

Nahuel Moreno

Argentina's Economic Structure



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1948-1950

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1959 Foreword

Some preliminary clarifications were necessary for the better presentation of these works. Nobody best positioned than its author to develop them but, Comrade Moreno, constrained by the lack of time was, with his lateness, delaying its presentation, we found ourselves then in the need to partially supply it to fulfil the fundamental goal of its immediate publication. They were edited for the last time in 1954 as an offprint of *Revolución Permanente* magazine, to which belongs the preface following this.

We consider very necessary the publishing of these old documents without further modifications than a slight editing in their writing because they, along with all the works which are our intention to reprint and edit, are the best evidence that our organisation is the only one that has done authentic and important contributions to the study of the economic structure of our country, its history, the process of class struggle, its relations with imperialism, etc. And because they are also proof that our brilliant location as a revolutionary current of the Argentine workers' movement, resulting from a deeply studied and tested strategy, is not the product of chance, let alone improvisation,

It is important to note here the fundamental advances in the theoretical field, in the political field, and in our location within the class struggle, after the previous publication, advances we will give in an indiscriminate way because they constitute an indivisible whole.

The first achievement, and possibly the most important, is the discovery of the Yankee colonisation plan in Latin America, its essential characteristics, its contradictions by the same struggle of sectors of the metropolitan bourgeoisie, analysis whose basic conclusions can be found in the mother document called "Orthodox Trotskyism and Latin America". The lack of clear vision in this regard had led our current to commit some mistakes, the contribution of this document in the political-practical field was immense allowing us to be the first and most vigorous voice of attention, as early as 1954, against the prospects of the clerical-bosses-imperialist coup, which finally arrived at the end of 1955 and meant a hard blow to the Argentine proletariat and its organisations. This visionary warning and the necessary actions to be able to weather the danger were given in our documents of the time, flyers and in *La Verdad*, our newspaper then, with the reader being able to consult the best editorials in the work called *Who knew how to fight against the Libertadora Revolution before 16 September 1955*, and with respect to documents, soon, in a work that will appear under the title of *1954: Key year for a study of Peronism*.

In the organisational-political field, a reflection also of this advance was the crystallisation of the Latin American Secretariat of Orthodox Trotskyism (SLATO), with the various Latin American sections.

Our magnificent situation in the workers' movement and the study of the national problem and of the most important historical experiences in this respect allowed us to elaborate the "Thesis on the relations between national movements and the workers' movement", whose fundamental aspects can be read in issue No. 3 of *Estrategia* magazine, published with the signature of comrade Moreno and, in parallel, the achieving of the corresponding strategy whose fundamental aspects are widely known.

Despite having led us at a certain moment to what we have called ourselves a serious centrist deviation, all this did not prevent us from reaching, through learning, internationalism. Our self-criticism went to the previous consideration that our International should not be an organisation, but a movement to which we owed sentimental adherence and not proletarian discipline. This has allowed us to become champions of the organisation of our Fourth International whose perspectives can be glimpsed by the step forward which has meant the International Conference of Orthodox Trotskyism held in Leeds (Great Britain) last year and the imminence of the 2nd Conference during the current year.

Regarding our analysis of the international situation, we have disagreed with the assertion of “Pabloism” (year 1946) that the European economy would remain in stagnation, asserting that there would be a post-war economic boom (rise), a situation that was reflected in its greatest boom in 1957. It is also important to study and contribute to the Theses of the Permanent Revolution on the new combination of revolutionary tasks besides the bourgeois-democratic and socialist ones, those of the political revolution, and possibly also a new task regarding the extension of the theory of political revolution to the workers’ and mass movements of the capitalist countries themselves, dominated by bureaucratic apparatuses. Likewise, the need to carefully study the phenomenon of national movements with the support of the workers’ movement to verify whether or not there is an anti-imperialist front in fact.

This summary ventures us to say that possibly POR has become the vanguard of the revolutionary organisations of the world, which is not accidental either but is fundamentally due to the fact it does not suffer the pressures of a workers’ aristocracy as vigorous as the revolutionary organisations of the imperialist metropolises do and because the characteristics of the Argentine proletariat have made it possible to overcome the organisational backwardness and the extremely low theoretical-political level so typical of the revolutionary organisations of the colonial and semi-colonial countries.

April 1959

Ezequiel Reyes

Argentina's Economic Structure

Preface to the 1954 edition

Unfortunately, the author of these works has not studied the national and Latin American reality with much attention in recent years. Paradoxically, he does not believe he has to justify himself for this “forgetfulness” in his plans of study, but on the contrary congratulate himself, since this lack of study was provoked by his total, practical and theoretical dedication to the struggle against the revisionist faction of our International. The class struggle has no rest even in the most remote geographical areas, nor in the parties or in the much more abstract terrain of literature and theory. Defeating those who, impressed by the imperialist or Stalinist press or for our organic weakness, deny our tradition and program is a revolutionary task of the first magnitude embedded in the class struggle itself.

The current edition is due to the initiative and insistence of one of the best leaders of our party and of the Argentine working class: comrade Rodin. The pedants and braggarts, who speak of Marxist and Bolshevik theory without understanding the essentials of it, can never understand the profound reason that led Rodin to become the inspirer of a modest Trotskyist mimeographed publishing house. This profound reason is very simple: Rodin, as a true militant, better said leader, knows that theoretical armament and the theoretical struggle for member and party formation is essential.

In other words, the theoretical triumph conditions the political triumph since it is part of it. There is no pure theoretical triumph. In a less direct, but no less profound, way, we find that our best leaders, from those of the highest calibre such as Maen to new ones like Luis and Ortiz, passing through Osvaldo, Lamas, and Baes consider the need for highest theoretical training, the exhaustive study of “taboo” Hegel some, *Capital* and Marxist Philosophy others. It gives the impression that our best cadres, like swimmers when they are ready to give six or seven “crawl” strokes in succession, they were doing their maximum intake of oxygen.

Nothing more correct and more sensible than this return to the sources by our most capable comrades. Theoretical work has a double nature: learning, mastery of the experience already gained and elaboration. It is not the fault of these comrades but of a certain historical situation, which until now they have been limited to only one aspect of theoretical work: learning.

The attitude of Rodin, Maen, and Ortiz, to mention only those who have distinguished themselves in their respective areas, in this attempt to publish or be trained, is nothing more than a vigorous reaction by the ranks to the oblivion of one task fundamental of the party.

The theoretical learning of the masters of Marxism and of our experiences can and should be done through reading and courses. We must generalise the experiences of the different branches, creating at an accelerated pace a mimeographic editorial leader and preparing a party cadres school of high Marxist training. It is the least we can do to centralise and organise the brilliant initiative of the aforementioned comrades.

But the tug by the ears of these comrades to the party and especially to the leadership and comrade Moreno has, for those who want to check, a broader claim. Our party and the leadership have dangerously neglected the theoretical front. It is not a coincidence the publishing of the magazine has not been regularised, nor have we finished editing *In defence of Marxism*.

The leadership of the party is not to blame for what has happened since that weakening of the theoretical front has been the consequence of the extraordinary breadth of our work on other fronts; legality, Latin America, branches, etcetera.

But the activity of these comrades poses the following need: as soon as possible we must overcome our current theoretical weakness surpassing our old level, to get in tune with the time and with the current activity in the other sectors of work.

It is thanks to Rodin's insight we publish together "Centrism in figures" and the "Agrarian thesis", works that complement each other. "Centrism in figures", by locating the country in general, corrects the inevitable unilaterality of the "Agrarian thesis". That is to say, the "Agrarian thesis" has a political objective: to show the backwardness of the country and of agricultural production. The question is not to forget our general definition of the country: "semi-colonial, decisively capitalist, and relatively advanced". That is, it is one of the most advanced backwards countries in the world and where capitalist relations have greater influence and dominance.

The years do not pass in vain and the author, independently of the logical one-sidedness of every controversial document, finds the works he prefaces have the characteristic defect of almost all the documents of the *Grupo Obrero Marxista* [Marxist Workers' Group, GOM] and the first ones of the *Partido Obrero Revolucionario* [Revolutionary Workers Party, POR]: a lack of dynamic synthesis, i.e., lack of overall vision of the movement and the contradictions of Argentine agriculture. More than a movie, our first documents were photographs.

It is positive that, the very same who are proud of our documents and of our elaboration, say they are condemned to be integrated into documents whose exposition is more all-embracing and, mainly, dynamic. This deficiency of our documents obeys the character of our work and the lean inheritance we received from our predecessors. GOM posed itself, as it says in its first editorial about its tasks, its penetration in the proletariat and the serious, responsible theoretical study of all the problems.

The insignificance of the program against our work in the circles of intellectuals and against free nonsense talking was of historical importance and, what is more important, fulfilled! Ten years after GOM was founded, we can say today the axis of revolutionary Marxist work is the working class and currently, there cannot be free nonsense talking because after 10 years of our activity we have taught to work theoretically, working theoretically with all serenity. But GOM inherited from "Marxism", from the left "movement", and from Trotskyism almost nothing, except its program and general activity. Or rather, it inherited an enormity of errors and an entire wrong methodology.

For GOM, which started practically from scratch, to make contact with a worker or discover a truthful data or relationship was a real event.

Hence the character of our theoretical and practical activity, its analytical nature, step by step, its lack of harmonious synthesis in complete agreement with reality, but hence also the impetuous advance and the magnificent practical and theoretical achievements.

There is a whole attempt by the united pedants, who have learned what little they theoretically know of Marxism directly or indirectly from us, to try to deny our struggle and theoretical elaboration. As they cannot deny reality, they accept us as magnificent "practical" but rude or ignorant in theory. The objective of these pedants is to develop badly our own theoretical acquisitions, convincing us that we have to pay homage to them for the favour they give us, throwing us badly digested the food we have given them.

GOM has the merit, as these documents published here prove it, of having elevated the Marxist interpretations in Argentina and perhaps in Latin America which were no more than a capitulation by the liberal historians or economists who with Marxist language developed schemes

pre-established by Moscow or who ventured in the tradition of free nonsense talking. Specifically, we found squiggles in carbon copies, or with tissue paper, and we learned and taught the difficult science of responsible and authentic photography. We could not at first teach to film precisely because we had not yet learned. We arrived at that stage some years ago. The fundamental thing is the overall vision and its dynamics. The analysis is indispensable but to achieve the dynamics of the whole that is being considered.

The “Agrarian thesis” and “Centrism in figures” are a true example of what we say. Their merits are to give us an accurate and documented picture of the country and the agricultural sector, but its mistake is that none of these documents tries to explain what have been the contradictions of the country or of agriculture, what is its history and its perspective. It is painful to see how documents, in some way exhaustive in terms of documentation, have given no importance to delimit stages in the development of agriculture and the country, as if everything had always been the same. Argentine agriculture has entered an acute crisis since 1929. The rationalisation of production, one of its manifestations, mixed farms, has developed quite a lot. The high price of beef, thanks to the policy of the different governments in favour of the cattlemen, and the low prices of cereals in the world market have led to an intensification of livestock exploitation, mixed exploitation, and a significant decrease in agricultural production. The relative capitalist development of the country in the last 20 years has been reflected in agriculture, through mixed farms, the rationalisation.

The high prices of cereals, as the need to value the land, pose to the government, to the bourgeoisie, the need for a new agrarian colonisation, a problem that has all the ways of having no solution since the Italian peasants are very busy liquidating the landowners of their country to think about running the gauntlet of new landlords.

All these aspects and others of importance that make to the changes and contradictions that have taken and take place in the country, in agriculture, have not been identified in the two documents that are published.

If the readers take in consideration the two documents as a study of very important aspects of the agrarian and national reality but not as exhaustive, definitive works, they will be very useful. Otherwise, they will be a hindrance to the understanding of the future great analysis of the agrarian and national reality is yet to be made.

Nahuel Moreno

November 1954

Agrarian Thesis

Part One: The production regime

1. The decisive importance of agricultural production in the Argentine economy

1. The capitalist production system is inextricably linked to the development of the industry. Whatever the relations of production in the countryside, a country will be eminently capitalist to the extent its industrial production, in the bourgeois and modern sense of the word fundamentally exceeds agricultural-livestock and handicraft production.

In other words, the relationship between industrial production and agrarian and craft production is revealed to us as the essential feature for the definition and location of a country from a Marxist point of view.

Argentina continues to be a nation in which its industrial production plays a secondary role.

The fundamental data to know the social importance of a branch of production of a country is the number of people working in that branch.

In 1937 there were approximately 1,800,000 people in the country who worked permanently in the Argentine countryside and 600,000 non-permanent workers. If we reduce the latter to 100,000 permanent workers and assume 100,000 urban agricultural producers not counted in the statistics, although they many more, it gives us a total of two million workers who perhaps give a bit more than a normal working day to agriculture annually, as opposed to 900,000 people employed in industry and a little over 5,000,000 people working in the whole country in the year 1947. The comparison of these figures on employed workers is decisive and gives us approximately the following proportion: for 100 people employed in agriculture and livestock there are 45 in industry and for every 100 people who work at least 40 have rural or agrarian occupations and 18 industrial occupations. In short, Argentina is not an eminently capitalist country but eminently agrarian, backward.

2. The comparison of Argentina, in this sense, with other Latin American countries, Europe, and the United States is interesting. In order not to hinder with long and difficult explanations the objective of these comparisons we will consider craftsmanship within the industrial branch or miscellaneous without discriminations that are difficult. According to the latest information, in Brazil, 69.2 percent of the working population is engaged in agriculture and livestock, and 7.5 percent in industry (Banco do Brasil, 1942). Without a doubt, industry must have increased the number of workers by at least 30 percent.

Mexico has 65 percent of workers occupied in agriculture and 10 percent in industry (last census of 1949). Chile has 32 percent in agriculture, 5.2 percent in mining and 17 percent in industry (Promotion of Production Corporation, *National Rent 1940-45*, Volume I). In the United States, a country with very important agricultural production, occupations of the working population are very variable. We can generalise that between 30 percent to 40 percent work in the industry and 20 percent to 30 percent in agriculture (*Census of Manufacture, Statistical Book*, Census 1940).

In Europe, both in Germany as in England and France, between 35 percent and 40 percent worked in industry before the war (French census of 1931 and English census and references); the

same in Germany. In Hungary, on the contrary, to take at least one backwards country in Eastern Europe, 57 percent of the active population was employed in agriculture and 18 percent in industry (*Annuaire Statistique Hongrois*).

As we see, Argentina, despite its differences with the backwards countries, in essence, is equal to them and not to the advanced ones. Its similarity with Chile is enormous. Better said, from a formal point of view, Chile is a country of greater capitalist development.

2. The relations of production in the Argentine countryside are not essentially capitalist but familiar

3. The primordial characteristic of the relations of capitalist production is that the “means of production do not become capital but in the measure in which they face work as an independent power”.

It is not enough to produce goods for the relations of production to be capitalist. Marx, in *Theories of Surplus Value*, in the same section where he defines the essential characteristic of the relations of capitalist production, classified the work of the independent farmer, owner of the means of production, as work or non-capitalist form of labour, but the as producer of goods. ¿And what is the case of the workers or farmers who work alone and do not produce, therefore, as capitalists? “In this relationship, they meet me as sellers of commodities, not as sellers of labour, They, therefore, belong neither to the category of productive nor of unproductive labourers, although they are producers of commodities. But their production does not fall under the capitalist mode of production.”

4. All the facts confirm the basic production relationship in the Argentine countryside is familiar, that most of the farms are made up of family members who work it. Let's list the fundamental facts:

a) Of 452,007 farms, only 88,231 work the land with paid staff;

b) There are 1,200,000 members of families of producers who work permanently, which together with the 360,000 direct producers make 1,560,000 family workers. To this figure we must oppose 160,000 permanent workers, plus 550,000 temporary, which makes 710,000 permanent and temporary workers;

c) Transient personnel do not affect the essential characteristic of family work, since besides being transient, i.e., that it cooperates, that it works very little time on each farm, it only does so in 85,200 establishments;

d) The dwelling rooms of each establishment clearly show how only the producer's family lives there and sometimes very few other people;

e) The agrarian census of 1937, the most serious document for the study of the agrarian problem, does not consider or compute the small farms that, in varying amounts of importance, exist in all the towns and cities of the interior.

Let us calculate with a huge defect in 100,000 non-computed urban-rural producers (see Remarks, 1).

3. Mechanization of work. Breadth and concentration of holdings

5. One of the most widespread lies by the theorists and propagandists of the Argentine agrarian regime is that Argentine farms are cultivated extensively, in farms of 200,000 hectares or more and with a great mechanization in the work. This is linked to the general belief that, due to the goodness of the land, the overall yield is one of the highest in the world despite extensive cultivation.

6. To see how private ownership of land prevents Argentina, like the United States or Canada, from having crops of higher intensity and yield, we have only to compare the Argentine yield of wheat per hectare with Western Europe and other countries in the world, such as South America, Brazil, and Chile. We will draw on our comparisons in the 1929-39 decade.

Argentina in the best producing year yielded 11.8 hundredweight per hectare, while Germany yielded 27.4; Belgium 31.5; France 18.6; Italy 16.3; the United Kingdom 25.6; Egypt 22, and New Zealand 24. And the year that our country produced the less was 8.9 hundredweight per hectare. In contrast, Germany produced 21.2; Belgium 24.6; France 13.3; the United Kingdom 20.6; Egypt 17.4, and New Zealand 17.7. (See Remarks, 2.)

With respect to South America, the averages of Argentina and the latter are 9.3 hundredweight per hectare. Not so with Chile and Brazil which surpassed Argentina as they have an average of 10.7 and 9.6 hundredweight per hectare respectively.

7. Regarding the inferior mechanization of work, we have:

a) For 721,457 ploughs there are fewer than 5,000 tractors, which represents a ridiculous amount;

b) The establishments that have tractors are 20,000, less than 5 percent of the total;

c) Handle ploughs, without a seat, which are accompanied on foot by the farmer, are 40 percent of all used. Specifically, 350,000 handle ploughs, against 5,000 for tractors, 90 percent of all the ploughs are grille ploughs.

d) 4 percent of all agricultural establishments use only handle ploughs and 95 percent are ploughs of fewer than three grilles.

e) It is important to point out that although the fundamental work, which is done with the ploughs, is very little mechanized this is not the case with post-harvest work since it is usually carried out with mechanized equipment specially hired. This machinery works in many establishments and the vast majority of the time belongs to special entrepreneurs or urban merchants, where there are agricultural cooperatives of different types. (See Remarks, 3)

8. The majority of agricultural establishments are farms, 40 percent make up 16 percent of mixed farms.

Over 50 percent of the farms are smaller than 50 hectares and 40 percent smaller than 25 hectares, which indicates a high percentage, in relation to the country, of small productions.

This is linked to the essential nature of personal and family work in each production, which shows there is no concentration of agricultural production, except, of course, the post-harvest work, which we already noted is concentrated and mechanized.

9. Cooperatives, we note, with their little importance, do not affect our previous reasoning. Less than one per thousand, that is, fewer than 400 farms are cooperatives.

10. It is important to note that the capitalist system, with its world market and income as the sole objective of the landlords, prevents a perfect use of farmland, as the land valued by agricultural work can be dedicated to grazing fields, sure that the land retains its value.

Only 2 percent of the Argentine land is suitable for cereals and 11 percent of it is cultivated. In contrast, 40 percent is suitable for agriculture and livestock and 45 percent is used for grazing. This is the reason, along with the war and the extent achieved by industrial crops, of the enormous decline, around 35 percent, of cereals grown in the last 10 years.

4. The upcoming crisis and agriculture

11. The capitalist regime is moving towards the most brutal crisis of overproduction in its history. The European industry that is restored is largely aided by the United States; the latter, which finds the whole world is not enough as a market, is marching towards a violent crisis. This crisis will

have decisive importance on the agrarian problem. The restoration of European agriculture, the even greater unemployment, and the under-consumption of the European working masses, due to the crisis, will result in the closure of the world market to a large part of Argentine products.

Agricultural products will fall in price or there will be an inflationary movement that will have the same effects. The agrarian workers, on whom they will want to unload all the burdens of the crises, will mobilise. The weaker landowners or less linked to imperialism will have bitter friction with it, in their desire to continue getting the same percentage of surplus value.

But the crisis is not confined just to the countryside. Since the domestic Argentine market is intimately linked to agrarian production and class, this crisis will affect the industry and will lead to a total crisis of overproduction of unknown magnitude in our country.

Part Two: Property regime – Social classes

1. Landowners

12. The 1937 census does not allow us to know exactly the degree of centralisation of property and monopoly of the land. The 1914 census was much clearer in this respect due to the lack of foresight of those registered or the organisation of the census.

Jacinto Oddone gives the following figures for the Province of Buenos Aires (with the largest number of agricultural establishments): 4,663,575 hectares in the hands of 50 owner families, that is to say, close to 100,000 hectares per family. On the other hand, we find that 62 percent of the farms are not owned by the producer, which shows the terrible monopoly of the land existing in Argentina.

13. The landlords are the beneficiaries of the agrarian rent. They are the owners of the land. They urgently need agricultural work to increase the value of their rent and the world market with their demand for raw materials and consumer goods. When agricultural work increases the value of the rent, the world market, with its demand for meat, allows landowners to leave immense untouched estates for grazing, as is currently the case in Argentina due to the need for meat. The dependence on the world market establishes the relations between imperialism and the landowners. It is enough that agricultural products get a reasonable price and be bought for the landlords to sleep the sleep of the just and become the “most faithful servants of the imperialist desires and aspirations”.

Something else happens when the world market cannot cover the demand for agricultural products. Then the landowners, fighting for industrial protectionism as a means to demand from imperialism, are agitated and demand better conditions from imperialism. Many landowners capitalise their agrarian income on industrial enterprises and vice versa. Hence, the *estancia* ancestry of many large industrialists and the non-antagonism between the most important sectors of both classes. The landowning class capitalises in its favour permanent and temporary improvements made by the tenant, the water improvements are very few or none, those strictly necessary, and the lease is a strong obstacle to the development of the land.

2. Agrarian capitalists

They are an insignificant minority. This conclusion is already apparent from the comparisons made previously since the purchase of labour power on a scale of some importance is a primordial condition of capitalist exploitation. And this happens in less than 20 percent of the farms and in a proportion of two permanent workers per establishment, far less than 5 percent of the farms can be capitalist, that is, work with more than three workers.

Within the agrarian capitalists, there is a large number who are landowners at the same time. Among these are most of the owners of model establishments, examples of capitalist rationalisation of work, such as *cabañas* [ship breeding farms] and *estancias*. Almost all of the capitalist companies in the countryside are *estancias* and mixed farms. A good percentage is made up of small owners and small capitalists and tenants who exploit their farms with their families and few paid staff, always two or fewer. According to the Leninist definition, these would be middle and rich peasants.

We find, therefore, the most important agrarian capitalists have no antagonism with the landlords and they are an outgrowth of the latter. Instead, small capitalists suffer enormously from the monopoly of the land, which prevents them from progressing and extending their crops and farms.

3. The direct producer

He is the one who bases his production mainly on his and his family's work. As we have already mentioned, it means the vast majority, almost all farmers, farmsteads, small states, etc. The former, in case of having land of any importance, pocket the agrarian income, which makes them be in a privileged situation compared to the latter, which is the most exploited and punished sector of small producers. Although some of them in good times are enriched, generally they do not have workers. So, according to Lenin's definition, they would be poor peasants.

4. The proletarians

Permanent and temporary, they take their percentage of considerable importance within the agrarian work.

On the agrarian proletariat we have:

a) The permanent ones: by their number they mean a concentration of two per establishment; this ridiculous amount indicates the absence of proletarian concentration of our agrarian work and at the same time the social condition of these workers, who are closer to the journeyman of the Middle Ages who collaborates with the master than to the modern worker. In fact, in most of the establishments that hire workers, these are two or fewer, which means it is a small production that is usually worked by the family and the worker is just another collaborator.

b) The temporary ones: they are mostly harvesters, and they work very little time on each farm, often less than a week. There is no homogeneity in terms of the importance of agricultural income as the main income and it is impossible to pinpoint the percentages accurately.

Some have as their only source of income their work as temporary agrarian workers. Others, the majority, their temporary work is an important source. These, according to the Leninist terminology, would be semi-proletarians but they have other sources for their support; small farms that sometimes allow them to sell any excess they have, odd jobs in the towns and cities where they live, including working as industrial workers. Some have as their main source their work in urban populations and their agricultural work is secondary. What is common to all of them is that the jobs of non-permanent workers like the jobs of permanent workers do not mean the fundamental, decisive work; that they all live in cities and towns with their families, generally in the outskirts, in miserable slums, being one of the main reasons for the high percentage of urban population in rural Argentina.

c) The basis of the social education of the modern worker — the concentration, the division of labour, mechanization — is not taking place, therefore, among the Argentine agricultural workers. In general, the conditions for a family or paternal relationship between worker and boss take place. Exceptions to the above are the *cabañas* and model *estancias*; the crews of the threshers and related jobs since these jobs are completely mechanized and the exploitation system is perfectly capitalist.

It is logical that the few and strong unions of agrarian workers that exist are formed by these sectors of workers.

5. The government and the agrarian problem

17. The Argentine landowning class has been, together with imperialism, the dominant exploiters. All Argentine governments have defended and respected it. Peron and Yrigoyen as well. And this is the most concrete denial to those who argue these represented an anti-imperialist, anti-landowner industrial bourgeoisie.

18. As a means of saving the valuation of agrarian income, which is inextricably linked to agrarian work, the State began to participate in the commercialisation of the crops, buying them at a price that left the farmer what is enough to subsist. The commercial agents of the government were the two foreign cereal companies. The objective of this measure was to safeguard the valuation of agrarian income.

19. After the war and when cereals reach monopoly prices because of the decline of European agriculture, the State continues to take part in the commercialisation of crops. The ultimate goal is the same: to benefit landowners but immediately, differently. Nowadays, the State takes part to prevent the commercial over-value achieved from going to the direct producer, to the farmer, but to the coffers of the most powerful landowners and the bourgeoisie.

It is necessary to clarify, in front of the charlatans of the CGI and October¹ who insist on the opposite, that the two big cereal companies remain the agents of the government. What the government pockets for the sale of the harvest is shared between the imperialist companies, the government itself, the cattlemen and other branches of landowners and a minimum among some industrial sectors. This is why Miranda says that what they get from the sale of cereals returns to the countryside. Yes, to the pockets of the owners of the land.

20. Increases in wages in the countryside do not harm the landowner, mainly the *estancia* owner, but the small producer, preventing the agrarian worker of the two types from moving completely to the city in search of the better pay there. In this way, the stay or permanence of a non-negligible labour sector for the maintenance of agrarian income is ensured.

Part Three: The character of the revolution

1. Socialisation and nationalisation

21. We must, first, distinguish in the countryside what is a bourgeois-democratic task from a socialist task, what is the bourgeois-democratic revolution and the socialist one.

Nationalisation of the land is a bourgeois-democratic task, the most extreme of the bourgeois measures. The bourgeoisie has never been able to carry it out, despite the approach of its theorists, because it attacks a form of private property which, although it is not theirs, can affect them. Marx and all his Russian disciples understood it.

Nationalisation means the right to free use of the land for those who want to work it, without having to pay any right or income to any private owner.

The agrarian socialisation means the rationalised, mechanized work of all or almost all the land. This is conditioned not so much by the production relations in the countryside but by the

1 **CGI:** *Grupo Cuarta Internacionalista* (Fourth Internationalist Group), today *Partido Obrero* (Workers Party), a revisionist organisation of Trotskyism. **October** were previously known as *Indoamerica–Frente Obrero* (Indo-America–Workers' Front), *Izquierda* (Left); its best-known leader is Jorge Abelardo Ramos. They have become ideological agents of the national bourgeoisie. NM

level and importance of the country's industry. Without a high level of industrial production, there are no objective or subjective conditions for socialism.

The category of bourgeois-democratic task of the nationalisation is not lost either because it is carried out or directed by the capitalist peasants (bourgeois-democratic revolution) or by the exploited agrarian workers and poor peasants also against the capitalists (socialist revolution in the countryside).

Those were the steps of the Russian Revolution, accomplished by the workers' revolution. The task of nationalisation of the land was directed in the countryside at first by the agrarian capitalists and only later, when the exploited peasant mass woke up to the struggle, they started it also against the capitalists, against exploitation, but not to socialise the land but to bring nationalisation to its final consequences.

22. In its struggle against the capitalist regime, the Argentine proletariat must take into account a fundamental sector, the agrarian workers. Without their support and neutralisation, they cannot succeed. On the other hand, agrarian workers, if they are not led and directed by industrial workers, will not achieve their objectives either since the working class is the only class that is against exploitation to the end and has sufficient discipline, centralisation, and education to lead the revolution. In other words, the workers' and socialist revolution, like the workers' dictatorship, cannot win without the peasant support; but without the workers, the peasants cannot achieve their aspirations. Now, based on what program will we recruit the farmers and agrarian workers? First, we will consider the objective possibilities of socialisation: the relationship between agricultural-livestock work and industrial work is seriously unfavourable to socialism. This means our industry is unable to rationalise and raise the technical level of our agricultural production in a short term. Socialism in the world will be the basis for the speed of change in this relationship but it cannot ignore it. The subjective factor is also against socialisation since the education of the greatest number of agrarian workers goes according to the individual and family form of work.

Undoubtedly, we will socialise the capitalist agrarian enterprises to the extent of the possibilities when the agrarian workers do not propose their division or allotment. But from there we do not have to draw the conclusion the task in the Argentine countryside is nationalisation in one sector and socialisation in another. The opposite occurs in European countries, where the great capitalist production, the first (sic) for being so, and the second (sic) because its owners are industrial workers. As a result, the bases for socialisation are given but this does not prevent us from respecting, neutralising, large sectors of middle and even rich peasants. Therefore the task will be in one sector "nationalisation" and in another sector "socialisation".

Nationalisation of the land without payment is revealed to us as the only possible one. It must be, therefore, the agrarian objective of the Argentine revolutionary workers' party and a fundamental part of the party's program.

23. We must strive by all means to achieve a mobilisation of the proletarians, semi-proletarians, market-gardeners, and poor farmers against the middle and rich farmers (agents of capitalism in the countryside, the most numerous capitalist sector), at the same time we must be the most self-sacrificing fighters against the landlords and big capitalists. This fight against capital and the landowners will not be reserved for the day of the revolution but as of now, we must begin to fight against the two problems that most oppress the small producer: mortgage debts and leases.

Disregarding mortgages and leases should be one of the slogans or means of agrarian mobilisation. We will mobilise proletarians and semi-proletarians or we will strive to mobilise them for strikes and demands for better working conditions. We must be the strongest organisers of agricultural unions and strike movements wherever conditions are favourable. We must try as soon as possible to work on the unions of workers and temporary workers in the [Parana] littoral area, the strongest in the country since these unions will be the most powerful transmission belt of our positions.

24. The low level of agrarian workers of both types will lead them to become, in a great majority, in the face of the free usufruct of the land, in small producers, as in Russia. This will speed

up the litigation of the two largest branches of production and will demand more than ever the mechanization of agriculture. The collaboration of the socialist world economy will reveal itself to us once again as necessary and indispensable to reach, in a backwards country, the level necessary for socialism.

25. The agrarian problem is, together with the semi-colony character of the country, what binds us fundamentally with other Latin American countries in our revolution, what forces us to consider the revolution as a whole, not the same day but closely welded, as a guarantee of success.

2. Pseudo Trotskyism and the agrarian issue

1. Argentina, agrarian capitalism

A series of Trotskyist or pseudo-Trotskyist groups, such as MOR,² argue that Argentina is a capitalist country because of its industrial and agrarian development. Regarding the latter, they have no difficulty in asserting the national agrarian production is capitalist. The arguments are varied and deserve to be treated separately:

a) The weakest and most hasty argument is the one made by R. Rey in the sense that the country is eminently capitalist because its population is strongly urban. Of this relation of the urban and rural population, he deduces the conclusion “capitalist country” and the task of the socialisation of the countryside. France and Germany, and mainly the United States, from this point of view, are not capitalists. (See Remarks, 4) If we have a little seriousness in our investigations and we observe not the place where the inhabitants reside but their work regime, the economic structure, we immediately notice a great difference between the European countries and Argentina. While in these countries there are tens of thousands of peasants who live from their work in the city and in industry, in Argentina, on the contrary, there are tens of thousands who live in towns and cities (even the most important), who work in the countryside. This is one of the main reasons for Argentina having a small proportion of industrial workers in the whole country, in contrast to European countries. In Argentina, 1/14 of its urban population works in industry, as opposed to Germany, France, and England, where 1/6, 1/8, or 1/7 of the total population works in industry, or in the United States, where 1/12 part of the population does.

These indices are much more eloquent than the index of the urban or rural population. And it is not because of the place where one lives whether a class is revolutionary or not but because of the function it occupies in production.

b) Intimately linked to the previous argument, but made by UOR,³ is the assertion that Argentina has an agrarian capitalist production because it works for the capitalist market. This argument is false since one thing is to work for the market, that is, to produce goods, and quite another to produce them in a capitalist way. The goods do not carry on its forehead a sign showing with which type and relationship of work it has been produced, whether of the slave, craftsman, serf, alienated, not alienated.

c) Given the observation our country produces most of the agricultural production mainly in a familiar and not in a capitalist way, UOR opposes a paragon between French, German and American agricultural production with Argentina, where there is indeed a large number of small productions.

The GOM has never denied this. The only thing it has pointed out is the two fundamental differences between one economy and the other. While in the advanced countries most of the

2 **MOR**; *Movimiento Obrero Revolucionario* [Revolutionary Workers Movement], a former faction of reformism which in 1948 takes independent life. In 1950, it joins the Fourth International and by the end of the year is dissolved. Typically centrist. NM

3 **UOR**: *Union Obrera Revolucionaria* [Revolutionary Workers Union], a centrist organisation today almost finished because of its constant splits. NM

agrarian production for the market is carried out by the agrarian companies, in our country the opposite happens: most of the establishments and production for the market are produced in a non-capitalist but familiar way. If we discount the *estancias* and the mixed establishments, which we positively know occupy workers, we have more than 90 percent of the agricultural production as a family production.

Kautsky, in studying the small production of European agriculture, comes to the conclusion that small production is a law of capitalist development in the countryside:

“Agriculture quite obviously pursues a unique path, quite unlike that of commercial and industrial capital. Chapter 7 noted that in agriculture the tendency towards centralisation does not lead to the complete elimination of the small enterprise. Whenever this process went too far, it generated an opposing tendency. Now we see that both tendencies towards centralisation and towards fragmentation can work alongside each other. The *number* of small farms whose owners appear in the market as *proletarians* and sellers of labour-power is increasing. But their landholdings are only relevant outside the sphere of commodity production, in the sphere of production for the household.

“As sellers of labour-power the central interests of these small farmers are also those of the industrial proletariat, a community of interest unaffected by their ownership of land. Although owning land largely liberate peasants from the food merchant, it does not free them from exploitation by the capitalist entrepreneur, irrespective of whether the capitalist operates in industry or agriculture. Once this stage is reached, any increase in small rural enterprises simple becomes one particular form in which the number of proletarian households increases — a process which runs hand in hand with the multiplication of large scale capitalist enterprises.” (Karl Kautsky, *The Agrarian Question*, Zwan Publications, 1988, pages 178–179.)

In France, agricultural holdings larger than 10 hectares are approximately 75 percent of the total cultivated area and in Germany, those larger than 20 hectares are 60 percent. Most of these farms are worked with a highly capitalistic technique and form. To this, we add that, as Kautsky points out, small producers work in city or rural industries.

We do not want to insist on France and Germany for being very well known. But we do not want to miss the opportunity to refer to the United States, taken as a classic example of the equality of the Argentine agrarian regime with the regime of the advanced countries.

In the United States, the great capitalist production also determines the small production and this, in turn, the previous one. If we take the owners of agricultural holdings in this country, we see that 28.7 percent, or something more if the total of producers had been recorded, work an average of 137 days outside their farm. This figure is completely partial because it only involves the family member who owns the production or at the head of the family and not the other members of the family who must possibly work off the farm at an even higher percentage. To this, we add that 72 percent of these producers who work outside their farm do so in non-rural jobs. (See Remarks, 5).

In other words, with the example of the United States, we can understand the correctness of Kautsky’s analysis when he points out how the capitalist regime gives the bases of socialism in the countryside of the advanced countries, despite the small production, as a direct consequence of the dependence of all agricultural workers to the industrial capitalist production form, either by the industrial work of the small producer or by the large rural exploitation.

“This is how the modern form of production returns mainly under two forms, the industrial wage labour of the small farmer and the agricultural industry of the large farmer, at the end of the dialectical process from which began the separation of industry and agriculture.” (Kautsky, op. cit.) On the other hand, in European countries, the global volume of agricultural production must be, or rather is, enormously greater in large farms than in small ones, as opposed to Argentina where approximately 90 percent or more of agricultural production is produced in an eminently familiar way.

d) The other decisive argument for the defenders of the theory of the existence of Argentine agrarian capitalism is the mortgaging, the indebtedness of the peasants by the merchants or by the banks. They take this as an index of the existence of capitalist production. (See Remarks, 6)

This argument is false for two reasons: first, because the mortgage, in truth, does nothing more than transfer land ownership from one set of hands to another. Having as a consequence that the one who receives the agrarian income is not the second, because the indebtedness or loss of property may have to do but not necessarily with the form of production. The indebtedness of a peasant does not mean his parcel is prevented from being worked individually in a capitalist way. As long as the parcel is not rationalised, concentrated, worked with workers in the field, no matter how mortgaged, it will not be worked in a capitalist way. The same regarding the merchants who exploit the peasants. In other words, what distinguishes the capitalist production regime is not the relation of debtor and creditor or seller and buyer but the existence of workers and capitalists.

e) Although it seems ridiculous, some argue there is a capitalist relationship in the countryside because the value of industrial production is higher.

According to the Central Bank's report of 1943, the value added by agricultural production was 2.6 billion pesos. Instead, the value added by industrial production was 2.7 billion pesos. We must remember we cannot compute the "commercial" value as bourgeois statistics do and that in the value added by industry the cost of foreign machines should not be considered. On the other hand, one thing is the sale price and another thing is the added value; in 1943 the prices of manufactured articles were enormously higher than those of agrarian goods. If we eliminate the value of the foreign machinery, which is decisive in the Argentine industrial production, we add to the agrarian products the current profit of IAPI [Argentine Institute for the Promotion of Trade] computed as commercial and for such reasons we decrease and we increase 25 percent in industry and agriculture respectively, what we have left is the calculation made by the Central Bank completely diminished. If we eliminate raw materials, we have that of 2.7 billion pesos, the value of what is added by the national industry is 2 billion pesos and by the agricultural-livestock production is 3.2 billion pesos. (See Remarks, 7).

As we can see, the value of agricultural-livestock production is greater than the value of industrial production but it might not have been since it would not justify or change anything in our analysis if the other factors were retained. Suppose that in a country of combined development the average resulting from a hugely backwards work and work with all the advances of modern technology allows the value of industrial production to be higher than the value of agricultural-livestock production. We see, then, that the relations of production of a country are not the same as the relations of value but different problems.

That the relations of production that prevail in a country are feudal will not be disrupted by the value relations of industrial or agrarian production. In their considerations on the Russian Revolution about the different classes and economic categories, small production and great production, etc., Lenin and Trotsky never raised the issue of value relations as an essential determinant. This is not a reason why we should not consider value relationships as an important fact.

f) According to those who give opinions on the existence of capitalist agrarian production in our country, the decisive argument is the socialist character that the workers' revolution will have in the countryside. They think the steps of the Russian Revolution will not be repeated in Argentina and the socialist revolution will be simultaneous in the two branches of production. According to this, we should expect the miserable small farmer to come together under the leadership of the Argentine rural proletariat. This has an objective obstacle, the atomised form of work and a subjective obstacle, the semi-craft or craft education that makes it impossible for them to lead and undertake the class struggle under the bourgeois apparatus. Therefore it is very possible—even if it is a very close possibility it should be taken into account and not discarded—that the peasantry would not move as an ally due to the fact that it emerges as a whole and led perhaps by well-to-do

farmers but rather the opposite, the proletariat must neutralise them or win them as an ally for the struggle against the landowner and capitalism.

This does not mean we do not advocate and promote this class struggle in the countryside; quite the opposite. But it does not exclude that, as Marxists, we understand it is almost impossible to mobilise the poor peasant and the rural proletariat on the basis of class positions with the bourgeoisie ruling. Only when we have the state apparatus will this weapon allow us to provoke the socialist revolution in the countryside. But not even with the state apparatus will we be able to socialise the countryside and we will not eliminate the middle and privileged peasant, but we will neutralise them and we will get them controlled by the poor peasants and rural proletarians. That is, the change will consist of this, the agricultural sector will split in two: exploiters and exploited and the latter will be those who rule. This will be the socialist revolution.

We risk being accused of reformers for raising these problems. However, the Thesis of the Second Congress of the Communist International raises the same positions as we do. And even more, for the advanced countries: "... it persists, third, because of the obstinate refusal to understand — so obstinate as to be equivalent to a prejudice (connected with all the other bourgeois-democratic and parliamentary prejudices) — a truth which has been fully proved by Marxist theory and fully corroborated by the experience of the proletarian revolution in Russia, namely, that although the three enumerated categories of the rural population [he refers to proletarians, semi-proletarians and poor peasants, NM]— who are incredibly downtrodden, disunited, crushed, and doomed to semi-barbarous conditions of existence in all countries, even the most advanced — are economically, socially, and culturally interested in the victory of socialism, they are capable of giving resolute support to the revolutionary proletariat only *after* the latter has won political power, only *after* it has resolutely dealt with the big landowners and capitalists, and only after these downtrodden people see *in practice* that they have an organised leader and champion, strong and firm enough to assist and lead them and to show them the right path." (Lenin, "Draft Theses on the Agrarian Question", *Collected Works*, Vol. 31, Progress Publishers, Moscow, p. 155–156. Emphasis by Lenin.)

And if Lenin, author of the "Theses on the Agrarian Question", saw all these difficulties to mobilise the peasant population of model capitalist countries, even the workers of agrarian capitalist exploitations, or rather, he considered it almost impossible to mobilise them on a large scale before the taking of political power, it is ridiculous to consider this task in Argentina as a condition of the revolution, especially the struggle against the rich peasant as the basis of the agrarian movements and not mainly the struggle against the landowner.

This problem, which is basic since the revolution is assured when the rich peasant is handcuffed, Lenin, not even in the advanced countries, raises its "drastic elimination but its assimilation" ... "however, the expropriation even of the big peasants can in no way be made an immediate task of the victorious proletariat, because the material and especially the technical conditions, as well as the social conditions for the socialisation of such farms, are still lacking." (Ibid, p. 158). And with respect to Russia, the Agrarian Theses point out three causes that paralysed the struggle against the large peasant: the unity "of the peasantry as a whole against the landowners", "the cultural and numerical weakness of the urban proletariat" (Ibid. p. 158) and "the enormous distances and extremely poor means of communication" (Ibid. p. 158).

2. About the feudal heritage

Of little importance in our environment is the position that believes there are feudal remnants in the Argentine Republic. The large estates and *estancias* are noted as feudal remnants. The indigenous people, who when the Spanish conquest had a stable organisation based on agricultural production, were subjected to a feudal regime and not mercantilist because the world market did not request agricultural products. The same was not the case with mining operations. These, since its inception, worked for the world and not the local market.

Our country, lacking in mines, was from its beginning a cattle-raising country. Its livestock exploitation gained a mercantilist character first and, when cattle exploitation was settled, clearly capitalist. It had rural workers, the labourers, and capitalist exploiters who worked and depended on the world market. In these relationships, there was no feudal dye.

It is interesting to compare Argentina with Brazil and Mexico. The first, since its emergence, begins as a mercantilist country. Its colonisation follows the routes dictated by the world market. This is how the colonisation takes place in the search of suitable land for certain crops demanded by the market and near the coast. The difference between one country and the other is that Brazil devoted itself to agriculture and Argentina to cattle and that at the time there was slavery and not immigration. Hence, the enormous importance acquired by slavery in Brazil and none in Argentina, and that in our country, when large-scale agriculture began in 1870, slavery was already abolished; On the other hand, there was the possibility of immigration.

In Mexico, on the contrary, we find the perfect feudal and non-mercantilist colonisation (in the countryside, not in the mines) since the colonisers find a stable indigenous organisation that serves as a basis for sustaining feudal exploitation. On the other hand, there is a series of overlays of economic orders; this is how the natives had their communal lands or "*altepetlalli*" and this institution was confused with the common land instituted by Felipe II in 1573, which is a copy of the one existing in Spain. This extension came to include the lands of common use and they were located on the outskirts of the town, having, for this reason, a great similarity with the "*altepetlalli*". The possibility of exploitation of the natives caused the distribution of Mexican lands and the hoarding of the main means of production, in opposition to what happened in Argentina.

The church took out the main bite and became the strongest owner. The lands increased value thanks to indigenous work. In 1797 and 1805, Carlos IV ordered new sales of lands of ecclesiastical properties. The Mexican natives gave the possibility to the Spanish conquerors to re-implement a semi-feudal system in Mexico and increase the value of the lands. Hence the old agrarian problem of Mexico that remains unsolved and that will remain unresolved until the Mexican proletariat says the last word. This is why the words of Michoacán Bishop, Manuel Abad y Queipo are so eloquent and current: "...Spaniards make up one-tenth of the population and, nevertheless, possess all the property and wealth of the kingdom. In America there are no graduations or middle grounds: they are all rich or miserable."

Subsequently, from the national organisation emerges the true capitalist landowner, with the incorporation of the immigrant and agricultural work that is the only one that values the soil since this, by itself, has no value. But this landowner is not feudal but capitalist and is not even an heir of the feudal landowner but has been shaped along with the entry of the country to the capitalist market. Hence the impossibility of finding true feudal traces in the Argentine countryside. Unless income in kind and payment in bonds are taken as feudal traits.

Remarks

1) Let us take a series of concrete examples from the Province of Buenos Aires to demonstrate our criticism of the Census: the following districts have less than two market-gardens in the Agrarian census of 1937: Alberti; Bahia Blanca; Ayacucho; Azul (with none), Cañuelas, Caseros; General Alvear; General Viamonte; Gonzalez Chavez; Suarez; Laprida; Loberia; Manuel Ugarte; Mar Chiquita; Monte; Navarro; Pellegrini; Pilar; Rivadavia; Roque Perez; San Antonio de Areco; San Isidro; San Vicente; Tandil; Tornquist; Trenque-Lauquen. All the populations of these districts logically have more than a score of market-gardens of some importance within the town market and infinity of small market-gardens of secondary importance because an important part of what is cultivated is consumed by the family. The following totals confirm our position since in the whole country there are, according to the Census, only 8,098 market-gardens and in the Province of Buenos Aires 1,293. Orchards, to avoid mistakes in interpretation, are also a small amount according to the Census: 3,491 for the whole country and 1531 for the Province of Buenos Aires.

On the other hand, we can see the same phenomenon in the annual Chilean census of 1930; if we compare it with the Agrarian Census of 1935-36 since in the first one about 30 percent of the agricultural exploitations are not computed because they are urban. The introduction of the Agrarian Census notes: "This implied that the census included all the agricultural properties because in urban sectors of each commune there are numerous farms, which are dedicated to intensive crops." The census of 1929-30 registered 146,244 properties, that is, about 70 percent of the total number of agricultural properties in the country. Without wanting to modify the figure of 146,244 indicated, since it is well quoted, we want to clarify a small problem that has not been clarified by the commentators of the Chilean agrarian census of 1935-36; the National Census of 1930 in Volume II, page XIX, shows the figure of 136,329 bosses, which do not match the number of holdings due, we believe, rather than error to obscurity in the interpretation of the terms.

2) The phenomenon of Egypt is very interesting since it has a population very similar to our country. Regardless of the natural factor, the determining factor of this high average in wheat crops should be in the smallholdings. Indeed, in the year 1912 in Egypt, the average extension of the farms was 3.70 *feddans*, or about 2 hectares (except communal lands and exempted from taxes); and in the year 1925, it fell to 2.72 *feddans*, that is, about 1.50 hectares. We do not ignore the combined development of Egyptian agriculture, which is inextricably linked to the penetration of foreign capital, as shown by the ratio of the average extension of foreign and national holdings: 81.99 *feddans* the first and 2.46 *feddans* the second. (*Annuaire Statistique de l'Egypte*.)

3) It is interesting to compare Argentina and other important countries in Latin America, with regard to the technical level of agricultural production. We have two examples: Brazil and Chile. Brazil, according to the General Census of the year 1940 has only 3380 tractors, 500.853 ploughs of which 408.101 are of "aiveca" [disc] type. Chile, unlike Brazil, has no disadvantage against Argentina but rather an advantage. It has 1557 tractors in 1183 properties, approximately 7 percent of the establishments. Of these tractors, 39 percent use ploughs inferior to the American iron ploughs.

4) Regarding this problem and the United States statistics, which are the most accurate in the world today, we have to make the following observations: in table 2, chapter V, volume II of the General Census of Agriculture (Summary), 1,747,193 are given as registered producers (operators) who work outside their farm at an average of 137 days per year for the year 1939, with 464,769 as not registered and 3,874,836 as working outside. This shows a decrease compared to the year 1929, where a total of 1,902,898 operators were classified as working outside their farm, but at a much lower average of days worked by each producer, against the 137 days of the 1940 census.

The introduction to the census of the general relations: "More than 2 out of 7 agricultural producers in the United States work part-time or by percentage outside their exploitation, in 1939. These producers work an average of 137 days off their farm. Of these, over one-half, or much more of the producer, out of seven works 100 or more days off their farm (sic). These figures show that many producers depend on another; they work independently of their exploitation an important part of their income. This does not show, however, the extent to which the income of the entire family may have been supplemented. On many occasions, members of the farmer's family, other than the producer, worked outside the farm. Regarding rural or non-rural work of those who work outside, we find it difficult to denounce a gross error in a US statistic, but there is no other explanation, given that 501,229 register as rural work and 1,317,766 register as non-rural work, which added up give us 1,818,995, which is a very different figure from the first figure (1,747,193). On the other hand, the sum of the days worked outside their farm gives us the same.

5) In the United States, as opposed to Argentina, approximately of every four agricultural producers one works in the city or in rural jobs. The statistics or census of the year 1940 indicates 4,317,766 out of a total of 5,095,799 producers, not specifying the members of the producers' family, who, as labourers, must work in a greater proportion in the cities.

6) Kautsky is clear about these problems: he criticises those who believe financial capital overcomes with indebtedness the form of individual production of the peasant to a concentrated

capitalist form. A single quote and not extensive shows this: “indebtedness in the countryside is a conservative rather than revolutionary element since it does not change the form of production but changes the form of ownership.” “It is the popular socialist conception that believes the economic revolution in the countryside is fulfilled by indebtedness.” (Karl Kautsky, op. cit.

7) In this sense, it is interesting to note how the official statistics of several Latin American countries, due to errors in the way of taking the value or due to the defect from this being a local measure and not being able to reflect the particularities of high proportions of the industry in relationship with agriculture. This is how in Brazil, according to statistics and serious commentary in the quinquennial 1925-29, the value of agriculture and raw materials were in a ratio of 200 percent to that of industry, as opposed to industrial workers, who were 500,000 in the year 1930 on a total population of 30 million inhabitants. In the year 1942, the same ratio was of 133 to 100 and the workers of the agricultural-livestock and industrial branches, of 8,860,000 and 966,088 respectively.

Nahuel Moreno

1948

Centrism in figures

A variant of centrism characterising a country and managing figures

Two comrades of the movement published a year ago several theses on national problems. These comrades have joined CGI [Fourth Internationalist Group]. We do not know whether they have corrected themselves; we would not be surprised if they have not. How is it that CGI leadership and the authors of the theses agree there is a “feudal legacy” in the country? This, however, is not a mystery for anyone who understands the CGI program is a set of generalities.

The sad thing about these comrades — Ferrero and Estrada — is their theoretical irresponsibility. The Marxist movement has known important differences: Trotsky and Lenin before 1917; Lenin and Rosa Luxemburg on the right of self-determination of peoples; Pablo and Germain currently about the glaci countries. What characterises these discussions is seriousness; it was and it is serious people who argued; the same documentation was submitted to critique.

Trotsky was of the opinion a Marxist is known by the method he gets his information. He argued we should not trust what we are told, we should corroborate it; we should not work the data with pre-established schemes. Ferrero and Estrada do the opposite, they “work by hearsay” and force the data to demonstrate what they want.

We cannot but only enthusiastically look at young comrades who want, even if they are mistaken, to be serious. But we cannot fail to repudiate irresponsibility. To this small work, we could put another title: repudiation of charlatans and our goal would be perfectly synthesised.

Radical governments and protectionism

In their *Thesis on industrial development*, Ferrero and Estrada say: “... just as the 1914 war provoked an industrialisation in our country thanks to the fact the economic bases that made it possible already existed, the 1939 war accelerated extraordinarily the process of industrialisation that began to increase in 1935. Indeed, although at the end of the First World War many of the emergency industries born between 1914 and 1918 disappeared in the face of competition, the whole of the Argentine industry continued to grow slowly but steadily until the beginning of 1930. **The protectionist measures of the Radical governments**¹ and the foreign investments contributed to a great extent to favour this process”. (*Thesis on industrial development*, page 1, highlighted by me).

To what protectionist measures do they refer? Because any student of Economic Sciences, anyone who goes to a library once and asks for a serious book on customs duty in Argentina, will know that of the three Radical governments, the only one that protected the industry and this was the Alvear government. And this is an irony made by history to all the pro-Peronist currents of the workers’ movement, who have invented the theory of some industrial protectionist Peron and Yrigoyen and a conciliatory Castillo. The rulers who lifted the customs barriers in the country since 1916 are: Alvear, Uriburu, Justo, and Ortiz; and the rulers who tended to free trade, i.e., to suppress barriers or leave those existing, are Yrigoyen, Castillo, and Farrel-Peron.

¹ It refers to the *Unión Cívica Radical* (Radical Civic Union, UCR), a bourgeois liberal political party in Argentina emerged towards the late nineteenth century, linked to the urban middle class and the rural middle class of the agricultural-livestock central region. [Editor]

What Radical governments are they referring to? Answer soon, because otherwise you already know how we will have to catalogue them.

National banking capitals according to the designers of inventions

Our friendly Edison disciples specify and show with all clarity the importance of foreign capital within Argentine banking capitals: “On the other hand, it should be noted that, except for official banks, the main banks are foreign. Thus, of a total of 7,292.7 million, 1,478.9 million are foreign, while 5,813 million are national (official capitals included in these) (*Thesis on industrial development*, page 7). If this is the way to show that the “main banks are foreign”, my heels are jasmine.

Why do Ferrero and Estrada not give us the capital of official banks? They would have encountered the inconvenience of the Bank of the Province of Buenos Aires if they took the statistics before 1946. A Bank which was not official but mixed for the administration and private for the majority of the capital.²

The authors had never proved that the largest private banks are foreign because they are national. The three most important banks in the country are national and not foreign. This is so if we take the word “bank” in the sense given by the national banking legislation. This is precisely what the authors ignore, given that, by our banking legislation, financial corporations are not called banks. The banks themselves are only institutions for rediscount and very short-term loans and are prohibited from taking shares in companies.

Had they known this, they would understand why the foreign bank or financial capital does not appear in the banking statistics and they would have understood how these capitals are here in absolute majority.

The characterisation of the country

The thesis defended by the authors of the thesis of the MOR are those of October-UOR as far as the characterisation of the country is concerned. The theoretical and political polarisation in terms of the characterisation of the country is total: PORists and anti-PORists (these are made up by all the groups of the country, in a curious but not accidental coincidence).

The two authors of the thesis — Ferrero and Estrada —, currently in the CGI, accept that the country is semi-colonial but, instead, do not accept it is backward. They separate the country from the rest of Latin America, just like the UOR does.

What does it mean to define a country today, in the twentieth century, as backward? Does it mean there are no developed and concentrated factories? Does it mean there are a large number of independent producers or large families that do not work for the market? Does it mean the financial capital and centralised trade do not control production? None of this characterises today, in the twentieth century, a backwards country. Precisely in the current imperialist era, in all or almost all countries (Saudi Arabia, Venezuela, or Ethiopia) there are large capitalist companies with a great rationalisation of production where all producers work for the world or national market or depend on it, where financial capital controls almost all production.

If all of the above is not what characterises a backwards country in the twentieth century, what is it? What is peculiar to a backwards country is its **low level of development of the productive forces in relation to the advanced countries**. This low level of development of the productive forces, that is, this backwards capitalist development, does not prevent the existence of advanced forms of technology and production. Quite the opposite. It is characterised by having a combined development.

² All this I state without information on sight, so I reserve my right to modify. NM

That there are backwardness and antiquated forms of production, a consequence of the paltry capitalist and technological development of a country does not mean this country is not exploited by the international financial capital. What characterises this era is the dominance of financial capital in all parts of the world. The backwards countries are no exception. Therefore it is ridiculous to define a country as backwards only when production is totally foreign to capitalism, and not when there are combined relations, the product of delayed development, together with a low level of development of the productive forces.

Each backwards country has its peculiar way of manifesting backwardness. Hence the huge differences between them.

The MOR cheats. Instead of defining the country by comparison with the other countries of the world, the only way to define it, and in relation to the world economy, it does so by comparing the place played by industry and technology within the social and economic relations of Argentina in relationship to America and England or Czechoslovakia, Canada, and Poland. They limit themselves to doing it only within our country.

It is thus how as a detail of importance, but a detail in the end, the relation between the values of agricultural-livestock and industrial production is transformed into the definition of the country. This is how the horsepower of the industry transforms the country in advanced or something like that. This is how the sale of products in the market by producers leads them to indirectly characterise Argentina as a country that is essentially different from the rest of Latin America with a capitalist agrarian production.

We, on the contrary, begin by pointing out that Argentina is a backwards country because in relation to the advanced countries it has a low level of development of the productive forces. This is the only way to define the country. The mere fact of defining Argentina as a backwards country means that industrial workers do not make up the majority of the country's workers. I refer to the typical capitalist worker and not to workers exploited by capitalists or under the capitalist form. To be a typical capitalist worker, modern technology is necessary.

How figures are managed by the quasi-inventors

To demonstrate such an important, decisive, and fundamental issue as the division of the country's population by occupation or branch of work, Ferrero and Estrada give the solution with a simple table.

MOR Industrial Thesis			
Item	1914	1933	1940
Industry	38.7	42.9	48.5
Livestock	27.6	22.5	17.7
Commerce	19.5	19.6	17.5
Various	10.8	12.0	13.4
Transport	3.4	3.0	2.9

In the Agrarian Thesis, they accept, for the year 1937, 1.999.000 agrarian workers. Therefore, for the year 1940, according to the figures accepted by MOR in the agrarian and industrial theses, we can compose the following table with the following absolute figures of personnel employed in 1940.

Livestock and agriculture	17,7*	2,000,000**
Industry	48,5	5,300,000
Commerce	17,5	1,800,000
Transport	3,4	300,000
Total Workers		9,400,000
*: MOR Industrial Theses		
**: Only absolute number of employed persons the MOR accepts; rather it accepts 1,999,000 for 1937 which we expand to two million		

This is the total number of people employed in Argentina in 1940, according to the results of two statistics accepted by MOR. We exclude from this total the item Various, 13.4, which means 1,400,000 people.

If we calculate 15,000,000 inhabitants in 1940, the MOR has discovered that Argentina is the most advanced country in the world and overcome the problem posed by Owen of getting children to work and study at the same time. The authors of the Theses would fit better in the Peronist Ministry of Propaganda than in our ranks; Peron's demagoguery never reached so far, to put us on the top of the civilized nations of the world.

The statistical material is an invaluable material for us, as long as we know how to use it. If we accept without criticism the first statistic that falls into our hands, logically this would lead to tragic mistakes when it would not present us as comedians.

How we define the country and how we use statistics

As they define the country and how they use the statistics without questioning the percentages, our elliptical and irresponsible authors explain: "although in the industrial sector are also included the craftsmen, the economic and political weight of these regarding the industrial proletariat — as we will show later— is particularly null. Indeed, due to its production and the enormous concentration, the large industry totally displaces the craft industry, as will be seen in the figures inserted later." They continue giving other figures on the colossal concentration and development of the Argentine capitalist industry, to finish: "thus, all the theories of a handicraft Argentina vanish".

This is a clear and important reference to us. Let's see why. We were the first in the country to take this famous chart of figures from the Argentine Industrial Union (UIA), noting they should be taken with tweezers, because of the 2,700,000 people employed in the industry in 1941, according to the UIA, only 917,000 people were working in the capitalist industry itself.³ The reasons why the UIA increases the figures are two: a) it computes the craftsmen and b) it wants to impress on the importance of the industry. Dorfman and the own UIA accept that the approximate difference of 1,800,000 people of the two figures mean craftsmen. We, in our documents, have resisted taking this figure that would demonstrate our "theory" because we believe it unjust. Our opinion, based on comparisons of personnel employed in the branches of production in the country, leads us to the conclusion that just over 1,000,000 people are small producers, and not 1,800,000.

These conclusions do not frighten us and, therefore, we submit them to our analysis. From these figures, we do not draw the conclusion of a handicraft Argentina but a much simpler one, that of an Argentina of backwards capitalist development.

This does not mean we do not know that Argentina, within the backwards countries of the world, is relatively one of the most highly developed countries. That this is not a controversial

³ According to 1941 industrial statistics, accepted by everybody, including Dorfman. NM

concession or a theoretical trench abandoned to our polemicists and detractors is shown because that in 1947, before our thesis “Difference of the Trotskyist groups”,⁴ we insist on our identity with Phelan in the characterisation of Argentina.

“GOM⁵ in its ‘Political and Organisational Thesis’ for the Discussion Bulletin has pointed out it has never taken the trouble to fix in detail the character of the country and the revolution, believing this was Phelan’s modest contribution and GOM believed it definitive.”

“Facts and subsequent discussions have shown GOM this is not the case, which is why it is necessary to highlight the identity of GOM with the excessively primary positions that follow but that in Argentina, despite its primitivism, are fundamental for the creation and unification of the Trotskyist movement.”

“Argentina is a semi-colonial country, determinedly capitalist and relatively advanced.”
“This, I deem, is primary and fundamental and the agreement on this is decisive.” (Phelan, our emphasis, point in which we agreed and agree with Phelan, year 1946, GOM.)

In two documents we point out our total agreement with Phelan. In what document do we then characterise Argentina as handicraft? Who gave the world a “theory” about a handicraft Argentina?

Let us calculate with approximation the people who work in the different branches of production in the country and draw conclusions.

Item	Amount	
Capitalist industry	1,000,000	(Industrial statistics of 1941 updated for the year 1949)
Agricultural-livestock	2,000,000	(1937 statistics and last census which showed stagnation but not abrupt or enormous drop)
Small handicraft production	1,000,000	(Accepted by Dorfman and UIA but giving a larger figure)
Commerce	1,000,000	(This ratio accepted by UIA and other magazines, Approximately 2/5 of 2,700,000 in 1940)
Transport	200,000	
Total	5,200,000	

These figures show it is a backwards country where industrial workers are in the absolute minority. If we assume 1,000,000 industrial workers, 200,000 of transport, 150,000 employees and workers of commerce, and 250,000 agricultural-livestock workers, we have a total of 1,600,000 workers. As we see, the petty bourgeois is a large majority. This has enormous importance for the proletariat and its vanguard: Trotskyism.

MOR tries to eliminate the petty bourgeoisie with an incontrovertible truth: the great industrial production is far superior in yield to small productions. One thing has nothing to do with the other. The secondary economic importance of small production does not eliminate this or the men who work in these small productions: the rural and urban petty bourgeoisie. The numerical importance and the decisive importance in agricultural production make it a factor of fundamental importance in the struggle of the proletariat against capitalism and imperialism.

It is fundamental that the victory of the proletariat depends on the neutralisation or support of this class.

The horsepower of the factory machines will not prevent that five small producers mobilised by the petty bourgeoisie and the imperialism, shoot more fusillade discharges than one worker.

⁴ See *Revolucion Permanente* magazine, No 2/3. NM

⁵ Today POR. NM

In this simple equation, there is the definition of the country as backwards and the enormous social and political importance of the petty bourgeoisie in the revolution within the country.

Another argument by MOR, with which we totally agree, is that the petty bourgeoisie cannot play a leading role. But precisely this makes its importance fundamental because the problem arises either they are with the bourgeoisie or with the proletariat and in this question is involved the fate of the revolution. We must end with the mechanistic pedantry of eliminating social classes, i.e., men of flesh and blood, through simple percentages of energy, of value or quantity of products. These percentages are important but they are always subordinated to the relationship of the classes and in this specific case to the numerical importance of the petty bourgeoisie.

How they characterise the Argentine agricultural production

The authors of the theses insist on the position of UOR and E. Rey on the capitalist character of the Argentine agrarian exploitations. They make the Arturo (UOR) type of argumentation: so many tractors, so many ploughs, the producer sells everything he produces and buys everything he needs, and banking capital controls the landowners. I add a point that is decisive and which one of the authors of the theses did not acknowledge in a particular conversation we had; I point it out by noting that they consider it a factor of fundamental importance:

“Typically capitalist production relations with a majority of wage-earners or rural proletarians, etc.

“As we have already shown with the census figures of 1941, most of the peasant workers are salaried, paid in money. **This is an essential characteristic of the relations of capitalist production and its predominance is a clear exponent that they prevail in our countryside. The peasantry in almost two-thirds is salaried.**” (Emphasis ours, NM.)

We recognise that since 1931, year of the agrarian census, in which the base of agricultural production is this small production, we jumped to a basic capitalist production. This is the most important event in Argentine history, along with railways, immigration, and large industrial companies.

I may quote the basis of our argument to show how family productions were an absolute majority until recently.

“All the facts confirm the basic production relationship in the Argentine countryside is family based, that most of the farms are formed by families that work them. We will list the fundamental facts:

“a) Of 452,007 farms, only 88,231 work the land with remunerated personnel;

“b) There are 1,200,000 family members who work permanently, who together with the 360,000 direct producers make a total of 1,560,000 family workers. To this figure, we must oppose 160,000 permanent and some 550,000 temporary workers, which make a total of 710,000 permanent and temporary workers.

“c) Transient personnel do not affect the essential characteristic of family work, since in addition to being transitory, that is, that cooperate, that work very little time in each farm, they only do so in 85,200 establishments.

d) The occupation of each establishment's dwelling clearly shows how only the producer's family lives there and sometimes very few other people.

“c) The agrarian census of 1937, the most serious document for the study of the agrarian issue, does not consider or compute the small farms that in amounts of reasonable importance exist in all the towns and cities of the interior. Let's calculate in 100,000 the remaining agrarian producers not computed” (it says rural but it is agrarian).

These conclusions have been ratified by all the party militants who come from or have worked in the interior of the country and who have confirmed us: all the farms are exploited by families

and salaried work is random, is used preferably in the harvest season. We have confirmed in these personal examinations that our criticism of the census on the squandering of the urban semi-proletariat, the small producer and the poor of the town outskirts was fair.

MOR does not quote us, does not take into account our way of taking advantage of the statistics, accepts the census 1937 without comments and, to show the almost total proletarianisation of the countryside, accepts a table appeared in *Veritas* magazine about the 1947 census. Only one and a small table of this magazine, accepted as Catholics accept the papal encyclical — Family workers: 499,489; salaried personnel: 1,105,000; total: 1,604,489.

A contradiction emerges immediately between the two figures of 1937 and 1947. If in 1937 there were, according to MOR, 440,167 producers and 1,191,986 family workers, that is, 2.5 family workers for each proletarian, the same proportion tells us the figure of 499,489 family workers is false or the small producers have brutally decreased. MOR accepts this same criterion because for them the table does not offer doubts. Is it not a table that proves them right? “As the census”, they say, “has excluded the producers, assuming they remain in the same proportion regarding family workers, we would have approximately 180,000 producers, counting upwards.” MOR accepts the decrease in 10 years of 260,000 producers. On the contrary, it also accepts the table of yore and believes the workers in the field increased by 300,000 in 10 years. Specifically: from the countryside to urban industrialisation came the small producers and not the swallow workers; many small producers stayed in the countryside but as workers. This denies what is common in every backwards country that is industrialised, where the swallow worker is first proletarianised and then the small producer after a tenacious struggle.

It is truly curious the result the authors of the theses arrive at after discovering a table, a small table. We believe statistics should be taken with great care and even more when they are not serious statistics but rather a simple table published in a magazine. Our opinion is that salaried workers have decreased in Argentine agriculture during these last 10 years. This opinion is fertilised by speeches, editorials, and comments from competent people who have referred to the subject, we do not put it aside for a simple table without any seriousness. From the countryside, mainly farmhands and not small producers have come to the city. There is a possibility that the farmhands have come to the city and the small producers have transformed themselves into farmhands. It would be necessary to explain then how in 10 years of a good situation for agriculture, small producers decreased by more than 60 percent and the reasons for this to happen.

As we see, we are in a vicious circle with no way out. The authors of the theses make no effort to get us out of it. For them, the figures on a table are enough to take for granted the colossal revolution of the Argentine countryside.

As a contribution and a criticism at the same time, I will point out further that the table in question, the same magazine, in the same issues, prints it on another page with a different title. On page 581, Chapter I “Territory and Population, section b) Total rural population: 1,604,489; producers’ family: 499,189; paid personnel: 1,105,300.”

The authors, just as they accepted the other table, without criticism or doubt, should accept this one and draw more formidable conclusions than the “capitalist production in agriculture”: the degree of urbanism in the country is one of the highest in the world if not the highest, and so on. Everything has been a question of luck; if instead of page 615 they read first page 581 we would then be faced with colossal conclusions, in the same manner they did previously to demonstrate the proportion of the branches of work.

What is the predominant production type in the countryside?

I have no reason to give up considering the 1937 census as the most serious document for the study of the agrarian issue. I have no reason to assume the general conclusions of the agrarian census have been fundamentally modified. The authors of the theses do not even refer to the matter.

The agrarian census, as we repeated in our quotation, points out an incontrovertible fact: of 452,007 agricultural exploitations, 81,231 work with paid personnel. In plain Spanish, 363,776 farms do not employ paid personnel. What is the form of production of these 363,776 farms? Capitalist without paid staff?

The permanent workers, those who give the tone to production, are 160,000 in the whole country: two per establishment, that is, approximately 60,000 establishments work with fewer than two workers and 25,000 with more. Do those 60,000 establishments with fewer than two permanent workers form a large capitalist production or a small production attended most of the time by the family?

Answering these questions clearly is decisive. Because if the census and our personal observations are right, we have this result: of 452,007 farms, 28,231 are small, medium, and large capitalist farms.

The migrant worker does not prevent this characterisation but rather it becomes more specific in every sense. First, the migrant worker works a few days in the establishments; generally less than a week in collection work. Canepa says the opposite: the migrant worker shows great capitalist development.

On the other hand, the existence of this type of worker, a landless peasant, semi-proletarian or proletarian as the case may be, is typical of any backwards country and its importance is linked to the backwardness of a country. The capitalist and industrial development absorbs this worker of the countryside to incorporate him into the reserve industrial army, a phenomenon which is taking place in our country but which the famous “table” of MOR-*Veritas* denies or seems to deny.

The relationship between livestock and agriculture

If the solution is already involved in the previous table, the livestock farms change the characterisation of Argentine agriculture. Our authors give the problem a lot of importance and a tone of veiled criticism to us: “Let us not forget that in our agricultural economy, livestock, has a fundamental importance and therefore its clearly capitalist character already mentioned is a determinant factor for the determination of the structure of our countryside. For a vice that perhaps comes from the mechanical application of formulas extracted from authors like Kautsky who have done their studies of the agrarian question about countries where the importance of livestock was minimal, in which, therefore, many Marxists or those who consider themselves Marxists in Argentina make a huge mistake in studying our agrarian question of forgetting or diminishing the fundamental importance of our livestock farms and their consequent decisive role in the whole of our agricultural economy. This would explain (even though our agriculture is essentially capitalist) that there are still those who want to discuss the capitalist character of our agriculture. Either way, explaining does not mean justifying, much less in this case.” (MOR Thesis, page 4, quote 1.)

There is something true and much false in this long paragraph. The little truth existing is reduced to the following: the capitalist exploitations are characterised in the Argentine agriculture for being *estancias* [ranches], cattle exploitations. What characterises the *estancias* is the little, almost no staff that they employ. With 10 labourers a large estate is served. Livestock production is fundamental as an export production but it does not play an important role because of the number of people employed or in increasing the value of land. On the other hand, the *estancia*, although it is a capitalist production, is a backwards capitalist production that lacks a division, mechanisation, intensification, and concentration of production to be a true rural factory. We say all this without intending to deny the enormous progress and division of tasks achieved by the modern Argentine *estancia*.

The funny thing is the authors blame us for overestimating agrarian production by mechanically copying Kautsky.

It is not the case. We have applied mechanically a Law of Adam Smith that Marx believed was not surmountable and therefore had to be applied “mechanically”. That Law is one of great simplicity: the basic production for the valorisation of land is agriculture.

What does Marx say and Kautsky does not?

“One of the big contributions of Adam Smith was to have shown that ground rent for capital invested in the production of such agricultural products as flax and dye-stuffs, and in independent cattleraising, etc., is determined by the ground rent obtained from capital invested in the production of the principal article of subsistence. In fact, no further progress has been made in this regard since then.” (“Capital III”, *Collected Works of Marx and Engels*, Vol. 37, Lawrence & Wishart, London, p. 609.)

“Then, IN THE SECOND INSTANCE, only the *agricultural rent in the strict sense* should be considered here, in other words, the rent of the land which supplies the chief vegetable foods. Smith has already explained that the rents of land which supplies the other products, such as stock-raising, etc., are determined by that *rent*; that they are themselves *derived*, determined by the law of rent and not determining it. In themselves, therefore, these rents do not furnish any useful material for the understanding of the law of rent in its original, pure condition: There is nothing primary about them.” (“Theories of Surplus Value”, *Collected Works of Marx and Engels*, Vol. 31, Lawrence & Wishart, London, p. 462.)

Thus, when we consider livestock farms, not for that reason, according to the census of 1937 or personal observations, they are transformed into large capitalist farms. Of 58,846 establishments that raise livestock, only 28,000 have more than two labourers. The rest, that is 30,000, have fewer than two workers. As we see, even in livestock farms, small productions are the majority in number. We cannot deny this primacy loses meaning because of its relative insignificance. However, from another point of view it is important because from there we draw an interesting conclusion for agriculture: if almost all of the large productions are livestock farms, almost all of the farms are small productions.

Relations between classes

All Marxist analysis, to be such, must have a final aim: to explain the relations between the classes.

The agrarian workers, against whom will they mobilise when there is an agrarian crisis? What will be the programmatic task we will propose given these class relations?

Before answering these questions, we must clarify something elementary: in the countryside, we remain the party of the workers, that is, we do not diminish or discard for strategic or tactical reasons the slogans and tasks of our program for the proletariat.

Will the struggle be of the 160,000 permanent workers leading the 600,000 temporary workers (many of them small producers) against medium and small producers, large landowners, mortgage banks, and big merchants for socialist slogans? Or, on the contrary, will the struggle be of the countryside against the exploiters of the city; all the agrarian workers against the landowners, banks, and big merchants? Will this struggle be for fundamentally bourgeois-democratic tasks, or in other words, tasks of the agrarian petty bourgeoisie against the big exploiters? Will it be a combination of both struggles where the slogans and tasks will be balanced?

We believe the weight of the rural proletariat is secondary within the overall agrarian production of the country and such will be its role and the exclusively working class tasks to be fulfilled in a first phase of the revolution within the country in the peasant movement.

Therefore we can assert that the bourgeois-democratic task of nationalising the land cannot be linked to the socialist “workers’ control of production” in our countryside; i.e., this slogan gains a net bourgeois-democratic content. It is a bourgeois slogan for the petty bourgeoisie and not exclusively for the proletariat. The importance of this slogan, as well as the mobilisation of agrarian

workers, is one of the decisive engines of the workers' revolution in Argentina but in opposition to other Latin American countries, it is not the only and decisive engine of the revolution.

Buenos Aires, February 1950

Nahuel Moreno

Industrial Thesis

1) Modern industry starts in our country after the great crisis of the year 1890. Less than 60 years ago and already it occupies a preponderant, outstanding, and decisive place within the economic framework of the nation.

A simple table shows the enormous progress experienced.

	1895	1908	1915	1935	1939	1941	1948
Number of establishments	20.000	33.000	49.000	40.000	53.000	58.000	100.000
Personnel employed	170.000	330.000	410.000	590.000	748.000	917.000	1.180.000
Average per employed person	8	12	8	14	14	15	11
Motor Power HP	5.500	226.000	678.000	2.700.000	3.300.000	4.126.000	6.000.000

2) As we can see the enormous technical increase is mainly shown by the motor power used and the importance it occupies within the working population is shown by the number of people employed in industry.

In this sense, it is important to note the relationship of the agricultural and industrial branches with the total population of the country.

While in the year 1913 there were 410,000 people employed by industry and over two million in the agricultural occupations, this last figure has fallen somewhat, in opposition to the almost tripling of the first figure.

3) Argentina, despite the enormous progress of its industry, remains a country similar to the backwards countries; for example, the Latin American countries. An important fact in this sense is the comparison of the population occupied in the two most important branches of production in the remaining Latin American countries, the United States, other European countries, and Argentina.

In Argentina, the population employed in industry is approximately 1/6 of the employed population. In Chile, it is 1/8 (not counting craft workshops), in Brazil 1/10, in Mexico 1/10. In the United States, a country of enormous agricultural production, well over one third of the population is employed in industry. Similarly, in France, England, and Germany (before the war) half of the population was occupied in industry.

The current Argentine industry has not lost the characteristics of the backwards country industry. The combined development

4) The backwards countries dominated by imperialism do not cease for this reason from developing their industries. They do it but in two branches: the elaboration or semi elaboration of raw materials or of consumption for the external market, and the elaboration of products for internal consumption. The production of machines is one of the most powerful levers of domination by the imperialist countries. The industry of a backwards country, like ours, always has a decisive dependence on imperialism: the machines it needs.

5) The relationship of the Argentine industry — like that of any other backwards country — with the world market, is contradictory but narrow. The world market causes the direct industrialisation of the products it needs: meat, grains, tannins, etc. Previously and in conjunction, it created a domestic market based on the agrarian producers who worked for it. This domestic market gave rise to a multitude of small manufacturing and later industrial companies, expanding this process during the world capitalist crises. The technical development and the concentration of the industry for domestic consumption were subsequently violently driven by the assimilation of the imperialist technology.

6) The backwards countries are characterised by the combined development of their production. There are, on the one hand, perfect capitalist companies, and on the other, small and backwards productions. This is manifested in the relationship between agricultural and industrial production, and also in each of these branches of production.

In our country, 15 percent of industrial companies employ more than 10 workers. In opposition to this, around 20 percent of the factories do not employ workers, while, on the contrary, 0.6 percent of the factories in 1941 occupied 32 percent of the workers.

But this is a minimal part of the problem since we have not computed the craft workshops. Because one thing is a small factory run by the owner's family, and another is a craft workshop that works with tools and almost no workers. There are no exact calculations about people employed in craft workshops but the only one existing and accepted by two important economists shows that, in 1940-41, the people employed in craft workshops were 1,700,000.

This calculation, given by those who made it, should be considered by default and not by excess. Nowadays, everything authorises us to believe there are over a million people employed in craft workshops.

Imperialism, financial capital, trusts

7) The bourgeois theorists are unable to distinguish the different forms of imperialist domination and believing we are still in the previous century where the exploitation of one country by another was based solely on the trade of smaller metropolitan values for greater colonial values, they believe the industrialisation of a backwards country represents an economic independence of the country from imperialism and the strengthening of the anti-imperialist industrial bourgeoisie.

This criterion has found an echo in our ranks. Nothing more wrong. Imperialism develops and is the first factor in the development of capitalist exploitations in backwards countries. The cheapening of the labour force, the proximity to sources of raw materials and the absence of modern companies in backwards countries make imperialist companies install manufacturing branches in Argentina.

Dorfman¹ calculated, in 1941, that half of the capital invested that year in Argentine industry was directly foreign capital. That is factory branches of their companies or imperialist capital.

If we add to this the indirectly controlled companies, we will reach a percentage well above 60 percent, such as the domination of industrial capital held by imperialism.

8) In the last decades, imperialism, mainly British, continues, due to its preponderant situation, a different process to avoid legal inconveniences and popular opposition, transforming its companies into national companies. This makes it difficult to know the true imperialist penetration.

On the other hand, the phenomenon that Lenin studied in the advanced countries of financial capital and trustification is generalised and transplanted to the backwards countries. Regarding the first phenomenon, we find that in Argentina there are several financial enterprises, people, or companies that fulfil the same function, linked to a multitude of companies and controlling part of

¹ **Adolfo Dorfman** (1907-2003), was a historian, among other works author in 1942 of *History of Argentine Industry*. [Editor]

the shares. Almost all of these financial companies are branches of foreign financial companies. We verify this in Argentina through the connection of the large companies.

Tornquist (Belgian and European capital): directly or with great influence controls the following industrial companies: Tamet, Azucar Argentina, La Negra, among others.

Roberts (British capital): Fábrica Argentina de Alpargatas, Rifalleaum, and others.

Bemberg: Trust Cerveza, MAA (Argentine Cotton Manufacturing).

But this is one form of imperialist domination. There is the other one, made through direct industrial branches from the metropolis. Duperial, Catita, Sudamtex, are an example of this.

And the third form of imperialist domination and penetration are the agreements and the interrelation and interpretation of national and foreign companies, whose most perfect example is SIAM, with its agreement with Westinghouse.

9) A consequence of the great concentration of the industry and its link with financial capital is the emergence of trust or agreements between foreign or domestic, or foreign companies only.

Examples: Beer Trust, tannin (La Forestal), electricity, oil, agreements with foreign meatworks.

The different industrial sectors

10) The Argentine industrial bourgeoisie is not homogeneous. Its strongest and most important sector is united to the imperialist companies in two ways: by a direct partnership or by agreements. These sectors have no opposition to the landlords since most of the time they capitalise their profit on land purchases or vice versa, the landowners capitalise their income in the industry.

Instead, the small and medium-sized industrialists do not have, in most cases, any direct link with the imperialist companies or the large landowners. This produces serious friction in times of crisis. The ideologues of the nationalisation of the land, a group of the Argentine Agrarian Institute, represent not only the interests of the capitalists and strong farmers but also these sectors.

The importance and dependence on imperialism and its allies of these sectors, the strongest of Argentine industry, is determined by several factors, including their dependence on machines and raw materials controlled by imperialism.

The government and industrialisation. The five-year plan

11) It is a myth to believe the current government and another previous one, Yrigoyen's for example, is engaged in a struggle for the industrialisation of the country against imperialism.

Protectionism, state interventionism, and nationalisations are global phenomena and do not mean the backwards countries become independent but in general, despite the statism, the imperialist domination is increasingly centralised and strong. All those who argue that Yrigoyen and Peron were representatives of the Argentine industrial bourgeoisie and that Justo was it of the landowners and imperialism forget that protectionism and the first stage of the new industrialisation began with Justo.

12) The Argentine industrialisation is not due to the conquest of state power by the anti-imperialist and landowner industrial sector but to world phenomena: the crisis of the world market and capitalist regime and the entry of capital and imperialist technology. This is shown by the 1890 phenomenon.

On the other hand, from 1905, the entry of foreign capital and machinery led to the emergence of meatworks and modern textile companies, the latter based on American machinery.

In 1914, the war brings out countless small businesses, which are then swept away under the presidency of Yrigoyen because imperialism was not interested.

13) The protectionism beginning with Justo is not a national but a global phenomenon, more specifically a South American one.

Protectionism, like no other governmental measure, can be considered in itself, not in its perspective and totality. That is, in accordance with the general policy of the government. The protectionism of Justo marches in accordance with the Roca-Runciman treaty. On the other hand, it marches also in accordance with the British policy of defence and protectionism initiated with the Ottawa treaty. Justo's protectionism served to keep away the Yankee and German goods but not the British ones, as revealed by the trade of those years.

Another reason for protectionism was and is, in some countries — including ours — the need for landowners to fight to avoid times of market crises for agricultural products and to save the value of agrarian income by trying to regulate trade to take a part of the surplus value from foreign capital through heavy taxes. This has as a consequence that the consumer products industry develops in the country and foreign capitals penetrate within it.

14) The protectionism of the current government must be studied, just like that of Justo, in keeping with the concrete facts and other measures of the government.

First, the current government extended the shameful Roca-Runciman treaty and subsequently signed the new Andes treaty. By these treaties, protectionism is not practiced in general lines with products of British industry, since by the last treaty, Britain will have enormous prerogatives. In other words, just like Justo's protectionism, the current protectionism is against the Yankees.

15) On the other hand, the nationalisation of imports benefits the stronger industrial sector which is linked to the government and harms the weakest and the Yankee companies. The same applies to workers' laws that are not applied in foreign companies, such as the law of dismissal in the meatworks or wage increases with state subsidies. This originated a division of the Argentine Industrial Union. The minority of industrialists, although the strongest, are with the government while the weakest, which are the majority, are in the opposition.

16) Nationalisations or joint ventures mean nothing by themselves either. The most important industrial joint venture, that of the blast furnace industry, is a commitment to imperialism in both directions since the works will be carried out by a foreign company, ARMCO, and the factories will be installed in a port such as San Nicolas, with the aim it continues to be attended by imperialism itself.

The crisis and the Argentine industrialisation

17) The world economy is marching towards the most shocking crisis of overproduction. European industry faces day after day its inevitable competition. The entire world is not enough for the United States and it already carries the possibility of the most violent crisis known.

18) The Argentine industry works for two sectors of the world market, mainly meatworks products, and for the domestic market, consumer goods. The world crisis, with its total infra consumption, will mean on the one hand the crisis of the meatworks companies. On the other hand, there is the agrarian crisis with the almost total closure of the 2,000,000 agricultural workers, who are a very important sector of the domestic market. The contraction of the domestic market in its fundamental sector will mean the crisis of the domestic market industry. That is a total crisis.

The Five-Year Plan

Once the era of free trade was liquidated, everywhere in the world the bourgeois state began to take part in the production. If previously the state took part in the production in case of war to save the bourgeoisie, at present its participation is common.

With the crisis of 1929 and the rise of Uriburu, and later Justo, to the government, the free trade policy in the country ends in order to enter into state participation and protectionism.

Not because protectionism was, in the first place, a need of the industrial bourgeoisie but, on the contrary, because it was first and foremost a need of the landowners and the dominant imperialism.

Since Justo, extensive governmental plans are known to develop and take part in the country's economy. Undoubtedly, these plans and interventions of the State had to do with the moment the national exploiting classes lived. They contemplated industrialisation but, first, the salvation of the largest landowners.

In 1939, the most important financier of the country, Federico Pinedo, author of the plan of the Justo era, elaborates a totally new plan, which was called of "Economic Reactivation".

This plan was also made to save the landowners, especially considering the war and the unsalable balances of the crops.

The solution found by the plan was to maintain a strong national internal market through the purchase of crops, public constructions, and industrial development. The purchase of crops temporarily since crops had to be developed to meet industrial needs. That almost all the national parties were with this plan, except for formal oppositions, shows it was a general necessity of the national exploiters, among them imperialism. Although the plan was not approved for political reasons, the reality is the government was responsible for carrying it out.

The Five-Year Plan does nothing more than repeat Pinedo's Economic Reactivation plan with some important differences and a great demagogic flavour characteristic of this government.

There is no longer any need to buy the crops because the world market absorbs them. The monetary situation of the country, when the Five-Year Plan was made, was magnificent.

Therefore it is wrong to say this government, which speculates against imperialism, is representative of the industrial bourgeoisie because it carries out or structures the five-year plan since government plans prior to 4 June are not very different from the Five-Year Plan.

Industrialisation and its possibilities

19) Industrialisation has not been paralysed in the whole world in the capitalist regime but it has stopped growing quickly and consistently. This is clearer than in anywhere else in the backwards countries, which although they develop their industries sometimes even seriously, they always do so at a weak pace not fast enough and impetuous enough to reach the more advanced countries. While the United States increased its production, Argentina has done it in a 20 percent approximately, with extremely favourable conditions.

The capitalist regime is becoming increasingly antagonistic to the imperative human need to develop the productive forces of the backwards countries to reach the level of the most advanced. Producing based on the monopoly of the means of production, on profits, on the exploitation of the majority of the population, is at odds with the constant and systematic progress of the productive forces. The socialisation and dictatorship of the proletariat in our country and in the world is the only guarantee of the progress of humanity, a progress that is ruled by the relative increase of the productive forces.

Nahuel Moreno

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