "organised ex-

ploitation" so solidly, that it is also generously paying its unproductive associates, agents and functionaries; and, secondly, and for the same reason, the Iranian proletariat has been so enraged under this continuous suppression that imperialism needs to make even more unproductive expenditures in order to harness the proletariat. And we have seen how even what had been spent up to now for the "unproductive" apparatus of suppression (despite the fact that in view of "Rah-e-Kargar" comrades it could have "worked out" even cheaper!) has not sufficed to prevent the revolution, the uprising and the violent struggle of the Iranian workers. This has been understood by Bazargan and he has washed hands of the ideal of rolling over in the "happy society" which the comrades of Rah-e-Kargar attribute to him and the likes of him; and these comrades themselves have not understood it and still maintain this utopian ideal of the liberal bourgeoisie of Iran in the name of "Marxist analysis".

But from what we have said it must by no means be inferred that the capitalist system in Iran (or any capitalist system in the world) exists at all times at its most efficient state, from the standpoint of the necessities of the accumulation of capital. The internal contradictions of the capitalist system, leaving aside their inner and profound operation which leads to the system's final collapse, also give rise, in the day-to-day movement of this system, to different defects, tight corners, and breaks in the process of production and reproduction, and also [leads] to the incompatibility of the different policies with the requirements of the accumulation process, etc. From the viewpoint of the bourgeoisie the economy can always "be better" than what it is, and it is for this reason that an immense army of different experts, advisers and economists, with different viewpoints, are trained within the society and "nourished" with a part of the produced surplus-value. The views which at any definite period dominate over the economic policies of the bourgeoisie, views on whose basis the bourgeoisie organises the details of exploitation at

every juncture, are not necessarily the most effective, the most far-sighted and the least contradictory and least expensive of all possible views. Our intention is not to go into the discussion about how the dominant bourgeois ideas are determined and on this matter we content ourselves merely with the following from Marx:

"The division of labour ... manifests itself also in the ruling class as the division of mental and material labour, so that inside this class one part appears as the thinkers of the class (its active, conceptive ideologists, who make the formation of the illusions of the class about itself their chief source of livelihood), while the others' attitude to these ideas and illusions is more passive and receptive, because they are in reality the active members of this class and have less time to make up illusions and ideas about themselves. Within this class this cleavage can even develop into a certain opposition and hostility between the two parts, but whenever a practical collision occurs in which the class itself is endangered they automatically vanish, ..."

(The German Ideology)

So, one thing must not be doubted. The bourgeoisie itself trains its thinkers and pays for their expenses. The relatively young bourgeoisie of Iran, enjoys, thanks to the rule of the monopoly capital and imperialism, the most experienced economists and thinkers hand-trained by it, and none of these thinkers, whether they are sent by the World Bank or are the graduates of the school of Towhidae economy*, intends to "destroy" or "disintegrate" the system of production which forms the basis of their class rule;

* The so-called Islamic economics preached by Bani Sadr and other bourgeois scholars -Ed.

and the matter of "the radical organisation of exploitation" can be left with "a resting mind" at the hands of these same gentlemen, not deviating the Marxists from the task they have laid before themselves, the task of organisation of a revolution which "is going to endanger the life of the whole bourgeoisie".

Let us sum up: the mediating role of the bourgeois state in the course of the export of imperialist capital to Iran, not only does not reduce an iota the nature of this process - i.e., the export of capital - and the role of the monopoly capital in creating the conditions for the profit-making of the total social capital and also in the production of the total mass of the surplus-value that is distributed among the different strata of capital, but imparts a more determining importance and role to the position of the monopoly capital, precisely on account of the close link that this capital obtains, in the course of accumulation of capital in the domestic market, with state capital, and with the economic and political operation of the state generally. Undoubtedly, Iran is a sphere for the export of capital. The oil sector does not constitute, by any means, a closed economy, unconnected with the domestic labour and commodity market, but is precisely the principal channel for the entry of monopoly capital to the domestic market and for the exploitation of the cheap labour-power of the Iranian working class - the difference being that a main section of the capital-value is recorded legally in the course of export as the revenue of the bourgeois state of Iran, this local agent of American imperialism. (And whatever property this may not have for the American imperialism, at least it has this advantage that it has embellished the face of affairs in line with the "propaganda and agitational" requirements of its "Three Worldist" agents!)

Let us return to our main discussion. We said that the production of surplus-value in the domestic

market of the dominated country relies, from the viewpoint of its rate and mass, mainly on the operation of monopoly capital (in both the world and the domestic market). But this same domination of monopoly capital over the production of surplus-value, especially in conditions like Iran where it also completely wields the institution of state, as a political and economic instrument and lever, also provides in the final analysis the conditions of its rule over the mode of distribution of the surplus-value among the different units and strata of capital. This reality springs in the first place from the laws of movement of capital in the epoch of the monopolies. The operation of the equalisation of the rate of profit, depends on the ability and possibility of the unimpeded movement of the different strata of capital from one sphere to another. The monopoly ownership of the means of production in definite spheres becomes a practical barrier in the way of the equalisation of the rate of profit. We earlier referred to "differential rent" as an example of surplus-profit stemming from the monopoly ownership of the objective conditions of production. Another example is the existence of monopoly in the usage of more advanced and more efficient techniques which in the short-term (i.e., before the "spread" of such techniques), gives a freer hand to the monopolies in directing a greater share of the surplus-value of the total social capital to their pockets. But the point must be emphasised that, firstly, the epoch of the monopolies by no means implies the disappearance of competition and the multiplicity of capitals, but means the decrease of the number of the main competitors. Capitalism, a system based on the production and exchange of values, cannot exist in the absence of the multiplicity of capitals, and, secondly, with the greater reliance of small and medium capitals on the monopolies (for instance the movement of the small and medium mercantile capitals in circulating the commodities produced by the monopolies or the industrial capitals becoming placed alongside them, such as repairs, the

production and sale of accessories, technical services, etc.), such capitals, too, come to enjoy more favourable conditions of profit-making and accumulation, as a result of the operation of the particular monopolies on which they have become dependent.

On the other hand, the monopolies play a very effective role in determining the financial and monetary policies of the state (the taxes and expenditure of the state, Customs, the allocation of credits, etc.) and make use of these policies as levers for determining the parameters of the relations of the different strata of capital in the domestic market, to their own advantage. But this fact must always be kept in view that the competition of the different strata of capital, is subordinate to the unity of interests of these strata in the framework of the movement of the total social capital and merely transfers the internal laws of movement of the total social capital to the different units and strata of capital. The conditions of distribution of surplus-value are a function of the conditions of its production. The relations of the different strata of capital with each other, are a function of the relation of the total social capital with the element of labour in the sphere of production. The competition of the different capitals is the substratum for the approximation of the profitability of the different capitals to the average level of the rate of profit in the social production, whereas the magnitude of this average level is determined independently of competition in accordance with the degree of exploitation of the whole working class by the total social capital.

**C) GENERAL DEDUCTIONS ON THE REFLECTION OF THE
WORLD CRISIS OF IMPERIALISM IN THE DOMINATED
CAPITALIST COUNTRY.**

We saw that the domestic market of the dominated country must be viewed and perceived only as a part of the world market of monopoly capital. This is

the common feature of the domestic market of all the capitalist countries in the epoch of imperialism. However, what gives a specific peculiarity to the domestic market of the dominated country is that from the viewpoint of imperialism these countries function as the spheres of production of super-profits, the essential pillar of which is the production and reproduction of cheap labour-power. Thus when in the epoch of imperialism we speak about the tendency of the rate of profit to fall, as a tendency based on the increase of the organic composition of capital, we have in view the framework of the world market (and not the domestic market of every country) - with this remark that because of the intense centralization of capital in the metropolitan countries, this tendency manifests itself specifically in the domestic market of these countries and the export of capital from the metropolitan country to the dominated country is itself based on this reality.

The present crisis of world capitalism began, with the end of the post-second world war boom, in the late '60's and early '70's and has now reached its summit. The imperialist monopolies have today, more than thirty years after the end of a world war which provided the groundworks for the re-partition of the world and the rapid extension, export and accumulation of capital, once again arrived at the starting point. The competition among the imperialist monopolies and states over the preservation and expansion of the spheres of accumulation of capital and the commodity sales markets has been intensely exacerbated and countries such as Italy and Britain are on the brink of bankruptcy. The slogans of "imposing protectionist tariffs", "defence of the national economy and production" and the "consumption of domestic products" - in the context of a re-escalation of nationalist and fascist tendencies within the bourgeoisie and the re-appearance of social-chauvinism under the name of "Euro-Communism" within the workers' movement of the metropolitan countries - are once

again reverberating in these countries.

No doubt this crisis is in its totality the reflection of the intensification of the intrinsic contradictions of capitalism in the epoch of imperialism and specifically the reflection of the operation of the law of the tendency of the rate of profit to fall in the framework of the world market. The existing conditions of the process of production and exploitation cannot quench the thirst of the monopoly capital for more surplus-value, which is the necessary condition for increasing the productivity of labour in the course of reproduction, and thus preventing the tendency of the rate of profit to fall in the process of accumulation. Stagnation, extensive unemployment, inflation, the contraction of credits, etc, are the signs and symptoms of the alternate appearance and intensification of this fundamental contradiction of capitalist production. But regardless of the fact that in which particular spheres of production or countries the grip of the crisis may mainly, and at the outset, close around the throat of monopoly capital, the salvation from this fatal ground is dependent on an extensive re-organisation at the global level - a re-organisation in the mutual relation between labour and capital, on the one hand, and the mutual relations among the different capitals, and particularly the monopolies, on the other. Thus, the world crisis of imperialism, the only form that the economic crisis of capitalism can take on in this epoch, becomes the crisis of one by one of the capitalist countries of the world. With the "annexation" of the domestic markets of the different countries to the world market and with the domination of monopoly capital over one by one of these markets, the domestic market of no country can escape this fate. Thus, all the symptoms of the crisis occur, to varying degrees, in all the capitalist countries of the present epoch, without the profitability of capital having become actually reduced in the domestic market of all of these countries, without the crisis necessarily having roots in the existing relations of production in the domestic market.

This point is particularly true about the domestic market of the dominated country. As we said, even under the normal and non-crisis conditions of world capitalism the domestic market of such countries is the recipient of the consequences and symptoms of the intensified contradictions in the metropolitan countries. The export of capital and the production of imperialist super-profits in these countries itself springs from the saturation of the domestic market of the exporter countries with capital, and the tightening of capital's sphere of profitability. Hence it is natural that in conditions of crisis, the brunt of its consequences and symptoms and the poverty, destitution and ruin ensuing from it, will, more than ever before, weigh heavily on the shoulders of the toilers of these countries. If capital is to maintain its "respectable" face in the "civilised" world as far as possible, it necessarily must - now that "business has run into difficulty" - display its uncouth nature more explicitly in the "far removed" regions of Africa, Asia and Latin America. So the dominated country becomes the target of the devastating consequences and effects of the crisis of imperialism. The domination of monopoly capital over social production in these countries ensures the unimpeded and rapid transfer of the world crisis. There is no doubt that the mechanism of this transfer differs with regard to the characteristics of the domestic market of every country, the position it occupies in the framework of the world market, the particular division of labour that this country has assumed in relation to the needs of monopoly capital, the mode of its dependence on definite monopoly capitals, etc. The fluctuations of prices in the sphere of foreign trade, the policies, plans and movements of monopoly capital in the domestic market, the operation of the dependent state, etc, each can, depending on the mode of domination of monopoly capital over the economy of every dominated country, acquire importance, to varying degrees, in [determining] the form of the transfer of crisis to the domestic market and the imposition of the weight of its effects and consequences on the shoulders of the workers and toilers of every country. In the case of

Iran, with respect to the brief appraisal we have given, the role of the oil industry and thereby the operation of the state sector, and also the foreign trade - particularly the imports - are of significance. The point that must be considered in this respect is that at the height of the economic crisis of world capitalism, the domestic market of Iran witnessed, during the years 74-76, a temporary, but unprecedented, boom. The essential point is that the origin of this boom itself was nothing else but the deepening of the crisis of imperialism and the intensification of competition among the different imperialist monopolies; and the rapid rise in the price of oil acted, from the viewpoint of the competition of monopolies in the world market, as a temporary relief to the advantage of American imperialism and the disadvantage of Japan and Western Europe; and from the standpoint of the domestic market of Iran, it became the basis of the rapid and unprecedented rise of the rate of accumulation of capital. In other words, the economic boom of the domestic market in Iran was itself in these years the reflection, in the reverse manner, of the rapid transfer of the effects of the crisis (and in this case the effects of the intensification of competition in the world market)*. With the acceleration of the

* Needless to say the economic boom of capitalism is always defined from the standpoint of the profitability and accumulation of capital and not with respect to the improvement of the conditions of living of the toilers. The continuous reproduction of the reserve army of labour in the capitalist system prevents the level of wages of the workers from rising, for a long period, and on average, beyond the minimum level of subsistence. The years 74-76 brought along for the workers and toilers of Iran nothing but the intensification of the degree of exploitation and the tangible lowering of their level of subsistence. The prices rose with a speed far greater than the rate of increase of wages; the cost of housing swallowed at times up to 80% of the workers' income, and certain food products - especially meat and fruits - practically went beyond the reach of workers and toilers, etc.

rate of accumulation, concentration and centralization of capital, the need also increases for more surplus-value to maintain the continuation of the course of accumulation. But the period of "exemption" of the Iranian domestic market from the economic crisis of world capitalism and its consequences and effects, came to an end with the relative stagnation of the oil revenue, and the dream of the Iranian bourgeoisie for the faster and more profitable accumulation of capital consequently turned into a frenzied attempt for the preservation of the status quo. The state credits became more limited, many of the state and private industrial and building plans and projects remained half-finished or were nullified; the dependent state which on the pretext of "the absence of spheres for the absorption of capital inside the country" had undertaken, together with other OPEC-member states dependent on imperialism, to pay, on behalf of America, substantial financial aids to countries such as Egypt and Britain and had resorted to purchasing the shares of American and European monopoly companies, or had speeded up the repayment of the previous loans, now sought refuge in foreign loans, in order to meet the state budget deficit and this time at an interest rate higher than before. The rapid increase of the price of imported commodities, which in the boom period had been overshadowed by the rise in the price of oil and could not place serious obstacles in the way of the rapid accumulation of capital, revealed its effects on the cost of the production and profitability of the different capitals. With the retardation of the rate of accumulation, the labour market slackened and the commodity sales market contracted. Competition among the different strata of capital escalated and in confronting the crisis, the Iranian bourgeoisie, "suddenly" became aware of the "errors" and "incompetence" of the state and of the existence of corruption and bribery in it and started to "grumble" and talk of "reforms" and to voice "discontent" - a grumbling which had no other basis than the demand for the contraction of the unproductive and "squandering" activities of the state and the release of more surplus-value for the accumulation of productive capital. With

the tactical retreats of the state against the private sector, bourgeois liberalism, which, particularly after the expropriation of the '60's, had become completely void of any politico-class material content, came to life once again, and this time, at most merely for the harnessing of a revolution which was about to escalate on the basis of the economic crisis. But the bourgeoisie was losing the "unity of word" precisely in conditions where the bourgeois state, dependent on imperialism needed the maximum of internal homogeneity for the organisation of assault on the level of subsistence of workers and toilers and the suppression of their resistance or offensive. The "unproductive" state expenses and expenditures, in particular in the administrative circles, were revealing their necessity more than ever before. Today, the observation of the attempts of the bourgeoisie in the re-construction of the imperial arsenal, the extensive and costly apparatus of the SAVAK, the propaganda apparatus and extensive spying and surveillance systems, and so on, with the aid of Chamrans, Bazargans, Beheshtees, Ghotbzadehs and Frohars, proves more than ever before the invalidity of the bourgeois-liberal theories which ranted on (and still do) about the "squandering" of the "national" riches at the time of the "wisdomless" regime of the mercenary Shah. From the viewpoint of the Iranian working class and its socialist "wisdom" which has been materialised in Marxism-Leninism, the very existence of capital, whether productive or unproductive, "squanderer" or economical, corrupt or "immaculate and spiritual", is a shameful stain on the annals of mankind, a shameful stain which must be erased by a violent struggle, and this has already started. From the standpoint of the bourgeoisie and imperialism, and its "wisdom" of profit-making and accumulation which shapes its movements, the payment of the expenses of the "inflated state apparatus" up to the last penny of the salary and allowances of the Sabetees, Oveisees, etc, is a historico-class necessity - the necessity of preserving the rule of the class and system of production which has long lost its historical legitimacy.

Thus, not only did all the main symptoms, consequences

and effects of the crisis of world imperialism manifest themselves in the domestic market of Iran and its economic indicators and relations, but this crisis acquired such a profundity and scale that it provided the prelude for the escalation of the present revolution; and all this, we repeat, without the conditions for the profitability of capital having initially become unfavourable because of the increase of the organic composition of capital in the domestic market of Iran.

But what we intend to do here, further to the examination of the mode of appearance in and transfer of the world crisis of imperialism to the domestic market of Iran, as a dominated capitalist country, is to briefly consider the operation of this crisis as a part of the mechanism of alleviation of the intensified contradictions of world imperialism and the peculiarities and limitations of the operation of this mechanism in the specific conditions of such a country. The realization of the impotence of the Iranian bourgeoisie in preventing the economic crisis from turning into a political one, and now its inability in alleviating this political crisis, lies in a correct understanding of these "peculiarities and limitations". In this brief account, we content ourselves with brief remarks about two principal components of this operation - components to which we referred previously - i.e., the internal purging of the total social capital and the increase in its productivity, on the one hand, and the direct process of intensification of the degree of exploitation of the working class, on the other.

What are these peculiarities and limitations? Considering what we said earlier, it is clear in the first place that the operation of crisis in the domestic market of a country like Iran, and even its complete success in purging the weaker strata of capital and imposing new levels of poverty and destitution on the working class, cannot by itself solve the world problems of imperialism and eliminate its world crisis. From the standpoint of imperialism, the re-organisation of exploitation is a world phenomenon and must - if it is to end its general

crisis - take place at the level of the world market; since:

Firstly, the internal purging of capital in the world market, in the epoch of the rule of the monopolies over production, necessitates, before anything else, the conclusion of the radical settling accounts of the monopolies themselves with each other, the driving out of some of the monopolies to the advantage of the more powerful ones and the re-division of the spheres of export and accumulation of capital and also of export of commodities, on a world scale. The mere bankruptcy of non-monopoly capitals in the domestic market of this or that country and the centralization of production in the hands of the monopolies which already dominate the social production in these countries, does not resolve any major one of the world problems of imperialism, nor does it cause a considerable alleviation in the intensity of the competition among the monopolies themselves.

Secondly, with respect to the intensification of the degree of exploitation of the working class through an all-sided attack on its level of subsistence, too, capital needs to open up a world front against the workers and toilers. We said how the reproduction of cheap labour-power in a country like Iran is a world phenomenon. Imperialism cannot decisively alleviate its general crisis by the defeat of the Iranian workers alone, without at the same time increasing its pressure on the workers and toilers of the other countries of the world, the degree of exploitation of whom is directly and indirectly, a determining factor in the determination of the particulars of the exploitation of the Iranian working class. The victory of imperialism in one front and its retreat or defeat in another, in confrontation with workers and toilers, undoes in one sphere what was done in another, and will mean nothing but the continuation and deepening of the world crisis of imperialism. But it does not at all follow that therefore world imperialism does not strive for victory in individual fronts and bears its crisis in agony until a world solution to it "is found".

Quite the contrary; imperialism plans its world policy against the working class precisely on the isolation of these fronts and their separation from one another, on the suppression of the workers' and anti-imperialist movements in one by one of these fronts, on the organization of exploitation in the domestic market of one by one of countries; and in this connection it does not fail to magnify the slightest ethnical, racial, national and cultural differences among the workers of the world. On the other hand, just as the intensification of crisis among the different strata of capital in one country does not in any way, from the viewpoint of the different capitals, overshadow the single struggle of capital against the working class, so the imperialist monopolies, which in the period of crisis are drawn into a deadly competition with each other, run to the defence of the interests of world capitalism, with an open embrace and unhesitatingly, and of course each hoping to take the place of the rival, where the socialist and anti-imperialist struggles of workers and toilers of the world have questioned the very rule of capital, regardless of which imperialist monopoly or state has its neck under the sword of the revolutionary movements.

On the other hand, the world character of crisis means that the "conclusion" of the process of internal purging of capital in a definite country and even the decisive suppression of the workers' and communist movement in it, does not automatically free the domestic market of that country from the grips of crisis and bring in its wake a lasting boom period. Although the conditions of profit-making in the domestic market have been potentially promoted, but from the viewpoint of monopoly capital, of which only a part is active in the domestic market of every country, the achievement of these conditions is not adequate by itself, and does not alleviate the thirst and need of the monopolies for more surplus-value even in the framework of the domestic market of a definite country. Thus the total social capital, which is under the domination of monopoly capital and subordinate to its needs of accumulation, does not lose its crisis-ridden character, and the symptoms and

effects of the world crisis at any rate remain in the domestic market of the country. By intensifying exploitation, capital obtains greater productive facilities, and the profitable conditions of employment and exploitation of more workers are created. But the world conditions (sales market, the price of the means of production, the limitations of international credits, etc.) do not justify greater production and more extensive employment. The cost of production, in spite of the centralization of production and the opening up of the groundworks for the accumulation of capital in the domestic market, does not decrease considerably since the prices of the imported commodities are daily increasing. From the viewpoint of the different strata of capital in the domestic market, and particularly small and medium capitals, competition is not alleviated, since, above all, monopoly capital's need for ever more surplus-value and, as a result, its striving in the sphere of competition, has not been alleviated, etc.

What we have said is particularly true of the domestic market of the dominated country which functions as the sphere of production of imperialist super-profits. The internal purging of the different strata of capital in such a market, does not by any means play a determining role in increasing the productivity and profitability of the total social capital, since the domestic market of these countries already functions in a particular fashion under the domination and in the service of the accumulation of monopoly capital; and the small and medium capitals play a less important role in the profit-making of the total social capital. Furthermore, and especially in the conditions of Iran, these capitals have been set in motion mainly in spheres and branches, the entry to which, taking into account the small scale of the production and the technology corresponding to it, will not be profitable for the monopoly capital (whereas for small capitals it is profitable). Moreover, the appropriation of the means of production of small and medium capitals in these branches, especially in conditions of crisis where the centralization of capital must

be attended by an ever greater centralization of production, by the use of more advanced techniques and thereby the increase of productivity, cannot be placed on the agenda of monopoly capital on an extensive scale. Besides, as we pointed out earlier, a large section of small and medium capitals move and accumulate in the circulation and realization of the commodities produced by the monopolies themselves and/or in the supply of technical and marginal supplementary services - which itself also necessitates the production of certain supplementary commodities - and the bankruptcy of these capitals does not in the main occupy a place in the policy of monopoly capital in the sphere of competition (the repairs, installation and technical-services workshops, the large and small mercantile capitals active in retail, the small and medium capitals of the transportation sector, the goods warehouses, etc, provide the examples of this "peaceful coexistence" between the monopoly and non-monopoly capitals). Of course it does not at all follow that the monopoly capital will never enter these spheres, but that the monopoly capital is interested in bankrupting and appropriating such capitals or seizing their sales markets, only when the necessary conditions for the centralization of production and capital or the export of commodities in these spheres, with respect to the degree of availability of a minimum of certain infrastructures and services and the existence of a concentrated sales market, have been provided. Thus, the bankruptcy of the small capitals too, at every juncture and with respect to the circumstances, has definite limitations and extents, and befalls mainly those capitals which are in competition, not directly with the monopolies but with small and medium capitals which function directly alongside the monopolies.

The manifest example of the process of centralization in the dominated country in conditions of crisis, is the policy of the present regime - on the initiative of Banisadr - in the centralization of foreign trade. By itself, the centralization of the foreign trade and the exclusion of small and large mediating capitals is,

from the standpoint of industrial capital in Iran, a step towards the reduction of the costs of circulation and the channelling of money to the sphere of production and exploitation. A measure which on the whole is favoured by industrial capital (assuming that it is not "distrustful" of the competence of the state in this area; furthermore, the point must also be emphasised that this move would necessitate in the, first place, the expenditure of enormous sums on the part of the state). But it is clearly evident that even the most centralized foreign trade does not shift a heavy load off the back of capital in the domestic market in the sphere of provision of the necessary surplus-value for satisfying the needs of the process of accumulation, since, regarding the accumulation of capital in the domestic market, the capital relies intensely on the acquisition of the differential rent of the oil sector and on the operation of the state capital on its basis - in spheres and by methods mentioned previously. The internal purging of the total social capital through the operation of competition and the centralization of production and capital in the hands of the state (the most probable course of centralization of capital in Iran, considering the position and movement of the state sector in the economy), will not have a determining influence on the mass of the surplus-value which the state has to set in motion in the service of the accumulation of capital in the domestic market, using the methods we mentioned. The considerable increase of the oil revenue (considering the more considerable need of capital for surplus-value following the acceleration of the rate of accumulation in the years 74-75) is the necessary (but not sufficient) condition for the movement of state capital in playing its highly important role; and the magnitude of this revenue (and its increase) is mainly determined not by the Iranian bourgeoisie but by the world market and the specific needs of the monopoly capitals and their mutual relations.

Thus, at its most general level, the world crisis of imperialism and its concrete reflection in the domestic market of a dominated country such as Iran, makes

capital and the bourgeoisie impotent in the re-organisation of profit-making (through internal purging). But this impotence becomes more clearly revealed where the bourgeoisie places the lowering of the level of subsistence of workers and toilers on its agenda*. Here, then, we are not merely speaking of the impotence of the bourgeoisie for an effective, but still peaceful, "house-cleaning". Here, it is no longer for the bourgeoisie a question of failure in an economic move, but of defeat in a political sphere. The workers and toilers of the dominated country, by virtue of the nature of the capitalism of the epoch of imperialism and its operation in the dominated country, enjoy, even under the normal and non-crisis conditions of production, the lowest possible standard of living, place their labour-power in the ser-

* Comrades greatly concerned with the "nightmare or reality" of fascism (and "Rah-e-Kargar" is not alone in this) must say where they stand in relation to the question of crisis and the possibilities of the bourgeoisie in alleviating or eliminating it. Fascism, as a bourgeois alternative for the alleviation of crisis through centralized organisation, relying on the large masses of the petty-bourgeoisie, can emerge as a dominant "reality" only where it can practically play a role in eliminating the crisis of capital. Otherwise, warning against the "reality" of fascism will result in nothing but the exaggeration of the "ideologico-political form" of the attack of the bourgeoisie on the proletariat and the mobilization of forces for resistance against the establishment of this "form". The fascistic tendencies of the present ruling clique cannot be doubted, but to become caught up in these tendencies and to exaggerate them (and consequently deviate the minds of the toilers from the bourgeois-imperialist content of the policies of the regime, especially where they do not manifest themselves in fascistic forms), in conditions where the deepening of the crisis sketches the prospect of an escalation in the class struggle and the weakening of the rule of the new agents of the bourgeoisie, in conditions where the fascistic tendencies of the present ruling clique have already been met in Kurdistan with the violent response of the toiling masses and in conditions where the illusions of the

vice of capital at the lowest possible price and are exploited in the most savage manner possible. Any extensive assault on the level of subsistence of the toilers and the imposition of new levels of poverty and destitution on them, is for the bourgeoisie tantamount to calling the workers and toilers to a war of life and death, a war in which the toiling masses have in the real sense of the word nothing to lose but their chains. Thus, the "economic" struggles of the workers and toilers of the dominated capitalist country, which at the height of imperialist boom are faced with the unceasing and continuous suppression of the naked dictatorship of the bourgeoisie and imperialism, acquire revolutionary dimensions in conditions of crisis. The bourgeoisie, in the context of the world crisis of imperialism, openly denies the right of existence of the vast masses of workers and toilers in the dominated country, and the workers and

→ masses towards the regime are fading away daily, means nothing else but posing the necessity of adopting defensive tactics and remaining oblivious of the offensive struggles of the workers and toilers and the organisation of these struggles, and as a result leaving the regime's hands free in adopting whatever method of suppression it deems appropriate (including fascist methods). From the viewpoint of the communist movement, the acceptance of the inevitability of the "reality" of fascism and hence the acceptance of the plan for the anti-fascist (though "proletarian") united front will have no other result than the negation of the necessity of intensifying the ideological struggle against the deviationist outlooks in the communist movement (all of whom no doubt have general consensus on being "anti-fascist") and of opening the way for the entry and reinforcement of a variety of bourgeois-liberal views within the ranks of the communists. Fascism can become a "reality" in Iran only by one way and that is the very acceptance of the analysis of the Rah-e-Kargar comrades by the communist and workers' movement. This is one of those few prophecies which itself provides the material basis for its realization!

toilers too which anyway have no room to retreat, inevitably question the very rule of the bourgeoisie. The world crisis of imperialism rears in itself the embryo of the emergence of revolutionary conditions, but this embryo, precisely because of the existence of different conditions in the metropolitan and dominated countries, develops mainly in the dominated country. The first sparks of the socialist revolution of the world proletariat against capital and capitalism in its highest stage, sets into flames the fire of the democratic and anti-imperialist revolution in the dominated country. A revolution which from this viewpoint is an integral part of the world socialist revolution, whilst because of its isolation, because of the limitation of its strength to the strength of the toiling masses of the dominated country, because of the lack of the necessary subjective conditions among the proletariats of these countries, on the one hand, and the existence of large toiling and revolutionary non-proletarian masses, on the other (all of which are the result of the domination of imperialism over the economy and politics of these countries), inevitably takes shape and expands, in the first instance, within the framework of a democratic revolution.

The present revolution of Iran is such a revolution. The monopoly capital and the bourgeoisie in Iran have so far been openly defeated in their assault on the working class and other toilers and have been driven back from many bulwarks. From the standpoint of the bourgeoisie, the question of crisis has now been turned into the "question" of the revolution and the suppression of the revolution - and as far as possible in the name of "revolution" - constitutes its first step in imposing unprecedented poverty and destitution on the toiling masses of Iran. This is the essence and content of the movement of any bourgeois or petty-bourgeois government which strives to preserve or revive the rule of capital in the country, irrespective of in which politico-ideological forms and frameworks, and with the aid of which politico-class elements and forces and through which tactics, manoeuvres and stage-shows, this govern-

ment pursues its anti-workers' policy in the service of imperialism. This is a truth that the understanding of the world nature of the present economic crisis of imperialism, and its reflection in the domestic market of Iran, teaches us. This is a truth which communists must take among the workers and toilers in the arena of the class struggle and resolutely propagandize as any other class-political truth explicitly and without any concealment or "tactical and stageist considerations".

The significance of the Marxist appraisal of the economic crisis of the Iranian bourgeoisie (which we have briefly dealt with in this supplement merely within the confines of our means and abilities in the present conditions), is not that we can better expose the "Construction Crusade", the "Housing Foundation" and "high prices", etc., or that we can catch red-handed the likes of Ostaad Reza Isfahani* and their economic plans; that we compete with the bourgeoisie over economic planning, or that we organise the syndicalist and defensive struggles of the workers on a more enriched theoretical basis. Not at all. Some of these basically are not our task and some others will be the subsequent and secondary result of our richer understanding of crisis. For communists, the understanding of the world dimensions of the economic crisis of imperialism, the understanding of the impotence of the Iranian bourgeoisie in solving or alleviating the crisis in a peaceful manner within the limits of the domestic market of Iran, the understanding of the fact that the Iranian bourgeoisie in the epoch of imperialism must seek its existence and survival under all conditions in connection with the imperialist capital and inevitably share in its world crisis to the core, the understanding of the position of the Iranian proletariat, as a particular part of the world proletariat in the context of this crisis, and finally the understanding of the content of the present struggles of the workers and toilers of the country against the poverty and destitution which the bourgeoisie

* An economic adviser of the Islamic Republic during the early days of its formation - Ed.

and imperialism have laid in ambush for them, carries very important lessons. Above all, communists learn that the Iranian proletariat is now shouldering the banner of the great revolution of the world proletariat against imperialism, i.e., capitalism at its highest stage; a revolution whose final and decisive triumph will lead to none other than socialism - although "socialism" today has not been clearly impressed on the banner of our revolution or on the minds of large masses of revolutionary workers. Communists learn that far more than the dying bourgeoisie they themselves need a fundamental "house-cleaning". A "house-cleaning" from all those views and currents which hope to "reform" capitalism in Iran and to nationalise and democratize it; from all those views and currents which from a populist standpoint separate the anti-imperialist struggle from the struggle against the bourgeoisie and capital and the government which defends its interests; from all those views and currents which instead of propagandizing socialism among the working class and thereby training that proletarian revolutionary vanguard which can obtain the leadership of the democratic revolution and sound in its arena the trumpet of mobilization for socialism, propagate opportunism, political manoeuvring and "trust" in the "democratic and anti-imperialist" impurities of the ruling class and the government; and finally "house-cleaning" from all views and currents which by imposing their restricted and nationalist mentality on the Iranian working class bar it from executing the role which history has assigned it, a role which it shall be able to perform only by being trained in the school of socialism and internationalism.

It is from this viewpoint that we insist on the significance of a Marxist attitude on the present economic crisis and the struggles of workers and toilers in its context. The significance of this arena for communists is not because one must defend the living conditions of the toiling masses (which one must always do), nor is it because one must not allow the ruling class to consolidate itself (which one must never do), but because, from the objective aspect, this specific arena of struggle, directly,

albeit in an elementary fashion, rears in itself the embryo of the awakening of the Iranian proletariat to its historic tasks and prepares the grounds in the best possible way for the dissemination of socialism and for political agitation among the large masses of workers and also for the start of a consistent and relentless struggle against all the deviations of the communist movement and thereby the indisputable consolidation of Leninism in this movement.

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WORKS OF THE UNITY OF COMMUNIST MILITANTS
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- 1- The Iranian Revolution and the Role of the Proletariat (Theses)⁺, *M. Hekmat, T. Yashar, M. Hooman*, (November/December 1978).
- 2- The Invasion of the Iraqi Regime and Our Tasks.⁺ *U.C.M.* (September 1980).
- 3- Manifesto of the UCM (What it says, and what political system it is fighting for in the present situation)⁺*U.C.M.* (February 1981).
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- 15- Some Leaflets.⁺⁺

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* Also available in French.

+ Also available in German.

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