

MARXIST STUDY COURSES

Course

POLITICAL ECONOMY

Contents

**The Distribution of
Surplus Value—II.**

- V. Ground Rent.
- VI. The Development of
Capitalism in Agriculture.
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Farms.
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Production Forces in
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Marxist Study Courses

Course 1

Political Economy

LESSON VII
THE DISTRIBUTION OF SURPLUS VALUE
(Part II)



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SECTION FOUR (PART II)

GROUND-RENT AND DEVELOPMENT OF AGRICULTURE

V. GROUND-RENT

Now that we have shown in the preceding booklet how surplus-value becomes transformed into profit and the latter splits up into interest and profit of enterprise, it will be easier to understand in which way a portion of the surplus-value becomes a special form of income of the landowner, namely, ground-rent.

When the landowner leases his land for agricultural purposes or for a factory or house-building he receives RENT. The amount of this rent may consist of various parts. If, for instance, any improvements have been effected on the land and soil, such as drainage or irrigation, in other words, if capital has been incorporated in the land and soil, which is placed at the disposal of the lessee or farmer, the interest on the capital so incorporated (which belongs not to the lessee but the landowner) forms a component part of the rent. This part of the rent is not, therefore, rent in the true sense of the word. What should be understood under rent is that income which the landowner receives for allowing another person the right to use his land. The landowner receives also rent when he leases perfectly virgin soil. Rent is not, moreover, received merely when land is leased or let. When the landowner organises production on his own land he receives besides the average profit also the ground-rent.

In a capitalist society, landed property produces rent. What sources does this rent originate from? It is clear it cannot grow out of the soil by itself. Like all values it must be created by labour. The whole

question is : *in which way* a portion of the surplus-value created by labour is transformed into rent.

To make the solution of this question easier, we will start from the assumption that the landowner and the agricultural capitalist who farms the land are two different persons. In the study of ground-rent we must further start from the assumption that the entire agriculture is dominated by capital, i.e. that the soil is worked by wage-labourers. It is indeed true that very many small peasant farms still exist at present in every capitalist country, but it is not these which shape the development of agriculture.

There are two forms of capitalist ground-rent—differential rent and absolute ground-rent. We will first of all consider differential rent.

I. DIFFERENTIAL RENT

This rent arises in consequence of the difference (and this is also why it is called differential rent) between the productivity of labour on lands of unequal fertility. Let us assume the existence of three kinds of soil (I, II and III) of equal area (say one acre each), but of unequal fertility: let I be the most unfruitful soil, II the more fruitful, and III the most fruitful soil. Let us assume further that the same amount of capital, say £5, is invested in each soil. Let the number of labourers employed and the necessary time for the cultivation of each soil be the same. In consequence of the difference in fertility, everyone of these soils will give a different yield. Soil I will yield, say, 4 cwts. of rye, soil II 5 cwts., soil III 6 cwts. of rye. This means that the productivity of labour is lowest on soil I and highest on soil III.

The capitalists who have invested their capital in agriculture must receive the same average rate of profit¹ as all other capitalists, and will therefore sell their commodities (in this case rye) at the cost of production, i.e. at the cost price plus the average profit. If the average rate of profit is, say, 20 per cent., it follows that

¹ Otherwise they would withdraw from this sphere of production (see Lesson 6, p. 13).

the production price of the 4 cwts. of rye from soil I will amount to £5 plus £1=£6, the production-price of the yield from soil II, i.e. of the 5 cwts. of rye will also be £6, and finally production-price of the yield of soil III, i.e. of the 6 cwts. of rye will similarly amount to £6. In this case, however, unequal production-prices arise for the rye from the different soils, and therefore the price of 1 cwt. from soil I will be $£6 \div 4 = £1\ 10s.$; from soil II the price per 1 cwt. will be 24s. ($£6 \div 5$) and from soil III, 20s. ($£6 \div 6$). Now at what price will the rye be actually sold on the market?

The prices of agricultural products are formed in a different way to those of industrial products. The market price of the former is determined, not by the average price of production, but by the price of production on the worst soil (provided only, of course, that the entire quantity of grain produced, i.e. in our example 15 cwts., is sufficient to meet the demand).

If there is a rise in the productivity of labour in some particular enterprise in industry as compared with the other enterprises in the same branch of industry, then this enterprise will receive an extra surplus-value (see Lesson 3, pages 21-22). Such a situation cannot, however, last for any length of time, since *new* enterprises with a similar high productivity will be established with the result that the productivity of labour will equalise and the extra surplus-value will disappear.

The position is different in agriculture. A new soil cannot be produced. It is of course possible to invest additional capital in the same soil. In our case, however, we are considering the rent on soils of unequal fertility with a capital investment of *equal amount*. The fact that the best soil is limited and cannot be produced leads to the market prices of agricultural products being determined by the price of production on the worst soil. In our example 1 cwt. of grain will be sold for 30s. The farmer of soil I will receive £6 for his grain ($30s. \times 4$), the farmer of soil II, £7 10s. ($30s. \times 5$) and the farmer of soil III, £9 ($30s. \times 6$). Every one of them has, however, invested a capital of

£5. Does farmer I receive 20s. profit on his £5, while farmer II receives £2 10s. and farmer III receives £4 profit?

Certainly not. The landowner of the best piece of land knows from the beginning that his soil will produce the greatest yield and therefore demands a higher rent. Every agricultural capitalist strives to farm the best soil, the demand rises and with it the rent also rises. The extra surplus-value in agriculture becomes transformed in this manner into "ground-rent," in the income of the landowner.

Let us present our example in the following table :

Kind of soil.	Capital in shillings.	Yield in cwts.	Production price of yield (average rate of profit 20 per cent.)	Individual production price per 1 cwt.	Social production price or market price per 1 cwt.	Market price of social yield.	Rent in shillings
I	100	4	120	30	30	120	—
II	100	5	120	24	30	150	30
III	100	6	120	20	30	180	60

Every capitalist farmer receives the average profit in this way. Consequently, rent, unlike interest, is not a deduction from profit. It is a converted form of the extra surplus-value which springs from the varying productivity of labour on soils of unequal fertility. If the capitalist, who invests his capital in agriculture is himself the landowner, he appropriates the rent also.

If, in the example given above, the demand for grain declines from 15 cwts. to 11 cwts., then the price of grain will naturally fall also ; the employer on soil I will be unable to realize the average profit and this soil will go out of cultivation, the market price for grain will then be determined by soil II, but this soil will no longer provide a differential rent. The same thing will happen if a new soil of the quality of soil II or soil III is put under cultivation. If the demand for grain does not rise, the yield of soil I becomes superfluous and that of soil II will now become the worst under cultivation.

In all these cases the differential rent is formed by the difference between the general price of production, which is determined in agriculture by the productivity of labour on the worst soil, and the individual price of production on the better soil. Besides this differential rent, which is sometimes called the rent of fertility, there are other forms of differential-rent. There is thus rent which arises from the proximity of the land to the market (the so-called rent of position), as well as rent which is created as a result of new additional capital investments on the same plot of land (the so-called differential rent II). These forms of differential rent are, however, only derived from the differential rent described above which is the fundamental form, so that we will not here examine them more closely. What is characteristic for all these forms of differential rent is that they result from the difference in the productive force of agricultural labour.

The worst soil may also give rent but this, however, will not be a differential but only an absolute rent. While the best plots of land give differential rent as well as absolute rent, the worst soils provide only absolute rent.

2. ABSOLUTE RENT

Private property in land represents a monopoly. In capitalist society, all means of production, as such, are the monopoly property of the capitalist class as against the working class which owns no means of production whatsoever. Capitalist property in itself is, in this sense, already a monopoly. Land property is, however, also monopoly property in another respect, not only in respect to the working class, but also in respect to those capitalists who are not landowners. It is indeed possible to build new factories, but new land cannot be produced. The landowner is the monopolist of the non-producible soil. When he parts with the use of his ground to others, he naturally takes advantage of his monopolist position and charges a rent regardless whether the soil is good or bad. Monopoly possession

of land property, as such, creates rent, and namely absolute rent, which is nothing else but a tribute which society¹ pays to the landowners.

The question now arises: What is the source from which absolute rent springs, where are its economic roots to be found? It is clear that the capitalist, who invests his capital in agriculture (or in mining) will not pay the absolute rent from his profit, since in such a case he would prefer to invest his capital in an industry in which he would receive the average rate of profit. Our capitalist must therefore receive the average profit and yet be able to pay the absolute rent.

The source of the absolute rent can only be in the surplus-value produced in agriculture. In consequence of existing private property as well as of a whole series of historical conditions, agriculture develops more slowly than industry.² The organic composition of capital in agriculture is lower than in industry. We already know (booklet 6, Chap. i) that the prices of production are *below* the value in those spheres of production in which the organic composition of capital is below the social organic composition and the amount of profit realised by the capitalists in these spheres of production is less than the mass of the surplus-value produced in such spheres. This excess of the surplus-value over the profit or of the value over the price of production is realised by the capitalists whose capital is of a higher organic composition. It is in this way that the average rate of profit is, indeed, formed.

The case is different in agriculture. Here the organic composition of capital is below the social average. Here the amount of profit of the capitalist farmers is lower than the amount of surplus-value produced in agriculture, but this excess does not enter into the general equalisation of the rates of profit among the capitalists of all branches of production. The private property in

¹ It is, of course, presupposed that there is competition for the existing land.

² In so far as the industrialisation of agriculture removes this difference the possibility of absolute rent is naturally reduced.

land, the monopoly of land ownership nets this excess of the value over the production-price in the form of absolute ground-rent.

This may be illustrated by the following example. Let it be assumed that the capital in industry amounts to 400 and is divided into $300c + 100v$. With a rate of surplus-value of 100 per cent. the amount of the surplus-value will be 100s., but the rate of profit will be 25 per cent. ($100 \div 400$). Let it be assumed that the capital in agriculture is 100 divided into $50c + 50v$ (a lower organic composition). With an equal rate of surplus-value of 100 per cent., the mass of surplus-value will amount to 50s. If there were no monopoly land-ownership and consequently also no necessity to pay absolute rent to the landowners, we should have had the following position: Total social capital = 500, total social surplus-value = 150, the average rate of profit = 30 per cent. ($150 \div 500$). On the basis of its monopoly position agricultural capital does not participate in the equalisation of the rate of profit. The average rate of profit is formed in industry (in our example 25 per cent.). The capitalists who invest their capital of 100 in agriculture receive their profit corresponding to this average rate (25 per cent.). They consequently receive out of the 50s. produced in agriculture only 25s., and the other 25s. flow in the form of absolute rent into the pockets of the landlords. If there were no monopoly property in land, the products of agriculture would have been sold for 130 (capital 100 + 30 average profit). Monopoly property in land makes it possible, however, that these products (in our example) should be sold for 150, of which 100 replaces the capital invested, 25 is the profit of enterprise and 25 the absolute rent.

The abolition of monopoly land-ownership would abolish absolute rent. This would also be advantageous for the capitalist since the average rate of profit would thereby rise (in our example from 25 per cent. to 30 per cent.).

3. THE PRICE OF LAND

The Marxian theory of absolute and differential rent provides us with the key for understanding many phenomena in capitalism. On the basis of the rent theory it will, above all, be possible to understand the phenomenon—so puzzling, at the first glance—of the price of land. We have concluded that the price of all commodities is but the money expression of their value. In itself, however, the earth, apart from the capital incorporated in it (economic buildings, irrigation, etc.), has no value, since the earth has also not been produced by social labour. And yet we find that land is bought and sold and has therefore a price.

How is the price of land determined? By the rent!

The landowner, who sells his land, loses thereby the right and the possibility of receiving an annual income in the form of rent. If the annual rent which he receives when leasing the land (whether this is differential and absolute, or only absolute rent does not alter the thing itself) amounts to, say, 50s. per acre, then he must obviously sell this acre for a sum of money which will similarly provide him with an annual income of 50s. when he deposits this money in the bank or loans it out. If the average rate of interest, which the bank pays for goodwill amounts to 5 per cent., then the landowner will obviously sell his acre for 1,000s. since he will receive on depositing this sum in the bank 5 per cent. interest, amounting to 50 shillings annually, i.e. an amount corresponding to his previous rent.

The price of land is, thus, nothing else than capitalised rent; i.e. a money capital which bears interest equivalent to the rent of the corresponding land.

The higher the rent, the higher must the price of land be. If in our example the rent had amounted to 75s. instead of 50s., then with an average rate of interest of 5 per cent., the price of land would have amounted to not 1,000s. per acre but 1,500s. If rent tends to rise, so also will the price of land tend to rise.

On the other hand the price of land will be higher, the lower the rate of interest. If in our example the

rate of interest were not 5 per cent. but 4 per cent., then it is obvious that the annual sum of 50s. could only be received from an amount of 1,250s. As the tendency of the rate of interest is to fall (see Lesson 6, Chap. iv), it follows also from this aspect that the tendency of the price of land is to rise.

In this way both factors which determine the price of land—rent and the rate of interest will tend to increase the price of land. *With the development of capitalism the price of land tends not to fall but greatly to rise.*¹ This tendency is favoured by the circumstance that the landowner who sells his land must not only take in view the present rate of interest, but also the fact that the rate of interest will, in the course of time, fall. He takes this into account in advance and sells his land at a higher price. In so far as the price of land has a tendency to increase, land is a particularly favoured object of speculation.

The landowner who sells his land, hands over to the buyer not only the right of its use (*this* right can also be obtained by leasing the land) but what is more the monopoly which gives the right of receiving rent. It is the buyer of the land, the new proprietor, who now receives rent, although it may seem to him that he does not receive the rent but only interest on the capital which he spent in the purchase of the land. Actually he receives rent as a landowner. The buying-price of the land represents no real capital investment in the land, it is but the tribute which society pays to the monopoly of land-ownership. The enormous sums which have to be paid to the landowners in the purchase of land, prove in actuality but a reduction of the capital from the point of view of its productive application. The price of land is a particularly heavy, frequently even a ruinous burden on the small peasant.

“ The expenditure of money-capital for the purchase of land, then, is not an investment of agricultural capital. It

¹ Rent from land and buildings in Great Britain was (in £ millions): 1911, 200; 1924, 258; 1926, 270; 1927, 282; 1928, 288; 1929, 293; 1930, 303; 1931, 313. (Clark, *National Incomes*, p. 72.)

is a proportionate deduction from the capital, which the small farmers can employ in their own sphere of production. It reduces to that extent the size of their means of production and thereby narrows the economic basis of their reproduction. . . . It is an obstacle to agriculture, even where such a purchase takes place in the case of large estates. In fact, it contradicts the capitalist mode of production." (Marx, *Capital*, Vol. iii, p. 942.)

The average value of a farm in the U.S.A. amounted according to the census of 1925, to 8,949 dollars, of which 3,029 dollars (33·8 per cent.) covered the value of the buildings, live stock, machinery, etc., and 5,920 dollars (66·2 per cent.) covered the price of land. This means that only a third of the capital was applied, productively, if the farmer desired to manage on his own land. He can either lease the piece of land or must raise a loan from the bank for its purchase. In any case he undertakes duties which leads him into a situation in which the sword of Damocles¹ is eternally suspended over his head.

It by no means follows, however, that the general laws of capitalist development, discovered by Marx, do not apply to agriculture, as was maintained previously by the Revisionists, and now by the whole of the Social-Democrats. The development of capitalism in agriculture has certainly its peculiarities, but these peculiarities do not by any means involve that agriculture develops in a completely different, non-capitalist way.

CONTROL QUESTIONS

1. What is differential rent and how is it formed ?
2. What is absolute rent and how is it formed ?
3. How is the price of land formed and why does it show a tendency to rise ?
4. Why does private property in land hamper the development of the productive forces ?

¹ According to a Greek story a sword was suspended by a horse-hair over the head of Damocles.

VI. THE DEVELOPMENT OF CAPITALISM IN AGRICULTURE

I. LARGE-SCALE OR SMALL FARMS

Marx and Engels have repeatedly pointed out that the fundamental laws of capitalist development apply both to industry and agriculture. The development of the productive forces leads, in the one as in the other, to the displacement of small production by big capitalist production. The revolutionary transformation of the capitalist mode of production into Socialist production is prepared and made inevitable by the further development of the productive forces in the one as in the other. Engels, for example, wrote in 1882 as follows :

“ Just as mechanical spinning and weaving supplanted the spindle and hand-loom so will also the new methods of production in agriculture irretrievably destroy small farming and supplant it by big landownership provided—it is allowed the necessary time.” (Engels, *The Mark*. See appendix to Engels' *Peasant War in Germany*.)

An agrarian programme was worked out at the congress of the French Socialist Party in Nantes, 1894. On the occasion of his criticism of this programme, Engels once more expressed his views on the development of capitalism in agriculture.

“ It is the duty of our Party to explain to the peasants again and again the absolute hopelessness of their position so long as the domination of capitalism continues, and to show them the absolute impossibility of maintaining their small plots of land as such and the absolute assurance that capitalist large-scale production will supplant their powerless, antiquated small industry just as the railway supplants the wheel-barrow.” (Engels, “ The Peasant Question in France and Germany,” *Neue Zeit*, 1894.)

The teaching of Marx and Engels on the inevitability of peasant proletarianisation and pauperisation, which has delivered into subjection of capitalism the chief mass of the peasantry, creates the theoretical ground-work for the revolutionary struggle of the small peasants under the leadership of the proletariat, a struggle which

is directed against capitalism and which strives for Socialism. This is just the reason why the agrarian theory of Marx meets with such obstinate attack on the part of the ideologists of the bourgeoisie and reformism.

An open campaign against the Marxian theory and its revolutionary conclusions commenced within the ranks of German Social-Democracy in 1894. This attack began in the domain of the agrarian problem. Engels at that time immediately came out against this opportunistic attitude of Vollmar—"peasant-catching" (letter of Engels in the *Vorwärts* as well as his letter to Sorge of November 10th, 1894). The death of Engels in 1895 increased, however, the offensive of the Revisionists all along the front, but particularly in the agrarian question. The opportunist platform of the most zealous agrarian Reformists, David and Co., was, to be sure, rejected at first by the Central Committee of the Social-Democratic Party, under the pressure of the masses, at the Party Congress in Breslau in 1895.

A striking proof of the change of opinion which subsequently set in among the Social-Democratic leaders, is provided by a comparison between the works of Kautsky written and published thirty years ago (although those views were also not entirely true in all respects) with his present ones.

Thus, for instance, in his controversy against David regarding the superiority of large-scale production over small production in agriculture, Kautsky wrote that :

"All great Socialists, with the exception of the petty bourgeois ones, shared the view, at least in the sense, that they recognised the technical superiority of large-scale production." (Kautsky, "Socialism and Agriculture," *Neue Zeit*, 1903, p. 683.)

And further :

". . . The new facts of the last decade do not give us the slightest ground to change our views in regard to the technical superiority of large-scale production in the decisive branches of agriculture." (*Ibid.*, p. 687.)

"A bourgeois economist cannot properly imagine another

form of large-scale production than the capitalist one with private property in the means of production and wage-labour. He will, therefore, easily come to the conclusion, as most of them do, that everyone of those two kinds of production, large-scale production as well as small production, has its particular advantages and shortcomings." (*Ibid*, p. 756.)

The last quotation may be fully applied to the present-day Kautsky. Thus, in his malicious and slanderous book, in which he seeks to justify the necessity of intervention against the U.S.S.R., he writes :

"As for the superiority of large-scale production over small production and *vice versa*, this cannot be determined for one or the other in agriculture, but it is sometimes the one and sometimes the other which proves more rational according to the social conditions." (Kautsky, *Bolshevism at a Deadlock*, 1931, p. 35.)

Thirty years previously, Kautsky wrote as follows regarding the Marxian programme as against the Revisionist programme of David :¹

"Now on the contrary, two incompatible programmes confront one another. Platitudes about liberty and criticism and such things will not do now. The question now is to accept the new programme or to reject it." (Kautsky, "Socialism and Agriculture," *Neue Zeit*, 1903, p. 682.)

But now Kautsky writes :

"The chief result at which I arrived in 1899 consisted in this, that I had to admit that David was right in some points, that I had to throw overboard the views of Marx and Engels, indeed only to maintain them in essence all the more decisively." (Kautsky, *Bolshevism at a Deadlock*, p. 35.)

To defend the interests of the bourgeoisie, Kautsky is now obliged not only to falsify Marxism, but also to misrepresent his own past.

While Kautsky, who, in his time stood in the firing-line of the controversy against the Revisionists, is now

¹ David, *Socialism and Agriculture* (Berlin, 1903).

obliged to manœuvre so as to veil his desertion from the Marxian teaching, other Social-Democratic writers frankly take their position on the platform of David. The brothers Nölting literally write in the Social-Democratic text-book of political economy, which they recently published as follows :

“ To sum up it may be said with David :

1. Work by machinery is of relatively much less significance in agriculture owing to the peculiarities of its organic production, than in industrial production.
2. The utilisation of steam-power can hardly come into consideration since agricultural labour is not fixed in one place but constantly on the move.
3. Since the utilisation of the electric current and motor tractors, the use of most of the machinery and the most important machines are also possible on small plots.

“ David represented the view that the development of agriculture proceeds differently from the development of industry and that the more painstaking work of the peasants who are part and parcel of the land and are directly interested in it, in combination with the constantly developing land co-operation will assist in the victory of the small farms.” (Nölting, E. and E., *Introduction to Political Economy* [German], pp. 16 and 43.)

The Nöltings accept the view of David and point out that statistics have already proved the truth of this view and they further add the argument that an acre of useful land will give a greater mass of production in the small peasant farm and will thereby maintain a greater density of population.

If the development of agriculture did proceed in the direction of the displacement of big by small farms, Socialism would prove impossible not only in agriculture but generally since Socialism presupposes the socialisation of *all* means of production.

2. THE SUPERIORITY OF LARGE-SCALE FARMING

The data of the official agricultural statistics are usually so prepared that they do not give a true idea of the real play of the forces (for further particulars see

below). The statistics, nevertheless, give expression to the colossal difference in the character of production according to whether it is run on a large or small scale. Let us take for instance the data (see the statistics of the German Republic, Vol. cccx, Agricultural production census 1925) about the :

Application of certain agricultural machinery in Germany (1925)

Class according to area cultivated in hectares.	Number of farms in 1,000s.	Percentage of farms using								Av. No. of H.P. per farm		Percentage of farms with wage-labourers.
		Electric propulsion	Other propulsion.	Sowing machines.	Grass mowing machines.	Corn binders.	Milling machines with own repositories.	Mechanical threshers.	Horse-propelled threshers.	Electric propulsion.	Motor propulsion.	
0·05-2	3,046	0·6	0·1	0·4	0·1	0·0	0·0	2·1	0·5	2·2	3·2	4·5
2-5	894	14·7	0·8	5·2	4·6	0·4	0·4	18·8	3·8	2·3	2·9	14·5
5-20	956	38·1	3·2	32·9	40·9	3·9	10·7	42·1	31·2	3·2	3·9	43·7
20-100	200	59·4	10·4	75·8	82·8	27·1	45·5	67·6	25·0	6·2	7·3	90·9
100 & more	19	68·9	58·2	97·0	94·7	73·2	76·2	92·5	5·9	20·4	22·0	99·5

Data is given in this table of only a few machines. There are corresponding data about the application of all other machines such as fertilisers, hackles, potato-planters and harvesting machinery, etc. All these data show :

I. That the perfected machines are only applied in large-scale production.

II. That every big farm has at its disposal a whole system of the most various machinery at the head of which stands a power-giving motor (many big farms

have at their disposal, besides this, tractors, motor lorries, etc.).

III. That the capitalists utilise these machines with the aid of wage-labourers (see the last column in our table).

Thus, only 149,000 out of 3,940,000 small farms (up to 5 hectares cultivated) are in possession of electric motors (averaging 3 h.p.). 365,000 middle farms (5-20 hectares) out of 956,000 dispose of electric motors, averaging 4 h.p. 131,000 farms (over 20 hectares) out of 219,000 use electric motors averaging 8 h.p.

In spite of these indisputable facts, the Social-Democratic theoreticians, however, assert that in consequence of the application of electricity, machinery is also accessible to the small farms.

But the question is not, however, merely that the small farms are not rich enough to acquire many of the complicated and expensive machines, but if the machines, as a result of much financial exertion, are even secured by small farms, they cannot be rationally utilised. German experts are of the opinion, for instance, that sowing machines can only be fully utilised in farms of at least 60-75 hectares in area. In farms with a smaller area cultivated, the machines are not used to full capacity and their work, therefore, becomes substantially more expensive. We thus find that sowing by machinery will cost 4.4 marks per hectare in farms with an area of 400 hectares, while in farms with 20 hectares the cost will be 8.4 marks. Harvesting by corn-binders will cost 4.53 marks per hectare in farms of 5 hectares, 5.66 marks in those of 4 hectares, but 7.35 marks in those of 3 hectares.

The position is absolutely similar in the case of cattle farming. The quality of the cattle is much worse, and the cattle are less productive in the small farms than in large ones. According to the data of the *Landwirtschaftlichen Jahrbücher* (Agricultural Annual) of 1927, the weight of a cow in a small farm (up to 5 hectares) averages 375 kilogrammes and yields 1,600 litres of milk per annum, in a middle farm (5-20 hec-

tares) it weighs 425 kilogrammes and yields 1,900 litres, while in the big farms (20 hectares and upwards) it weighs 525 kilogrammes and yields from 2,500 to 3,000 litres of milk.

And how can the cow in the small farms give a good milk yield when, according to statistical data for the whole of Germany, 1,481,685 out of 2,579,365 cows in farms of 0.5-5 hectares are used as draught-animals and even in farms comprising 5-10 hectares of land, 619,149 cows out of 2,058,158 are used in the same manner?

The unsparing utilisation of cattle and the shortage of machinery, which are highly insufficient in quantity and of the worst quality, is an outstanding feature of the small farm and also conditions its low productive power.

But the big farms possess not only technical but also commercial advantages. They are able, for example, to obtain much more remunerative prices by buying and selling in large quantities, in addition to which the influence of the big farms have on the Government and banking institutions enables them to secure more favourable credits, etc.

In colonial areas a similar change is taking place. In Java and Cuba improved machinery and the introduction of a high yielding variety of cane has greatly reduced costs—to the big combine. In the case of rubber plantations the chairman of Dunlops Ltd. gave instances of the revolution in technique which had enabled his concern to make profits in the "worst" times.

Naturally this is greatly to the advantage of the big-scale capitalist farmer (who is probably financed by a hire purchase body itself dependent on a bank).

The recognition that a revolution has taken place is general. Thus the United States Secretary of Agriculture says "the combine, together with the tractor and motor truck, has revolutionised the wheat-growing method in the Western Great Plains. The cost of harvesting in the United States is approximately \$1.47

per acre with a 10 ft. combine, \$3.56 per acre with a 12 ft. header, and \$4.22 per acre with a 7 ft. binder.

In Britain, the ablest bourgeois commentators are arguing that British farming needs

“ over large areas of the country, more particularly, perhaps, in the arable farming districts, aggregations of these small farms must be made, to give scope for the maximum employment of machinery, and to justify the higher remuneration of labour (he means by this the wages that are now being paid!—Ed.) by the increase in the amount of unit output.” (*The Future of Farming*, Orwin, p. 150.)

“ It is calculated that a steam-ploughing and cultivation set cannot be given full-time employment on less than 2,000 acres of arable land, but there are operations which steam tackle cannot perform, and seasons of the year at which it cannot work, and power-farming in its most economic form requires the addition of the agricultural tractor to the farm equipment.” (*Op. cit.*, p. 98.)

It is interesting that this commentator puts aside the pleas for Danish methods, etc., and only admits for sentimental (political) reasons devices for keeping the farmer-family. Actually, his argument bears out the prophecies of Marx and Lenin. In Britain the process of full rationalisation of the land is held up by the position of the land tenure as much as anything else. It is not that capitalism has not been applied to agriculture, but that it is held up in an antique state.

In conclusion we want to give another table on the results of the management of economies. Figures have been published in the reports of the Inquiry Commission which were taken from the books of agricultural enterprises of various sizes. As may only be expected from bourgeois and Social-Democratic investigators, these reports only deal with the interests of big peasant farms and landed estates. Out of the extensive material which refers to various districts and types of farms, we only take the data in regard to grain farms of average soil in central Germany (the figures are for 1924-7 average per one hectare of area cultivated).

DISTRIBUTION OF SURPLUS VALUE 23

	Size of farm in hectares.				
	5-20	20-50	50-100	100-200	200-400
Expenditure for wages in marks	96	142	178	229	216
Value of the labour of the proprietor and his family	122	69	33	15	12
Total expenditure for labour power	218	211	211	244	228
Value of dead stock (inventory)	275	208	168	163	143
Value of draught cattle	111	105	100	105	78
Value of cattle in use	284	254	208	190	140
Expenditure for artificial manure	39	43	42	53	52
Grain harvest in double-cwts. (about 2 cwts.) per hectare	18.8	20.8	21.5	23.5	23
Yield of milk in litres per cow	1,924	2,302	2,344	2,813	2,725
Gross revenue from the soil in marks	101	146	188	239	257
Gross revenue from the cattle in marks	256	239	211	221	163
Total gross revenue (including sundries) in marks	368	393	406	474	428

These figures prove beyond dispute that the small farm realises a much lower revenue per hectare than the big one, despite the fact that the former spends almost exactly the same amount on labour-power and disposes of much more live and dead stock per hectare than the latter. This proves that the small farms possess worse and less productive machinery in addition to which they cannot also make sufficient use of these ; it proves, further, that they possess worse and less productive cattle and they cannot even buy as much artificial manure as is required. If this table included also the smaller farms it would have shown a still more striking difference.

“ Millions of cultivators in India, China, Japan and the Far East live upon the subsistence level,” says a Report by the Institute of International Affairs. (See below for examples from Britain and U.S.A. of the same tendency.)

All the facts and figures agree that progress in agri-

culture as well as the application of science and technique are almost exclusively at the disposal of the big farms, while the small ones are forced to work in a primitive fashion and apply the antiquated means of production of their ancestors.

3. HOW BOURGEOIS STATISTICS DISTORT REALITY

In order to prove the vitality of small peasant production, the bourgeois theoreticians (and among them also the Social-Democrats) marshal as their chief argument the data of the German official statistics which divides the agricultural enterprises according to the area of the land cultivated. The following data (*Statistics of the German Republic*, Vol. cccix) is in question here :

Size classes according to agriculturally used areas in hectares	Number of Enterprises in thousands.				Agriculturally used areas in thousands of hectares.			
	Former German Area.		Present German Area.		Within Former Frontiers		Present Territory.	
	1882	1907	1907	1925	1882	1907	1907	1915
0.05-2	2,800	2,940	2,577	3,027	1,819	1,721	1,506	1,588
2-5	981	1,006	887	894	3,190	3,305	2,918	2,924
5-20	927	1,066	931	956	9,158	10,422	9,077	9,158
20-100	282	262	229	200	9,908	9,322	8,091	6,769
more than 100	25	23.5	18.9	18.7	7,786	7,055	5,584	5,159
Total	5,015	5,298	4,642	5,096	31,861	31,825	27,176	25,598

On the basis of these figures, the official commentators of the Social-Democratic agrarian programme, Baade and Krüger, draw the following conclusions :

“ In view of these statistics, which range over a period of almost half a century, there can no longer be any doubt that there can be no question of any development in the direction of big farms and of overcoming the peasant farms in agriculture, at least during the decades in which we are living to-day, and that the development in agriculture proceeds very much differently than in industry. We must even recognise a clear and continuous progress in peasant farming.” (Fr. Baade and H. Krüger, *Social-Democratic Agrarian Policy*, p. 5, Berlin, 1927.)

In their enthusiasm for apologetic conclusions, the Social-Democratic theoreticians ignore the elementary directions which were laid down by Kautsky himself thirty years ago, namely :

“ The statistics are most unreliable if only because that they classify the farms only according to their area, which is not sufficient to enable us to perceive their magnitudes.” (“ Socialism and Agriculture, *Neue Zeit*, 1903, p. 686.)

Lenin has expressed himself still more definitely on this subject :

“ Agriculture chiefly develops here (Europe) intensively, not by means of an increase in the *quantity* of the land cultivated, but by an improvement in the *quality* of the cultivation, by means of an increase in the amount of capital invested in the same quantity of land. And it is just this chief line in the development of capitalist agriculture . . . which is not taken into account by those who limit themselves to a comparison of farms merely according to the quantity of the land.

“ The main line of development of capitalist agriculture consists just in the fact that a *small* farm, while *remaining small* according to the land area, *becomes transformed into a big farm* according to the magnitude of production, the development of stock breeding, the extent of fertilisation, the increasing application of machinery, etc.” (Lenin, *Collected Works*, Vol. ix, p. 231, Russian edition, Moscow, 1925.)

“ The classification according to the land area lumps together the big and small farms so long as they are like one another according to the size of the land which they own, it lumps together farms entirely different in the extent of their production, and those in which family labour predominates with those in which wage-labour is the rule. From this arises a radically false picture, one which entirely distorts the real state of affairs, but which is beloved by the bourgeoisie, as it *blunts the class antagonisms* in capitalism. From this arises a not less false (and not less beloved by the bourgeoisie) *embellishment of the condition of the small farmers*, from this arises the apology for capitalism.” (*Ibid*, p. 232.)

As a matter of fact during the course of the last decades before the war, production itself increased considerably and has fundamentally changed, although the number of agricultural enterprises and the area which they cultivated has changed but little in Germany. Before the war there was a growth of stock breeding above all in Germany. The

same official statistics show that from 1882 to 1907 the number of oxen has on the average almost remained stationary in farms, small according to their area (up to 5 hectares), while the number of pigs has doubled; in farms of middle size (5-20 hectares) the number of oxen had, on the contrary, increased by a third; but the pigs had more than doubled; the big farms (20-100) show an increase of one and a half and two and a half respectively, while the increase in the biggest farms (over 100 hectares) show an increase of more than one and a half and more than threefold respectively. But these data are not sufficiently characteristic since the cattle in the big farms are of much better quality and much more productive than those in the small ones.

All sorts of machinery received an ever-greater application in German agriculture both before and after the war. But in which farms? As the table given above shows, it was almost exclusively in the big farms.

We thus see that figures regarding the farms classified according to their *land area* do not reflect all the changes which take place in agriculture and on the ground-work of which agricultural production grows. The official bourgeois statisticians consciously apply untrue methods (as for instance, classification according to land area) in order to efface the fundamental fact that the development of agriculture (in full harmony with the Marxian theory) chiefly proceeds along the line of the growth of capitalist big farms, but not along that of small peasant husbandries.

CONTROL QUESTIONS

1. What is the fundamental significance of the dispute between Marxism and opportunism regarding concentration in agriculture?
2. What are the advantages of large-scale farming?
3. How is the actual process of development in agriculture masked by bourgeois statistics?

VII. THE FATE OF SMALL PEASANT FARMS UNDER CAPITALISM

I. THE DIFFERENTIATION OF PEASANT ECONOMY

Marx wrote as follows on the fate of peasant economy under capitalism:

“It is also a law that economic development divides the functions among various persons, and the handicraft-

worker or peasant who produces with his own means of production, will either be transformed more and more into a small capitalist, who will also exploit the labour of others, or he will lose his means of production (at first this may occur even though he remains the nominal owner such as the case when his land is mortgaged) and will become transformed into a wage-labourer. This is the tendency in a form of society in which the capitalist mode of production predominates." (Marx, *Theories of Surplus-Value*, Vol. i, p. 424, German edition.)

We may take as an example the leading and important case of Germany.

Is this Marxian theory confirmed by the position of the small peasantry in Germany? Fully and entirely. The apologists of capitalism, in their arguments on the progress of small farms, suppress, above all, the fact that as long ago as 1882, 40 per cent. of the German people and their dependants belonged to the agricultural and forestry population, while this figure fell to 23 per cent. in 1925. This flow to the towns proceeds in the first place in consequence of the proletarianisation of the small peasantry.

"The mere fact of the increasing flight of not only the agricultural labourers but also of the peasants from the villages to the towns clearly shows the increase in proletarianisation. But the flight of the peasant to the town is inevitably preceded by his ruin. And the ruin is preceded by a desperate struggle for his economic independence. . . . The inevitable result of the struggle is the separation of a minority of well-to-do substantial owners (mostly an insignificant minority, and namely in all such cases where there are not some kind of special favourable circumstances such as the vicinity of a capital city, the construction of a railway, the opening up of some kind of new lucrative branch of commercial agriculture, etc.), and an ever-greater impoverishment of the majority, which is undermining the power of the labourer by chronic starvation and excessive labour, and which is deteriorating the quality of both the land and live stock. The inevitable result of the struggle is the formation of a minority of *capitalist* farms, based on wage-labour and the growing necessity for the majority to seek for 'additional earnings,' i.e. to become transformed

into industrial and agricultural wage-labourers." (Lenin, *Ibid.*, pp. 113 and 114.)

The figures given above as well as the following data for Germany given in the production census 1925 in regard to the composition of farms confirm the complete correspondence of the Leninist thesis with the actual development.

Class of farmers according to size of area used in hecfs.	Division of farmers according to their chief occupation in percentage.				Percentage of farms with wage-labourers.	Percentage of farms with more than 10 wage-labourers.	
	Independent in farming <i>without/with</i> additional occupation	Not independent in farming and industry.	Independent in trade or vocation and other work.	Other professions.			
0.05- 2	9.7	1.3	53.9	16.7	18.4	4.5	0.0
2- 5	56.0	17.5	11.2	12.2	3.1	14.5	0.2
5- 20	82.4	19.2	1.1	3.7	0.6	43.7	0.9
20-100	91.3	5.5	0.8	1.3	1.1	90.9	17.2
More than 100	81.2	8.2	7.1	1.1	2.4	99.5	97.9

It is in general incorrect to consider all farmers or land cultivators of farms up to 2 hectares in area as peasants from a social point of view. They are, as a mass, proletarians with whom agriculture is of some importance merely as an additional or spare income. But there are over 3 millions of such husbandries. The same thing applies to a portion of the next group (2.5 hectares). The third group (5-20 hectares) plays a considerable role in the supply of Germany with agricultural products. The small capitalist farming enterprises who exploit wage-labourers belong to this group. Almost half of this group employ wage-labourers.

We must, in this manner, consider three and a half million farming enterprises out of the total five million, as such the owners of which are mainly proletarians and semi-proletarians or persons who are employed in other branches of production. Many of them cultivate their farms to such a slight extent that they play a subordinate role even for themselves, while their total agricultural production occupy a vanishing place in the country. There remain something like 700,000 capitalist farming enterprises and estates in which wage-labourers are exploited, as well as about 1,000,000 small and middle farms in which the labour of

others is not exploited to a wide extent and where farming is the chief vocation. Also these peasants, as we will show later, are not at all, however, the "independent" and "self-reliant" producers, as they are so gaily represented to be in bourgeois literature.

A shortage in labour-power becomes noticeable very frequently in the big capitalist farming enterprises in consequence of the proletarianisation of the peasantry and as a result of the flow of the proletarianised peasantry to the town. In order to assure themselves of cheap labour-power the big agrarians grant the workers small strips of land wherewith they tie down the workers and keep them in complete dependence. Such workers figure in the statistics as small "independent" peasants, while they are in fact workers who are exploited to quite an extraordinary degree.

"The shortage of workers, in consequence of the flow of population from the villages, forces the big landowners to make allotments of land to workers, and strive thereby to form a small peasantry which should provide labour-power for such landowners. An agricultural labourer, completely devoid of land is a rarity, since rural economy in agriculture, in a strict sense, is linked up with household economy. Entire categories of agricultural wage-labourers own or have the use of land. When petty production is supplanted too strongly, THE BIG LANDOWNERS STRIVE TO CONSOLIDATE OR TO REVIVE IT by means of the sale or lease of land." (Lenin, "Capitalism in Agriculture," *Collected Works*, Vol. ix, pp. 23-4, Russian edition, Moscow, 1925.)

"The grant of land to the agricultural labourer is very frequently made in the interest of the rural landowners themselves, and the type of an agricultural labourer with an allotment is to be found in all capitalist countries. It takes various forms in different states; the English cottager is not the same as the petty peasant proprietor in France or in the Rhine provinces, but the latter is again not identical with the poor peasant or land-drudge in Prussia." (Lenin, "Development of Capitalism in Russia," *Collected Works*, Vol. iii, p. 134, Russian edition, Moscow, 1925.)

The allotment of land to land labourers assures the estates cheap labour-power, as the "owner"

clinging to his native land cannot hire himself out in distant provinces, and cannot on the other hand refuse to sell his labour-power since he neither possesses sufficient land nor the necessary means of production. The process of the concentration of capital involves, in this manner, the splitting up of the land and the rise of a mass of petty peasant farms.

The problem of the peasantry is different in Britain and U.S.A. from that in most other parts of the world. There are in these countries very few peasants. The peasants have been in Britain expropriated many centuries ago. The U.S.A. took for the most part the methods of agriculture which were prevalent in Britain.

The ruthless expropriation of the peasantry which began in the sixteenth century and was finally finished off at the end of the nineteenth, was in the interests of capitalist landlords. The whole force of the State was used to grab the land. The result of centuries of development on this basis has been that agriculture in this country is organised not only on the basis of highly concentrated landlordism, but also of a completely landless agricultural proletariat working for capitalist tenant or landowning farmers.

Only a quarter of the farmed land in Britain is cultivated by its owners, while a half of the agricultural land of England and Wales is owned by scarcely more than 2,000 people. The pressure of the drain of rent, etc., which goes to these elements is very heavy. Moreover, in Britain, the cumbersome, traditionally legal red tape rules about land ownership and division are an enormous handicap on production. Coupled with the archaic land divisions and rent are such oppressive payments as tithes, the collection of which is involving many parts of Britain in a tithe war, and the wasteful parasitic misuse of the land by the rentiers who use it for "prestige" as county squires and for gaming and hunting.

There are in England and Wales about a quarter of million farmers, 40,000 employers in gardens, and about 617,000 full-time workers in agriculture and garden work.

About 90 per cent. of the farmers are worked on a capitalist basis employing wage labour. Of the produce of the farms, 20 per cent. goes to the landlords, 16 per cent. to the farmers, 30 per cent. to the workers, and 34 per cent. to general costs and to the combines supplying seeds, manures, etc. On the marketing side, the big milling and milk combines on the merchant rings virtually control the bulk of the farmers. The Government quota measures which are supposed to assist farming drive still more to the concentration of the power of these combines.

The efforts to bring about a revival of small holdings in Britain have failed miserably. There are more than 20,000 fewer small holdings now than in 1908, when the big drive was made. In 1885 there were 314,419 small holdings; in 1925, only 264,787. Many of these do not provide a livelihood. An enormous amount of work is put in by the smallholder and his family for an uneconomic return.

The economic advantage of the big farm is shown in the following table, based on an investigation made in 1923.

Size of holding. Acres.	Production. Per acre.	Production. Per Man.
	£ s. d.	£ s. d.
1- 50	11 19 9	168 19 0
50-100	9 19 2	156 2 0
100-150	7 19 1	189 0 0
150-250	7 5 8	222 12 0
Over 250	8 4 4	316 19 0

Sheer sweating produces a bigger return per acre in the small farm, which often specialises in some more profitable direction. But the whole advantage clearly lies with large farms, which can use machinery economically. Actually, investigation shows that with small farms, when account is had of proper pay for family labour and capital used, an adverse balance generally results.

In Scotland, regular workers number about 83,000 male and 20,000 female; casual workers total 22,000.

Farmers number about 33,000 and market gardeners 3,000.

There is a very clear caste division between the large and small farmers. The small tenant farmers, often jockeyed after the war into paying fantastic prices for their land, have little in common with the big-scale "gentlemen farmers," who own also large blocks of war loan and rentier stocks. In Britain, speaking as nearly as the very sparse figures allow, they show that 18,000 holdings (over 300 acres) work a quarter of the farmed area and employ 28 per cent. of the workers; 150,000 holdings (50-300 acres) work 59 per cent. of the area and employ 52 per cent. of the workers; 330,000 holdings are left with 15 per cent. of the area.

The steady decline in agricultural output and lessening of the workers on the land is well known. The productivity of agriculture, the exploitation of the workers, is however increased.¹ The appalling conditions of the agricultural workers are described in *The Condition of the Working Class in Britain*, chap. vii.

In U.S.A., more than 60 per cent. of the farms are smaller than 100 acres in size. But 1 per cent. of the farmers, approximately 63,000 in number of over 1,000 acres each, have an acreage representing 25 per cent. of the total farm land; 3.3 per cent. of the total number of farms, representing 35 per cent. of the acreage, were of 500 acres or over. There has been a steady growth in the numbers of tenancy farmers, rising from 26 per cent. in 1880 to 39 per cent. in 1925. The enormous increase in debt due to the crash in prices, coupled with the heavy outstanding commitments for equipment and so on, has handed over the bulk of the U.S.A. farmers to the agents of finance capital.

The mechanisation of farming has gone ahead fast, especially in the big farms. It leads naturally to larger farm units and greater farm capital. Between 1920 and 1930 the number of tractors has more than trebled. The combine harvester thresher and other machines in-

¹ Output per labourer employed in British agriculture, 1908=100, 1925=119, 1929=129½. Clark, *Economic Journal*, Sept. 1931.

creased proportionately. Instead of doing 30-50 acres of corn, one man can now do 160-200 acres.

The productivity per man in U.S.A. agriculture increased by 47 per cent. between 1899 and 1925, rather more than the increase in that of industrial workers. (See *Labour and Capital in Agriculture*, Burns, L.R.D., and *Labor Fact Book*, International Publishers.)

2. THE SUBORDINATION OF SMALL PEASANT ECONOMY TO CAPITAL

The small or middle peasant is not really independent even if he is occupied exclusively in his farm and does not sell his labour-power to receive an additional income.

In those cases in which the small or middle peasant rents land, he is compelled to pay much more rent per acre than the big capitalist. The big capitalist, who wants to invest his capital in agriculture, can take land on lease in such places where he finds the most favourable conditions. He can, for example, live in the town and farm land in a distant district, while the peasant when he rents a piece of land has not this choice, since he must take land in the vicinity of his home. The landowner takes advantage of this circumstance and squeezes a higher rent out of the peasant.

The peasant is, similarly, forced to pay a higher price for land than the big capitalist in case of purchase. When the peasant buys land with the assistance of the bank, which grants him a loan for the purpose, he becomes a life-long debt slave as a result of the mortgage and in addition pays a considerably higher rate of interest than the big landowner. The peasant remains much more the formal owner of the purchased land, while the bank is the actual owner, to whom the peasant pays a higher rent in the form of interest. The same thing happens in the case of the peasant taking up a loan from the bank, not for the purchase of the land, but for the support of his farm. Such loans are secured on the land in the form of a mortgage. In the event of non-payment of the loan it results in a forced sale of the peasant property.

All these difficult relations—which the small and middle peasant economies find themselves in—lead to EXCESSIVE LABOUR AND AN INADEQUATE STANDARD OF LIFE.

A capitalist enterprise is only carried on if its owner receives the average rate of profit :

“ For the small farmer the limit of exploitation is not set by the average profit of the capital, if he is a small capitalist, nor by the necessity of making a rent, if he is a landowner. Nothing appears as an absolute limit for him, as a small capitalist, but the wages which he pays to himself, after deducting his actual costs. So long as the price of the product covers these wages, he will cultivate his land, and will do so often down to the physical minimum of his wages.” (Marx, Vol. iii, p. 936, American edition.)

“ The existence of a small peasantry in every capitalist society is to be explained not by the technical superiority of small production in agriculture, but by the fact that the small peasants reduce their needs below the level of those of wage-labourers and that the former exhaust themselves over the work to an incomparably greater extent than the latter.” (Lenin, “ The Development of Capitalism in Russia,” Vol. iii, *Collected Works*, p. 7, Russian edition, Moscow, 1925.)

“ Small property in land creates a class of barbarians standing half-way outside of society, a class suffering all the tortures and all miseries of civilised countries.” (Marx, Vol. iii, p. 945, American edition.)

These formulations are also applicable to the small peasantry in modern Germany. Even when they appear as “ independent producers ” it only means for them the sinking of their income to the physical minimum of wages with all the poverty and misery resulting therefrom. The small peasant must, on the other hand, harness the members of his family to excessive labour so as to make ends meet somehow. The apologists of capital eulogise this exhaustion of the energy of the peasant family representing it as an extraordinary display of the “ joy of labour ” “ diligence,” etc. The peasant does everything possible to maintain his own

independence and the independence of his undertaking. This independence is, however, an illusion.

Actually the peasant permanently becomes increasingly dependent on the banks and on the usurers who become, in fact, the real owners of his land. In addition thereto the weight of taxation bears on him ever more heavily.

All these forms of exploitation have brought the peasants to a position in which

“ Their exploitation differs from the exploitation of the industrial proletariat only in form. The exploiter is the same: capital. The individual capitalists exploit the individual peasants through the mortgages and the usury, and the capitalist class exploits the peasant class through state taxation.” (Marx, *The Class Struggle in France*.)

With this is associated also the constantly increasing absorption of the peasants in the market dominated by big capital.

The modern peasant produces chiefly for the market where he also obtains almost everything he requires for production and for immediate consumption. The scattered small peasants, on coming to the market, have to deal with concentrated big capital. The dealer, to whom the peasant sells his produce is frequently his creditor. The result of all this is the complete subjection of the peasant to big capital and his exploitation by the same. Social-Democracy demands the nationalisation of trade, above all of the corn trade as a means of fighting this plunder of the small peasants by a whole chain of middlemen. Experience, however, has shown that the capitalist state does not plunder the peasants or does not speculate with their grain any less than the private capitalist enterprises. Thus, for example, the miller's association of the Scheuer Concern was bought three years ago with the support of the Social-Democratic Prussian Central Co-operative Fund. This operation, which was carried out at the expense of the tax-payers, only led, however, to the strengthening of the position of the big agrarians and merchant capital at the expense of the small peasants and consumers.

3. AGRICULTURAL CO-OPERATION UNDER CAPITALISM

Social-Democracy looks upon co-operation as the chief means of protection of the small peasantry. Marx has already pointed out that co-operative associations under capitalism "reproduce and must reproduce everywhere all the defects of the existing system."

Kautsky wrote in the same way when he was still a Marxist. The same thing has been emphasised also by Lenin who said :

"The co-operation of small commodity-producers . . . inevitably gives rise to petty bourgeois capitalist relations, facilitates the development of capitalists and pushes them in the foreground and gives them the greatest gains." (Lenin, "On Taxation in Kind," *Collected Works*, Vol. xiii, Part i, p. 202, Russian edition, Moscow, 1925.)

Lenin's estimate of co-operation is confirmed in the statistical data of agricultural co-operation in Germany. According to the data for 1927, the number of farmers organised in co-operative associations and united in the National Union was as follows :

	Up to 2 Hects.	2-5 Hects.	Large Class		over 100 Hects.
			5-20 Hects.	20-100 Hects.	
Number of enter- prises in 1,000s.	248	402	532	199	16.7
Per cent. of total number of agri- cultural enterprises	8.2	44.6	55.4	9.6	89.3

There are very few co-operative members among the small peasants, but almost all the big peasants and even landowners are members of the co-operative associations. An even clearer picture would be provided by the figures of the economic operations of the co-operatives and reports regarding their management. These figures are, however, a carefully guarded secret. But there is no doubt that the main business of agricultural co-operation is carried on by the big peasants and big agrarian enterprises which supply the market with the greatest part of the produce, and that the management

of the co-operatives is completely in the hands of the landowners, the big peasants and the priests who act in their interests.

Marx and his adherents have always pointed out the bourgeois nature of co-operation under capitalism and have emphasised that co-operation offers no solution to the peasant question.

“ The co-operative movement limited to the dwarfish form of development, which it is able to afford to its individual wage-workers through their association, IS NOT BY ITSELF IN A POSITION TO TRANSFORM CAPITALIST SOCIETY. In order that social production may be transformed into a great and harmonious system of free and co-operative labour, general social changes are necessary, changes of the general conditions of society, which can never be realised without transferring the organised force of society, NAMELY THE POWER OF THE STATE FROM THE HANDS OF CAPITALISTS AND LANDLORDS INTO THOSE OF THE WORKERS THEMSELVES.” (Marx, *Inaugural address to the International Worker's Association*, German Edition, p. 46.)

More than half a century has passed since Marx wrote these lines, and events have in the meantime completely confirmed their truth. The ever-greater subordination of the small peasantry to the power of agrarian and financial capital has proceeded side by side with the extension of the co-operative organisations which have become transformed into instruments of the subjection and enslavement of small peasants.

4. CONCLUSIONS

We may summarise the results we have arrived at in the following words of Lenin :

“ The most important and essential tendency of capitalism consists in the disposal of small production by big production both in industry and agriculture. But this dispossession must not be understood MERELY in the sense of immediate expropriation. To this dispossession belongs also the ruin and deterioration in the conditions of economy of the small peasants which may go on for years and decades. This deterioration manifests itself in excessive labour, or worsened nourishment of the small peasant, in burdening

him with debts, in the deterioration of the feeding and general upkeep of his cattle, the deterioration in the cultivation of the soil, its fertilisation, and in the deterioration of the technique of agriculture, etc. The task of a scientific investigator, if he wants to be free from the reproach of conscious or unconscious aid to the bourgeoisie by embellishing the conditions of the ruined and oppressed small peasants, is first of all and above all to define exactly the signs of ruin which are not at all distinguished in simplicity and uniformity." (Lenin, "New Material Respecting the Laws of Development of Capitalism in Agriculture," *Collected Works*, Vol. ix, pp. 232-3.)

The fundamental thoughts of Marx and Lenin are fully strengthened also by the facts in Germany. On the contrary the essence of Revisionism (which has now become the official doctrine of Social-Democracy) in the sphere of the agrarian question consists in the obliteration of those contradictions which unfailingly differentiate the peasantry under capitalist relations, in the obliteration, further, of the exploitation—character of the large-scale peasant economy on the one hand, and the proletarianisation of the poorest peasantry on the other, and finally in the hushing-up of the class antagonisms within the peasantry. One of the main tasks of Social-Democracy is, indeed, to disorganise the class struggle which is waged by the land proletariat and the poorest peasantry against the capitalist and junker section of the village.

But the desertion of Marxism in questions of agrarian theory has also another hidden aim. The revision of the Marxian theory on the development of capitalism in agriculture must promptly lead to the renunciation of the theory as a whole and the abandonment of the revolutionary conclusions which are drawn from it. The small peasantry forms even in the most developed countries a notable part of the population and a majority of it in the whole world. The Marxian theory of the hopeless position of the small peasantry under capitalism provides the foundation for the alliance between the proletariat and the small peasantry as well

as their joint struggle for the destruction of capitalist society. The theory of the Social-Democrats which implies the possibility of prosperity of small peasant economy under capitalism, is nothing else than the abandonment of the struggle for Socialism. Kautsky admits this almost frankly :

“ There is nothing absolute for Marx, no absolute superiority of Socialism over capitalism, of big over small enterprise.” (*Bolshevism in a Blind Alley*, Kautsky, p. 39.)

The statement that small production may, under certain conditions, be more rational than big production, is used by Kautsky so as to be able to show that under certain conditions (and just those which now exist) capitalism may be better than Socialism.

CONTROL QUESTIONS

1. What are the forms of exploitation of the small and middle peasants ?
2. Why is the independence of the small and middle peasants only a seeming one ?
3. Why cannot co-operation under capitalism do away with the proletarianisation of the small and middle peasants ?
4. What does the revolutionary significance of the Marxist-Leninist analysis of the position of the peasantry in capitalism consist in ?

VIII. CAPITALISM RETARDS THE DEVELOPMENT OF THE PRODUCTIVE FORCES IN AGRICULTURE

I. THE PROCESS OF SEPARATION OF AGRICULTURAL PRODUCTION FROM LANDOWNERSHIP

Agriculture would develop more rapidly also under capitalism if private ownership in land were abolished. That neither capitalist agriculture nor agricultural small production depends upon the necessity of OWNERSHIP of the land is proved by the fact of the wide extension of leaseholds. The separation of land-ownership from agricultural production finds its expression in the form of leaseholds :

“ It is one of the great outcomes of the capitalist mode of production, that it . . . totally separates land as an

instrument of production from property in land and land-owners, for whom it represents merely a certain tribute of money, which he collects by force of his monopoly." (Marx, Vol. iii, pp. 723-4, American edition.)

This process of separation of the farmer from the ownership of land proceeds throughout the history of capitalism.

The separation of landownership from agricultural capital does not only manifest itself in the form of the development of leasehold relations. The development of land mortgage is fundamentally of a similar nature. Although the farmer who owes money to the bank formally cultivates his own soil, the bank is the real landowner which receives rent in the form of interest, which is mortgaged.

"The pawning of land is the pawning or sale of ground-rent. Consequently, under the mortgage system as under the leasehold system, the rent receivers, i.e. the landowners, are separated from the receivers of enterprise profit, i.e. the farmers or the agricultural employers." (Lenin, "Capitalism in Agriculture," *Collected Works*, Vol. ix, p. 7.)

Germany belongs to the group of countries in which the process of separation of the farmers from the soil does not proceed so much in the form of the extension of leasehold relations as in the form of an increase in mortgage debts. Only 47.3 per cent. of all agricultural enterprises have cultivated their own soil in 1925 (in 1882 this figure was 56.3 per cent.), while 33.3 per cent. cultivated partly their own and partly leased land and 19.4 cultivated exclusively leased land (in 1882 this figure was 14.2 per cent.). The leasehold farms included, however, many small ones, so that only 12.4 per cent. of the entire land under cultivation was leased.

Before the World War, Helfferich estimated the total price of all the land under cultivation in Germany at 40 milliard marks. The mortgage debts of the farmers probably amounted to more than half of this sum. Inflation has destroyed the greatest part of the mort-

gage debts, but with the beginning of stabilisation an impetuous growth of mortgages again set in. The economic institute estimated in the middle of 1929 the total debts of the farmers at something over 12 milliard marks, on which approximately 8 milliards covered mortgage debts.

It thus comes about that a considerable portion of farmers in Germany and other capitalist countries do not possess their own soil or possess it to an insufficient extent, which forces them to lease additional land and pay rent to the landowners. Others, again, are indeed formal landowners, but the land actually belongs not to them as they are forced to transfer the right to receive rent on their piece of land to the mortgage banks.

The example of the United States, where mortgage debt on farms amounts to \$12,224 m. while farming income fell from \$11,000 to \$5,000 between 1929 and 1932 shows how farmers are handed over wholesale to bankers and the monopolies. In Britain, four of the Big Five Banks have formed a mortgage company for agriculture.

The separation of landownership from capital is a condition precedent for developed capitalist relations in agriculture. Private ownership in land is by no means, however, a necessary element of the capitalist mode of production.

“ The truth of the matter is that under a capitalist mode of production, the capitalist is not only a necessary functionary but the dominating one in production. The landowner, on the contrary, is in this mode of production quite superfluous. All that is necessary is that the land and soil should not be common property, that it should face the working class as a means of production which DOES NOT BELONG to it ; and this object would be fully attained if it became the property of the state which would receive the ground-rent. The landowner, so essential a functionary in production in the world of antiquity and medievalism is a useless excrescence in our industrial world. The radical bourgeois, with an eye to the suppression of all other taxes, proceeds therefore to deny in theory the right of private property in land, which in their form of state ownership he wants to transform into the common property of the

bourgeois class of capital." (Marx, *Theories of Surplus-Value*, Vol. ii, Part i, p. 208, German edition.)

2. THE IMPOSSIBILITY OF LAND NATIONALISATION UNDER CAPITALISM

The capitalist mode of production could permit the nationalisation of land without any difficulty.

"Theoretically, nationalisation appears to be an ideal pure development of capitalism in agriculture. The question as to whether such relations of forces which make possible the nationalisation of the land in capitalist society, are often conceivable in history, is quite a different matter." (Lenin, *The Agrarian Programme of Social-Democracy in the Russian Revolution*, 1905-7.)

A whole number of BOURGEOIS theoreticians have declared in favour of land nationalisation. It was these, whom Marx had in view in the passage quoted above, in which he spoke of the radical bourgeois who has theoretically arrived at the rejection of private property in land.

"In practice, however, the courage is lacking, as an attack on one form of property—a form of private property in the conditions of labour—may become a serious matter for the others. Besides this, the bourgeoisie has itself become territorial." (Marx, *Theories of Surplus-Value*, Vol. ii, Part i, p. 208.)

The causes are clearly shown here why the bourgeoisie is opposing the nationalisation of the land. In the beginning of the capitalist era the fight against Feudalism was the main front for the bourgeoisie. The bourgeoisie was at that time a progressive element in society and, as such, was usually supported by the proletariat, in its fight against Feudalism. But with the development of capitalist production and the capitalist contradictions there grew up the chief struggle between the capitalist class and the proletariat. In this struggle, the capitalists in alliance with the landlords come forward as reactionary forces against the proletariat and lower middle classes.

The development of capitalism leads, on the other hand, to the capitalisation of landed property. The property-title on land or, to be more exact, rent becomes converted into a commodity. Landed property ceases to be a monopoly of the nobles. The concentration of a considerable part of rent in the hands of the mortgage banks brings this process into particular relief. In this way, landed property intertwines with other forms of bourgeois property, whereby a still further basis is created for the bloc between the capitalists and landlords.

The bourgeoisie, therefore, not only resists the abolition of private property in land, but is beginning frequently to set it up itself. Colonial policy provides striking examples of this. One of the first measures adopted by the British in India was the expropriation of the peasant lands and the creation of large-scale landownership. The same policy was prosecuted by French capital in North Africa, etc. (this is described in detail in the second part of *Accumulation of Capital*, by Rosa Luxemburg). Instead of setting up in the colonies big capitalist enterprises, which would require considerable capital investment, the imperialists have created a feudal aristocracy (or support it where it already exists) with the aid of which they squeeze out of the peasants surplus-value on the basis of the most backward mode of production.

Here we have one of the contradictions in modern capitalism. Instead of destroying the survivals of feudalism it conserves and even strengthens them. It thus creates the very relations which hamper its development. Marx rightly pointed out that the capitalist mode of production makes landownership senseless.

Since the bourgeoisie, which guards all forms of property is forced to defend private property in land, so also will the revolutionary proletariat abolish the private ownership of land as soon as it enters upon the abolition of all forms of capitalist property.

" I was convinced, however, for a long time that the social revolution must seriously begin from the ground, i.e. a revolution in landownership." (Marx, *Letters to Kugelman*, p. 41, German edition.)

Lenin took quite the same view on the nationalisation of the land :

" The blow which will be struck at landed property will facilitate the inevitable further blows at property in general." (Lenin, " Marx on the American Black Re-division," *Collected Works*, Vol. ix, p. 680.)

The experiences of the proletarian revolution in Russia have entirely confirmed the truth of these propositions. The abolition of private property in land was one of the first measures of the revolutionary proletariat after it seized state power. The peasant masses supported these measures since they received simultaneously both the land and stock of the big land-owners. Later on, the transition of the small peasants to collectivisation was made easier by the abolition of private property in land. In a speech which Stalin made towards the end of 1929 he analysed the causes which lay at the bottom of the success of the first wave of mass collectivisation, and concluded as follows :

" What has in reality tied, and continues to tie, the small peasant of Western Europe to his small commodity producing farm? Above all and mainly the fact that he owns his piece of ground, the fact of the private ownership of land. He has saved for years in order to buy a piece of land ; he has bought it, and now, comprehensibly enough, he does not want to part from it ; he will endure anything, suffer the greatest deprivations, live like a savage, only in order to retain his piece of land, the basis of his individual farm. Can it be maintained that this factor now operates in this form under the conditions created by the Soviet system? No, this cannot be maintained. It cannot be maintained because in our country there is no private ownership of land. And since there is no private ownership of land in this country, for this very reason there is no such slavish attachment of the peasant to the land as may be observed in the peasants of the West. And this fact is

bound to facilitate the switching of the small peasant farm on to the tracks of the collective farming.

" This is one of the reasons why the *large*-scale undertaking in the village, the collective farm, is able in our country, where the land is nationalised, to demonstrate with such ease its *advantages*, as compared with the small peasant farm. Here lies the great revolutionary importance of Soviet agrarian laws, which have cancelled absolute rent, abolished the private ownership of land, and established the nationalisation of land." (J. Stalin, *Leninism*, Vol. ii, p. 258-9, Modern Books Ltd., and International Publishers.)

CONTROL QUESTIONS

1. In what forms does the separation of the agricultural production from the private ownership of land proceed ?
2. Why cannot capitalism bring about the nationalisation of land ?

IX. SOCIALISM AND AGRICULTURE

(A) WHAT THE SOCIAL DEMOCRATS AND FASCISTS PROMISED THE SMALL PEASANTRY AND AGRICULTURAL WORKERS. WHAT THE COMMUNISTS OFFER THEM

The political rule of the numerically small capitalist class is possible at the present time only as long as they are supported by the masses of the petty bourgeoisie. In this the farmers and even the agricultural labourers play a big role. In Britain, for instance, the arrangement of Parliamentary divisions is made to give the " Diehard " elements, based on the " County " divisions, a preponderant weight in the " Democracy." For this reason all the bourgeois political parties (including the fascists and social-fascists) embody in their programmes a mass of promises and " demands " which are supposed to improve the conditions of the small peasants and farmers and, in the countries like Britain, where the bulk of the rural population are proletarian, agricultural labourers.

" Demands " for broader educational centres fall flat against the inability of the small peasant to rationalise, to apply any knowledge he may gain to his small plot.

“ State control of Production and Distribution of the agricultural means of production ” is an illusion when the State operates in the interests of the big landlords and capitalists, the big merchanting countries. Credit proposals, when they are not just a mockery because the peasant or small farmer is just laughed at by the bank, are, again, a means of securing the rent for the landlord and interest for the mortgage. The various schemes for restricting production and so raising prices, which have been put forward by the United States Government, also work in favour primarily of the interests of the speculators and secondly of the big farmers.

The British “ National ” Government has also been putting into operation “ quota ” policies and tariffs. Again, these policies have worked in the interests of the big merchanting trusts and done practically nothing even for the big farmer. The small farmers have steadily drifted into bankruptcy. Even the agricultural correspondent of *The Times* has been forced to admit the spirit of revolt at the hopelessness of the schemes. The Beaverbrook press has been campaigning for even higher tariffs and quotas, but these would only have the effect of raising prices for the workers in the towns and benefiting the larger farmers and landlords.

To catch the vote of the small farmers and agricultural labourers the British Labour Party has put forward its own version of the Government policy.¹ Land is to be nationalised, but as compensation is to be paid, and the owners to be paid, “ special land stock of appropriate amounts with a fixed rate of interest ” (and “ in no sense ” increase the deadweight debt of the State), the land worker would be left as he is. In the “ nationalisation ” propaganda efforts are made to place the landowner as the enemy of other capitalists—but not of the working class. In our previous Lessons we have exposed this line of argument. Actually, under the conditions reigning in Britain on the land, many semi-effete feudal landlords would better themselves by the adoption of this proposal to support private property and monopoly in land by the capitalist State.

¹ *The Land and the National Planning of Agriculture.*

The State would collect their rent (paid out to them as interest) in a more centralised and efficient manner.

This proposal is cloaked with numbers of other schemes which actually leave the worker in the same position as a proletarian. Thus the agricultural industry is to be run by "County Agricultural Committees, specially appointed by the Ministry of Agriculture," consisting of

"members appointed by the Minister on suitable grounds of experience, together with representatives of the farmers and of the farm workers selected by the Minister from panels of names submitted by the appropriate organisations."

Such a proposal is State control *in excelsis*. It is pleasant to know that "it should be a primary aim to raise the standard of life and status of the farm labourer" but—he is still to be a proletarian, even though he gets unemployment insurance and opportunities for "co-operative cultivation of land," which taken with the other proposals is just eye-wash.

In regard to marketing, National Commodity Boards, with price-fixing powers, are to be set up. These Boards, in actual practice, under capitalism, would work as glorified trusts and against the small farmer.

History knows of only one case of millions of peasants being given land, cattle and machinery—this is the case of the Soviet Union. Marx wrote in the middle of the nineteenth century:

"Only the fall of capital can lift the peasants, only a proletarian, anti-capitalist Government can put an end to their economic poverty, to their social degradation."

Marx's words are coming true before our very eyes. On November 7th, 1917, the proletariat of Russia captured the power and already on November 8th, on Lenin's motion, the Congress of Soviets adopted the historical land decree. Its first points read as follows:

- " 1. The landlords' property in land is abolished at once without any compensation.
- " 2. The landlords' estates as well as all the lands, whether granted, monastery or church, with all

their livestock and machinery, buildings and all property are placed under control of the rural district land committees and County Soviets of peasant deputies."

Subsequently a small part of these estates were converted into State farms but the greater part was turned over to the peasantry. This appears from the following data on the distribution of the agricultural lands in percentages (according to the materials of People's Commissariat of Agriculture).

Categories of Land	Before the Revolution		1919		Category of Land
	Russia	Ukraine	Russia	Ukraine	
Landlord, State and other land	23.7	44.6	2.7	3.2	State farms
Peasant Lands	76.3	65.4	96.8	96.0	Individual peasant farms

Since the peasantry received not only land but also cattle and implements as well as freedom from mortgages it was able soon after the end of the civil war to begin to cultivate its newly acquired land. This appears from the following table.

Grain Production in the U.S.S.R. (Million double centners)				
			Before the War	1926/7
Landlords	...	...	100	—
Rich peasants	...	...	310	100
Small and Middle Peasants			410	665
Collective and State Farms			—	15
Total	...	...	820	780

Here the millions of small and middle peasants really got some substantial improvement. But under capitalism nothing like it is possible at present. No matter who controls the power, whether the fascists or the social-fascists, the peasant masses will not get any land, cattle or machines, nor will they gain freedom from their mortgages. They will receive from them all sorts of promises but in reality they will be heavily taxed for the construction of cruisers and subsidies for the squires, they will have their debts increased under usurious conditions, etc.

But in Russia the Communists not only gave the peasants land, cattle, machinery and freedom from debts. Being true to the doctrine of Marx and Engels, they realised that :

“ Small peasants’ property excludes by its very nature the development of the social powers of production of labour, the social forms of labour, the social concentration of capital, cattle raising on a large scale, and a progressive application of science.” (Marx, *Capital*, Vol. iii, p. 938.)

Engels gave a very clear indication of the tasks of the proletariat after capturing the power with regard to the small peasantry :

“ Our task with regard to the small peasants consists primarily of transforming their private production and private property into co-operative, though not by force but by example and by offering social aid for this object.” (*The Peasant Question*.)

This task has been steadily fulfilled under the leadership of the Communist Party in the U.S.S.R.

B. COLLECTIVISATION IN THE U.S.S.R.

(a) *State Farms*

Naturally the proletariat could not take up the solution of this question directly after the capture of the power since the national economy of this backward country greatly suffered during the imperialist and civil wars.

Nevertheless the country of the proletarian dictatorship, freed from the parasitic class, very soon (sooner than the capitalist countries) restored its economy and was therefore able to take up the production of machines necessary for the reorganisation of agriculture.

The increase in agricultural machinery can be seen from the following table. The U.S.S.R. has long ago left behind all the European countries and is rapidly catching up with the United States in the production of farm machinery. Agricultural machinery was produced to the value of 55 million roubles (1926—27 prices) in 1913. In 1921 this figure was as low as 13·8 ; but by 1927 it had risen to 146·4 and by 1931 to 479 million. This figure is steadily increasing. In addition tractors

are being put at the disposal of Soviet agriculture in great quantities. In 1933, at least 60,000 tractors will be produced. In 1932 there were 2,446 machine tractor stations. By 1933 the number of machine tractor stations will have risen to 2,768, supplying some 60 per cent. of the kolkhozy with the most modern agricultural machinery. In 1928 mechanical motive power in agriculture only constituted about 1.6 of the total motive power used. In 1932 the proportion had risen to 13.7 per cent. During the first Five-Year Plan (accomplished in four and a quarter years) the machinery used in agriculture more than doubled.

Thus was created the basis for the reorganisation of the whole of agriculture. On the other hand, the growth of industry and of the cities made reorganisation more and more necessary since the scattered small peasant economy was unable fully to meet the growing demand of the cities for farm products.

In 1928, there began to be created in the U.S.S.R. big State grain farms on the lands not held by the peasantry. In 1930, the State grain farms sowed 1,750 thousand hectares and harvested about 12 million double centners of grain. In 1931, they sowed about 5 million hectares. These State farms are fully mechanised big enterprises (averaging 40,000 hectares, while some of them have 200,000 and more hectares).

The creation of these farms completely overthrows the bourgeois theories about the unprofitability of big enterprises in agriculture. The big size of the State farms enabled them to employ the most productive machines and utilise them in full. In Germany, where four-fifths of the entire agricultural area is held by farmers possessing less than 100 hectares each, the scientists urged the unprofitability of tractors. Even in the United States only one-fifth of the farmers have tractors, but there the tractors work only 600 hours per year. In the U.S.S.R. the tractors work in columns of several dozens each and work on an average more than 2,500 hours per year. The U.S.S.R., thanks to the rational employment of its tractors, obtained more work out of them than the United States out of its entire

amount of tractors. The same applies to all the other farm machines. The big size of the farms, the extensive employment and full utilisation of the best machines, the enthusiasm of the workers conscious of the magnificent prospects opened up before them by socialist construction, the abolition of private property in land, of the mortgage debts, etc., all this ensures a tremendous increase of the productivity of labour and a reduction of the cost of production.

This is not understood (or, to be more exact, deliberately ignored) by all those who shout about Soviet dumping, about the U.S.S.R. selling grain below cost. The prices which are unprofitable to the peasant who ploughs his farm of 5 to 10 hectares by a cow and who is in addition oppressed by taxes and payments to the bank, these prices not only fully cover the expenses of the big State farms of the U.S.S.R. but also bring them a profit which is used for the further expansion of socialist production and an improvement of the workers' conditions.

This successful experience is now being applied to the other fields of agriculture as well, primarily to cattle breeding. Here, too, are being created great State enterprises, organised in accordance with the last word of science and technique. At the end of the Five-Year Plan there were on the large Soviet ranches 2·1 million head of cattle, 1 million pigs and 4·3 million sheep and goats.

(b) Collectivisation

The consolidation of the Soviet industries, particularly of the agricultural machinery industry, and the creation of a system of highly productive State farms, created the conditions (assistance and example) which Engels considered necessary in order that the small peasants could be led along the road of collectivisation. Already in 1928 the Fifteenth Congress of the Communist Party of the U.S.S.R. pointed out that :

“ At the present period the task of uniting and reorganising the small individual peasant economies into big collectives must be considered as the fundamental task of the Party in the village.”

How this fundamental task was solved by the Party appears from the following figures :

	1928	1932
Number of Collective Farms ...	33,300	over 200,000
Number of peasant households collectivised	420,000	15,000,000
Area under cultivation by kolkhozy (hectares)	1,390,000	9,600,000
Number of sovkhkozy (grain, animal and industrial plants)	3,100	5,000
Area under cultivation by sovkhkozy (hectares)	1,700,000	13,400,000
Proportion of total area cultivated by kolkhozy and sovkhkozy (per cent.)	2.7	nearly 80
Tractors in use by kolkhozy and sovkhkozy (h.p.)	278,000	2,177,000
Area under industrial plants ...	—	15,000,000
Total area under cultivation (hectares)	113,000,000	134,000,000
Marketable grain (poods)	700,000,000	1,400,000,000
Proportion of marketable grain provided by kolkhozy and sovkhkozy (per cent.)	10	75

On the collective farms in 1932 there were 5.5 million head of cattle, 2.6 million pigs and 5.6 sheep and goats. This is in addition to the numbers on the State ranches.

The social-fascist theoreticians are by all means striving to discredit this rapid process of the socialisation of agriculture.

Kautsky predicts an inevitable collapse of collectivisation by the following arguments :

“ Under the conditions of modern Russia large-scale production in agriculture is less rational than small-scale production. The shortage of machinery, of experienced agricultural experts, of experienced independently thinking and acting farm labourers must greatly restrict large-scale production.”

Trotsky repeats the same arguments under cover of more “ left ” phrases and urges the abandonment to capitalist exploitation of 75 per cent. of the existing collective farms. (Kolkhozy.)

Let us analyse these arguments in the order in which they are given.

We have just seen what an enormous amount of agricultural machinery is in use. It is not only a matter

of quantity either but also in the quality of the use to which they are put, in collaboration with the machine and tractor stations, that the Soviet agricultural system leads.

The radical distinction of the U.S.S.R. from the capitalist countries consists in that here no antagonism exists between big and small farming, which, on the contrary, co-operate, the big farms helping the small ones to reorganise themselves and become converted into big farms. Apart from the machine and tractor stations which were specially created for this purpose, the State farms, when their man-power and machinery can be released loan them to the surrounding peasantry. In 1930, the State farms cultivated, apart from their own fields, 800,000 hectares of peasant fields.

The organisation of the peasants into collective farms enables them much more productively to employ their own implements. According to the data for 1931 a horse in a collective farm does on an average two or three times as much work as a horse in an individual farm, a harvesting machine does four to five times as much work, drills work five to six times as much, thrashing-machines eight to nine times as much. This result of the very first year of the work of the collective farms completely overthrows Trotsky's absurd claim that :

“ You cannot create a large-scale agriculture out of the primitive peasant ploughs and peasant jades any more than you can create a steamship out of a number of fishermen's row-boats.”

Kautsky's reference to the lack in the U.S.S.R. of educated village workers with initiative is just as unconvincing. Kautsky ignores the tremendous cultural rise which is at present taking place in the villages of the U.S.S.R. It is sufficient to state for instance that the circulation of the newspapers in the U.S.S.R. is ten to twelve times larger than it was before the revolution, this growth largely being due to the village. The *Peasant's Newspaper* alone, which is published in Moscow, has a circulation of more than 2·5 million. There are at present being published 1,100 district newspapers

(read mainly by the village population) with a circulation exceeding 2 million, in addition to 500 local newspapers which are printed by a simplified method, and about 1,500 State and collective farm papers with a circulation also approximating 2 million. This entire mass of newspapers is not only read by the village workers but is also written by them. Is there anything of this kind in any capitalist country?

Owing to the more rational organisation of labour and the employment of better means of production, the productivity of the collective farms is already higher than that of the individual peasants farms. In 1930, the average amount of land sown by one peasant householder was :

	In Main Grain regions hectares	In second- ary grain regions hectares	In North- ern regions hectares	Average for U.S.S.R. hectares
Collective Farms ...	7·7	4·6	2·8	5·2
Individual peasants	6·7	2·9	2·2	2·7

Owing to the superior cultivation of the land the crops in the collective farms were also higher (for instance, collective farms harvested 9·1 double centners of rye per hectare compared with 8·4 centners in the case of individual peasants, winter wheat 10·6 and 9·6 centners, respectively, etc.).

No wonder seeing such results the peasants rush into the collectives. The statement of Kautsky's that it is possible to force over 15 million peasant households into collectives is—apart from its motive—laughable. What else the peasants have gained was shown by Stalin (*Results of the First Five-Year Plan*. Modern Books, Workers' Library Publishers).

Before the October Revolution, he said, the poor stratum of peasants, who lived in a state of semi-starvation and of bondage to the kulaks, was 60 per cent. of the total peasant population. In 1928, even, it was 30 per cent.

“ Now what has the Five-Year Plan in four years given to the poor peasants and to the lower stratum of the middle peasants? It has undermined and smashed the kulaks as a class, and has liberated the poor peasants, and a good half

of the middle peasants, from bondage to the kulaks. It has brought them into the collective farms and put them in a firm position. By this it has destroyed the possibility of the differentiation of the peasantry into exploiter-kulaks and exploited poor peasants. It has put the poor and the lower stratum of the middle peasants who are in the collective farms in a position of security, and by that has put a stop to the process of ruin and impoverishment of the peasantry. Now there are no longer cases in our country of millions of peasants leaving their homes annually to seek work in remote districts." (Stalin, *op. cit.*)

Already in 1919 the Eighth Congress of the C.P.S.U. decided on a motion by Lenin :

" While encouraging various co-operatives, including farm communes among the middle peasants, the representatives of the Soviet power must not employ the least compulsion in the creation of such bodies. Only those co-operatives are of value which are organised by the peasants themselves on their free initiative and the advantages of which are tested by them in practice." (*Lenin*, Vol. xvi, Russian edition.)

These directions have been repeatedly reaffirmed in subsequent years. The last Sixteenth Congress of the C.P.S.U. again emphasised that :

" Collective farms can be built only on a voluntary basis. Every attempt to employ force or administrative coercion with regard to the poor and middle masses in order to make them join collectives constitutes a gross violation of the party line and an abuse of power."

The fourteen years of the proletarian dictatorship in the U.S.S.R. have provided unquestionable proof of the fact that when the State power is taken over by the proletariat, the toiling peasantry are faced with excellent prospects of economic growth along the lines of collectivisation, of the co-operative operation of their farms.

Nevertheless, the small peasants will inevitably waver before they finally reject the capitalist development and take the side of the revolutionary proletariat. These waverings are due to the dual nature of small peasant economy.

" Under the capitalist mode of production the indepen-

dent peasant or craftsman is divided within his mind. As an owner of the means of production he is a capitalist, as a worker he is his own wage worker. He pays himself wages as a capitalist and makes profit on his capital, that is, exploits himself.

" . . . It may similarly happen that he as a landowner will pay himself also a third part (of the rent)." (Marx, *Theories*, etc., Part i, Russian edition.)

"The very position of the small cultivators in modern society inevitably converts them into petty bourgeois. They eternally waver between the wage workers and the capitalists. The majority of the peasants live in dire need and become ruined, developing into proletarians, while the minority goes after the capitalists and helps to maintain the subjection of the mass of the village population to them. Therefore, in all the capitalist countries the peasantry in its mass still keeps aloof from the socialist movements of the workers, and supports the different reactionary and bourgeois parties. Only the independent organisation of the wage workers waging a consistent class struggle is capable of wresting them out of the influence of the bourgeoisie and explaining to them the total hopelessness of the situation of the small producers in capitalist society." (*Lenin*, Vol. xii, Part i, Russian edition.)

But life itself helps to open the eyes of the peasants more and more. In 1847 Engels wrote :

"A time will come when the impoverished section of the peasantry whose life blood will have been sucked out of them, will join the proletariat—which will by that time have strongly developed—and they together will proclaim a fight upon the bourgeoisie." (Marx, Vol. v, Russian edition.)

This time has already come in Russia and is coming in the other countries.¹

CONTROL QUESTIONS

1. Why is the mass collectivisation of the small and middle peasants in the capitalist countries impossible ?
2. Why did the collectivisation of agriculture in the Soviet Union during the first years after the October Revolution proceed slowly and in recent years, very rapidly ?

¹ On the whole of this question invaluable material for the student will be found in *Leninism*, Vol. i and Vol. ii, by Stalin (International Publishers, Modern Books). See also Stalin: *Results of the First Five-Year Plan* and *The Work in the Rural Districts* (Modern Books and Workers' Library Publishers). Also *From Peasant to Collective Farmer* by Buchwald and Bishop, *Red Villages* by Y. A. Yakovlev and *From the First to the Second Five Year Plan: a symposium* (International Publishers and Martin Lawrence).

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