

**The State and the Labour Process.**

The enclosed documents consist of a set of minutes and memos coming out of the discussions of the Brighton Labour Process Group during 1976/7. They are an open file, to which we hope all who read them will add their own comments and thoughts.

"Towards evening Brecht found me in the garden reading Capital. Brecht: 'I think it's very good that you're studying Marx just now, at a time when one comes across him less and less, especially among our people.' I replied that I prefer studying the most talked-about authors when they are out of fashion. We went on to discuss Russian literary policy. I said, referring to Lukacs, Gabor and Kurella: 'These people just aren't anything to write home about' (literally: with these people you can't make a state). Brecht: 'Or rather, a State is all you can make with them, but not a community. They are, to put it bluntly, enemies of production. Production makes them uncomfortable. You never know where you are with production; production is the unforeseeable. You never know what's going to come out. And they themselves don't want to produce. They want to play the apparatchik and exercise control over other people. Every one of their criticisms contains a threat.'

from: Walter Benjamin's Understanding Brecht,  
NLB, 1973. p.118.

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## Labour Process Memo 2.

### The State.

1. We can distinguish use value and exchange value approaches to the state. Among use value views we would include all those that emphasise its political role (provision of police and army to reproduce capitalist relations, ideological activities) and some economic functions (standardisation and ensuring of free circulation of commodities, supply of labour, securing supply of certain basic inputs like energy, transportation, etc., the physical planning role etc.), restructuring in a crisis - Fine and Harris - etc

2. On the exchange value side we could cite the underconsumptionists theorists of the state, Baran and Sweezy for instance, who see the rise in state expenditure as necessary to offset the falling rate of profit through a tendency to underconsumption, or David Yaffe who treats the rise in s.e. in a similar way though locating the contradiction of capital not in underconsumption but in the tendency of the organic composition of capital to rise faster than the rate of exploitation. I would also ~~include~~ include the liberal theorists of state expenditure - whether Keynes and his followers, or the current analysts of the state expenditure crisis as one of too much value being assigned to the public sector.

3. The first grouping emphasise the class nature of capitalist society, ~~and~~ the increasing socialisation of labour, (social conditions of production of education, health, transport, energy etc) the creation of the conditions for the reproduction of capital. The second emphasise value contradictions and usually derive from a particular theory of crisis. Our task is to trace the contradiction between the use value and exchange value as reflected in the development of the state.

4. Not that this hasn't been done previously. For instance, adherents of the use value view have drawn exchange value implications through introducing the concept of unproductive labour. Thus the pressures for expanding the state for use value purposes, have worsened the value contradictions of capita

by increasing the proportion of unproductive labour supported by the productive labour of the private capitalist sphere. Or the argument could be taken one step back: the increase in the state's use value functions being related to the contradictions in the exchange value sphere (need for restructuring, cheapening elements of constant capital etc), which then further react back on exchange value in some contradictory way - again perhaps by the avenue of unproductive labour, But the dominant view both on the left and right is the exchange value approach: for Marxists the displacement of the contradictions of capital on the state level. Capitalistx inability to maintain accumulation threatens unemployment which then has to be maintained through non-balancing state expenditure, leading to increases in the money supply and inflation. For the liberals ~~sketch~~ a similar argument with different conclusions (the working class must be disciplined) whether through increase in unemployment, cuts in wages, or in the social wage).

5. There is a further distinction that is necessary if we are to clarify our position in relation to current theories of the state: that between production and circulation. Many of the theories ~~we~~ already mentioned are concerned with circulation. This is true both of exchange value theories like that of Baranz and Sweezy, or the liberals (cf. the circulationist explanations of why state expenditure has risen to 60% of GNP, lack of local gvt control, pressure from Unions, incapability browns, etc) or the use value theorists. In the use value case this is either concerned with the economic side of circulation - improving the flow of money, the free ~~xxxx~~ circulation of goods, the availability of constant capital - or with what we might call the reproduction of the class relations of circulation, specifically the ~~combination of the~~ initial and continuing sale of labour power as a commodity.

6. Because these operate at the level of circulation they often tend to the macro, the general social level, the creation of the conditions for generalised capitalist relations. Once we have dealt with the creation of the conditions for capitalist relations, then CAPITAL can take over. For this reason the class theorists of the state would deny that they were circulation theorists, since they recognise the logic of capital, ~~and~~ the use value/exchange value contradiction, and the primacy of production. But it remains true that their theses on the state do operate at the level of circulation, as do the exchange value theorists like David Yaffe who see the state intervention as required by the contradictions of capital manifested in the sphere of circulation (although originating in production) and therefore displaced to the level of the state in the sphere of circulation (increase in state expenditure, expansion of the money supply, inflation of the price level - what are these if not circulation?)

7. A labour process view of the state, like its view of politics, ~~does~~ should not wish to reduce the ~~dimensions of the~~ circulation dimensions discussed above, but rather reintroduce production, and the contradiction use value in production, exchange value in the circuit of capital into the theoretical arena.

8. The first way ~~is~~ of reintroducing production is in terms of ~~the~~ what we have called ~~the politics of production~~ variously, the politics of production, the politics of the factory, or even, more narrowly, the politics of valorisation. Labour power has been bought and stands face to face with constant capital under the discipline of the capitalist. How is the capitalist to force his commodity, labour power, to labour? This is the central problem of the politics of production. Of course one answer ~~is~~ contained in the politics of circulation: the labourer had to sell ~~himself~~ or herself because of being divorced from the means of subsistence. This is the political discipline for labour in general. But at the level of many labourers (and many capitals) such a discipline may be weaker. Workers can change jobs ( or draw unemployment pay) and production will then be threatened in a branch which may be materially necessary for the continued expansion of capital. Or they can withhold their labour in a strike, having saved up their means of subsistence, or hoping for subventions from other branches of labour. The more general the strike, or the more 'immediately essential' the branch, the more sharply is ~~posed~~ the labour posed the problem of exchange value and use value, of the forces of production and the relations of production, of the discipline of the politics of circulation within the framework of capitalism. For it quickly becomes clear that material production is necessary for physical survival, and that unless the capitalist relations of production are surpassed, labour will have to once more sell its labour and produce under capital if it is to survive.

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9. Once we have distinguished between the necessity of labour in general to sell itself to capital in a capitalist mode of production, and the 'freedom' not to work for a particular capitalist, we can focus on the ~~many~~ ways ~~which~~ in which many capitals try and effect circulation to ensure discipline in production. For instance:

- i) the 'freedom' of labour to sell itself in a particular market will be made conditional on their continuing to work for a particular capital: system of labour permits, direct recruitment of immigrant labour by London Transport for instance.
- ii) movement of capital to areas where the reserve army so large that mobility of labour between capitals is restricted, and the discipline of hunger provides the supporting scenery to the discipline of capital in the factory.
- iii) promises: of future pay and promotion if staying with one firm see the question of pensions.
- iv) other characteristics of the wage, whereby payment (an aspect of circulation) is made conditional on performance in production (piece rates, other bonuses etc.) The history of the wage.
- v) control of material items of subsistence: tied housing, and in udc's ~~payment~~ supply of some subsistence foods in kind.

10.

Whether or not labour's refusal to submit to these tie-ins is by shifting work (cf the Italian school's discussion of labour turnover as an attack on capital) is in fact an attack on capital in general or merely a form of disciplining a particular capital, and whether such turnover reflects also a refusal to work is an open question. In some circumstances, high labour turnover merely reflects the disgust at the fact of having to yield up labour to capital in a particular process of production. From capital's point of view, surplus labour time has been yielded up by one worker in the current period, and will be yielded up by another in the next period. (cf day labourers on agricultural estates). Where there are substantial training costs involved, ~~the~~ capital may have a terror of turnover, and labour a means of resisting the discipline of capital in the factory.

11. ~~When we exchange the labourer's political power for the capitalist's political power~~ If we see politics as stemming from the necessity for capital to extract surplus labour time from the commodity labour power, then the above points are political, at the same time as they are economic (like the process of production itself). The wage transfers value in money form for the worker to buy his means of subsistence, but this transfer has at its back the concern to force workers to labour under the discipline of capital. The ~~form~~ form of this politics may be confined to the factory (the particular firm's payment systems, its recruitment policies, its fringe benefits, ) or ~~the~~ to the locality ( the supply of trained labour and non-poaching agreements between competing capitals, or exchange of information on particular workers) or ~~the~~ ~~state~~ it may extend to the state ( see Gambino's interpretation of the race relations act in terms of the discipline of immigrant labour in the car industry, or state pensions plans, or unemployment benefits) The states role is particularly important in the event of a strike: insisting on the necessity for particular labourers to sell their particular labours, substituting these labourers with troops, dividing the striking labourers with propaganda, attacking strikers with criminal trespass laws and laws against picketing, withholding payments from strikers families.

12. From one perspective this is no different from the general circulationist theory of the state: that its role is to ensure the conditions which force labour to sell its labour power as a commodity. Too often, however, such theories do not see this aspect of circulation in terms of the politics of production. Production remains a black box, with labour power going in at one end, and surplus value coming out at the other. Our point is that the whole process of circulation is dominated by the concern about disciplining labour in production. Wages are not just a ~~division of value~~ portion of value yielded up by capital as part of a general distribution process (neo-Ricardians). They are yielded up in a form and an amount necessary to ensure the application of labour in the process of production in the next time period. Labour permits are not just a means of restricting immigrants from a generalised access to social services, ~~but~~ nor of preserving the bargaining power of labour in wage negotiations, rather they are means of ~~it~~ supporting the capitalists attempt at disciplining in the factory. The same is true of ~~immigrant~~ legislation more generally, as it is of the pass laws in South Africa. Similarly strikes - an aspect of circulation in as much as labour is withdrawing its labour power and sacrificing payment for the same in the process - are as we know about production, not merely the distribution of product. Thus a labour process view of the state, in as much as it deals with the state and circulation of labour power, does in the context of the political problem of ~~the~~ the extraction of surplus labour in production. While not reducing circulation, it restores the dominance ~~of production~~ of circulation by production. And by specifying different levels or forms ~~at~~ which the politics of circulation can take place, it breaks the identity ~~of the~~ of politics with the state which is such an encumbrance when dealing with the historical development of this aspect of capitalism.

13. Does it not also help in dealing with the relation of capital to other forms of labour appropriation, notably slavery and indentured labour. Slavery has two aspects. The first is a general one, that slavery has developed where the modern form of landed property does not exist, i.e. where there is no exclusion of labour from its means of subsistence. In the US it is striking that the end of slavery coincided with the final elimination of the frontier and the establishment of the modern form of landed property throughout the country. In other areas, labour has been welded to a spot in different ways. In South Africa for instance ~~the~~ African workers on farms were allowed to farm small subsistence plots which were tied in with pre-capitalist forms of landholding and society (hence not freely transferable) and which were inadequate for a full subsistence living. Here again the problem was created at first by the lack of a frontier (very restrictive conditions on movement were imposed by the state) and secondly by the development of urban industry (here was a factor behind the pass laws and apartheid which was linked with the politics of the farm rather than the politics of the factory). In both these cases there have been vigorous debates about the nature of the capital-labour relation: is there a slave mode of production in the Southern states, or a feudal mode in the ~~the~~ industry system of South African agriculture. In both cases we had money capital whose own mobility was somewhat restricted by its sunk nature - fixed capital on the land. In both cases labour was not freely bought for wages. Yet in both cases subsistence was given up in a form which would ensure the discipline of labour in production, not just commodity production but capitalist production. In both cases we could

say that the form taken by the capital-labour relation was inadequate to capital, in the same way as we said it in relation to simple co-operation and manufacture. But if we define modes of production in terms of their laws of motion rather than formal relations (Diane and Bhanarjee), and if we have a theory which can generate the forms that relations take, then we can usefully see the example of slavery and that of South African tributary labour as capitalist.

14. The other element of slavery ~~is~~ stems from the interest of a particular capital to tie ~~is~~ labour ~~invested~~ <sup>whom</sup> money has been invested to the production of that particular firm. Thus on the Caribbean islands where landed property was less of a problem (the ~~islands~~ ~~had~~ ~~their~~ ~~own~~ ~~limited~~ ~~boundaries~~ ~~to~~ ~~labour~~ ~~seeking~~ ~~means~~ ~~of~~ ~~subsistence~~) the cost of ~~bringing~~ ~~labour~~ ~~to~~ ~~the~~ ~~point~~ ~~of~~ ~~production~~ (slave raids and transportation) was born in the main by capitalists individually, and they wanted to appropriate the rights over the commodity purchased in this way. This is similar to the clauses for apprentices and company funded postgraduate courses. In all such cases the restriction of movement is unsatisfactory from the point of view of capital, and the state is encouraged to provide the investments in the supply of ~~adequate~~ labour power adequate for capital. Labour which then shows itself reluctant to accept the disciplines of capital (and to provide the surplus labour) can then be laid off without concern to particular sunk costs.

15. The second element in a labour process perspective on the state concerns the production process itself. The politics of the factory may be conducted through circulation, but it also involves direct relations in production. All the measures to lengthen the working day, to cut down the working period, ~~to~~ to increase the intensity and the productivity of labour, all these involve a direct attack on labour in production. Technical change, the substitution of flow line ~~production~~ for nodal assembly, the introduction of time and motion study, and of direct supervision of labour (Marglin?) each provide examples of capital's political effort to force more surplus labour out of its labour power. Labour, as the Italians have consistently emphasised, responds, recomposes itself against capital and its logic; strikes, sabotage, labour turnover, soldiering, The result is the contradictory politics of production.

16. As with circulation, ~~the~~ capital's ~~own~~ political response will ~~not~~ take different forms. At the level of the factory there will be a whole hierarchy of control, an internal system ~~of~~ of production police. There will be technical changes to reduce the power of the most organised sections of labour, and the deskilling, division of mental and manual labour, and other elements of capitalist control we have considered elsewhere. In the early days of factory work, and certainly in ~~underdeveloped~~ ~~countries~~, there were also literal police forces ~~at~~ at the firm level. With the development of capitalism, capitalists co-operate, at the local, national or international level; but this co-operation touches the politics of circulation more than it does the politics of production.

17. Thirdly, a labour process approach to the state emphasises the labour process in the state itself. Force, education, health, the co-ordination of circulation, all these involve human labour. Exchange value theorists have distinguished this labour in terms of





19. The direction of a critique of public expenditure cuts are I hope clear. The rise in state expenditure is not due to Baran and Sweezy underconsumption, nor a necessity to maintain employment by increasing the money supply. Rather it is due to: i) an inability to cut unemployment benefits at a time of rising unemployment - this is the really large unproductive expenditure; ii) an inability to balance this increasing state payments for unemployment benefit by an increase in productivity in the service sectors of state activity. Thus while the use values produced in the state service sector are rising only slowly if at all (one third increase for the 20 years since 1956 in secondary education for instance) the exchange values are not being reduced in line with the private sector, and indeed are in some cases rising because of improved working conditions (smaller classes in schools) and increased input costs by large capital & landed proprietors (cf. rise in drug prices, the cost of educational inputs, land, building costs etc.) Hence the exchange values ~~are rising~~ ~~like~~ ~~the~~ ~~use~~ ~~values~~ may be seen to be relatively declining in comparison with use values in other sectors, the exchange values are rising because of comparative productivity changes. The high productivity areas of state activity - the utilities - are meanwhile undergoing massive restructurings, involving subsidies from general <sup>fund</sup> ~~capital~~ so that prices can be kept low for capital, and money supply must therefore be increased. Since the ~~state~~ labour movement is vigorously defending jobs and unemployment benefit, the cuts are aimed at the weaker sectors, notably the social sectors where the political and savage anti-working class character of the cuts are most clearly evident. The artisans of this sector are currently in the process of preparing their response.

20. I have emphasised the character of the circulation of the final commodity produced in the state sector, because this seems to me to have much more significance ~~for~~ for the labour process, and the character of capitalist discipline in these sectors than has the nature of ~~the~~ payment for the commodity labour power itself. Indeed I would deny that the distinction between payment from revenue and from capital is useful when we deal with the collective labourer, whether ~~at~~ the private firm or the state. ~~rather~~ Rather we find in the state the contradiction between forces and relations of production being expressed in the state sector at an advanced level a) in circulation (cuts, prices charged, pressure of state sector wages) and b) in production, in the labour process of the collective worker, organised by a central state institution with either ~~high~~ increasing levels of technical labour, or artisan service labour. In both cases the significance for the material basis for political organisation will I hope be clear.

From: Brighton Labour Process Group Conference Paper to  
CSE Annual Conference July 1976;

(b) The State

Existing theories of the state can be characterised in terms of i) their relative emphasis on either the use value or the exchange value role of the state; ii) their emphasis on either production or circulation as the principal sphere of the state's activity. The two perspectives can be brought together in a matrix as follows:

	use value	exchange value
circulation	state as supplier of generalised inputs, as planner, or reproducer of labour power as a commodity	underconsumptionist theories of the state (Baran & Sweezy) distributional theories (Ricardians, Fabians)
production	Italian school	restructuring (Fine & Harris)

Among use value views (i.e. those views concerned with the qualitative material character of the state) we include those theses concerned with the economic role of the state as a provider of material inputs, as the co-ordinator of proportionality between branches and departments, and as the reproducer of the labour force by means of the 'social wage'. We would also include those who exclusively emphasise the role of the state as an instrument of class oppression - a fertile example being the Italian school with their insights on the way in which the state 'decomposes' labour both in production and in the "social factory". In general the use value grouping emphasises the class character of the state, the increasing socialisation of labour (social conditions for the production of health services,

education, transport, energy etc) and the creation of the conditions for the reproduction of capital.

Exchange value theorists emphasise value contradictions, and usually derive their theses on the state from a particular theory of crisis. The underconsumptionist theories of the state as an absorber of 'surplus surplus' are an obvious example. In this case the state acts in the sphere of circulation to correct a contradiction in the sphere of circulation. In some of the capital logic theories, the state acts in the sphere of circulation (increasing state expenditure, expansion of the money supply,) as a displacement of a contradiction which appears in the sphere of private circulation (unemployment, failure of capital to advance money capital) but originates in the sphere of production (falling rate of profit). Another variant of the capital logic school, is the recent work of Fine and Harris, who see the state's role as directly intervening in the restructuring of production.

Our task is of course to combine all elements, more specifically to trace the irreducible contradiction between use value and exchange value as manifested in the activity of the state both in production and circulation. Some use value authors have attempted to do this by introducing the concept of unproductive labour. The pressure for expanding the state for use value purposes has worsened the value contradictions of capital by increasing the proportion of unproductive supported by the productive labour of the private sphere. Or the argument can be taken one step back: the increase in the state's use value functions being related to contradictions in the exchange value sphere (need for restructuring, cheapening the elements of constant capital etc), which then further reacts back on exchange value in some contradictory way - again perhaps by the avenue of unproductive labour. For the most part however

exchange value and use value approaches have remained separate as have the treatments of production and circulation.

Approaching the subject from the point of view of the labour process will we hope suggest a more satisfactory way of treating the state as a form in capitalist accumulation. Let us start, like the Italian school, from the material relations in the process of production. Just as production is simultaneously a material and a value producing process so it has simultaneously a political and an economic character. The political stems from the necessity for capital to extract surplus labour from the commodity it has purchased - labour power. How to force labour to work - this is one side to the problem of capitalist control of the labour process. The Italian School has analysed the nature of the class struggle in the politics of production, the means by which capital has attempted to control labour (decomposition) and the way in which labour has responded (recomposition). The important point here is that capital's political response at the point of production will take a number of forms. Much of the political attack is carried on by the capitalist owner or his managers. But there are also ways in which capitalists co-operate, act as a class, in the form of state action in the politics of production. The instruments of force - both army and police - to enforce labour discipline in production is one example. The history of industrial law - (about working conditions, and the length of the working day,) is another. The direct intervention of the state in restructuring and raising the productivity of labour in production is a third. In all these instances the state is a form - but only one form - in which capital attacks its central political problem of extracting labour out of labour power.

There is also a politics of circulation. It is concerned with forcing labour power to sell itself as a commodity. This is the familiar field of the expropriation of the labourer from his/her means of subsistence, the development of modern landed property, the reproduction of labour power as a commodity. This is also the familiar terrain of theories of the state as reproducers of capitalist class relations. Two points need to be made. First, many theories of the politics of circulation do not see this aspect of circulation in terms of the politics of production. Production remains a black box, with labour power going in at one end, and surplus value coming out at the other. Our point is that the whole process of the circulation of labour power is dominated by the concern to discipline labour in production. Wages are not just a portion of value yielded up by capital as part of a general distribution process (neo-Ricardians). They are yielded up in a form and an amount necessary to ensure the application of labour in the process of production in the next time period. Labour permits are not just a means of restricting immigrants from a generalised access to social services, nor of preserving the bargaining power of labour in wage negotiations, but rather a means of supporting capitalist attempts at discipline in the factory. Indeed the threat of being thrown out of work (a moment in circulation) is perhaps the main way in which capital enforces discipline in the factory. Thus we must recognise the irreducible character of the politics of circulation, but in doing so situate it in terms of the politics of production, or more generally, in terms of the material (as against value) problem of extracting surplus labour from labour power.

The second point is that, as in production, capital acts in the politics of circulation in many guises. The form of this politics may be confined to the factory. Particular capitalists are often concerned to restrict or counteract labour's 'freedom' not to work for a specific firm. They may:

- i) control labour through 'tied housing or other items of subsistence.
- ii) include promises of future pay and promotion if the worker stays disciplined in production for the particular firm.
- iii) condition the amount and form of wage payment on performance in the factory (piece rates, other bonuses etc.)  
The history of the wage.
- iv) arrange through the state that a labour's freedom to sell itself in a particular national market is conditional on staying with the same firm (direct recruitment of labour by London Transport for example)
- v) move to areas where the reserve army is so large that mobility between capitals is restricted and the discipline of hunger provides the supporting context to the discipline of capital in the factory.
- vi) have recruitment policies aimed at excluding militants, or others who are unlikely to meet the required speeds desired by capital from its labour power.

Or capital may act at the local level (see local agreements on training labour, or non-poaching agreements, or exchange of information on particular workers.) Or it may act through the national state (see Gambino's interpretation of the race relations act in terms of the discipline of immigrant labour in the car industry, or unemployment benefits).

The states role is particularly important in the event of a strike: insisting on the necessity for particular labourers to sell their particular labour <sup>power</sup> substituting these labourers with troops, dividing the striking labourers with propaganda, attacking strikers with criminal trespass laws and laws against picketing, withholding payments from strikers families.

In general the main form in which capital appears in the politics of production is that of the organising capitalist himself. The whole hierarachy of control, the internal system of factory 'police', is devised and guided by the capitalist. The state is more important in the politics of circulation for here the particular capitalist is restricted to the micro level. But whether in the politics of production or the politics of circulation, the state must be seen merely as one of a number of possible forms which capital takes in its political drive against labour.

While it will be clear how circulation and production are related in the above remarks, the connection between use value and exchange value is not so clear. For in identifying politics with that aspect of material production and circulation concerned with extracting surplus value, we run the risk of once more divorcing the inseparable: use value from exchange <sup>value</sup>. The relation between the two has a number of aspects as it touches the state. First, the very politics of production and circulation is founded on, driven by the value relations within capital, the drive for the expansion of surplus value through the exploitation of labour power. Capitalist exploitation as a form of exploitation necessarily involves the concept of value and exchange value. From here comes the drive for time economy and synchronisation. Secondly, the fact that the political tasks are themselves material tasks, and therefore have to be produced, means that considerations of value enter here.

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Thus the state performs many of these tasks because it is most 'efficient' from the point of capital for it to do so. Put in other terms, there are considerable scale economies in centralised production.

This leads to a third point, namely that the activities of the state, whether they are concerned with the politics of production or circulation, whether concerned with the provisions of material inputs and planning, or whether concerned with the reproduction of the labour force and of ideology, themselves involve a labour process. The production of use values by the state involves necessarily exchange value and value relations, and as such involves labour processes. Force, education, health, all have to be produced, and all have their own process. One of the main points we want to make is that any analysis of the state must involve a study of the labour process of state production and the character of the relations between these labour processes and value.



Exchange value theorists have distinguished this labour in terms of the character of its sale as labour power. It is unproductive because it is paid out of revenue. We want to place a contrary emphasis on its character as collective labour, an emphasis which is concerned more with its output (output not immediately related to particular commodities, but rather with generalised commodities produced by general social labour). In these terms, state labour is not unique. There is much social labour in private companies whose output can not be directly linked to particular commodities. Put another way, their jobs cannot be directly disciplined by the market. But the state has tended to take over the production of those general commodities whose production characteristics involve a high labour productivity and degree of socialised labour. Gas, electricity, trains, broadcasting, force: all have very high scale economies, and interdependent systems of labour to produce the particular results/commodities. One consequence of this is very low marginal costs of production (virtually zero for telephone calls, electricity, and broadcasting).

These systems of production have a double insulation against the law of value. First, restructuring tends to require the reorganisation of the whole system rather than particular jobs in the collective whole. Second, the state has a certain autonomy of funds, a leeway, linked to its power of tax and money creation, which can defend its units of collective labour from restructuring. This does not mean that the state sector is immune to the law of value. Rather, when it comes it tends to be i) massive in its implications for general labour - of the reorganisation of railways, or the introduction of

electronic telephone exchanges, or automatic post office sorting or new mining techniques, or natural gas; (ii) a clearly political quality: cuts are introduced in ways which are not necessarily dictated by the markets. They may run counter to the dictates of the market and the market's common sense (increasing charges for services with zero marginal cost, slashing the jobs of immediate service workers while maintaining the paraphernalia of corporate hierarchy). Both these points mean that large numbers of workers (and the nationalised industries tend to be the largest employers in any one country) will be subject to the simultaneous, and overtly political experience of capitalist crisis and restructuring. The fetishism of commodities fades to be replaced by a fetishism of the system.

At the other extreme, the state has a number of sectors which have a very low productivity: education, health, many social services, and branches of administration. Again labour is related to the market in only the most general way (even more general than the utilities we have dealt with above). Thus the discipline of production take on a more arbitrary form than it does for a labour process producing particular commodities for sale (the shoemaker, the printer). Moreover, some labour processes in these spheres are still at the level of the artisan, with some simple-co-operation and manufacture. As we have seen, labour is most difficult to discipline in this form. Hence the contradiction at a time of crisis. Capital finds it difficult to restructure these sectors, the quantity of social capital to maintain the same use values of output rises, relative to other sectors, (the familiar crisis of state expenditure), attempts are made to increase the length of the working day (junior doctors)

and the intensity of labour, alternatively cuts in the output are suggested. All these clash directly with the developed artisan and social ideologies of the workers concerned, who being organised as collective labourers are thrown into joint responses (like the workers in the utilities). The political character of the economic decisions is made vivid. Only the fetishism of the system, or of the commodity relations of the world market comes to the ideological aid of capital in such a situation.

The direction of a critique of public expenditure cuts are we hope clear. The rise in state expenditure is not due to Baran and Sweezy underconsumption, nor a necessity to maintain employment by increasing the money supply. Rather it is due to: i) an inability to cut unemployment benefits at a time of rising unemployment - this is the really large unproductive expenditure; ii) an inability to balance these increasing state payments for unemployment benefit by an increase in productivity in the service sector of state activity. Thus while the use values produced in the state service sector are rising only slowly if at all (one third increase for the 20 years since 1950 in secondary education for instance) the exchange values are not being reduced in line with the private sector, and indeed are in some cases rising because of improved working conditions (smaller classes in schools) and increased input costs by large capital and landed proprietors (cf. rise in drug prices, the cost of educational inputs, land, building costs etc.) Hence while the use values may be seen to be relatively declining in comparison with use values in other sectors, the exchange values are rising because of comparative productivity changes. The high productivity areas of state activity - the utilities - are meanwhile undergoing massive re-structuring, involving subsidies from general funds so that prices can

be kept low for capital, and money supply must therefore be increased. Since the labour movement is vigorously defending jobs and unemployment benefits the cuts are aimed at the weaker sectors, notably the social sectors where the political and savage anti-working class character of the cuts are most clearly evident. The artisans of this sector are currently in the process of preparing their response.

We have emphasised the character of the circulation of the final commodity produced in the state sector, because this seems to have much more significance for the labour process, and the character of capitalist discipline in these sectors than has the nature of payment for the commodity labour power itself. We find in the state the contradiction between forces and relations of production being expressed in the state sector at an advanced level a) in circulation (cuts, prices charged, pressure of state sector wages) and b) in production, in the labour process of the collective worker, organised by a central state institution with either increasing levels of technical labour, or artisan service labour. In both cases the significance for the material basis for political organisation will we hope be clear.

Brighton Labour Process Group.

The State.

Minutes of a discussion, 17.2.77.

1. State to be seen as an organisational form rather than an abstract category. It was an organisational form for the production of some elements of social reproduction. It is with social reproduction we should start, its character, its necessities, and then ask (more concretely) which organisational forms will develop to carry forward reproduction. We should not start with the state, and attempt to develop a 'theory' of the state any more than we should start with companies and develop a theory of, say, the joint stock company. John M. indeed suggested we should not even assign a separate section to the state, but bring it in as part of the discussion of accumulation as and when necessary.

2. Nor should we start from 'private' capitals and ask what the state does, in relation to private capitals. This leads to the structuralist approach to the 'political, ideological and economic functions of the state'. Rather than the state performing functions, we see the state as producing use values. The question we then ask is the circumstances which lead to the state being the organisational form producing particular use values as part of expanded reproduction.

3. The use values are in practise varied: economic (basic inputs to the system of production), political (law and order), ideological (ways of seeing, media, education etc.) In each case we ask the same question: why does not private capital act as the organisational form in charge of production, and why does 'the state' take over this task. \*

4. Above all, we want to argue against any elision of the state with 'the political and ideological instances'. Some political production (e.g. of physical force, or of subordinating labour to capital) is carried out by private capital. If law and order more generally tends to be produced by 'states' then we have to offer material reasons for this, reasons rooted in the conditions of production.

5. Having established this way into the question, we proceed by asking why capital doesn't produce everything privately. Capital has this tendency towards the 'universal market', yet at the same time yields up large sections of the social economy to 'public' or individual production. Labour power itself is an example of individualised non commodity production. Why has capital not taken this over? It is encroaching on domestic production in some areas - e.g. in food preparation (cf all the attendant consequences: deskilling, machinofacture, extrusion of labour). But there is no question of capital entering the procreation of labour power. Would this in some sense bring into question the concept of free labour, and the very basis of the capital-labour relation in the market?

6. Labour is one example where production by capital as a commodity is problematic. But there are others where, from the inception of capitalism, the nature of the production process or the user process makes production for the market an inadequate means for relating these branches of production to others. The market is an inadequate means of establishing the social nexus. It is the same point

we have been considering in the form of the contradiction~~xxx~~ between the socialisation of labour and the law of value. This contradiction we are suggesting is ~~the~~ present from the ~~very~~ inception of capitalism. Private production sold for private consumption is inappropriate for some use values required in the material process of expanded reproduction.

7. One example is use values whose production involves such high fixed investment, ~~that~~ and yields its output ~~at~~ low and even zero marginal costs that the sale of this output involves contradiction. Any positive price will restrict let us say costless output and hinder reproduction as a result. This is the field of 'public goods' and the debate over marginal cost pricing in conventional economics. In this literature these ~~xxxxx xxxxx~~ branches are ~~treated~~ as quirks: our ~~xx~~ concern is to trace through the historical development of these quirks as manifesting a tendency for the socialisation of labour in capitalist production.

8. A second group of industries is those whose use value has itself a problematic relation with value as far as ~~xxx~~ utilisation is concerned. We might in principle be able to specify some ~~satisfactory~~ cost to the individual output (~~xxxxxxx~~) ~~xxxxxxx~~ to serve as a price (unlike the previous example) but this price would not necessarily lead to a ~~satisfactory~~ allocation of the products from the point of view of reproduction - not merely because of the unequal distribution of income - but because there was no ~~xxxx~~ satisfactory ~~xxxxxx~~ way of linking the purchase of this intermediate good to its place in the final product to be sold on the market. These are the fields of education, & health,

9. In both these groups capital has and does produce privately: toll roads, railways, (indeed many of the US public utilities), private schools and hospitals. We have to show the circumstances in which this private form of production is considered ~~inappropriate~~ for the process of accumulation.

10. The preceding argument has centred on the inadequacy of the market as a social nexus, as a means for allocating social labour. The ~~focus~~ is the commodity and the market. A second point concerns use values whose production cannot adequately be carried out by private capital. ~~These are the examples of law and order, and justice~~ are leading examples. Why are these not carried out by private capitals? Again there are some examples of where they are so produced. Securicor for one, or the large plantation companies who provided police, justice, quite apart from other 'social services'. Yet these examples are certainly not general. The tendency is in the opposite direction: plantations companies quite soon divest themselves of their policing roles. But why? Traditional answers have included: i) principles of specialisation - plantations companies are concerned with planting not running a policing business This does not answer why other specialised private forces do not arise; ii) ideological. Capital feels uneasy at preserving the structure within which it exploits labour by its own, individual, palpable hand. It would rather preserve the appearance of ~~xxxxxxx~~ market equality with labour. iii) No single capital can arbitrate between itself and other capitals, and even arbitration between others ~~xxxxxxx~~ might be unsatisfactory if the service was being provided for cash. Selling a judgement. This ~~xxx~~ third argument found most support in the discussion. There was general agreement on the more general level that there was a contradiction between the provisions of



allocation of social labour is undertaken directly rather than through the operation of the law of value, crisis - operating ~~on~~ through the law of value - will also be impeded in its effects on the state sector. Devaluation of capital and restructuring will have to be ~~applied~~ applied ~~by~~ on an individual level (school by school, branch by branch) but will also have to be done directly rather than through the most sensitive decentralising mechanism - the market. The law of value has not ceased to govern ~~the~~ public production as a whole. It has only ceased to govern it on an individual commodity basis. Crisis as affecting the state sector will then take on a directly political character as will the decisions made within the public sphere ~~on~~ on how the restructuring and devaluation will be applied.

17. Third, the character of the labour process in the production of public goods will itself be affected by this ambiguous relation of ~~socialised~~ socialised labour to value. The law of value, ~~the~~ and the imperatives of accumulation still rule, but no longer directly. This transforms itself into a) a general reproduction of capital - labour relations within the state; the existence of hierarchy, of the division of head and hand and specialisation (see Mary's analysis of the labour process in the army). One feature of socialised labour is, however, that machinofacture may be difficult to introduce. Indeed it is ~~in~~ in the very nature of the process of production that commonly leads to production being public, just as the difficulty of reproducing labour by machinofacture is one reason why it is not produced by capital but within the family. b) A clearly political ~~determination~~ determination of the authority-labour relation in branches of state production. The anonymous veil of market forces is displaced to the general level (but even this now has to be imposed by the IMF).

18. It is striking that many of the tactics used by capital to decompose labour are not open to the state in the same way: a) machinofacture in ~~uncertain~~ uncertain sectors; b) investment abroad - though employing of immigrant labour is of course open to say London Transport; c) massive devaluation of capital and old processes enforced by ~~the market~~ the market, ~~and~~ and d) in some parts of the state, redundancy not effectively open.

19. Fourth, the simple social circuit\* which characterises the relation of the public sector to the commodity economy (C-M-C) poses the question ~~of~~ of the burden of taxation. Who shall be taxed and over what territory. We need only say the following. First the mere existence of the social circuit and the requirement for revenue raising through direct levy posits the territorial definition of the ~~state~~ state. In positing it, it also defines the territorial range of ~~the~~ the distribution of its use values. Further, it necessarily posits itself as an organisational form for a particular area of social reproduction in opposition/rivalry to other territorial areas. ~~Mary~~ Mary suggests that conscition and taxation are the material bases for the nation state, for a territorially homogenous unit. (What about landed property and money as well?).

20. But the objection could be made that both taxation (levying ~~on~~



surplus product) and levying soldiers are the material basis for states in pre-capitalist modes. ~~Why is it specific to a capitalist state, what makes it a nation state?~~ What is specific to a capitalist state, what makes it a nation state? Is one answer to be found in the disjunction between the capital commodity producing sector and the social production sector. The latter we have seen is necessarily limited and exclusive. The ~~second~~ <sup>second</sup> is, geographically, unlimited. Capital from the first expands on a world scale, in world markets, to ~~new regions, and so on.~~ From the first therefore the state as a producer of social products posits itself against other states not just in terms of territorial areas for appropriating rent, for raising revenue or levies, but as a supporter of capital's universal claims, and a defender of its own capital's individual accumulation against the competition of ~~the~~ others. Private capital can operate in 'foreign' countries: it does not need ~~its own state to own the land where it produces or sells,~~ to mint the same coinage as used at home, to have the same laws. It needs only markets, labour capacity, and the protection of its ~~property~~ rights. Capital is footloose at each stage of its circuit. Whereas the state as social producer is by definition rooted to a particular area. This territorial non-coincidence is central to the rivalry of nation states, to the need of particular capitals for ~~the protection of a domestic state, tariffs, discriminations, controls at home; aid, gunboats, and diplomacy abroad.~~ The state posed as a producer of <sup>impartial</sup> arbitration between capitals, is by virtue of the social character of the circuit of this production, simultaneously posed as the partial advocate and defender of these same capitals against the claims and competition of other capitals 'abroad'.

21. We find then this striking contrast between ~~private capital and state economy:~~ private capital and state economy: the one international, socialising labour internationally, the other national, socialising labour nationally, and fastened inexorably to its national limits. Within countries the state will tend to socialise labour to the greatest extent: look at lists of the largest employers in the UK, and it can be seen that the state accounts for the great majority of the top 10. Yet this extensive socialisation often co-exists with the continuation of craft forms of production (teaching, GP's), ~~and so we have craft labour processes, organised nationally, facing the explicitly political economy of the state sector, and its non-fetishistic force in periods of crisis.~~

22. Fifth, the fact that social production is required from the beginning of capital's development, and the fact that therefore capital poses the question of the nation state, also leads to its contesting of pre-capitalist states. The territorial basis of these pre-capitalist states is clear, particularly where the power of the ruling class is based on land. Capital, with its fluidity, developed in the interstices of these pre-capitalist states, and ~~developing~~ <sup>developed</sup> their social production in areas where they could assart a degree of autonomy, notably in towns. These autonomous authorities then arose not merely in rivalry to 'foreign' capitals, but in rivalry to existing pre-capitalist states. The point at which capital thrusts forward to take control of the existing territorial state through a 'bourgeois' revolution will be determined by ~~the existing strength and rootedness of capital~~ <sup>the existing strength and rootedness of capital</sup> and the intensity of the barrier presented by the pre-capitalist states to capital accumulation.

6.

23. Sixthly, ~~where~~ since the regulation of the sector of social production cannot be undertaken by the market, but must be undertaken by direct, centralised authority on the basis of ~~judgements~~ of the relative requirements for use values produced, the question is posed as to who controls the controllers. How are those in control of the state related back to the private social economy.

24. This question raises the issue of representation. What correlation has there been between participation in the social circuit ~~(the~~ C-M-C and rights to appoint representatives to the state. Has taxation (M) preceded representative rights (no taxation without representation). Has taxation been coincident with the range of beneficiaries of the use values produced by the state (~~the~~ police and army, the machinery of justice, the development of unified currency etc).

25. What is clear is a correlation between the extension of the franchise and the development of machinofacture and the free wage labourer. Possible interpretations:

- a) only with the development of machinofacture, was capital strong enough to ~~yield~~ the vote more widely. Where the state is the main 'organising' agency in the society, then the possibility of the state being captured through the vote and then used against the interests of dominant capital does not allow risks to be taken. But when there exists an established system of division of labour, with capitals organised on a large scale with accompanying institutions, then the state itself can be controlled. The state is no longer synonymous with the organisation of civil society. (Contrast underdeveloped countries where this is not the case, where the state can be disciplined by the force of capital operating in the private commodity sphere. Hence the military dictatorships.) This interpretation of the rise of the vote similar to our ~~an~~ analysis of neo-Fordism.
- b) from the time of the Napoleonic wars, taxation had reached wider segments of British society, (property taxes particularly) and they responded by demand<sup>ing</sup> a say in the political allocation of within the social circuit. Is there some sense in which we could refer to a political exchange. Given the character of social circuit C-M-C, with forced levies of taxation, and often unwanted 'enjoyment' of the public use values, then no ~~equivalent~~ exchange - the cornerstone of capital's ideology of equality - exists. Restored by the vote which allows a response by the ~~recipients~~ the recipients of social use values to affect (in form at least) the decisions of the social sector.
- c) machinofacture unites labour power, composes it, and its political actions lead to the yielding of the vote.

We interpret the vote here as a means by capital to divert, and channell the political composition of the working class. Indeed the vote as a form of political expression can be seen as an attempt to:

- deskill politics.
- develop real subordination of the working class
- develop the division of the political head & hand.
- develop political machinofacture.

7.

There is an apparent equality in the form of politics: freedom to stand for election, freedom to vote, equality of one vote to the next (one man one vote), but in fact the accumulation of political capital, the character of the political organisations which develop with this type of consumer politics, this alienated politics where ones political will is taken from and is objectified and then stands against ~~one~~ as an alien force, such an accumulation negates the ideological picture of the free and equal political market.

Much evidence to support this idea of the deskilling, the decomposing of politics. The working class were developing their own forms of political democracy -daring, creative inventions. The atomistic vote yielded to trump these attempts (cf. Disraeli on the 3rd Reading the Reform Bill in 1867, reprinted in English Historical Documents, Vol XII).

26. There is a clear parallel between forms of representative government and exchange. McPherson discusses this, but I don't know to what extent he deals with the material basis of the 'political exchange': that is to say, the vote is not merely the reflection of exchange relations in the economy, but is itself materially determined as a means of deskilling working class politics.

27. Seventhly, the very form of the social circuit exhibits its non-expansive nature. C-E-C represents the relation ~~is~~ the state and the private economy. The states task is not to expand value, but to provide use values which cannot be produced by capital. It is because of the ambiguous relation of the use values and their production to the law of value that the state is the organisational form undertaking their production. Hence in the very basis of the state producing these items is the negation of the self-expansion of value. It does not produce its use values as commodities. Nevertheless it is still governed by the requirements of capital: providing the use values for accumulation at least cost. Value will press on the public sector through a variety of means (direct and indirect). Hence the ~~approximation~~ <sup>similarities</sup> of the ~~labour~~ labour process in the public sector, to those in the spheres of private capital. ~~Nonetheless~~

28. What we have done in coming to this conclusion via the path of the contradiction of ~~use value~~ use value and exchange value as manifested in ~~collective~~ collective commodities, is to give substance to the distinction between productive and unproductive labour. We have not come upon this distinction in a formal sense, and used it as part of an argument about ~~the~~ the crisis of accumulation at the level of value. (The State expenditure represents a deduction ~~of~~ from capital for private accumulation). Rather we have asked about the consequences for the accumulation of capital of having an increasingly large part of production governed by the 'social circuit' of the public sphere, ~~insulated~~ insulated as it is in its particulars from the law of value, and with a ~~distinct~~ distinct capital/labour relation at the point of production as a consequence. This treatment of productive/unproductive labour reflects our ~~treatment~~ treatment of accumulation and

## 8.

crisis in terms of the opposition between use value and exchange value.

29. We should also note that the treatment of the state as from the beginning reflecting a contradiction between the socialisation of labour and value, between the forces and relations of production, means:

- a) we can develop theses about the growth of the public sphere over time, reflecting the drive for the socialisation of labour.
- b) ~~xxxx~~ as well as these about the different ranges of the state sector in various countries, depending on the extent of the socialisation of labour within those territories, ~~xxxx~~ as the strength of local capital against foreign.
- c) allows us to specify contradictions between the state sector and private capital accumulation in a way which functionalist analysis does not (see the uncontradictory character of the concept of role and function).
- d) ~~xxxxxxx~~ these contradictions will be concerned with:
  - value and overall allocation of labour in an economy, and particularly the problems posed at the time of crisis.
  - relation of labour and ~~xx~~ public authority at the point of production, and its connections with class struggle in the 'private' sphere.
  - contradiction between the ~~xx~~ strict framework of the nation state as the sphere of operation of the social economy, and the tendency for the international socialisation of labour by capital. (note the difficulty of state enterprises in international sectors expanding abroad: e.g. British Steel during steel nationalisation: what of Leyland - is there a significance here, or is Leyland merely being operated as private capital on a scale so grand that only the British state has the capital to undertake the risky business of massive restructuring (£1,000 m.))
  - potential contradictions between the state as producer of force & controller of vast revenues and the ~~xxx~~ market as social nexus.
- e) pose the state not as an eternal form, but one distinct to nexus. capital, as transformed by capital, and containing within it the germs of its own surpassing. Only in this way suggests Diane can we pose the question of the withering away of the state
- f) pose the question of the state sphere not in terms of autonomy (say of the political instance) - that is a mere structuralist exercise - but in terms of the substance of the operation of a section of the social economy (which has political and ideological characteristics as well as economic, just like the sphere of private capital) where ~~xxxxxxx~~ valorisation is not ~~xxxx~~ <sup>directly</sup> in command.

30. In analysing the growth of the state sector, and of the different extent of state production in various countries, we should bring out the alternative ways that these use values could be produced and why the state becomes the organisational form to take charge. For instance:

9.

- i) how do transport systems (toll roads, canals, railways, ) get taken over from private capital. Under what circumstances do they remain private. See national airways in the contemporary period, and their tendency to be nationalised. ~~in the xuduxsvx~~
- ii) the production of money, and credit. (Bank of England not nationalised until 1946)
- iii) industries. those to which the law of value not appropriate. either war industries, where strategically imp. to have centralised control; or agriculture and strategic imp. or industries which can only survive as national producers ~~with~~ if they are taken out of the full force of international competition. (notice the way in Italy in the 19th century, some industries were built up by the state, denationalised, and then renationalised again when crisis threatened their utter devaluation.) In all these cases we have the 'national' economy, the frame of organisation to which the state always tends, as the dominant motive. Certain necessary requirements for a 'national' economy to function and to develop as a potential base, a fortress (Otto Bauer) which can be insulated against rival national frameworks.

Against this, many state industries now in udc's whose motor force is the same, 'a national economy', but with no serious ~~material~~ material base. In fact the result is a 'fictitious' national economy, which bears a greater resemblance to neo-Fordism. For with ~~many~~ independent states, ~~many~~ international capital can now decentralise part of the operations in a branch (say the assembly of a car, or the ~~the~~ production of a service like an airlines) and cede its control to the state as a way of instituting a monopoly, and realising value through sale of the parts, the machinery or the know-how. (Note how ITT has divested from the running of telephone exchanges, and now sells the exchanges themselves. Or how Hilton Hotels do not own the hotels ~~that~~ that bear their name in udc's, but work on management contracts) In these cases the power of the state by its economic size (which is even substantial in quite small and underdeveloped countries because of its direct power of levying surplus value in the form of tax) is used in the value/private capital circuit in order to secure a particular capital's monopoly, or to realise value. Here the state strays outside the social circuit (i.e. the production of use values financed by general levies) and with its power is re-inserted back into the circuits of capital in a partial manner.

n.b. the state is thus not just a producer of use values for the reproduction of capitalist accumulation. In acting as a producer it is also a purchaser of use values from the capitalist sector, ~~and~~ Because of latitude that exists in the social circuit for the allocation of finance raised by the state, & because of the lack of immediate discipline save the custom of incorruptability and ~~the~~ and the tradition of neutrality between capitals, it is possible for particular capital's born down on by value and notably born down on by the problems of realisation, to use the state to realise their values (cf the arms industry,

Mary's whole thesis of the cycle of arms expenditure; those firms whose sell excess products through aid - international credit; and internationally the machinery salesmen, and the great corruption scandals.) Corruption is the symbol of ~~the~~ social economy insulated from the law of value.

- iv) social services. Stephen's suggestion that the welfare state arises in the UK because too dangerous to allow these use values to be provided by 4 million friendly societies developed by the working class. (what about capital and social insurance - what is the history here: insurance companies, building societies and so on.)
- v) key items in the circulation of information and ideology. see notion of dominant ~~the~~ communications technology. In illiterate societies, folk singers a dominant form - cf banning of Theodorakis, or nursery rhymes. Then the press in the 19th century, now TV. Much greater restriction on working class expression on TV than in print. ~~And the~~ cf. question of independent networks. Or the growth of communications cables. Upto now in private hands, but ~~now~~ now brought under state control in US. Prevent direct contact (decentralised) without control of state.

See the Italian counter hegemonic culture - the fight for working class autonomy in the production of many use values. Break this state control, this 'licensing' of these items of social production. A constant contestation here: self-help but on capital's terms, or not. Neo-Fordism, or the building of an autonomous working class presence, capable of delivering itself into the world, educating itself, feeding itself, and burying itself (cf the Austrian Communist Party in the early decades of this ~~century~~ century).

General point of this part: the determination of which use values are produced by the state and which by other forms of social organisation, will depend on the political struggle, on the implications of production of these values for working class organisation under different organisational forms, quite apart from the economic forces making for state production which we discussed earlier.

31. ~~the~~ Contradictions/<sup>contrasts</sup> of the social circuit in relation to the circuit of private capital:

- a) non-expansionary (C-M-C) rather than expansionary (M-C-M')
- b) state circuit has no particular realisation problem: rather forced sale, i.e. forced levy of general revenue: hence inapplicability of the mechanism for the devaluation of particular capitals. A central 'unfreedom' in an exchange economy. Capitals selling to state effectively have chance of solving their realisation problem through the state's power of ~~the~~ forced sale.
- c) national/international.

32. <sup>cf) military power / economic power</sup> We have concentrated on the relation of the labour process as a determinant of the form of production of use values in a capitalist economy; whether by capital, by the state, by the

family etc. We have not discussed the further point which is the determination of use values that the state is required to produce, and in particular which use values develop as necessities for the process of expanded reproduction. To what extent are these 'new' use values connected to the character of the labour process.

First our argument about the socialisation of labour in the process of private capitalist production involved a thesis about the inadequacy of value as the mechanism of the commensuration of labour. At times this leads to state production, at others to state co-ordination of capitals. The use values of planning, of demand management, or direct restructuring ~~and the~~ ~~state~~ ~~takeover~~ ~~and~~ ~~the~~ ~~state~~ ~~takeover~~ ~~and~~ ~~the~~ ~~state~~ ~~takeover~~ though not usually devaluation of capital, come in here.

Second, does the increased interdependence of labour processes, and the vulnerability of the social process to the attack of labour in particular sectors, call for greater use value production in the sphere of ideology and political control.

Third, does this interdependence call for greater intervention by the state directly in the labour process? What about the Leyland takeover, as a means of restructuring and deskilling labour.

This part of the argument to be expanded.

33. The general approach of the production of control, and its relation to forms of politics provides a direct entree to theses on social democracy and Fabianism. Social democracy's one problem is the national/international disjunction, for which their ideological project can offer ~~nothing~~ no resolution.

What of Facism in this respect: ~~the~~ ~~national~~ ~~framework~~ ~~extended~~ ~~not~~ ~~through~~ ~~private~~ ~~capital~~ ~~but~~ ~~state~~ ~~boundaries~~. the national framework extended not through private capital but state boundaries.

34. Finally, we ~~should~~ ~~address~~ ~~ourselves~~ ~~to~~ <sup>face</sup> the question of what are the ~~the~~ ~~tendencies~~ ~~governing~~ ~~the~~ ~~labour~~ ~~process~~ ~~and~~ ~~the~~ ~~allocation~~ ~~of~~ ~~social~~ ~~labour~~ ~~within~~ ~~the~~ ~~state~~ ~~sector~~ ~~which~~ ~~originate~~ ~~from~~ ~~within~~ ~~the~~ ~~state~~ ~~sector~~ ~~itself~~. We have argued that the state sector by its very being raises the question of control. ~~Can~~ We establish the 'relative autonomy' of the state on the material basis of the conditions of production of particular use values. ~~Some~~ Some argue that the social economy of the state sector will be governed by:

- a) value. (even in a general form). Agreed but this still is an inadequate means of social discipline.
- b) capitalists (brothers in the civil service - Miliband/ source of states revenue. control of Parliament ~~key~~ dominant moment in the general expanded circuit of social reproduction)
- c) capital plus other ~~the~~ interests represented through the liberal state, though contained within general conditions for expanded reproduction of capitalist relations.

But there is the further <sup>possibility</sup> ~~question~~ ~~about~~ ~~whether~~ there is an

autonomous tendency from within the state sector itself. Our question is: what is the material basis of this autonomy. Does it come from the labour process in the state sector - e.g. the labour process in the army, and if so what determines that labour process. Where the state sector accounts for the bulk of the social economy, what leeway is there for reorganising labour processes in the state. These questions assume importance when considering the potentialities and limits of the situations in ~~say~~ Portugal or Ethiopia, where the law of value, and even the influence of capital, has only ~~the~~ a limited purchase on a ~~particular~~ moments when politics is clearly in command. Our task is to provide a material basis for that politics, for the character of the contending forces, one of which is the state. (problem of Fascism again raised here).

### 35. References:

A.H.M.Jones Athenian Democracy. (see also St Croix).  
 B.E.V.Sabine. A History of the Income Tax. London 1966.  
 F.Shehab. Progressive Taxation. Oxford 1953.

On Money there is a book by a German lawyer called <sup>G.F.</sup>Knapp, published in c. 1903, and translated in 1926 on Keynes' initiative. It is called I think, the State theory of money, and is an exhaustive treatment of money from a historical point of view aiming to show that it is entirely a product of state power. The precise reference is in K footnote to Keynes' Treatise on Money, and there is a note in Schumpeter's Economic Analysis pp.1090-1. Knapp was a member of the historical school.

Next week: We agreed to meet at Mary Kaldor's home, [REDACTED] at 8.00.

We were due to discuss Mike Cooley's material on Lucas. We have found one article, a copy is enclosed, but Mary was not sure how adequate it was for a full discussion.

In addition, and as a task for the evening, could I suggest that we all look back over the notes on the the three meetings we have had on Accumulation (Accumulation, Imperialism, the State) and consider the shape of this whole section of the Book, (on present plans it is section II, after the Labour Process and its Development). There are a number of points which have already been raised and which need further discussion, plus some others that we ought ~~to~~ perhaps to address ourself to ~~in~~ in this section, notably:

Productive/Unproductive Labour (touched on briefly during the state discussion)

The Social Factory (Domestic Labour, ~~the~~ Schools, etc)  
 Crisis (more explicitly than we have yet done)

If we could take ourselves this step forward it would greatly help the next stage of research and write up of this Section II.



████████████████████

TO BE RETURNED.

Comments on "minutes of a meeting" on the state in Brighton

1. You start by saying you are not going to develop a theory of the state and then proceed to do just that. Fair enough; but where is the labour process? Do vague thoughts on the character of particular use values produced by the state at a certain historical stage and in certain geographical places constitute your labour process approach? The general method is great, as set out in para.28, but you don't see to me to have spelt out the implications for the narrower labour process approach of e.g. para. 18. These seem to me to be:

2. The state and decomposition. The state as actually stepping in in certain cases in order to set capital free, to allow it to be footloose, when decomposition and restructuring are really (law of value) necessary, but the private capital can't because of long turnover period of fixed capital, non-exportability of good, etc.. National states therefore protect labour at an international level from decomposition, while at the same time freeing finance capital for reinvestment, starting anew elsewhere. (This despite the huge redundancies carried out by state as employer)

To have reached the limits of socialisation at a national level can actually be disastrous for private capitalist, because of a) material discontinuity between national and export markets, e.g. non-exportability of gas-cooled reactors, and b) difficulty of decomposing labour-force when ultimate recourse of mobility is not open to you. Is this threat perhaps the main one behind allowing all the other forms of decomposition to work? I am thinking of GEC Trafford Park where decomposition is notable by its absence. This is the explanation of Weinstock's financial control. The nature of the workforce is such that he simply cannot get near the shop floor with a stop watch (All he could do was to command each department to chop its workforce by 5%. When our labour process expert remarked the other week that that was only a preliminary to any real scientific chopping of jobs, our shop steward laughed as he eventually got the point, "Oh you mean them value analysts. They've never got one inside the door yet. Those old shop stewards may be reactionary when it comes to politics, but when it comes to work, they say 'That's the way we've always done it, and that's the way we're going to go on doing it'") Weinstock's control is financial because he can't get any other grip on his workforce. No wonder the shop stewards' reading of the present situation is that he wants to close down Trafford Park completely (12,000 jobs), get out of the English turbo-generator market completely, while slowly letting Parsons in Newcastle close down, and into the middle east turnkey projects market, using Westinghouse patents where nuclear reactors are the key element in the turnkey. This paranoia (and one gets the impression that one cannot be too paranoid about Weinstock) goes hand in hand with the demand for nationalisation. Weinstock only opposes nationalisation in order to presumably to realise some of the capital he's got tied up, and to keep his foot in the export markets

3.. The whole tone of the paper, as well as your first introductory lecture to me on the labour process last summer, seems to me to be leading to the abolition of the distinction between production and reproduction, and yet you keep bringing it in. The structuralists developed the distinction, because they can then pose the problem of transition in terms of the failure of reproduction, bringing in the class struggle from somewhere in between the two but not firmly located in either. Now the whole point of the ELP approach is to put the class struggle back into production (isn't it?) to show production as itself embodying all the contradictions. The perniciousness of the productive/unproductive labour debate as developed in the illustrious pages of CSE was to allow people to do things like calling women's work 'reproduction', so that the way is open to the absurd Althusserian teaching that the subordination of women is a problem of ideology.

~~4. The state as a social relation, not a social force. The state as a social relation, not a social force. The state as a social relation, not a social force.~~

5. In relation to the bit on road-building in the Grundrisse, which, to my reading, poses the problem the other way round, not as what the state has to be to take over capitalist production of certain use-values, nor what the use-values have to be for the state to take them over, but what capital has to be in order to take over the production of certain use-values that could otherwise only be produced by the state, would it be useful to analyse the internationally dominant capitals (states) since the inception of the world market? The rise of state intervention as related to the eclipse of certain

national capitals internationally. The national persistence of certain production then could be seen as the failure of capital to find the adequate form of socialisation of that production, i.e. at an international level., rather than seeing state intervention as filling national gaps the whole time (which is Altvater's approach, although he never mentions the national-state or really tackles the international problem. I think you will have to define your approach in relation to Altvater's since it is superficially quite similar. We should analyse the large areas of private production in the USA not as a weakness of the state, but as the general, social strength of capital. But note that even where production is private, consumption has to be state-enforced, as in schooling in certain times and places

6.. Your development of the C-M-C of state levying of taxes and enforced consumption is very reminiscent of the way I am trying to analyse the Incas, without the M of course, but where the state's intervention in production is to divide the labour of society. The function of military expansion is to divide the labour further alike, hence all the colonisation, and shifting around of captive populations, creation of interdependences by controlling M-C-C, the flow of key use-values. This makes the Inca state into the socialiser of the labour process (irrigation.), and by controlling means of subsistence to some degree, also controller of labour-power and hence accumulator.

Where Spanish commodity production penetrated, it started to socialise production along completely different axes, so knocking the bottom out of the domination of the old ruling classes. But the colonial state is also forced to take over part of the old Inca functions - a mysterious system of 'repartimientos' develops about which little is known. It is usually described as forced hand-outs of goods to the local population by Spanish administrator-landlords. But obviously it was not the hand-outs were forced but what was extracted in return, which seems to have been sometimes other produce, and sometimes labour-services, though very little is known. Only much later does living labour becomes so valuable in relation to dead that the Peruvian mountain people can supply a good many of their needs from Capitalism (if they work for it, living labour being the one valuable thing that capital cannot do away with).

The Agrarian Reform is an attempt (in the mountains) to implant capitalist production instead of the old feudal production. But the state either produces unprofitably (paying out wages where the old landlord paid nothing!) or there is a reversion to primitive communism.

So what has happened to capitalism. The growth of free capitalist exchange as undermining, among other things, pre-capitalist state production and power. Capitalist production growing up in opposition to the old states. The state has just become an anomaly within free capitalist production and consumption. But it seems to lead to an ahistorical theory of states - the state as simple abstraction or something. This is because the other half of the thing has not been analysed. - the relation of force to the production process. You can't just see force as one more bit of social production, when it does something completely different in Inca production than what it does under capitalism. Capitalist production wipes out the basis for the intervention of the State and force in production under the asiatic, in the control of land under the feudal modes of production. Force is no longer necessary in order to separate the individual from the means of production or subsistence, but must still be concentrated on the prevention of the collective reappropriation with the means of production; I would not say that there is a separation of the economic and the political, or between violence and freedom under capitalism, rather that the violence shifts its focus. All exploitative economies must intervene somewhere between the workers and the means of subsistence, but they do it in different ways, and one may overtake another by providing free access to those prohibited, controlled means of subsistence. Capitalism thus undermines the feudal landlord's control of the land, because control of land becomes irrelevant when you can earn your keep by wage-labour. The land is no longer an important intermediary between labour and product. Capitalism undermines the asiatic by making the formerly interdependent regions independent of each other. By supplying the complementary needs to each side more cheaply, it destroys the hold that the class that promoted and created this interdependence had over labour-power in both areas. There is no longer a flow of use-values to be controlled, since they are not flowing between regions, but from each region flowing out to capitalism and back again. The asiatic control of use-values is completely different from the feudal. The feudal lord is trying to keep his grip on things, when really his original control over land is becoming less and less relevant. The market happens behind his back, and the problem

becomes for him to control it, rather than letting the serfs get direct access to it. Two ways of doing this - to push down landholdings so that serfs cannot gain advantages from trade and specialisation - this is the second serfdom and requires high degree of military control, i.e. a strong state, the other way is by creating monopolies e.g. over mills, though this is bit like the asiatic in that it stifles not just peasant mills but peasants' hand-<sup>querns</sup>. The first is the real feudal way, because it manages to keep control over labour via the land, but this requires more and more military control in order to appropriate all the land that would enable a peasant to keep above subsistence level as the new social level of productivity spreads, ~~the amount of land~~ and this will grow as more and more peasants leave the land for the towns, with this social division of labour, and with wage-labour becoming an increasingly viable option. In England in the 13th century the whole thing happened too fast for the lords to be able to control it. This was because of the creation of social relative surplus value or the social reduction of necessary labour-time on a vast scale with the emergence of manufacture in the towns; this swing into huge rsv production was not possible in the second serfdom, because entry into manufacture had to be in competition with already much more advanced manufacture, hence at higher levels of organic composition where the more advanced capitals would appropriate the surplus value being produced in Poland via the equalisation mechanisms. So Poland never gets the full advantage of its first social savings of necessary labour-time.

Presumably what brought the second serfdom to an end, was the rise of competing centres of grain production, forcing the lords to modernise or go under, increasing the exploitation of the serf-labour no longer being feasible to the required degree. But it is not a direct attack on their power by another power that undermines them. The problem as I am posing it is: given that capitalist production undermines pre-capitalist state power, by completely shifting the locus of force in production, by rendering it irrelevant, how does one grow out of the other, given that there are armies and things under capitalism as well, and that they too are necessary for the maintenance of the production process, though in a different way. The state now must relate to the collective worker not to individual ones, since capitalist circulation looks after them. The state must absorb all collective organisation (politics), and where it cannot be absorbed, counterpose it with brute force. Capitalism being based on individual freedom cannot give collective freedom, ~~the production of force~~ Can one really just say that law and order, the production of force under capitalism, are just another use-value which because of its nature cannot be produced and allocated via the market, when this force is still necessary in some way, albeit indirectly, in the production process, i.e. none of the whole of the rest of the social production process could exist without it. Are you saying that control is just another material input into the capitalist labour process? in the same way that coal is, for instance? True, capitalism would grind to a halt without coal, but it would not cease to be capitalism. Capitalist control - the prevention of the reappropriation of the means of production collectively - the one thing that cannot be accomplished freely - is basic to the mode of production in the widest sense. So everyone is forced to 'consume' capitalist control, because there is no market way they would buy it. Don't the private armies of the plantations operate exactly the same C-M-C mechanism. Is the taxing, then forced non-market allocation of good enough to make it state. No reason why private capitalists shouldn't do this too except that they aren't social enough to deliver the goods. ~~(out of necessary labour directly)~~ Why couldn't capitalism run the army on an insurance premium basis? It is a bit like that anyway, in that it relies on not being called out everywhere at once. Because society is more than capitalist production (yes, still) and no one capital could be social enough to police society for profit, although if robin is right, it is theoretically part of the social division of labour, hence necessary labour socially, so why not profitable?

7. So why not profitable? This leads us straight into the nationalised industries. If rates of profit are always equalised via the equalisation mechanism, how do we know which firms will go bankrupt in the crisis? Equalisation between sectors but not within. But how does capital know which areas to let go to the state? Here it is the problem of how whole sectors are shown up to be not producing enough surplus value to warrant them receiving the average rate of profit. Too often crisis has just been analysed as how the backward firms drop out of the race, i.e. the firms that are backward within a sector because their costs are too high relative to those of their competitors in the same product field. But the contradiction between use value and exchange value is only clear when

*Barbara Brindley  
March 1977.*

Question about the discussion of the state

Robin - this is not so much a proposal for discussion at the meeting (I will not be there, and I am not sure of its relevance) but a question to clarify a point which is bothering me.

Specificity to Capitalism - in the discussions, the point seems to have been passed over rather rapidly by flat statements that the operation of bureaucracies under capitalism is quite specific to capitalism - which I do not dispute in itself, but which seems inadequate. I asked a question about the point of comparison with other modes of production. The answer came that we were considering capitalist bureaucracy in comparison with some notional classless society and with some notional non-hierarchical bureaucracy. Disregarding the question of whether "non-hierarchical bureaucracy" is a contradiction in terms, this did not seem to me to answer the question. After all, the point about the specificity of capitalist bureaucracies was directed against Weber and Michels who do consider bureaucratic hierarchies.

At some point, it seems to me, one has to consider the question of bureaucratic hierarchies in Eastern Europe and the USSR. The question can be avoided by labelling them "state capitalist" in which case, any similarities with capitalism are easily explained. But this does not seem to me very useful or correct. Whatever does form the motor of their development and guide the allocation of resources etc, it does not seem to me to be the law of value.

On the other hand, we have descriptions of bureaucratic labour-processes and pressures upon them, which bear a more than passing resemblance to those of capitalist bureaucracies. I do not say they are identical. I would tend to conclude from this, over-simplistically perhaps, that there are aspects of formal bureaucratic structures which from their form have a tendency to generate particular labour-processes, ideologies etc, but that this will always be subordinated to the dominant mode of production.

This suggests to me another analogy with the notion of articulation. I would accept the criticisms of those (Banaji, etc) who reject this concept on the basis that rather than the articulation of modes one gets the subordination of non-capitalist labour-processes under the capitalist mode. I am not sure whether labour-process is the only type of sub-set which can be so subordinated. It seems to me possible that one could in a somewhat similar way see bureaucratic hierarchies as examples of such "subsets" which are partially determined by their own structures and dynamics, but over-determined by their articulation within a dominant mode of production.

I am not sure where, if anywhere, this gets one. It would appear to introduce some notion of structural autonomy, but not, I think, in the general sense. It does not, for example, imply that structures of this, or any other, sort exist in the abstract sui generis (which seems to me to be the starting point for a Weberian analysis, and one of the main objections to it). On the other hand, it does reject a functionalist approach in which the operation of (say) the state bureaucracy is fully determined by the current demands of the law of value. Rather it implies a historical approach which takes into account the contradictory processes in history. I.e particular labour-processes, social relations, social categories develop primarily in response to the demands of the laws of motion of the dominant mode of production and in doing so promote the interests of the dominant classes. In this process, the classes and social categories "generated" by the laws of motion develop as structures and are able to organize to the extent of being able to exert some control over their own labour-process, and in more general terms to be able to push their own interests.

Whether one calls this running counter to the law of value, or simply a reflection of the law of value obviously depends upon the way in which one defines the law of value. It runs counter to the law of value conceived of as strict valorization, profit maximization. On the other hand, the law of value as commodity fetishism clearly does overdetermine the whole process.

This may be unclear because I have failed to specify that I am back to state bureaucracy (or one of a number of state bureaucracies) as a structure and/or social category whose operation is to some extent determined by tendencies generated by its formal structure but overdetermined by capitalism. At one level then the "inefficiencies" of various bureaucratic processes seem to act counter to the law of value, in that they lower the rate of profit (or perhaps more correctly simply fail to perform their allotted function for capital effectively). On the other hand, such inefficiencies reflect class or sectional interests and these interests and the formal evaluation of the functioning of the bureaucracy are measured in terms determined by capitalism and commodity fetishism.

Here I grind to a halt, and perhaps just as well in view of the mix-up of terminology. My reason for putting this down is mainly that by taking the tangle out of my mind and putting it on paper, it may be possible to unpick the strands.

Phil

March 77.

Brighton Labour Process Group.

The State (continued).

Notes from meeting on <sup>21st</sup> 14th April 1977.

1. Distinguish analyses of the state concerned with use values produced and the relation of these use values to private capital accumulation, and analyses concerned with the process of production of those use values, and the implication of those labour processes for the market as social nexus.

The former asks: what functions are required by private capital to reproduce ~~the~~ capitalist social relations - those functions which cannot be performed by private capital ~~and~~ are then assigned to the state. The starting point is private capital and its needs. The state is introduced to serve these needs. The tendency of this approach is towards functionalism.

The latter asks: given a set of use values required for social reproduction (consumer goods, capital goods, labour force, etc), for which labour processes is the market inadequate as a means for commensurating human labour, for which is direct production by private capital problematic. The starting point is neither use values ('needs') or private capital, but the market as social nexus and its relation to the labour process.

2. We may ask of each approach, whether any specific contradiction is introduced by the presence of the state in capitalist society. Functionalist analyses will tend to reduce or displace this contradiction. Thus:

a) those theories which see the state in simple functionalist terms as providing the ideological conditions for reproduction, the means of reproducing labour power, the means of force, or law, etc. Either these are preconditions for capitalist relations (private property, circulation of goods and money) or they are responses to contradiction. Far from the state itself being in contradiction to capital as a social relation, the state acts as a mollifier of contradiction. *M. Liband. Neo-Karlism.*

The one contradiction which can be introduced in this interpretation is a geographical one, a contradiction between the range over which capital requires states to provide these use values ('perform these functions'), and the range of existing nation states.

b) exchange value theories of the contradiction between the state and private capital. These theories rest on the distinction between productive and unproductive labour. The state is forced to expand its sphere of action (e.g. to maintain consumption/employment/ ) but in doing so takes an ever greater proportion of the economy into the sphere of unproductive labour, i.e. labour which constitutes a drain on capital. Expanding to counteract the effects of crisis/the falling rate of profit in the private sector, the state only ~~serves~~ serves to worsen that crisis by producing with deductions from the ~~private~~ pool of funds for private capital accumulation. The basic contradiction is located in ~~the~~ capital (private); these are displaced to the state sector, but this displacement only makes the basic contradiction worse.

c) capitalist social relations - Holloway and Picciotto. Basic contradiction is that in capitalist social relations, which is expressed economically (in the 'form' of the falling rate of profit) and politically (in the 'form' of the extension of state action). The only hint as to what constitutes this basic contradiction is that capital has a tendency to extrude labour, i.e. extrude the basis of its own reproduction in the period of accumulation through relative surplus value. EP assert but do not show how this contradiction is manifested in the rising and falling rate of profit (see pp.23-4 of their paper). On the basis of this assertion they then pursue their argument that the state comes in to mobilise countertendencies (p.24); that the state (at times equated with the political) is a location in which the crisis of social relations manifests itself. The economic and the political are "separate forms of the single class struggle, a single struggle informed and bounded by the exigencies of capital accumulation." (p.25) They want to get away from those theories which see the state as some how an autonomous sphere, within which is determined whether or not there will be a political response (resulting from class struggle) to the economic crisis. But in their analytical practise, the analysis of the state comes down to an analysis of the expansion of state action in response to a) class struggle; b) the need to restructure; c) the mobilisation of the countertendencies. (These are not exclusive categories it should be noted). It is an analysis still couched at the level of functions - use values required - which are then assigned (at times with a touch of idealism) to the state. (see e.g. pp.15,17, 19-22,30)

The contradictions that arise from this are:

- a) the increase in unproductive expenditures and drain of capital for accumulation (see previous exchange value theories of the state). p.13.
- b) the necessary arbitrariness of the state vis a vis private capital (p.33)
- c) the bluntness of the state in restructuring because of its exoteric relation to private capital accumulation. (p.34)
- d) the growing particularity of the state in contrast to the generality of the state in the early period of capitalism, makes ~~clear~~ the political character of the economic more apparent. (pp.35-6).

Main dispute with the run of this argument is that no material basis is given for the rise in the state as an organisational form. EP talk of the 'necessity' of force being abstracted from the immediate process of exploitation, without discussing the material reasons for this, or the location of force in the state. What is the material basis of the 'necessary' distinction between the economic and the political in capitalism. Having failed to answer this, they fall into the false equation of the state and the political, and the private ~~and~~ economy and ~~the~~ economic, (albeit both form of the basic capitalist social relation) (see e.g. p. 30). They aim to reunite economics and politics, but do so on the basis of the very vague notion of the reproduction of capitalist social relations (p.5) a basis which can quickly lead to functionalism.



## 3.

d) theories which give the state a degree of autonomy, and where contradictions are located less between the state as a sphere, and the sphere of private capital, but within the state sphere itself (class struggle in particular. )

3. Our approach locates the contradictions <sup>di</sup> in terms of use Value/exchange value relations. Specifically:

a) socialisation of labour/the market. State production is one form taken by this contradiction, and the fact it takes this form then raises the issue of the commensuration of state labour, it poses the state circulation of commodities (C-M-C), it poses the question of control.

b) use value/exchange value of labour power; we locate the unity of politics and economics in the labour process itself, and trace the contradiction between the two. We posit capital as contradictory to labour in the labour process. Given that all use values produced by the state (whether in the form of alienable commodities ~~is~~ or services ) are produced by human labour, by labour processes, we then ask about the character of the contradiction in these labour processes when ~~the~~ valorisation is not unequivocally in command. It should be noted, too, that we treat 'politics' and 'ideology' as both the subjects of labour processes. They are produced, and we may enquire therefore about the nature of these labour processes ('the deskilling of politics'), the deskilling of thought) and their relation to the market.

It is not that we disagree with the project set up by John Holloway and Sol Picciotto - how to reunite the economic and the political, how to outline a materialist theory of the state, how to answer Pashukanis's question as to why ~~the~~ the mechanism of state constraint is not "created as the private mechanism of the dominant class" "Why is it dissociated from the dominant class - taking the form of an impersonal mechanism of public authority isolated from society" , and finally how to analyse the state as a form. Where we ~~diverge~~ diverge is the method of constituting such a materialist theory. For ourselves we start with the labour process and the regulation of labour processes, rather than shortcircuiting this subject by merely dwelling on certain use values which have tended to be correlated with states (force, money, law, economic codes). In doing so we treat the state not merely as a form ~~resulting~~ resulting from a contradiction in the general reproduction of social relations, but as a terrain of contradiction in itself, as a terrain of class struggle, as itself the subject of the struggle between labour and capital not just as to what use values are produced, but the very production of them. In this sense we argue that there is a relative autonomy of the state - against Holloway and Picciotto's denial. But it is not an idealist autonomy, but a material one; ~~the~~ a relative autonomy of production from the law of value, an autonomy not confined to the state sector of social production, but taking a particular form ~~in~~ in it.

4.

4. One of the theoretical challenges thrown up by this approach is to consider what dynamics exist within the production processes of the state (or large 'socialised' firms) which contradict the dynamics dictated by the law of value. If we suggest that the law of value as a discipline, as a means of commensurating social labour, is displaced in its effect, it mediated, is insulated, then what contrary dynamics are allowed to flower. The point is most evident after a revolution (say in an underdeveloped country) when a state administration comes to run an economy often in explicit contradiction to the dictates of the law of value. But are there laws governing the allocation of social labour in such circumstances (or in more ambiguous circumstances such as state expenditure in advanced capitalist countries) which cannot be derived from simple statements such as '~~xxx~~ planning for needs', 'direct allocation of social labour' etc. Mary suggests that the laws of the capitalist labour process are also transposed to these 'public' labour processes ~~whixhxbkxxx~~ where valorisation is not in command - armies, bureaucracies etc. (Hierarchy, division of head and hand, deskilling etc). Clearly there are correlations, and theorisations (Weber notably who posits tendencies as eternal laws does he not - eternal that is for a given level of development of productive forces). But how ~~doxx~~ these correlations come about. Ideologically, technologically, as a means of controlling the state by capital when valorisation is not in command, etc. We tend to the latter explanation.

5. A further point distinguishing our approach from 'functionalist ones concerns the notion of reproduction. Barbara pointed out the functionalist connotations of the notion of reproduction when used in discussions about the state. Our approach does not ignore reproduction(accumulation), but its starting point is production, or valorisation. We do not privilege some sectors of production from the start as being concerned with reproduction. Much of the output (the majority of the output) of the private capitalist sector is necessary for reproduction, in the same way as children, the law, money and so on are necessary for reproduction. But we start from production in order to ~~examine~~ examine the question of valorisation and the labour process. Having once established our points at this stage of the argument, we can then go on to consider what significance the production of some use values by the state has for expanded reproduction. (see Barbara's memo on the state, point 3 p.1. on this). Rather than production/reproduction as the relevant dual for discussing state and private capital, should we not continue from the line of argument ~~fbnbxbkx~~ in the paper up until now. Law of value, ~~xxxxxx~~ relative surplus value, capitalist labour process, increasing organic compositionx of capital, ~~increasedvsukinx~~ developments of systemofacture, (socialisation of labour), consequences within capitals, and division of labour, and then consequences between capitals, (requirements of conscious organisation of relations between firms to ensure circulation, and the conditions for expanded reproduction - ~~xxxx~~ some of which carried out by the stat

6. We then considered the question of force. How should we analyse the separation of force from production, and its concentration in the state. Doubts had been raised in Manchester



6.

the penalties (threats of starvation as an 'economic' threat to those who don't offer themselves in the labour market), imprisonment and death for those persistent attackers of capital) and h) ideological ~~influences~~ influences in labour to respect the terms of capital. One of the points of ~~the~~ the labour process approach would be to investigate c), and the mechanisation of ~~compulsion~~ compulsion. We would investigate the way in which resistance to the system is displaced from ~~say~~ say the immediate <sup>individual</sup> process of production, to collective resistance (strikes, sit ins). The mechanisation of the production process, or more generally the social process, to which the enforcement applies, thus relocates the site of conflict between the oppressed and oppressors and effects the form of force and its required quantities as a result.

The point is also raised as to the specific character of force as such in feudal society. Was a feudal domain more evidently 'forceful' ~~more~~ patently based on force than capitalism. This is the implication in the notion of the separation of the economic and the political, but it is not at all clear, any more than it would be clear about a tribal society.

What seems certain is that the demand for force as penalty against labour challenging the system has increased with the development of capitalism, specifically ~~because~~ because of unemployment and the visitation of starvation on those who are unemployed not because they have not obeyed the dictates of capital, but because ~~they~~ capital has extruded them. cf. in underdeveloped countries now, or 19th century Europe. Might we even suggest that it is not merely the separation of force and production, but the increase of force ~~that~~ (in ~~contrast~~ contrast to these elements in the 'production of compulsion' that characterises capitalism.

b) the supply of force. The production of force subject to specialisation and division of labour just ~~as~~ like any other sphere of production. When we talk of the separation of force from production are we saying anything more than the separation of different branches of production. Note ~~the~~ debates on the setting up of the state police in 19th century England. Previously force supplied by army, ~~and~~ local constables (voluntary at one time but increasingly paid), plus private guards (e.g. ~~guards~~ guards on barges on the Thames). Pressure for ~~insubordination~~ 'standing' police, with co-ordination between counties to allow for better utilisation of force across counties. Two commissions on the matter (1819 and 1821 I think), then finally the centralisers won against an alliance of local Tories, radicals, and labour, in 1829. We have manufacture replacing artisan production of force, and now increasingly manufacture. Point here is that feudal landlords may have been as reluctant to have force evident, and concerned to minimise costs of force for internal control of serfs as are capitalists, but limited by the development of the forces of destruction.

Meeting this week, Thursday April 28th, at ~~██████████~~, 8.00.p.m. to discuss the state paper further (see original memo on state, plus the minutes of meeting on the state 17.2.77, plus Holloway and Picciotto).

Brighton Labour Process Group.

The State (recontinued)

Notes from meeting on April 28th.

1. The state as a form. Distinguish those ~~use values~~ use values (useful effects) produced by the state for structural reasons, and those which are contingent. Thus law, force, and the enforcement internally of the conditions for the law of value to operate ~~and~~ (particularly through control of money) could be taken as examples of ~~useful effects~~ 'useful effects' which capital could not produce for sale on the market because of the very nature of capital and commodity production. Labour power produced by the family was an example of a useful effect similarly incapable of being produced by capital because of the very nature of capital as a social relation. (Barbara had the previous week argued vigorously agst. this proposition). Electricity, roads, etc. were examples of use values produced by the state contingently.

Good deal of argument about the robustness of this distinction. Take law and force for example. Could we not start with commodity exchange, and consider the useful effects (conditions) necessary to reproduce such exchange. Clearly the suspension of direct force (stealing) is necessary to allow equal exchange. In pre-capitalist trade this was achieved by trading in 'no-man's land', commonly abandoning arms and advancing to trade. Sometimes this trade was carried out by special castes, foreigners, outside the main structure of the society, shielded by the force of the society whom they represented on the market. What about commodity trade at the dawn of capitalism? Would not traders going to markets effectively depute a 'private' capital to fulfill the functions of law and order. Just like any mart now, the auctioneer has a set of rules of the market: with credit, tokens, etc. allowing the rigidity of barter to be suspended, at least for the duration of the market. These rules were in this sense equivalent to laws. Indeed the towns, or fairs were often given ~~privileges~~ 'privileges' to run markets, that is literally 'private law'. And presumably there would be some force (even if no more than a set of strong-men to enforce those rules). For doing this the owner of the fair might take a percentage. Alternatively leading merchants could hire rule enforcers directly. The point of posing the question in this way is to highlight its material character; law and order are material processes, and we have to consider what organisational forms could ~~undertake~~ undertake these material processes. We want to get away from the idea of 'the necessity' of the state to effect law and order, where that necessity has not been established materially, but rather idealistically stated.

This question is a central theme in Pashukanis's essay 'The General Theory of Law and Marxism'. He argues that law, and the positing of man as legal subject, is simultaneous with commodity exchange. The latter implies the former. Law is inseparable from the very notion of the commodity. The social production bond appears simultaneously in two incoherent forms: the value of the commodity, and the capacity of man to be the subject of rights. "At the very same time, therefore, that the product of labour is taking on the quality of commodities and becoming bearer of value, man acquires the quality of juridic subject and becomes the bearer of a right." This establishes the 'necessity' of this useful effect (law) at the very start of commodity production. (This is structural). But

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some writers have gone from this necessity, directly to the necessity of the state (as structural) without the mediation of material conditions which lead to the organisational form of the ~~state~~ law being the state.

The question of laws and force in the towns is likely to be answered in different ways according to the area. In Italy and Flanders the towns had considerable autonomy, though in the former, as Merrington suggests, they were closely related to the feudal structure outside the towns. In France on the other hand the towns were strictly under the control of Counts and Kings. The Fairs of Champagne were controlled by the local Count, and it was he who provided the context of force for the rules of the Fair to be enforced. Louis XII actually dismantled a town (Lille) ~~xxxxxx~~ and disbanded its functions elsewhere, in order to reaffirm his control on trade and traders. So clearly we must pose the question of force in the context of the pre-capitalist area within which commodity production and then capitalism built up. But the identity of force with a feudal count does not remove the necessity of establishing the relation between force/law and the state materially.

2. One of the important points from Pashukanis is that we must not only treat the state as a form - an organisational form - but law as a form, a juridic form. He raises the question as to why rules of conduct should take the form of laws under capitalism: why the distinction between private and public law is characteristic of this form of law. He then looks at the antagonisms/ambiguities/contradictions of these forms, notably the fact that public law is merely private law mapped onto the ambiguous juridical subject of the state. He shows that whereas private law is confident, it poses the subjective element (law as autonomy rather than constraint) confidentially, public law is fraught with contradictions. "Subjective public rights ... come out as ~~xxxxxxxx~~ something ephemeral, and without genuine roots, and are constantly subject to doubt". "Juridic theory cannot identify 'the right of parliament', 'the right of executive authority' and so forth with the right of a creditor - for example - to receive payment of the debt, for the reason that this would be to put an isolated private interest where bourgeois ideology assumes the dominance of the state interest: general and impersonal."

3. Reverting to the organisational issue, we can trace the forms of force: what ~~xxxxxx~~ makes them specific to capitalism, how these forms change with the development of capitalism, and what determines their location in capital (factory guards/Securicor) in the state, in voluntary groups (village constabularies in 18th c.). We trace the different roles for overt force, the development of the distinction between army and police (is this specific to capitalism), and the developing labour process within these forms. (what for example is the significance for the form and function of force of the introduction of manufacture into force?)

4. How do we analyse the relation of force and consent, force and ideology, force and custom, the policeman on the beat and the policeman in the head. Perry Anderson suggests an analogy with gold and paper money. He analyses the relation between gold and paper, and then says:

"In the political system, a similar structural (non-additive, non-transitive) relationship between ideology and repression, consent and coercion prevails. The normal conditions of ideological



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8. The second question raised was whether there were some laws counter to ~~xxxxxxx~~ the law of value. When we talk of the discipline of the law of value, what is causing the need to be disciplined. We have talked of the law of labour: but are there other laws. Why is it for instance that bureaucracies tend to ~~be~~ expand, and then have to be scythed by the law of value? Does this tendency for expansion represent a counter-law. Or take the question of education: is there a tendency for those producing use values such as education and health to demand an expansion of these use values in preference to others. Is there something in that labour process, which then has to be countered by the law of value. Just as the law of labour demands that needs be satisfied, that useless toil be reduced, that work relationships be liberated, and thus has to be organised against and ruled against by value, so perhaps do these other laws. But if they so exist, what is their material basis. We earlier disputed any general tendency for hierarchy, Michels-ism, etc., and said we had to treat these organisational forms, as forms specific to capitalism. But in order to do so we have to see the material base for this, see whether capital effects these relationships, or whether the forces of production/ideology/~~xxx~~ concern to counteract the law of labour in the state/or any other ~~xxxxxxxxxxxx~~ factor could account for this.

9. In tackling this, in reposing it, one thing can immediately be said. The relation of 'authority' to labour is different in the state sector, or in the family, to the relation where valorisation is in command. Take education. Here we should make a distinction between the teacher/pupil relation, and the authority/teacher relation. Which ~~xx~~ is the parallel to the capital/labour relation. Certainly one cannot make a school child redundant, and more than one can make a prisoner redundant. One can in principle have freedom of hiring and firing of teachers, but in fact state employees have traditionally been very much more difficult to fire (linked to the point made in a previous discussion about the problem of restructuring in crisis of the state sector).

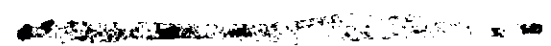
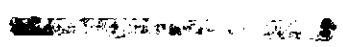
We have to trace the material basis for authority structures. This is very much the project being undertaken by Foucault. John pointed out the disjunction in universities between the power structure (hierarchy of committees/VC/senate etc) and the pay power structure (AUT). The concerns ~~of~~ about revenue distinguished from concerns about power and hierarchy.

Consider too the history of the exam as a means of commensurating human labour, or published papers for academics, and cf. the US system of assessing academic performance mentioned by Mike Cooley.

The question is not just one of insulation from the law of value, but the impossibility of having the law of value as the market for allocation of labour. In ICT therefore, we might observe a concentrated scientific attempt to impose the law of value directly in all pores of the organisation - in a manner exceeding the fantasies of bourgeois economists. But in some spheres it is impossible. Other criterion of efficiency have to be invoked. But on a tabula rasa?

10. Next meeting at Olivier le Brun's house, ~~xxxxxxxxxxxx~~, ~~xxxxxxxxxxxx~~, at 8.00p.m. on May 5th.





Brighton Labour Process Group.

The State (recontinued).

Minutes of meeting held at Olivier le Brun's house, 5th May 1977

1. We principally discussed the question of the authority/labour relation in the state where the use values produced were not produced as commodities, ~~and~~ where valorisation was not in command. The point was as follows. In the sphere where valorisation is in command, we constituted (in the first section of the original Brighton paper) the features of the capitalist labour process from the requirements of valorisation. Hierarchy, the division of head and hand, deskilling and fragmentation, all were derived from the fact of capital as self-expanding value. Capital is forced to treat labour as subjective (as different from machines) "but is also forced to confine its relationship to labour within very severe limits - limits defined by the wage contract in the sphere of exchange and by the objective of valorisation in the sphere of production." Capital buys labour<sup>power</sup> at its value, but then has to develop these characteristics of the capitalist labour process in order to extract the surplus value, in order to enforce the control of the labour process which will ensure the right product, in the correct quantity, and with the right quality is produced with the least expenditure of human labour. Now if spheres of the state also exhibit these tendencies (hierarchy, division of head and hand, deskilling and fragmentation) what is the explanation since valorisation is not in command. These spheres are not producing surplus value. The law of value is not surveying every move.

2. The importance of the point is that some bourgeois theorists would argue that it is not capitalism which is responsible for these features we observe in the capitalist labour process. It is rather a necessary feature of large organisations, based on rationality. They would expect to find similar features in transitional economies, such as the USSR. For them the similarity of the labour processes in the state and the private spheres is a confirmation of their general view, rather than a problem to be answered. Our original thesis about capital's labour process necessarily poses the similarities of the state sector as a problem to be answered.

3. At this stage we were concerned to elaborate a number of alternative answers for further consideration. First, there is a value view. Certainly ~~xxxxxxx~~ valorisation is not directly in command in the state spheres, but the capital-labour relation is still present in a mediated form. For the key point is that labour is hired for a wage. Since the production of use values by the state is funded by direct appropriations from capital, then there will be an interest in maximising control of the quantities and qualities of use values produced, in order to produce requirements at least cost. Why should such control involve the structures of labour process as we find in capitalist industry? Is there the same alienation from the product? Is there a similar tendency to soldier, to resist the compulsion of time economy, and so on? In some spheres we note the contrary: an identification with the product under the rubric of 'service to the public', 'advancement of knowledge', ~~xxxx~~ 'saving a life'. (The printer who gave up his job to become an ambulanceman so he could do something useful with his life). But such observations

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would explain rather why the two structures of authority in private and public industry would be different rather than why they would be the same. More generally, the value point does not answer the question by itself. From the point of view of capital, certain use values are required for expanded reproduction, and these are produced outside the value relation, with deductions from the value sphere. Clearly some control will be necessary, but why that control should take the form of capitalist industry, why there should be a tendency to machinofacture in public as in private industry, is not answered.

4. Approaching the question again through the wage we could say that speed-up in social services does not provide either more use values with a given quantum of labour time, or more free time for workers. Rather it implies lower deductions from capital, i.e. expansion of profit and accumulation. Here is one facet of the capital/labour contradiction.

5. Or approaching again through control, the type of use values to be produced, their quantities, character, etc. are such that they could only be produced through organisations mirroring the structures of the capitalist labour process. This argument implies a countertendency: that state production where the division of head and hand has not been fully effected, where there is less hierarchy, and where fragmentation and deskilling are at a preliminary stage, in such places we would expect to find laws running counter to the law of value, we might even expect the law of labour to operate, where production is ~~seen~~ judged against its contribution to needs rather than profit, where the saving of labour time is seen as part of the liberation of labour rather than its deeper enslavement. In spheres, moreover, where machinofacture had been difficult to introduce, we would - following this argument - expect to see a clash between the law of value represented by capital's nominees (school governors, head teachers, vice chancellors, heads of hospitals) and labour.

6. An example of this was given by Mary in relation to the army. She argued that the function of force in capitalism could not be fulfilled by a non-hierarchised army. For the army itself had to rely on labour, and this labour would not suppress other labour if the ~~part~~ structures of capitalist control which the labour of force was being called upon to uphold were not made to appear inevitable/rational/legitimate by being present in the armed forces themselves. Armed forces where labour was liberated from the structures of the capitalist labour process would not act against labour that was trying to liberate itself from the control of capital in industry. In the case of force, therefore, function not only dictated form as far as social commensuration was concerned (force could not be produced by private capital, but rather by the organisational form we call the state) it also dictated the internal form of organisation within the unit of production (the labour process of force).

7. Mary further suggested that form and function were often contradictory. Internal organisation had to be studied as a labour process involving dead as well as living labour. In each era there were crucial development in the 'forces of destruction', and each ~~force~~ new 'means of destruction' would involve a restructuring of the labour process within the general logic of authoritarian labour processes. In the first world war for instance the Spitfire and the tank made their first appearance, and the

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organisational ~~xxxxxxxx~~ structure required conflicted with the organisational structure of the previous dominant 'means of destruction'. We then get a development of technical composition. The lone bomber pilot increasingly becomes a deskilled member of a team (it now takes at least 100 people to get a modern fighter plane into action). The organisational structure develops accordingly. The same thing we noted in a previous week when Mary described the interrelation between naval commands and the development of the aircraft carrier. New technology is developed along lines dictated in part by the reproduction of the organisational structure. Principles of 'force' economy may operate within the limits of this way of doing things. Bombers will be faster, aircraft carriers both faster, capable of taking larger planes etc. But this general 'means of destruction' may no longer be the most effective way of effecting force. Guerilla wars require different techniques. So do submarines capable of firing rockets which reach their targets without the mediation of aircraft. On such occasions (as when the tank and spitfire first came in) there is a conflict between old and new ways of effecting the function of force. And this expresses itself not only in conflicts between ~~xxxxxxxx~~ branches of the armed services, or within those services, but as contradiction in the authority/labour relation itself. Thus in Brazil in the early sixties the Brazilian army built up with US technology and organisation, found itself required to fulfill the function of anti-guerilla force. This meant decentralisation of command structures, increasing autonomy of anti-guerilla groups. In this situations the sergeants rebelled, joined trade unions. The military coup in 1964 was then to be seen (at least in part) as an attempt by the top echelons of the army (and indirectly by capital to re-assert its control in the army. (Did they restructure the army so that the decentralisation and hierarchichal control were no longer in this type of contradiction). ~~xx~~ Again in Portugal this has happened with the effects of guerilla warfare in Africa on the Portugese command structure, or in Vietnam where the collapse of the US invasion must be seen in part in terms of the collapse of the US army itself on the horn of the contradiction between form and function, and the effect of this on the contradiction of authority and labour within the army. The important point to keep in mind in this interpretation is that ~~xxxxxxxx~~ emphasising the interrelation of form and function, it does not read off contradiction from the interrelation of one structure of hierarchy and a piece of equipment (in a technicist manner), but looks at the antagonisms that arise from the introduction of new types of equipment and their effects ~~xxxxx~~ on the authority/labour relation in the armed forces. The point is not that each piece of equipment carries with it some 'adequate' forms of social organisation, but that such a piece of equipment has been produced by capital to serve a purpose, that it is introduced to an organisation structured on similar lines to capital, and that contradictions arise in the ~~xxxxxx~~ authority/labour relation (and we could add in the capital/labour relation) as a result. ~~xxx~~

8. For armies war <sup>is</sup> ~~xxx~~ the law of value. The relation of war to revolutionary possibility must be traced through this inter-relation of means of production/relations of force as exemplified ~~ix~~ above.

9. Hierarchy/division of head and ~~xxx~~ ~~xxxx~~ hand/deskilling are present in the armed forces therefore because of the use values produced. Labour in the forces cannot be assumed to

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identify with the interests of capital in the use of this force. In armies it is not just a question of giving up labour time for capital but risking ones life. It is not just a question of making ~~xxxxxx~~ commodities for consumption, but threatening the lifes of others by destruction.

10. We should consider whether the same argument about the character of the use value produced and the structure of the labour process applies to other sectors. In the various spheres of education, can we deduce structure/form from function?

11. We have considered two arguments so far: one based on value, the second on the relation of function to form. A third we discussed introduced technology and the capitalist production of material equipment used in the state sector. Take health for example. David F. pointed out that there had been a large increase in ~~xxxxxx~~ <sup>technical</sup> composition in health. Many jobs had been mechanised. Health services re-organised according to principles of the economy of time. In some countries (e.g. Sweden) the general practioner had been replaced by specialised consultants, implying wider catchment areas. Childbirth had been reorganised out of the home into the hospital. The centralisation of health in institutions, and the increase in the division of socialised labour, could be seen to imply a move towards the type of social organisation which required hierarchy to co-ordinate it. In our discussions last year we were careful to resist ~~xxxx~~ technological theories of hierarchy. It was possible to dissociate a mass assembly line from the hierarchicahl organisations of a capitalist factory. The Chinese had demonstrated this. At the same time we acknowledged that ~~xxxx~~ equipment was non neutral. It was designed for specific structures of labour process - for instance to easy control through deskilling workers - and therefore the organisational tendencies ~~xxxx~~ so implied needed active resistance if that equipment was not ~~xxxx~~ subvert others forms of labour process organisation. We argued that technology was neither neutral nor did it determine the social orgabisation of production. We needed to look at the purposes, the context of control, for which the equipment/raw materials were developed, and then how successful (contradictory) the introduction of these new items of constant capital were in developing (in our case) an adequate capitalist labour process. It was this kind of inter-relation between technology and the labour process that Mary ~~xx~~ as arguing for the army, and which David indicated for health.

12. In health, there were many innovations, in the production of equipments and raw materials/<sup>since the 2nd world war</sup> which were clearly linked to contrd. They were produced in the main by capitalist firms, and introduced into analready hierarchichally orgabised health system. Drugs are a leading example. There is one view of drugs as socially neutral. In mental health, however, they could be clearly ~~xx~~ seen in their context of control. Drugs had replaced bars in mental hospitals. The same was true of tranquilisers more generally, and the growth of Roche products to be the largest drug company in the world on the strength of their ~~xxxx~~ control of librium and valium. ~~xx~~ The use of drugs and mental hospitals in the Soviet~~x~~ Union for political dissidents highlights and makes manifest the relation of drugs and social dissidents in capitalist society. ~~xxxxxx~~ Another example cited was the use of drugs in childbirth. Some hospitals now (The Radcliffe in Oxford, and another in South Wales) were noted for their use of

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drugs and induction techniques to fit childbirth into the day shift. One hospital was cited as having no shift system for midwives because all children were born in the day. It was not just a question of timed induction, but also of drugs to delay childbirth which had already started until the day shift was in operation. The effect of this control of childbirth to suit the shift system of midwives was to deskill the mother, as they were deskilled after birth as well. The whole field of drug use, side effects, symptom not cause, & curative/preventative ~~and~~ medicine can be analysed in terms of the relation between 'patient'/practitioner, and the role played by drug companies in providing ~~xxxx~~ materials to ~~xxxx~~ heighten the deskilling of the patient and control of the doctor. Is it yet possible to talk of manufacture in health. If not what would it mean? A form of health provision adequate for capital?

13. The above arguments however are not decisive in linking technology and control. These developments of drugs, means of reconstruction, and institutions are non-neutral. That is clear. But as we noted above, it is not the items in themselves which lead to hierarchy. We are not offering theses of technological determination. They are introduced into a system which already manifests these features of the capitalist labour process. They make this more 'adequate' as far as control is concerned. But they do not explain the tendency to so rigid a hierarchy in health. They can be taken as supplements to other arguments (as in the army, where the ~~xxxx~~ arguments above established hierarchy on the grounds of the character of use values) but not ~~xxxx~~ <sup>primary</sup> explanations in themselves.

14. This point was particularly striking in health, because of the very rigidity of the hierarchy, its unchallenged sway, the excessive division of head and hand, and fragmentation of tasks. David suggested a possible link between health and the military. Was not surgery developed markedly as the result of the first world war. Could we trace the links between drugs and war? and in particular the drugs of mental ~~control~~ health and control, (Shell shock) ~~and~~. There was also the question of chemical and biological warfare. How far is this linked into the secular use of drugs. ~~This~~ The general connection between ~~drugs~~ health and the military ~~would then~~ derive hierarchy in health provision ~~ix~~ from the causes of hierarchy in the military as analysed above.

15. Another set of possible explanations - and a fourth ~~xxxxxxx~~ explanation of hierarchy in the state sphere more generally - concerned the link between the state sector and the market. In health it was this link which had been vigorously and successfully preserved by the medical profession against Aye Devan in 1948, ~~xxxxxxx~~ which had been consolidated in the next 25 years and which was again ~~xxxx~~ <sup>being</sup> defended vigorously in the hospital sector now. The point is this. If doctors can have a part of their practise directly sold on the market rather than being paid for out of general revenue, and if this part is much more remunerative than the public provisions, then they will organise the structure of their labour process in the public sector round the access and dictates of the private market. Hence the relationship between junior doctors and consultants. The junior doctors are confined to the public sector. They perform most of the work in the public sector, ~~xxxxxxx~~ with long working hours and low pay. But their promise is succession to the post of consultant with free access to the private market and titular control in the public sector. Whereas junior doctors might get £3,500 p.a. consultants customarily earn ~~xxxx~~ more than 10 times that amount. Both senior and junior doctors then combine to:

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- a) restrict entry into medicine (low number of places in medical schools).
- b) prevent vertical accession from ranks outside medical schools (no movement from ~~nurses~~ nursing through to doctoring)
- c) deskill patients to increase dependence on the doctors: mystifying medicine.
- d) emphasise curative rather than preventative health, since their pay is based on curative activities.

Striking that even now doctors talk of joining a 'firm'.

16. The labour process we are discussing is not merely a simple artisanal one. Consultants now depend on ~~an~~ considerable labour and fixed equipment (let alone drugs). That labour is paid a wage: for the most part <sup>on</sup> the public account. We can assume away monopoly and say that the price of medical services is their value. The consultant is then able to appropriate surplus value. His control of labour involved in the process of production ~~is~~ could be interpreted as mystifying the medical use value in order to increase dependence of the patient (i.e. a monopoly interpretation). But equally ~~it~~ we see it as preventing appropriation of the surplus value by the labour that produced it: most crucially by a specialising of functions and a division of head and hand. The pay beds policy of Barbara Castle and the health unions is to prevent the use by consultants of equipment and labour paid for from the public purse. They would like to break the link between private and public practise. But while any connection between the market and the public service remains (through choice by doctors of which sector to join), then the same tendencies will reproduce themselves. In many countries of course there is a fully fledged private sector, where labour is paid wages by private medical capital. But an interesting contradiction between form and function has arisen ~~here~~ here. The fees charged ~~have~~ have had to include an increasing risk premium to guard against legal actions by patients against doctors. This has pushed ~~health~~ health insurance ~~premiums~~ premia up to such an extent, that a new form of decentralised preventative health groups have grown up in which the doctors are paid a fixed fee per annum and because of this have an interest in encouraging preventative rather than curative activity. ~~Titmus~~ Titmus in The Gift Relationship also analyses an instance where form - market sale - and function - blood donorship - are in contradiction, and where reciprocal relationships rather than market ones are clearly the adequate form for social production.

17. There are many spheres of state activity where there is no such link to the market. The administration of the bureaucracy for example, or the bulk of the educational system. In education it is striking that in the UK at least even private schools tend to be run by charitable trusts rather than for profit. The Beloff University, directly funded by the forces of capital, is nevertheless not profit making, and does not appear to have struck any rich seams of new organisational forms. The issue about the Beloff university and about public schools is rather about use values/class rather than about exchange values. This suggests two further explanations of hierarchy within the state. One is that the organisational form of education, the character of the labour process in schools, is part of the use values produced. The labour process is itself one of the use values produced. For a child to learn the disciplines of the authoritarian class, the rules of competition, the respect of authority, the internalisation of time and timing, all these are part of the outputs of a school.

The form is itself a function. Depending on the likely place in the process of capitalist production, the form will vary: from the rote learning of the age of machinofacture, to the neo-Fordist groups of the modern primary school, to the prefectural systems of grammar and public schools. This much is commonplace. But there is still the question of why this should affect the structure of ~~xxxxxxx~~ wage labour in the school. Are there different structures of wage labour (particularly among the teachers) which reflect different structures of relationship in the classroom. The modern Comprehensive school - representing a decisive step forward in the process of manufacture in education - is an interesting case for consideration, not ably those which preserve the grammar (and even public school streams as well as all the rankings down to remedial levels. How does this affect the organisation of wage labour in the school. Is it different from comprehensives without sixth~~ix~~ forms and grammar streams. Has as much work been done on the changing structures of organisation among teachers, as has been done on the teacher/pupil relation? Has France developed a more controlled syllabus and teaching method, des'tilling the teacher? The most extreme case I've come across in this country is a Catholic school in London, where reading books are specified by age, where teachers are disciplined for exceeding the progress mapped out, where the frequent tests of the children, ~~xxx~~ also tests for the teachers since the headmistress spot checks the tests, where gym and non-academic initiatives are vetoed by the headmistress, and where the headmistress acts as a ~~xxxxxxx~~ ~~xxxxxxx~~ foreperson over the teachers, checking noise levels, pupils response and so on. These relations are of course felt as autocratic since we are still in the age of manufacture in schools rather than machinofacture. The point of the hierarchy is here one of control of use value produced: the headmistress is concerned that a predominantly Irish working class population learn the three R's. But that still raises the question of why teachers by themselves would not impose a similar discipline. Is there a tendency for rank and file teachers to teach in a different way that~~has~~ to be disciplined. Or is it, as the headmistress might put it, a question of ensuring effort and quality rather than a different educational line. Are we back to the same point as we discussed in relation to the army? Namely that the production of hierarchichal educational use values can only be produced if the teachers are themselves organised hierarchichally? Does this explanation dissolve into the second explanation?

18. The consideration of education rather suggests distinctions in the more general category of control. One way of putting might be to distinguish from technical and political control. Without hierarchy, ~~xxxx~~ rank and file teachers and soldiers could use their power in the classroom and at the end of a gun to challenge capital on behalf of labour. At the very least they could ~~xxx~~ refuse to perform capital's requirements of them. One part of capital's political power would then be immobilised. Hence hierarchy for control for political ~~xxxxxxx~~ reasons. On the other hand, teachers might go against the interests of capital for other reasons. ~~Theyxxxxxxx~~ They might teach too much of one thing rather than another: neither of the subjects challenging capital as ~~xxxx~~ a social relation, but both of them being required in correct



proportions from the point of view of accumulation. The tendency will always be ~~kn~~ for capital to defend hierarchy in every pore of society on technical grounds - thus masking the political. It is parallel to the more general issue of the state law and the 'individual'. Law is defended because all societies must guard themselves against murder. But ~~xbxbxbxbx~~ while this is true, the form taken by criminal law is specific to capitalism, as is its subordination to civil law. We can show how other modes of production can fulfill these functions in quite other ways. And this is our task vis a vis bureaucracy, hierarchy and the capitalist state. We need to show that large organisations can be run in other ways. That the organisation of society in relation to common goals does not imply per se a Weberian bureaucratic structure, and Michelsian hierarchy. Such a conclusion reinforces the case for including our consideration of hierarchy in education under ~~xxx~~ <sup>our second</sup> general heading of control.

19. There was another quite distinct suggestion about education, and indeed about hierarchy in capitalist society more generally. It was that the ~~general~~ ideological conditioning of capital - through the family, through television, through the newspapers - was towards hierarchy. Hence even when a sphere was not directly related to capital, ~~xx~~ there was a tendency towards authoritarian organisations. Such an approach raises the question of the material basis of such ideological conditioning. Why is it needed in a sector where valorisation is not in command. Why should such ideology be generally propagated. The answer would tend to be one in which private capital exercised control over the media (through owning the press for instance), and via the state, reinforced the institution of the family ~~(xxx)~~ and patriarchy. The problem with such an approach is that in its straighter versions at least it does not explain why ideological attacks should gain influence. Why are some groups constantly throwing up non-authoritarian structures, and resisting the images presented by capital to them. Is it suggested that the working class is a tabula rasa on which capital can inscribe what ideas and organisation tendencies it wishes? A materialist theory of ideology based on exchange in the market (commodity fetishism) does offer a thesis about how we see things as the result of the ~~xxxx~~ character of the social nexus, of the way in which we relate. How ideology is formed through our experience in everyday life. But commodity fetishism does not itself imply hierarchy. And it is this which we are trying to explain materially. None of us would deny the influence of some elements of capital's conditioning. But the theoretical task is to assess how far such explanations could account for structures in the state sector, what the limits to ~~xxxx~~ conditioning are, what contradictions such conditioning gives rise to.

20. The way we thought we might approach this more general question was through the avenues explored by Foucault. His ~~concern~~ were not with an item 'capitalist ideology' thrust down the goose's throat, but with the way in which power relations ~~xxx~~ reproduced in spheres (education/health/family) where the use values produced involved subjectification. This was what distinguished use values produced in these fields. Language must be seen as produced, not merely as a neutral medium of communication. Power was not where one thinks it is.

## 9.

21. Returning from ideology to the structure of employment, there was one other explanation of hierarchy which was less offered than critically exhibited. This lodged hierarchy not in capital and its interests but rather in the working class themselves. Taking off from the studies of H.A. Turner on textiles and cars, one could see the hierarchisation of employment as the result of degrees of monopoly amongst the working class. Skills were to be seen not as technical but as monopoly relations. Long apprenticeships, other barriers to entry were ways in which ~~xx~~ 'skilled' workers preserved their strength in relation to capital. One can see immediately the possible applicability of this to the medical profession - ~~which we have analysed differently~~ - or to the regular ranks of the civil service, ~~where the limitations on hiring and firing, and the ideology of experience, made time the shield for the higher paid.~~ Stephen pointed out however that these strategies of labour only came after ~~xxxx~~ attempts to counter the claims of capital in a total way. The hierarchisations in the trades were second bests. Nevertheless it is clear that we must still come to terms with this as far as grading and administrative bureaucracy is concerned.

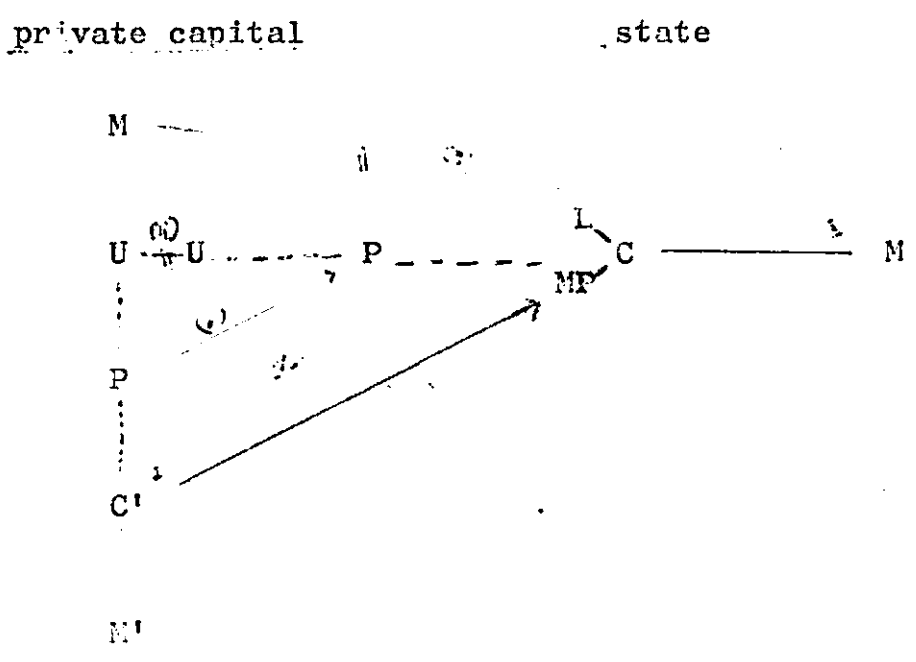
22. We have considered the following explanations for labour process in the state sector where valorisation is not in command:

- i) value and the minimisation of deductions from the accumulation fund. (paras 3-4)
- ii) control of use values produced (political and technical) (paras 5-10, and 17-18) signifying nec. link between form and function.
- iii) labour process as technically determined: rising technical composition. ~~xx~~(paras 11-14)
- iv) determination by labour process' relations in ~~xxxxxxx~~ private production of same commodity as produced in state sector. (paras 15-16)
- v) ideological determination. (paras 19-20)
- vi) intra-labour competition. (para 21).

Each of these explanations imply a different relationship between the existence of the characteristics of the capitalist labour process and the law of value.

- i) links value and the state labour process through the macro aggregate of value.
- ii) links them through the relationship of the <sup>use</sup> value produced to the reproduction of capital as a social relation.
- iii) & vi) have no direct link to value. The former sees technology as determining organisational structure. The latter treats the structure as the institutionalisation of a labour-labour relation, as against a capital-labour one
- iv) links value to the state <sup>incomparable</sup> ~~private~~ through the coexistence of private commodity production and state production in the sector.
- v) links them through the mediation of ideology determined by the value sphere.

23. Put in terms of the circuit of capital, one explanation emphasises M (i); another (ii) emphasises the C relation or ~~uses~~ implications of selling commodities or providing use values to capital; a third (iii) links in via C' - the sale of capitalist materials and equipment; a fourth (iv) stresses the significance of M', i.e. the existence of a sphere of private capital expansion side by side with the state sector; and a fifth(v) transposes P and its relations to the state sector via the mediation of ideology.



- The circuit of private capital is represented vertically. The circuit of state activity is represented horizontally.
24. We have shown the output of the state having its primary relation to capital via the production of ~~xxxxxxx~~ use values necessary to capitalist production. In an earlier set of notes we characterised the social circuit as C-M-C: the sale of commodities for money which is then converted into different commodities with no expansion of value. The emphasis of the social circuit is on use values. But we now introduce the other key part of the social circuit which is production. The state ~~xxxxxxx~~ <sup>develops</sup> as an organisational form because private capital is inadequate to produce certain use values. Thus we have as the extended circuit :

~~xxxx~~ M - C ..... P ..... U x

This highlights the role of the state as a parenthesis in the circuit of capital. Private capital's M cannot purchase all the necessary use values ~~xxx~~ as inputs for its own expanded circuit. M is then transferred outside the market (through taxes, duties, etc) to the state which purchases commodities on the market C, which it uses to produce the final use values U necessary for private capital's circuit. M-C..P...U indicates: ~~xx~~

11.

- i) that the social circuit is truncated. Many of its use values are not sold to private ~~capital~~ <sup>capital</sup> but are passed on in other non market forms.
- ii) that the social circuit is dependent. It starts with M posited ~~from~~ <sup>by</sup> private capital, and ends with ~~an~~ <sup>an</sup> input to private capital. As Diane put it, it has no material basis for its own reproduction.
- iii) that even within the social circuit there have to be references to the circuit of private capital, notably in the purchase of C, the inputs of the state sector.
- iv) that the social circuit is posited on use values not exchange values. It is not an expanding circuit. There are no terms of expansion. From the point of view of social capital the state is a parenthesis in the metamorphosis M-C, a parenthesis based on the conditions of production of certain use values.
- v) that ~~such a highly visible~~ state production P is therefore part of a circuit whose every other point, M, C and U is bound up with the circuit of private capital, ~~and~~ <sup>and</sup> the ~~whole~~ <sup>whole</sup> autonomy of P as a production process is thus severely limited. In the diagram above we have traced through some of the connections between the social circuit and the circuit of private capital in order to show the ways in which the law of value implied in the private circuit ~~marks~~ bears on the labour process P in the social circuit. These are the avenues of limitation.

25. At the same time we have noted the difficulties which the expansion of the public parenthesis has for private capital, and for value as the form taken by that system of commensuration of social labour via the market.

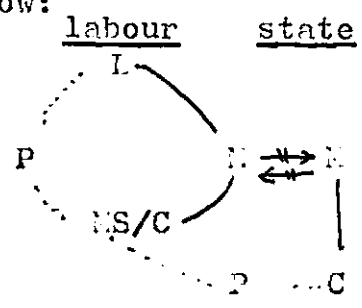
- i) the metamorphosis from M to C in the private capital circuit is no longer a market transaction. The transfer of M from the private to the public sphere is a forced levy. The appearance of equality and freedom are lost. Tax maintains an abstract form - money - but it cannot hide its character, and is fought against as such (tax reduction movements, anti-state feeling, rate payers associations).
- ii) the output of the public sector is produced not as a commodity but as use values. They are not sold on the market. The fact that labour power is sold on the market imbued with the use values passed on from education, health and social services (let alone the family) does not affect the point, though the mediation through labour power - itself fraught with ambiguities as the special commodity - brings further problems with it. But in general the customary discipline of value effected through the market is suspended. The absence of the sale of the use values, the fact that output is produced as use value rather than commodity, raises the question of commensuration of labour ~~in~~ in the state sector.
- iii) Instead of the equality M-C, we have the unregulated

progression M-C..P..U. Given the forced nature of the levy of M, the dynamics of this progression ~~xxx~~ comes ~~xxxxxxxxx~~ from U. A quantum of use values is produced, requiring a certain M which is then levied by force from the private economy. (We compare this to voluntary associations, where a similar progression exists, but where M is offered voluntarily through endowments, gifts and so on, and where use values tended to be limited by M). Only in circumstances of crisis does ~~the~~ M re-assert its dominance on the circuit, on the grounds that the deductions from the ~~xxxxxxxxxxxx~~ sphere of capital accumulation are threatening the accumulation process itself. In crisis capital attempts to restore the substance of the M-C equality. It investigates the character of the Use values produced, it weighs them against the M yielded up, it investigates their labour processes. It may even try to recreate the form of equality by re-establishing market relations, the M-C. It tries to close the parenthesis. Our argument is, however, that the tendency of this social circuit is towards its dominance by M later moments in the circuit rather than by U, simply and solely because of the forced nature of levies.

iv) we can note some of the factors which will intervene in the later moments of the social circuit:

- a) the expansion of the use values. Where the use values meet a social need not necessarily sanctioned by the law of value, we may expect ~~an institutional~~ pressure for expansion, both from labour in the state process of production, and from labour as consumer.

(note the attempts, largely successful, to make elements of the social wage part of a sub-set of the social circuit financed out of exactions from labour. Why is this. If we regard social benefits as part of the social wage, why not finance it solely through deductions from employers. Is it an attempt to maintain the principles of M-C, the private equality in the public sphere. That you only get what you pay for. Hence although employer pays 2/3 of National Insurance, the one third paid by the employee is enough to assert the equality principle of M-C. And why have PAYE rather than direct deduction. A pay roll tax, particularly when the forced deduction from workers arouses such anti-state hostility. We can depict the point in the diagram below:



the usual circuit for labour is to sell labour power L for money (the wage) which is then used to purchase commodities (means of subsistence) that are used in the labourers reproduction process (principally through the family) to furnish the conditions for the re-offering of labour power as a commodity.

13.

The state now comes in as a parenthesis to this circuit, Once again there is a fracturing of the exchange M-C, its replacement by a forced levy M which is then used to produce use values which are then re-introduced into labour circuit.

This sub-circuit must be examined for its own contradictions.

- whether means of subsistence will be made available to labourers ~~xbkxbxbxbxb~~ who do not sell their labour. This is represented by a reverse flow of money from the state back into the circuit of labour whose customary cycle has been interrupted by the ~~xbkxbxbxb~~ lack of work. At times of ~~xbkxb~~ unemployment, ~~xbkxbxbxb~~ unemployment benefit will have to be financed from outside the circuit of labour, through deductions from the general levy on capital.
- whether the provision of the means of subsistence / reproduction provided by the state should be sold, i.e. whether a market relation should be reintroduced. This being used increasingly as part of a taxation system, the oil and water mixture of forced levy and free sale being governed by concern over the general level of deductions from M in order not to affect accumulation process. (health service charges, dental, train fares, school meals. ). Note, however, that some of these items produced by the state because ~~xbkxbxbxb~~ consumers of forced consumption - notably education. Hence difficulty of putting on charges for schools when consumption of education has to be effected by law. Similar problems also arise in health, dentistry etc.
- the form of the exaction M and its impact on the supply of L. The general issue of incentives, direct tax, versus indirect tax, inflation, customs duties etc.

b) contradictions in the labour process ~~xbk~~ may be softened through expansion of forced levy. compare with Creeds, where protected market meant that the capital-labour ~~xbkxb~~ ~~xbkxbxbxbxb~~ antagonism was relieved by cost plus pricing.

particular facet of this is the security of employment in the state sector, and problems of restructuring. Difficulty of dismissing L means ~~xbk~~ raising M.

- c) state as purchaser of means of production signifies:
  - significance of state for structure of use value production in the private sector (this appears as the state as a market).
  - possibility of protection from law of value through privileged relation to state as supplier of commodities. First state can protect domestic market through tariff and non-tariff barriers. The protection is then effectively financed through higher prices in the domestic sales of state output, or higher levies.

14.

Second, the state through its control of internal conditions of circulation, can and does provide a privileged market, particularly for suppliers working under contract. In some instances - particularly in underdeveloped countries - machinery salesmen organise the development of state industries which make regular losses, financed from forced levies, while the supplier realises the 'value' of the equipment supplied.

v) in contrast to the circuit of social capital, the state circuit is a unified circuit. Institutionally, its individual circuits are organisationally part of the general ~~state~~ state circuit, whereas private capitals are separate, antagonistic elements of total social capital. This organisational unity of the state circuit is the necessary reflection of the state as organisational form, since the state develops to produce those use values \* which ~~cannot~~ cannot be produced by fragmented units related by the market.

This contrast has indeed a contradictory character. For the state remains subordinate to the circuit of total social capital, but is organisationally dominant over the units of private capital. Though the latter attempt to unify themselves through ~~state~~ employers organisations, political parties etc., this unification can never transcend the antagonism of individual interests, can never go beyond the unity of a cartel. It is only in crisis that ~~total~~ total social capital asserts itself as an irresistible unity, and subordinates the state to the law of value.

Further, the organisational unity of the state, and its role as ~~an~~ co-ordinator of the process of expanded reproduction, gives it a substantial role in the sphere of distribution. It acts in short not merely as a producer of use values, but as a distributor of exchange values. In terms of the circuit on p.10, some of the ~~is~~ levied from private capital (and from private labour) is rechannelled to ~~particular~~ particular units of private capital. Within the labour circuit on p.12, some of the ~~is~~ directly levied is redistributed within classes, though not for the most part, between classes. As in the case of the ~~productive~~ productive state circuit, the distributive state circuit is not immediately subject to the law of value, or the market. There are wide areas of decision where ~~guidelines~~ guidelines cannot be immediately deduced from the principles of the market and accumulation. So called political forces then haggle over shares, but we must constantly ~~refuse~~ refuse the common reduction of the political to a struggle over distributive shares ~~in~~ in conditions insulated from the market, or a struggle over use values produced in similar circumstances. For us politics is rooted in production, and these other spheres where power parades, and power decides, are to be derived from the political relations in the process of production.

vi) Because of the increasing size of the state sector, the

actions of the state as co-ordinator of private capitals, as a mechanism ~~xxxx~~ besides the market to effect the ~~xxx~~ metamorphosis of many capitals into total social capital~~x~~, are not merely those of a pump primer: regulating the quantity of private M, or its distribution, whether between individual capitals, or between labour and capital. They are not merely confined to monetary and fiscal policy, with the state acting above and beyond the sphere of production, in much the same way as financ~~ex~~ capital. (note the similarity of some spheres of state action nevertheless with~~x~~ finance capital, though with an M-M relation rather than an M-M'). Rather the state itself becomes so dominant as a producer that the social circuit ~~xxxxxx~~ of production becomes itself a key regulator, directly subject to the authority of the state. State regulation moves from the sphere of state circulation (M-M) to state production (M-C...P...U).

Labour power is a clear instance. In the regulation of wages for capital in general, the~~x~~ level of public sector wages has played a key role (one of the factors leading upto May 1968 was the depression of public sector wages by the French government ). Note the significance of the socialisati~~o~~n of labour here. An easier instrument. Or take the question of employment. Keynes highlighted the role of the state in regulating demand for C' in the private capital sphere. This could be done by the state in its distributive circuit, but it could also be done by the state as producer. In extreme form, the payment of labour by the state was emphasised regardless of the use values produced by that labour (digging holes and filling them up again). But as the state has expanded as producer of use values, it is recognised how crucial are state decisions as producer for the level of unemployment, and final consumer demand for the economy as a whole. In other words, because the circuit of state expenditure is a unified social circuit, decisions about the course of that circuit are ~~xxxxxx~~determined ~~xxxx~~ by the relation of the individual product of that circuit~~x~~ ~~xxxxxx~~ <sup>social</sup> to the particular circuits of capital, and to the circuit of private capital taken as a whole. This double determination is usually institutionalised, and is reflected in antagonism within the state organisation.

~~xxxxx~~

26. Can we move from <sup>here</sup> to outline the contradictions that have been suggested as existing between the development of the state form side by side with that of private capital:

1. The suspension of the market as regulator, leaves a political space governing the state sector. This is regarded as contradictory:
  - a) because this can be less easily subordinated to the needs of capital in general. It is a space which can be contested by labour.
  - b) because the nature of capital as a social relation, and in particular its character as allocator of



social labour, becomes manifest within the increasing role of the state, ~~incommodity~~ commodity fetishism is having its veil slowly dragged away.

c) because the character of the bourgeois political process (party rivalries, periodic elections) means that the regulation of the economy is subordinated to the election cycle. We note the phenomena of the political trade cycle. Thus the capitalist state disturbs the accumulation process by 'getting the lags wrong'. This idea has been put forward by a number of writers in URPE, and by Offe in Europe.

d) allocation of labour by state - because it is a 'political process' - is very inefficient, 'irrational', unstable. (O'Connor)

2. Contradiction of accumulation and legitimation functions. (O'Connor). Because of character as unified expenditure, state expenditure has many different aspects. Roads for example are simultaneously nec. for business, army, and workers. But non-commodity character of many of these use values means that 'social surplus' (O'Connor's term) is appropriated by the private economy, hence problem that state expenses tend to grow faster than state revenues. This leads to what O'Connor calls a 'structural gap', and therefore a fiscal crisis of the state. The argt. is pertinent to us not because of the precise formulation, but because it emphasises the problems caused by the character of the social circuit as based on forced levies. We have argued that these are inherent in the organisational form of the state itself, not because private capital appropriates the profit, but because of the material basis for the development of the state and ~~the~~ relation of the production of the specific use values to the process of private capital accumulation.

3. Contradictions arising from the forced levy itself.

- O'Connor's points would be one set.
- forced tax in contradiction with equal exchange.
- different forms of levy and their contradiction with the working of the market economy:
  - customs duties as revenue raising, simultaneously insulate domestic producers from law of value and limit accumulation.
  - indirect taxes affect relative prices of commodities and therefore the bourgeois optimum allocations.
  - direct taxes when paid by labour ~~contradict~~ conflict with incentives.

We need to study the developments of forms of tax from the above viewpoint.

We should also consider the forced levy as a medium of the law of value. Are the different forms of forced levy also more or less under the control of capital and the law of value. cf. the role of the budget, the annual bringing to book of the state, and its changing significance. It is here that we need to bring in the state as controller of money. Some theses have suggested that the state controls the money supply, by virtue of its function as regulator of ~~xxxxxxxxxxxx~~ conditions for private capital accumulation. But equally we could see the control of the money supply as the key material basis for the autonomy of the state from the dictates of private capital. Since the ~~it~~ may be ~~xxxxxxxxxxxx~~ appropriated by the state not ~~xxxx~~ through transfers from the private sectors but from the public mint; through the sale of state paper; and so on. Even in the 19th c. the state was the largest receiver of payments, and the largest maker of payments. This made the control of money crucial for the state as an institution in its own terms, i.e. in balancing its budget, in organising the social circuit. (cf. the origin of coinage ~~xxxxxxxxxxxx~~ ~~xxxxxxxxxxxx~~ in the Horn of Africa, 3rd century A.D. in the imperial ~~xxxx~~ payments of soldiers in coin.) Capital is currently attempting to regulate the state's use of money creation as a medium of financial autonomy, ~~xxxx~~ by directly (through the IMF) controlling the money supply.

4. Contradictions arising from the opposition; total social capital concretised in competition; state concretised as unit. Fragmentation of the dominant movement; unity of the subordinate movement. (cf. pages 14-15 above).
5. Contradiction between productive and unproductive labour.
6. Contradiction between socialised labour and the market. (setting price on costless items such as telephone calls. cf. all those commodities, many produced by the state, where the market and price are an archaic means for circulating the use values. ~~xxxxxxxxxxxx~~) See discussions in previous minutes on the state.
7. Contradictions stemming from the labour process in the state sector. This brings us back to the discussion of forms of labour process in the state sector. Capitalist forms of labour process are not adequate for the production of certain use values. A leading one is knowledge. Creative ideas cannot be produced through the normal capitalist methods of production. This introduced a constant antagonism within branches of knowledge production, between control of the knowledge workers through research grants, ~~xx~~ journal publication, threats of the sack, periodic reviews, and necessary yielding of autonomy to them as adequate conditions of the organisation of this labour process.

the production of knowledge and its appropriation is problematic for capitalism. Since the privatisation of knowledge, the appropriation of the knowledge of labour and its separation from the collective worker, is a key

mechanism of capitalist control of the labour process, there is a tendency for the separation of knowledge production as an autonomous sphere. Clivier pointed to the fact that education is a separate sector in capitalism in contrast to pre-capitalist and socialist societies. i.e. 'education' as such must be considered a form specific to capitalism. But this form has its own contradictions, principally because labour is needed for the production of knowledge and its circulation, and that labour cannot be ~~adequately~~ ~~adequately~~ ~~adequately~~ adequately controlled by capital at the same time as it is fulfilling its productive role. Once again we find a contradiction between form and function, a contradiction we have already noted in the private capital sphere.

27. These minutes have covered three main issues:

- i) the determination of hierarchy/fragmentation, and division of head and hand in the state sector.
- ii) the nature of the circuit of ~~state~~ state ~~expenditure~~ expenditure.
- iii) the contradictions of the state form and private capital.

28. The next meeting will be held at Keith Smith's house, 10 Warleigh Road, on Thursday May 12th at 8.00 p.m. to continue the discussion of the state. Among the items suggested for the agenda were:

- a) matters arising from the minutes.
- b) the political process as material process: notions of public
- c) alternative laws and the space of the state.
- d) capitalism and the separation of education (and bureaucracy?)
- e) differential character of production which involves people as the material of that production, which involves subjectification. (Foucault, film industry etc)
- f) concept of social wage contrasted with state expenditure as functional to capital.
- g) relate our argument to major debates on the state.
- h) comparisons of social circuit in capitalism, (including character of forced levies, labour process, inter-sectoral links ) and in Eastern Europe,
- i) outline of paper.

Brighton Labour Process Group.

The State (cont).

Minutes of meeting held at Keith Smith's house, 12th May 1977

1. State in its M-C...P...U circuit is non-neutral. It has the capacity to affect total value produced. On the one hand we have the balanced budget multiplier (mentioned last week). The state may have a short fall of revenue to set in motion a given quantum of production, but the production so initiated will generate revenue/value sufficient to balance ~~the~~ budget ex post. It will do this via the multiplier effect of the state activity in the rest of the economy. A Keynesian point against orthodox theorists of public finance who urged a strict ex ante balancing of the budget. Further, the state has a non-neutral impact on value creation by its effects on capacity utilisation. In this it can effect the rate of profit. The mechanisms are through operations on the amount and distribution of levies raised (fiscal policy), on the amount of abstract value introduced into the system via the printing press (or other forms of money creation) (monetary policy), and by different forms of state expenditure. We know these do have short-term effects, and limits. One of our critical tasks has been to specify the limits to Keynesianism, nationally and internationally. Another has been to consider this non neutrality in the longer term. What are the effects of levels of state expenditure on longer term capitalist accumulation (German re-armament, world war II reviving the US economy). Could we approach this via the states role in the use value aspect of accumulation, restructuring, etc.

2. David also raised the question of forms of levy. Initially tariffs and market dues <sup>were a</sup> sufficient material base for the state. In the UK for instance, customs and excise yielded just over 70% of total revenue in 1715, and over 80% in 1755. (Sabine p.16) Note the contrast to feudal dues. In feudalism the levy was the main form of surplus appropriation. ~~The feudal states were the main focus of surplus appropriation (together with the subordinate lords). Levies were therefore permanent, and land based. (cf. Domesday Book as nec. for conquerors imposition of levy on the lines of the old Danegeld) In the ~~xxxx~~ period of early capitalist development, state no longer the focus of such appropriation. Expenditures become more peripheral to surplus utilisation by capital, and spasmodic. Thus special taxes levied to pay for extraordinary expenses, such as wars. Note over time how permanent levies by the state replace these spasmodic levies. Income tax decisively introduced in England in 1799; then see profits taxes (now problematic because of transfer pricing and the devt of systemofacture); value added tax (made easier by systemofacture); rates and other property taxes; and the significance of export taxes in udc's. The control of the money supply David suggested was a modern material basis for the state. In terms of figures, the following represent portions of total tax taken by the UK government in 1967:~~

From:	employment income	18%		
	property/self-empl.	10		
	corporate income	9		
	capital	3	total direct	40%
	taxes on expenditure	34		
	Nat. Insurance	14		
	Local rates	11	total indirect	60%

2.

These taxes, however only made up 80% of government expenditure that year; the remaining 20% came from 'other government income' 9%, and the net amount raised by public sector borrowing 12%. Overall taxes accounted for 39% of GNP in 1967, and government expenditure 49%. In 1938, taxes accounted for only 23%, and government expenditure for 31% of GNP, but the components of the tax were roughly the same. (source: Michael Barrett Brown, What Economics is About, 1970, pp.231-2.)

3. David further made a number of comments about the representation of the social circuit in the previous minutes:

- levies less from M than from M'; indeed at the level of capital advanced, the state channelled considerable finance back to private capital to advance for their private production. see also income tax from workers.
- input taxes tend to fall with the devlpt of capitalism, while payments to capital rise. Instead profits tax rise, value added, excise, and increasing effectiveness of ~~NUMTKVH~~ tax on labour through devlpt of system of manufacture (PAYE)
- suggest that the circuit could be put in matrix form.

4. The nation state. Question as to how we could treat ~~the~~ ~~state~~ only the state as a historical form, but the particular nation states as transitory. How do we explain integration (Italy, Germany, EEC) and disintegration (separatism, colonial liberation movements/ Ireland, Norway, Flemish~~Xn~~, Basques, Katangese, USA, Eastern Europe).

Basic perspective: we have established the material basis for the organisational form of the state; juridically, and militarily. Geographical specificity implied from the beginning:

- a) for the range over which the state acts, 'performs its services'. Initially, the sway of its law, 'the reach of the law'. Later, the provision of many other elements of social economy where the market does not rule, ~~XXXXXXXXXX~~
- b) ~~XXXXXXXXXX~~ for the range over which levies are raised: tarriff barrier income tax, ; as well as c onscripts for the army.

Unite the two points as follows. If there are pure exchange relations, then the abstraction is boundless. All can come to the market and all can buy. The origin and destination of the participants in exchange is irrelevant. But with the general indifference of exchange broken, the problem of territory immediately arises, because the goods or services received will have to be paid for through direct subventions. ~~Ryxbxbxbxbxbxbxbxbxbxb~~ The unity of payment and enjoyment that characterises market transactions is ruptured. Payment and enjoyment are separated. It becomes possible for those who don't pay to enjoy. cf. complaints about foreigners coming to use the Health Service. A territorial integrity becomes necessary: to define range of services, to define range of obligations, and to define range of political 'rights' to control the state. <sup>4.1</sup> This perspective could be called circulationist, albeit ~~the~~ ~~social~~ ~~circuit~~ ~~whibkbisxx~~ rather than the circuit of capital which stands behind these remarks.

3.

We could go further with respect to the territorial specificity of systems of social reproduction. For the moment we suspend the question of state forms and ranges. We say only that the abstract discussion of the conditions for social reproduction (use value and value), must have a territorial specificity. Is it the whole world we are talking about, or 'national economies'. Must the balances be achieved, the departments harmonised, the budgets balanced within a specified area. The answer lies at neither of these poles, although in a very broad sense the ~~system of~~ world market is the agent, the medium through which the ~~market~~ the proportions required for world social reproduction are ensured. There are discontinuities in the patterns of 'integration' of economic relations, in the range of the ~~circuits~~ circuits, in the consolidation of the intertwining of a specified group of circuits. Bourgeois social science has tried to grasp these discontinuities ~~through~~ through empirical descriptions and metaphorical concepts: poles of development, centre and periphery, catchment areas, population clusters, agglomeration, functional hierarchies of settlement, nodes and ~~fields~~ 'fields', centres of gravity, and so on. What lies behind such observed discontinuities in space are the factors of material space, the weight of ~~the~~ use values, their value, and the indivisibilities of their production processes. In as much as <sup>the</sup> state lacks the technical means to be ~~more~~ global, then, from a material point of view, from the perspective of tasks to be accomplished in the reproduction of the system of material production, it will tend to organise itself around clusters. At first local clusters may contain within them the dominant movements to be co-ordinated. There is a discontinuity between the local and the 'outside' economy. The provisions required: communications, the provision of labour, fed, educated and healthy, can best be organised on a local basis. ~~Thus~~ Thus the strength of the states in the US in the first half of the 19th century, or the local provisions of ~~in~~-use values ~~by~~ in the same period in Britain. With the development of the productive forces, particularly development of ~~the~~ manufacture, and of transport, the ranges widen. Specified areas are less 'self-sufficient'. The interlocking of circuits has spread wider, and the expanded range requires inputs to the system working on this wider scale. The states in the US begin to be ~~absorbed~~ absorbed in some of their functions by the <sup>the</sup> Federal state. We now <sup>have</sup> local government re-organisation, the development of city regions, of regional planning, of national network systems, and so on. Though there are local/regional, local/national discontinuities, they are less pronounced, and the discontinuities now have been shifted to national/world market. Always capital expands beyond the range of existing public organisation, poses the question of organisation on a wider ~~range~~ canvas, attempts to assert a further area where proportions had been established by the market, and convert them to areas subjected to proportionality established by the state.

This perspective suggests an ever <sup>expanding territory for</sup> ~~expanding~~ ~~territory for~~ ~~state~~ based on the expansion of the range over which the state's use values are 'enjoyed', ~~but~~ over which they are required.

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This approach to the territorial range of nation states suggests increasing integration, an extension of state ranges to match the increasing ranges of capital's 'integrated circuits'. It does not explain why there is a simultaneous tendency to separatism.

5. Separatism and capital-capital relations.

One argument about separatism would run as follows:

States have a degree of freedom in the way in which state power and resources are used. Individual capitals are continually trying to influence the state to favourable treatment: lobbies, bribes, pocket MP's, threats to leave the country and so on. The territorial structure of representative government means that it is unlikely in an advanced country for a single firm to dominate the state. (though of Rockefeller and the Chase Manhattan complex in the USA, and of course many udc's where a single company predominates in the commodity economy). However there may be a correlation between a company or group of companies and a definite territorial area. This group cannot dominate the state as it currently exists, but they could do so if the boundaries were redrawn so that they could dominate the within their home base. They could then use the new separated state power against the dominant capitals of the former 'metropolitan' area and against intl capital in general. There would be a trade off for these capitals between net resources previously flowing into the area from the ~~xxx~~ integrated state and the increased insulation that they would get with state power. There is much debate in Scotland and Northern Ireland about the net gains they receive as far as the social circuit is concerned. In the colonial period, the colonised countries almost always had a net drain.

Such separatism could be linked either with rising or declining capital, with strong or weak. In the first case we could cite the separatisms associated with mining. The silver mining area in Conrad's Nostromo which strove to separate, the similar movement in Guatamala ~~xxxx~~ around nickel, the Katangese in Zaire, the Bougainvillians in Papua New Guinea, and even perhaps the Scots with North Sea Oil. Or separatisms associated with capitalist development which was then restricted by the old structures and 'weights' of state power. Did Norway come into this category. The US ? *Ph. Flamin*

Against this is separatism coming from declining classes, from classes or the defense wishing to insulate themselves from the international law of value. Are the many Celtic nationalistic movement of this kind?

In the first case the separatism is a form of bourgeois revolution in many cases. Throwing off fetters which are restricting the development of a 'clustered' bourgeoisie. In the second case, the threatened class, hope, with the control of the state, to transform themselves as a class through the state, and then re-emerge to contest in the field of international competition. John-Rethals argument about Fascism has this

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element in it: the petit bourgeoisie and the large bourgeoisie whose very advance was threatened by a premature imposition of the law of value, both wished to transform themselves through the state so that they could re-emerge strengthened. Here there was no territorial separatism, but seizure of central state power. The same thing happened in South Africa, with the Boers wishing to use the power of the state to establish the Boers as a class of capitalists capable of resisting Anglo-Saxon capital on the market.

One point arises from these previous examples. At times a class 'fraction' may attack the state directly through a party representing its interests. At others it may opt for separatism, because of the unlikelihood of being able to capture the central state.

A variant of this general perspective is to introduce the control of landed property and of rent. Landed property is closely linked to territorial definition. Control of the state ~~is~~ is one means for controlling rent; either through taxation, or through changes in title to landed property. The separatist mining experiences detailed above could be interpreted in this way. Or Ray Crotty's view of Irish independence, when Irish graziers wished to remove British ~~landed~~ control of landed property and rents. Certainly is a factor in Kenya, and a number of other African countries, where the redistribution of land by the post-colonial regimes has been a ~~xxxx~~ principle consequence of independence from colonial rule.

These approaches have the common feature of emphasising the state as an instrument of distribution. The state is able to act on the terms of competition, the character of markets, in such a way as to effect the distribution of surplus value between capitalists. This distribution may ~~xxxx~~ be effected through protection, discriminatory purchasing, the control of landed property, favoured access to state inputs. All these means are examples of particular groups of capitals being able to organise a public monopoly power, whose effects are similar to private monopoly power.

We should distinguish this perspective from the previous one ~~emphasised~~ that emphasised the state's role in production as the factor that lay behind national integration.

6. Disintegration and integration: capital-labour relations, and capital-land.

A more adequate approach looks at class struggle as a determinant of national boundaries.

1) as far as bourgeois nationalist movements are concerned, it is not enough to posit that some weaker fractions of the bourgeoisie with territorial specificity embark on a nationalist project for control of a new separated state. We have to explain



6.

why such a project is possible. The answer is to be found in

- a) the law of uneven development.
- b) the effect of this unevenness on all classes within a particular area.
- c) the possibility of the bourgeois class making alliances with other classes on a nationalist platform.

In the early period of capitalist development in a region, the bourgeoisie are rising, attacking the old landed and foreign capitalist fetters. They ally with the working class during this period against a common enemy. Their bourgeois revolutions take the form of separatism, but with a unified class alliance behind them. Similar to the class alliances effected by the bourgeoisie before 1850 in Europe.

In some circumstances the bourgeoisie fail to establish dominance of the popular movement, being too weak, particularly in colonised states. Hence the working class seize control of the movement (Vietnam); what about Guinea and Sekou Toure (a former worker in the post office).

f) when a local bourgeoisie is threatened by the working class; however, they become more willing to integrate themselves into a wider block. The state is no longer a secure institution for capital. see the Portuguese policy of trying to join the Common Market, opposed by Intersyndical, or similar applications by Spain and Greece. All three experienced Fascism as a response to the power of labour; all three are now trying to substitute the EEC for Fascism; the disciplines of the private market for the direct disciplines of Fascism. The weakening of the power of labour was also cited a reason for entering the common market.

a) foreign capital may not be able to affect class alliances capable of bringing in reforms necessary to capital, undermining the power of landed property, extending exchange. They may then back nationalist movements who will achieve this. Can we analyse Italian unification in this way. The Piedmontese ~~work~~ were the spearhead, driving against landed property particularly in the South with the help of foreign capital's backing, and the Northern working class (?). The bourgeois revolution is here effected through unification rather than separatism.

In all these cases factors such as language, cultural homogeneity and so on will play a part, but only a part in determining why class struggle takes the form of nationalism of an integrationist or separatist kind.

The theories of the state implied in the above include:

- a) distributionalist - notably with separatist movements;
- b) productionist - integrationist projects for enabling wider production and circulation: unified monetary zones, standardisation of means of communication, etc.
- c) the state as a ~~xxx~~ class weapon: agst landed property on one hand, or against the bourgeoisie if workers allowed to take hold of existing state (Portugal) before its functions have been merged into a wider state, & the law of value let

iv) the boundaries of the state are not pliable instruments for capital, but contested part of the capital-labour relation. Capital might prefer the arch liberal vision of a unified world. But labour will contest this, aiming to build an alternative social economy within definite boundaries, the boundaries of an identified community. Capital must counter this. If there are to be separatist states, then it must ensure that the states do not impose a major fetter on the circulation of capital. Against all barriers. Thus contestation of leadership of nationalist movements, once the question of nationalism/separatism has been placed on the agenda by the working class. Consider the situation in Southern Africa where the matter is posed very much in this way, or Angola. Or the British in Kenya. This view of the state is one of a hierarchy of supervision. Neo-colonial states established (e.g. in by France in Africa, where there was forced independence) because local cultural ruling class more capable of reproducing the capital-labour relation than direct imposition by the metropolitan power.

This argument means that we see the nation state not just as a ~~necessary~~ structure ~~inhabited~~ necessary for the operation of the material processes of the social economy (territorial range of services and levies), but as an instrument ~~of~~ in the capital-labour struggle. For the very positing of the nation state, of the national economy, presents this ~~as the~~ as the frame for labour's alternative project. The state in itself is a structure impregnated with suggestions for labour. The nation state gives this a concrete specificity; defines a territory for labour's organisation, for the pursuit of class hegemony, and for the eventual socialisation of the economy. As such the variation of the ~~geographical~~ geographical boundaries of the state is an instrument in the class struggle: both by capital, moving these limits beyond the range of labour's organisation (but fraught with contradictions, since the widening boundaries cannot but beckon on labour to organise itself on a still wider scale) and by labour when it may (in colonial circumstances for instance) narrow the boundaries ~~of~~ separatism.

7. Danger of an analysis such as that just outlined is that it moves classes around like pieces on a Waddington game. We must see how these configurations emerge from the development of capitalist at the world level. We must try and link some of these propositions to the socialisation of labour, the expansion of the range of capital's circuits and so on. (e.g. as sketched out on pp.2-3). For instance:

- the early period of capitalist development is stimulated by foreign capital concentrating on a particular resource. This relationship will form the principal aqueduct between the transitional area and the capitalist world market. As a result of the transfusion, capitalist social relations spread, and the commodity production that develops is of the local kind. Production is limited to the size of the market, rather than setting up the drive to go for foreign markets.

capital is poured into the development of a national market: national communications networks; towns; a transformation of agriculture. In this first period we therefore find the development of a national ~~xxxxxx~~ economy promoted by foreign capital. Classes arise with a national framework for ~~xxxx~~ economic and political reference. Interest may still be attached to the foreign capital, but these interests will be relatively confined. This economic basis is the ground on which the populist alliances of separatist movements are built.

- but once capital had created the national market, it begins widening its sphere. If the capital is strong as in Germany it will expand overseas. If it is weak, it will imbricate itself with foreign manufacturing firms (import substitution). The extrusion of labour resulting from the introduction of the international law of value into the local economy, ~~xxxxxx~~ intensifies class struggle. The ~~xxxx~~ bourgeoisie now offer themselves as agents for imperialism (to be seen not just as compradors, but instruments in class oppression - the concept of comprador is a very distributional one), or offer to subsume their identity in that of imperialism (Hawaii into the US, Malta asking to join UK in 1955, Greece, Portugal and Spain wanting to join the EC, with parallel ~~xxxx~~ subsumptions in the corporate field in exchange for a place 'on the board.')
- the above provides a context for tackling the question of a consolidating national bourgeoisie. A bourgeoisie's concern is to establish an autonomous base for its own reproduction. It will not be entirely autonomous. There will be links with the world market, some foreign investment and so on. But there will be a core of the economy which can be controlled by the state, which can yield surplus value, and which offers the promise of expansion. It is in ~~xxxx~~ 'medium' economies of this sort that we find extensive state production in 'productive spheres'. This is something we discussed at length. How do we characterise the Italian IRI, the Brazilian Petrobras (financed from levies), the Indonesian state oil company. In all these cases these were regarded as essential for ensuring the ~~xxxxxx~~ reproduction of the autonomous basis for national capital, even where this national capital was potential rather than actual. An 'autonomous' core was still a possibility.

But we should also note that all these instances were the work of Fascist government, introduced to smash the working class, and re-establish ~~xxxxxx~~ the conditions for capitalist production. Was a dependence on foreign capital for the overall reproduction of the economy in some way an imperfect basis for fascist rule. Though these economies were obviously open to foreign capital, all of them have insisted on reserving certain areas to the state's control. Does the national framework implied in both the military and in the centralised organisation of Fascism, also have its corollary in the sphere of the national organisation of production. Note also Spain's aggressive policy against pharmaceutical patents: but not the Greek colonels or the Chilean junta.

no capital is autonomous. But some circuits are more confined than others. In advanced capitalist countries the social circuit cannot reproduce itself: it has no autonomous basis, and hence its subservience to capital, and particularly to national capital. Where the relative autonomy of the national capital circuits are in question, then the state - as the main socialising force has to step in, increase its relative autonomy vis a vis private national capital by absorbing some 'productive' sectors, in order to shore up the possibility of a relatively autonomous national circuit taken as a whole. As we saw in the historical experiences of Italy in Japan, the establishment of competitive profitable state industry, then allowed the state to denationalise, renationalising when international competition or sectoral bankruptcy once more threatened.

8. The origin of territorial definition is approached in a somewhat different way by Pashukanis. He argues as follows:

there are a whole variety of precapitalist formations, each ~~xxxxxxx~~ with their own structures of authority (~~xxxxxxx~~) (feudal kingdoms, tribes, clans, slave empires). Exchange may develop between them, but it then penetrates within them, and a link is established between the two. It is at this point that a distinction has to be developed between public and private. Previously private law/ultra law/ feudal 'privilege'. What then of foreigners, who, ~~was~~ not being part of the local community could not benefit from the protection of the pre-capitalist protective practises. A new form had to develop to protect foreigners ~~or~~ other classes (proletariat) formerly excluded from the 'benefits' of protection. From this developed the *ius gentium* in the Roman Empire. 'In Rome trade with foreigners required that the civil capacity to possess rights be recognised on behalf of persons belonging to no clan' (182). In medieval Europe, an abstract, public authority ~~xxxxxxx~~ <sup>emerging</sup> exchange relations developed most markedly in towns. EP's point is that the new law, the form of law, developed within existing areas of authority. This was the basis for the modern nation state. And it immediately established a disjunction between internal and external. Within the area, law ruled, impersonal law administered by a body standing over and above the partners in exchange. Outside the area no such thing was required. For the conduct of external war, the state does not ~~xxxxxxx~~ need legal interpretations. Bare expediency, *raison d'etat*, is the watchword.

In this way we could constitute the nation state through the development of international exchange, just as we could constitute the individual, the sovereign, moral, possessor of rights at the level of society. Bourgeois theorists start from these individual atoms and build a theory of social relations. We start from a particular form of social relations (exchange) and constitute the individual.

EP therefore emphasises one particular use value produced by the state as key to territorial definition: the provision of law and enforcement for the purposes of exchanges. We

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would add the other side of this, the territorial definition necessitated by the funding of force. But otherwise the approach suggests both a logical and historical explanation of the origins of the 'nation' state. It also has the virtue of emphasising the continuity between pre-capitalist and capitalist territorial definitions, which we had noted in our discussion of the history of Japan.

9. We finally reverted to the relation of state and capital. Diane argued that we should not approach the state as outside production, as articulated with production, but rather a form of production. The question is not what the state does for capital, but how the capital relation is expressed in the state. One instance would be the legal relation. In other instances, we would need to show the capital relation in the state as use value and exchange value in contradiction. Holloway and Picciotto deal with both, but separately. They leave them disarticulated. For this reason they cannot adequately explain why restructuring takes a public form. Diane suggested that we should elaborate this with specific reference to the development of manufacture. Previously state had to be present to enforce the direct domination of labour by capital in the era of absolute surplus value. With the introduction of manufacture, displacement of state to field of 'conditions'. State now required for restructuring because of the extent of socialisation of labour within the orbit of private capital.

Reference: Joao Quartim, Armed Struggle in Brazil. MLB.  
on the material basis for urban and rural guerillas

Brighton Labour Process Group.

The State.(6)

Minutes of a discussion at David Youlton's house, June 2nd 1977.

Politics as a Material Process.

1. The question. Why, in capitalist society, is there a contrast between the form of ~~relationship~~ relating labour to production in the private as against the public sphere. In the private, the worker sells the use of his labour power for wages. This is a Faustian bargain, forced on him/her by the need for subsistence. Within the capitalist enterprise, the worker has no authority: he has sold his rights. But in the public sphere? As far as the sale of labour is concerned, the position is similar though not identical. Labour sells its use value, but apart from (in some sections) better guarantees of employment, the direct relations of subordination are ~~the same~~. This is not true however in relation to control of the state more generally. Central here is the vote and universal suffrage. From one perspective this is a John Lewis model writ large. ~~The~~ Universal suffrage is nothing more than universal shareholding and the distinction between private and public forms of control dissolves to one of scale. But from another, the voters could be regarded as consumers, replacing their power of cash in the private market (consumer sovereignty) for their power at the ballot box when there is no market (political sovereignty). What we immediately see is a muddying of the distinction - so clear in the commodity economy - between consumption, production, and distribution (the ownership of capital). For in the case of the state, ~~the~~ 60% of the British <sup>working</sup> population can be seen as simultaneously state labour, ~~the~~ consumer, and supplier of state capital (forced savings for example.) Voting as the form of control does not immediately appear to relate to any of these specifically. What we have then to consider is representative democracy as a form of capitalist 'politics'.

2. Previously we have insisted that a) politics is not confined to the state sphere - there is politics in the factory, the political struggle between capital and labour in production; b) the state is not simply to be seen as 'the political instance'. At the same time it is in the state that politics achieves its independent form, ~~the~~

3. The way we have constituted ~~our~~ our approach to this is as follows. From its inception capitalism has required certainly use values ~~which~~ which cannot be adequately ~~be~~ produced as commodities. Law and order are the prime examples. The relation between this segment of social economy and the rest cannot be through the medium of equal ~~market~~ exchange. Since money cannot be raised to pay for state production through the sale of the independent commodities, it has to be raised at ~~the~~ intervals through levies. Our point is that levies contradict the basic principle of commodity society - free exchange. These levies are forced, and ~~patently~~ so once direct taxes are introduced. The vote is an attempt by capitalism to re-assert the principles of

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equal exchange in <sup>a</sup> ~~the~~ political sphere, where there are no other direct forms of control. The relationship between representative and represented can then take on the form of a contract, between the sovereign, ~~whom the sovereign~~ ~~is~~ independent, individual, infused with juridic and political 'rights', and persons who stand to represent these wills in the ~~unconstrained~~ otherwise unconstrained sphere of the state. This is indeed how it was depicted by great <sup>in natural law</sup> ~~bourgeois~~ theorists of political relations, Hobbes, Rousseau etc.

4. We do not want to see this as a simple superstructural reflection of commodity relations. Rather we start from commodity relations and their implication. As a condition for commodity relations to develop, there is firstx produced the juridic subject. "At the very same time ... that the product of labour is taking on the quality of commodities and becoming a bearer of value, man acquires the quality of juridic subject and becomes the bearer of a right." (Pashukanis 162) The social production bond appears simultaneously in two incoherent forms: as the value of ~~goods~~ commodities and as the capacity of man to be the subject of rights. Pashukanis argues that the very act of commodity exchange implies not only individualised private property - i.e. particular rights of the two exchangers - but also abstract property; thus not only individualised rights of property ownership, but abstract rights. These abstract rights are the result of the generality of commodity relations, Just as we have the duality abstract and concrete labour, so we have the duality between specific individual exchanger and the abstract juridic subject. "It is only in the conditions of a commodity economy that the abstract legal form is generated.... It is only the constant transfer of rights taking place in the market which creates the idea of an immobile bearer of those rights." In the act of exchange one person is simultaneously obligee and obliged, the bearer of rights and duties. Because of the universality of the act of exchange, its generality, there arises "the possibility of being abstracted from the specific differences between subjects of rights and of bringing them within a single generic concept." (p.167 EP).

5. The argument here is not that the exchange relations of the economy are reflected in the legal superstructure. But rather than the material act of exchange ~~implies~~ necessarily provokes certain forms, legal and economic, as commodity relations become generalised. ~~For this reason there is a legal fetishism on a par with commodity fetishism.~~

~~6. The political form of commodity relations cannot be derived from commodity exchange in so direct a way as the legal form. Rather we have to introduce the mediating link of the ~~goods~~ production of non marketable use values, viz ~~goods~~ law and order. The forced levies required for the financing of these material processes contradict the ~~goods~~ basic principles of the juridic form. They violate the principles of the exchange relations in their juridic form, viz. the egoism, and freedom~~

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6. Pashukanis then derives the political form of commodity relations from the legal form. His argument is that the guarantee of these juridic rights cannot be provided by any one of the juridic subjects themselves. "Of the two persons effecting exchanges on the market, neither can emerge as the dominant regulator of the exchange relationship - this requires a third person who embodies the mutual guarantee which commodity possessors qua owners give to each other and is therefore the personified rule of the intercourse of commodity possessors." (186) This third person cannot themselves be an individual commodity producer, for they would then be administering the guarantees on their own behalf, and would be subject to partiality. The guarantor cannot at the same time be part of the world of exchanges and stand above them as the impersonal arbiter. "The principle of competition ... provides no possibility of associating political authority with an individual enterprise." (186) Hence the state. ~~ix~~

7. Implied in this formulation is a particular kind of state. It is not called into being by class struggle, as a mediator, as somehow above classes. It is a material part of the reproduction of a particular mode of production, a particular class society. ~~It is less a direct instrument of class domination, but an indirect one working through the operation of the market. It does not stand above civil society because it had to mediate conflicts with between fractions of capital or between classes, but because it has to mediate between different commodity owners. It has to guarantee property relations themselves.~~

8. Just as exploitation under capitalism no longer takes a direct form but appears if effected through the operation of equal exchange, so the force necessary for the reproduction of class society is similarly indirect, unattached (in appearance to the ruling class. Since the principle of exchange and the juridic subject precludes direct constraint, the command of one person over another, force has to emanate from some abstract, universal person, from the authority of the objective and impartial legal norm. This is why bourgeois society lays such stress on the existence of the objective statute, and of an independent judiciary. It is why the deliverers of force, the state bureaucracy, are seen not as private individuals, but public servants, neutral, themselves somehow apart from civil society. In capitalism, political class authority, based on the organised violence of one class against another, therefore takes on the form of 'public authority'. There is a legal fetishism side by side with commodity fetishism.

9. What Pashukanis does not explain is the form taken by political relations in capitalist society. Why is public authority not administered solely by public servants, or by a Hobbesian sovereign. How do we explain representative democracy?



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10. It is here that we bring in politics and the state as material processes. The state ~~xx~~ produces use values. It finances this production with taxes. That itself could be (and has been) ~~the~~ <sup>perceived</sup> as equivalent exchange. But ideologically and functionally this is insufficient. For the basic form to which capitalist society is subordinate is equivalent exchange between sovereign individuals. The levy is a forced exaction. The state's use values are forced consumption. They are provided, not individually through the market but socially in the form of bounty. <sup>in this equation of levy & bounty</sup> The juridic possessor of rights, ~~and~~ <sup>as</sup> politically sovereign individual, ~~xxxx~~ has lost the freedom which is a central part of the principle of equivalent exchange. ~~in this equation between levy & bounty~~ Because of the contradiction between particular use values and the market - because the market is an inadequate form for the <sup>social</sup> distribution of certain use values - ~~xxxx~~ the form of choice has to be introduced in some other way. Equivalence as the dominant principle has to find another expression. This it does through the vote.

11. The vote removes the necessary compulsion from the incidence of taxation. The individual voter can ~~xxxx~~ affect the level of individual taxation, and the types of use value produced. ~~xxxx~~ <sup>xxxx</sup> The principles and disciplines of the market are re-established in this section of the social economy through the political form of representative democracy.

12. We have followed this path from the commodity and exchange to representative democracy because we have wanted to constitute it as more than a 'reflection' ~~x~~ of commodity relations at the political level, as more than a device by the bourgeoisie to deceive labour about the character of the state. Rather it is the form of relation taken by a necessary material process. One cannot reduce this form, tear off the veil, dismiss the significance of the vote, and more than we can reduce the moment of exchange and commodity fetishism in the sphere of private economy. In commodity society these forms are irreducible, they are material processes, and they have powerful ideological effects which cannot just be ~~xxxx~~ attacked as false consciousness. To understand commodity fetishism, or legal fetishism or political fetishism we have to show ourselves let alone others how it is that the material reproduction of capitalist society necessarily takes on these forms. It is not enough to say that capitalism is a class society, that all law is class law, that the state is a bourgeois state. We have to show how all these relations appear otherwise. How they take the form of equality. If we fail to do this we not only underestimate the ideological force of these appearances, but also, ~~xxx~~ as Pashukanis insisted, <sup>we</sup> how the changes in state power could not adequately surpass these forms without surpassing the commodity relations which underlay them.

13. Bourgeois theory has of course explicitly analysed representative democracy as an 'economic' process. Politics they argue should be analysed as a commodity relation. Commodities

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in the form of political programmes are offered, and voters cast their preferences for them. While the vote itself costs nothing, the voter will have to pay in terms of taxes. A price is thus implied in the packages on offer. But because of the indivisibility of 'public goods' the decisions on purchase have to be made ~~in advance of the production of the use values themselves.~~ ~~and they have to be made collectively.~~ In simple commodity exchange the evident exercise of choice, the appropriation of the use values on offer, and the payment of money all occur simultaneously. With ~~socialised use values~~ these three moments of exchange are separated. The vote is the form which choice takes for ~~the circulation of socialised use values~~ in a commodity economy.

14. The character of the socialised use values and the conditions for their production and circulation in a commodity economy provides the material basis for the ~~appearance of~~ 'politics' as a separate sphere of capitalist society.

15. In the economy of politics, elections play ~~the~~ the role of the market. They are the point at which the elected representatives are confirmed in their office or not. Election day is the politicians day of judgement. Actions between elections ~~have~~ have the forthcoming election as an ever present shadow. As markets are the reckoning for capital, or wars for the military, so are elections for politicians.

16. Yet as one the principle forms of capitalist society, elections are ~~problematic.~~ For the programmes voted for are not merely programmes of individual consumption. They are programmes which ~~can~~ can involve the question of relations of production. And they do so because one of the use values produced by the state is force. Given ~~the~~ the principle of one ~~person~~ person one vote rather than £1 one vote (a principle enshrined in the concept of the juridic subject, though violated - to the concern of bourgeois economists: in the sphere of private economic exchange )x how is it that the mass of the oppressed do not vote against the minority of the oppressors in favour of a change in the relations of production.

17. One answer is that the ruling class would never allow ~~the~~ the adequate political forms to exist where they threatened to embody a revolutionary content. Just as in ~~the~~ the sphere of law, a sharpening class struggle strips away the adequate bourgeois forms to reveal the true nature of the public authority as class authority (political judges, class laws, ). So in the sphere of 'politics' a sharpening class struggle leads to the suspension of the forms of representative government.

18. Within those limits, however, there is still much to be explained. And ~~we~~ we argue that this explanation should base itself on the nature of 'politics' as a material process. Once we pose the issue in this way we will be concerned

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primarily with the issue of control. Given the equality of political exchange, how can capital reproduce control over the political process.

19. First ~~xxxx~~ it has effected a particular practise of voting. There are many ways in which voting can take place. ~~xxxxxxx~~  
~~xxxxxxx~~ Votes can be made collectively after general discussion. This was the form of voting used by various ruling classes prior to universal suffrage (cf. the description of an election in Anna Karenina), and is ~~xx~~ also a tradition in the British Trade Union movement. Votes can be open or secret. They can be vpluntary or compulsory. Now the key point is that almost universally, capital has replaced collective forms of voting by individualised secret ballots. They have decomposed and isolated the electorate. In working class organisations they have conducted similar though not fully successful attempts to transform the practise of voting.(see the current controversy about secret ballots and postal ballots).

20. Secondly, it has attempted to limit the regularity of voting. In the US, presidential elections are every four years. In the UK general elections at least every five. What is the history of these spans. Is it based on the time it would take to produce the use values promised in elections?

~~20~~  
21. Thirdly it has tended to generalise elections. In the past in the UK there were many specific elections: for school boards for example. Increasingly, state bodies are removed from direct electoral decision and placed under the ~~xxxx~~ control of the political apex whose composition is decided at a general election. In ~~xxxx~~ some countries, the continued practise of referenda makes this point by exception. In the US I understand there are many elected offices, but they are now decided simultaneously at a general election, and are heavily influenced by ~~xxxxxxx~~ political balance holding at the time (abstract dominating concrete).

~~21~~  
22. Fourthly, capital has weakened the ties between the electors and elected through substituting the notion of rrepresentative for that of delegate. Working class organisations have a rich experience of ~~xxxxxxx~~ representation where the representative is ~~xxxxxxx~~ constantly accountable to the reprsented: mandation, instant recall, limited income, etc. Capital, being a minority interest in capitalist society, has an interest in breaking such dependence.

23. Classical democratic theory was confident of the voting form prior to 1850, and therefore sought ~~xx~~ to maximise the control of the represented. For it was capital, large and small, who was in a voting majority, and it was the landed interest on the defensive. After the coming of universalx suffrage, capital was on the defensive. It was then that political theory re-interpreted principles of representation within the form of the vote. Stephen identifies the change taking place in the first 20 years of the 20th century. He takes Schumpeter as exemplifying the new line. Control should be in the hands of the elected not the electors, of the electors are not capable of controlling. Their role is merely that of sanctioning.

24. see the quotation from Schumpeter from Stephen's notes, p.5. "The voters outside parliament must respect the division of labour between themselves and the politicians they elect, They must not withdraw confidence too easily between elections, and they must understand that, once they have elected an individual, political action is his business not theirs" (CSD. 295) .

25. What are the characteristic of the new wave. i) a fragmentation of voters; ii) a division of head and hand, where the elected represent the head and must be allowed their head.

So much for the terms of the actual ~~pr~~material practise of the vote.

26. A fifth development has been the development of ~~the~~ political parties. Theoretically, any citizen can put up as candidate, for a nominal sum. In the UK election expenses are restricted to preserve the appearance of equal opportunity. Schumpeter can say (Stephen's notes p.5) "everyone is free to compete for political leadership.... free that in the same sense in which everyone is free to start another textile mill" (27: In practise, two things work against this, ~~but~~ First, there is what Stephen calls a rising technical composition of politics. Would socialisation of political labour be a better word? To mount a campaign in the era of universal suffrage requires large amounts of capital and labour. This is the era of 'manufactured will': manufactured that is by the press, advertising, the geographical circulation of candidates and now television appearances. But I think it is wrong to term the relation between party and voter as produced and producer (Schumpeter's phrase that the people's function ~~is~~ is to 'produce' a government'): it is rather one of producer and consumer. The specific character of this 'political' relation is the fact that ~~the~~ the choice of the product comes before production. But once we have identified the relation as ~~the~~ between seller and consumer, once we have identified it as ~~the~~ a relation of circulation, then the characterisation of modern machine politics will be clear. ~~the~~ Canvassing is ~~the~~ a form of market research, though with increasing emphasis placed on identifying potential 'customers' rather than altering the 'product' on sale. Candidates should not discuss with those with whom they are trucking. One way political leaflets, cars to polling booths, knockers up, the Mikardo system (developed from Mikardo's experience as salesman in Eastern Europe), television broadcasts, the use of opinion polls (whose other function is sampling for marketing capitalist products), PR men for ~~the~~ media exposure of politicians between elections, and so on. All these forms ~~the~~ help us ~~the~~ to identify current practise as the politics of circulation rather than the politics of production. And, what is crucial at this point, they help explain why there is a ~~the~~ centralisation of political 'capital'. a) such circulation requires massive funds; certainly for national campaigns; b) votes are based on political credit, credit (belief) extended by voters that the product offered will ~~the~~ eventually be produced. New ~~the~~ 'entrants' to the political market have no such credit (even though the programme may be attractive).

8.

We thus have to analyse periods (and condition) of primitive political accumulation, where a new entrant succeeds in establishing itself as 'worthy' of political credit.

~~xxxxxx~~

27. Let us note at this point the limits of the comparison of the political and the economic exchange. Both are forms of social relation, directly parallel, with the political a sub-set of the economic exchange relation. But of course no political capital can be produced, or accumulated. ~~xxxxxx~~ ~~xxxxxx~~ There cannot be political exploitation. ~~xxxxxx~~ How capital establishes a dominance is a) through the funding of political parties from capital accumulated in the private sphere; b) through the accumulation of political credit (a notion not restricted to value relations - indeed financial credit is itself a certain suspension of value relations).

28. All that modern bourgeois political theory requires is a) formal freedom of entry; b) competition. The second of these is enshrined in the principle of the two party system, and the offense taken at African 'one party states'. For the principle of elections - the very existence of the vote as a form - is conditional on it providing free choice. Without a choice, there might as well be no elections. ~~xx~~ Under the ~~headline~~ <sup>of the two party system</sup> capitalism presents its ~~electoral duopoly~~ as a representation of the principle of bourgeois ~~competition~~ competition.

29. It may be that voters can be restricted in their choice by the mass of capital and political credit required, and that the very dependence on capital will allow ~~£1~~ one vote to emerge at one remove from the ballot box. Given the electoral system, and the relations of circulation between parties and voters, the voters can be effectively deskilled. ~~xxxx~~ These are results of the material practise of ~~xxxxxx~~ the vote as a ~~form~~ political form in capitalism. But there is another possible challenge to control, not from voters but from party workers. For the very fact that political programmes have to be produced, marketed, and then ~~xxxxxx~~ realised, means that human labour is involved. And once we have human labour we have the problem of the relations of the labour process.

30. Now what distinguishes the labour process of political circulation is that it depends on voluntary labour. With parties representing the interests of labour this is more true than for parties representing capital, since labour tends to have ~~xxxx~~ smaller aggregations of capital to fund full time workers. And what is obvious about voluntary ~~xx~~ labour is that the traditional relations of the capitalist labour process are not possible in that form. ~~xxx~~ The real subordination in the capitalist labour process can be enforced partly because the worker has to sell his labour since he is without the means of subsistence. This is not true as far as ~~xxx~~ voluntary labour is concerned. How then can control be maintained in a labour process based on voluntary labour.

31. Crossman answered the point for the Labour Party by ~~xxxx~~ the following comment in his introduction to Bagehot's 'The English Constitution'. " A constitution was

product of this machine is votes for itself at the next political 'tatonnement'. The ~~relations~~ production relations are those within the machine itself between party leaders and the party workers. Can these be characterised as the relations of manufacture - of real subordination. Can we talk about the fragmentation and deskilling of local political activity; about the division of head and hand within the party; of the development of a strict hierarchy; of the employment of machinery and the conscious application of science and technology; of large scale production; the real separation of ~~means~~ physical ~~means~~ means of production and labour; of the objective organisation of the collective worker?

35. Many people at the meeting thought we could not do so, and that the notion of political manufacture was misleading. Though we could point to the conscious application of science (notably marketing 'science'), to the employment of machinery, to the division of head and hand, to the development of a hierarchy, and of deskilling the politics of local activists, and fragmenting them (cf. provisions against horizontal relations between Trades Councils, ~~and~~ constituency parties and so on,) the character of a political party can in no way be compared to that of a car firm. And one of the main reasons for this is the dependence on voluntary labour within the labour process. Moreover, though the activist may find him/herself increasingly powerless to affect party policy, the actual political labour process is still predominantly artisanal. ~~The~~ The 'political labour process' is akin to other state labour processes, where the actual individual labour process remains artisanal, while there is an extensive direct organisation of the collective worker.

36. It may be more satisfactory to talk about the development of the politics of circulation in contrast to a politics of production. The use of the word machine and production would be here be interpreted in terms of the notion of the ~~production~~ production of political will, rather than referring to the relations ~~within~~ within the labour process of political parties.

37. One result of the relations of political circulation should be noted. It is the alienation of the worker from politics, parallelling the alienation of the worker from his product. Just as the worker sees his/her product <sup>taken</sup> from ~~him~~ him/herself, and then appear on the market as someone else's, relating to the worker now ~~only~~ only in the process of exchange, So we find our politics taken from us, objectified and turned against us. We are responsible for the election of a government which then acts against us, and to which we can only relate through the medium of the vote. It is this restriction of legitimate politics to the practise of voting ~~in~~ which leads to a political fetishism; that we only relate politically through the indirect <sup>medium</sup> ~~of~~ of the polling booth, rather than directly as organised force.

38. We contrast this with a politics of production. The direct organisation of labour, which does not relate ~~to~~ representatives to the 'mass' through the ~~vote~~ vote but rather through direct association in mass actions; demonstrations, tenants' campaigns, ~~and~~ labour struggles,

9.

needed which maintained their (the activists) enthusiasm by apparently creating a full party democracy while excluding them from effective power. Hence the concession in principle of sovereign powers to the delegates at the Annual Conference, and the removal in practise of most of ~~the sovereign powers~~ this sovereignty through the trade union block vote on the one hand and the complete independence of the Parliamentary Labour Party on the other." Since the organisation of the Trade Unions was itself the subject of direct subordination, there existed the possibility of offering what Crossman called the 'sop' of the Labour Party constitution to activists in order to ensure their voluntary support.

32. One way out of this was to democratise the Labour Party. Morgan Phillips in 1960 raised this question because of his concern about the declining number of activists. But the other way out is that followed by most social democrat parties in the West. a) the development of marketing techniques has meant fewer activists ~~xxx~~ were needed - e.g. the substitution of ~~advertising~~ what ~~are~~ in effect political commercials on television (here is a rise in the technical composition of politics,) ~~political advertising~~. see also evidence of declining numbers of individual labour party members; b) the offer to activists not of democratic rights, but the fruits of office. Political parties have become - with the development of the state economy - a major source of ~~political~~ patronage. Join the Labour Party and get on. This has of course gone much farther in the ~~x~~ US, but is also developing nicely here. So, just as the boss's son serves his time on the shop floor, so do these opportunists serve their time in the ward as an apprenticeship ~~in~~ the art of machine politics.

33. How does help us assess ~~x~~ the metaphor about the introduction of machinofacture into politics. First we need to distinguish the party-voter relation and the intra-party relation. The former we have characterised as a producer-consumer relation. The development ~~x~~ of such a relation, where production becomes ~~xxx~~ divorced from consumption, ~~is~~ stems from a) ~~x~~ the nature of the vote itself as the leading political form - i.e. the channelling of politics into this channell of legitimate action; b) the barriers to antry for new parties. Now many of the developments in the relations of the vote can be seen as the production of the political ~~xxx/xxx~~ sale/consumer distinction rather than the development of subordination of the consumer(voter) to the seller (the party). Certainly there has been a deskilling of politics through the development of the vote. But the ~~xxx/xxx~~ chief characteristic of the vote is its evident freedom of choice and it is confusing I think to characterise the ~~xxx~~ voter/party relation as one of direct subordination.

34. Rather it is ~~is~~ the production process of politics itself that we should look ~~xxx~~ at as a labour process, with relations of subordination. With the coming of universal suffrage, and the age of machinofacture in the sphere of private capital, we can note the rise of metaphors of the machine age in politics. The party ~~x~~ machine, the electoral machine, the production of political will, 'manufactured will'. The

## 10.

product of this machine is votes for itself at the next political 'tatonnement'. The ~~xxxxxxx~~ production relations are those within the machine itself between party leaders and the party workers. Can these be characterised as the relations of machinofacture - of real subordination. Can we talk about the fragmentation and deskilling of local political activity; about the division of head and hand within the party; of the development of a strict hierarchy; of the employment of machinery and the conscious application of science and technology; of large scale production; the real separation of ~~xxxxxxx~~ physical ~~xxxxxxx~~ means of production and labour; of the objective organisation of the collective worker?

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(nb 1 page missing)

11.

Elections are relegated in importance. Their only significance is in terms of building the politics of production rather than ~~permitting~~ ~~regarding~~ ~~the~~ an isolated leadership's access to the control of the public economy.

39. In the early days of political movements like the Labour Party, it was such a politics of production which held sway. But ~~with~~ the gravity of the electoral form ~~required~~ drew the new party towards it, and as it did so necessarily transformed the character of the party, its relations to its supporters within and outside the party. Those within became party workers. Those without became voters/consumers. The direct association of labour in struggle against capital was lost.

40. What we have argued is that the appearance of a separate political sphere is derived not from the formal distinction ~~between~~ between public and private which arises because of the necessary abstraction of law and order from the private domain. ~~The~~ The legal form does not in itself provide a sufficient basis for the political form. Rather, the political form develops because of the character of the state economy, its inability to use the market to circulate its use values produced, and the necessity therefore of providing a distinct ~~form~~ mechanism of apparent choice (or discipline) about the composition and use of the products of the state economy. The necessity for such a mechanism is derived from the character of ~~the~~ the exchange relation itself, ~~that~~ that exchange should be both equivalent and free. Since equivalence in the state economy is a forced equivalence - taxes being raised to pay for what is produced - the freedom of the dominant form of commodity society (exchange relations) has to be introduced in a separate, distinct way.

41. ~~This~~ This argument throws interesting light on the question of democratic forms in transitional economies. First, in as much as commodity relations continue in Eastern Europe, and are even expanded, we may expect an increasing pressure for the concomitant form in the ~~public~~ sphere of non-marketable production, 'free elections'. Second, socialist versions of democratic control which re-assert merely more 'democratic' versions of electoral politics, may be ~~merely~~ ~~merely~~ ~~merely~~ improving an inherently bourgeois form. Certainly as far as the preservation of the vote and elections are concerned, our argument is that they necessarily lead to a producer-consumer relation. As long as commodity relations exist so too will ~~the~~ <sup>this</sup> form of politics: but the surpassing of commodity relations will also mean a surpassing of this form. Does this mean that all voting is an aspect of the bourgeois form, and that delegation with mandation, instant recall, no differential <sup>income</sup> ~~tax~~, ~~limited~~ ~~tenure~~, etc. is also a mere variant of this form? ~~I~~ ~~hesitate~~ ~~to~~ ~~answer~~ ~~yes~~, because of my limited vision of how we could organise collective decisions in a communist societies. ~~Complex~~ No decisions without unanimity seems ~~an~~ an impossible vision. Yet is one's own mind so grained with commodity perspectives that other visions and versions cannot yet be formed? (What forms of decision making are there in China: how do street committees operate; how are ~~delegates~~ delegates to higher levels of decision determined?)

appearance of free choice, rather than as transmitting signals.

46. Free press also raised here in relation to transmitting signals. Is this an adequate interpretation. Free speech and free press surely related to the same notions of free ~~juridical~~ moral subject implied by the principles of commodity exchange rather than to be derived from functions of information for the ruling class. (Olivier's remark that TV in Belgium run by Conseil d'Administration composed of political parties, who divide the time between themselves according to their electoral strength: hence very 'politised' television.)

47. Conclusions:

a) primacy given to the vote as a political form; elections akin to the visitation of the law of value in the sphere of politics.

b) separation of the political as sphere in which votes and elections are central results from material character of social economy, and the necessary disjunction between delivery of ~~use value~~ <sup>use value</sup>, payment for ~~use value~~ <sup>use value</sup>, and 'choice' about the nature of the use value. 'Politics' concerns the last of these.

c) the vote rooted in commodity relations and the form of representation of commodity relations in the ~~social~~ <sup>public</sup> economy ~~whose~~ whose output concerns ~~use values~~ <sup>use values</sup> which cannot be adequately circulated by the market.

d) implication that authoritarian ~~forms~~ <sup>political</sup> contradict commodity based societies. Fascism and dictatorship always introduced to maintain relations of production, but once these have been stabilised, strong pressures for the restoration of the bourgeois freedoms: independent judiciary, free elections, free press, free speech, two party system. etc.

e) Fascism to be seen as consolidation of capital divided within itself agst labour. (cf. the divisions between internal and external capital, and between capital and the agrarian interest in Italy for instance).

e) representative democracy necessarily implies a producer/consumer relation between parties and voters. This is inherent in the form.

f) allows us to distinguish circulation politics from production politics.

g) centralisation of political parties. Both the political party ~~and~~ a form, and the tendencies to centralisation, and organisational hierarchy, to be derived from the ~~the~~ <sup>the</sup> vote.

h) equality in the political 'market' (one person:one vote) ~~implies~~ implies an ambiguity for capital. Possibility that the majority will vote out the minority.

42. Stephen gave instances of workers movements with an explicit politics of production rather than circulation. They were anti-statist, and anti-electoral in their politics. For instance: building societies, friendly societies, the co-op (all mainly labour aristocracies). Politics was not about voting, but they still faced the material problem of collective decision. They developed: the quarterly meeting, annual parliaments, federal links rather than vertical hierarchies. Statist tendencies in socialist movement have depicted them as reactionary, though did the left of the statist not argue for similar forms of delegation in the state (delegation, recall, referenda)? Interesting how the state related to the independent movements. They licensed them. And the associations accepted the license and agreed (e.g. in the case of the Club and Institute~~xxx~~ Union) to eliminate undesirable clubs. Baroque organisations?

43. There was some discussion of the ~~xxxxxxxx~~ function of the vote, as distinct from its form. It was a transmitter of signals. But there are many other ways of transmitting signals, through the Trade Unions for instance, or pressure groups, or the press. There is certainly nothing in the function of the vote as a transmitter of signals to give it a primacy. How do we treat lobbies? Here is a field of politics, where ~~the~~ the law ~~is~~ is generally 1:1 vote. See the sums spent by ITT or by Mobil on lobbying. But lobbies are still limited by the vote and elections, and by the ideology of the state as standing for society, rather than for individual interests, the ideology of public servants rather than private accumulators. Hence the distinct concept of corruption - a concept not recognised in modes of production where there is direct ~~the~~ exploitation (e.g. feudalism).

44. Further, does the form of the vote, limit its results. Why is the vote not a threat? Fascists regimes commonly come in not because of the danger of electoral power by socialists, but because of labour's political power ~~in~~ ~~production~~ outside the ballot. Keith suggested that an isolated worker could only reach towards trade union consciousness. David pointed out the descriptive character of w.c. thought. Only when organised as socialists, with a vanguard, that the working class able to go beyond T.U. consciousness. Diane disagreed. It is rather a question of what practises are open to people. A propos abstract thought, D. cited an article in latest Radical Philosophy, which argued that women rejected abstract thought because ~~it~~ such thought was contrary to their interests.

45. Might there now be a contradiction between the form and function of the vote. The extent of social economy now so large, that a periodic vote insufficient as means of controlling, signalling, guiding, from capital's point of view. Consider some recent theories of democracy which see it as functionalist, as an element in a system for transmitting signals, and increasingly inadequate as a means for doing so. (Birch an example?)

Mary suggested that form dependent on functions: this is consistent with general argument if function seen as providing

i) the ~~direct~~ domination of capital over labour which takes an indirect form in the economy through the operation of the market, and in law through the operation of the law of contract, also appears indirectly in the political sphere through the mechanism of the vote. This equality of appearances cannot be reduced as long as the basis - commensuration of Labour through the exchange of commodities on the market - remains the guiding principle of any society.

j) just as ~~individuals see themselves~~ individuals see themselves related to others ~~through~~ through the exchange of commodities on the market in the sphere of private economy, and just as they see themselves related through the courts as far as their settlement of their juridic rights are concerned, so they see themselves related politically through the vote. ~~Thus there~~ Thus there exists a political fetishism, coexisting with commodity fetishism and legal fetishism.

k) politics not confined to the sphere of independent political appearance. We have politics in the factory, ~~for example~~ for example. But we nevertheless have to explain the appearance of politics as confined to the representational sphere.

l) the form of the vote is subject to many variations: and indeed the terms, & regularity, have been contested by labour against capital. The question remains as whether the vote itself is a specifically capitalist form, which would wither away with the elimination of commodity relations. Or is it the ~~the~~ general election - ~~the~~ the concrete form of the political abstraction - which is specifically capitalist.

m) the labour process in political parties is distinct from capitalist labour processes, and many state labour processes because of the prevalence of voluntary labour. This puts severe limits on imposing real subordination. Contradiction indeed between this fact and the requirements of machine politics. Possible resolutions: introduce workers control against ~~the~~ what Crossman calls the 'oligarchies'; substitute dead for living labour; 'pay' political labour by offers of office and other jobs. (Italy & state bureaucracy)

48 Charivaria.

a) Holloway and Picciotto argue that the state as a legal relation takes on the form of capital-labour relation, but leap over problem of the material process of the state. We are concerned with the <sup>state's</sup> problem of appropriating labour.

b) Marxist literature on party organisation uses military terms. raises question of whether hierarchy is specific to capitalism. Fred cited N. Vietnamese & their acceptance of hierarchy. Or is there a contradiction between socialism & organised force?

c) Birmingham as foundry of machine politics, though/because lack of manufacture in the town/Watergate as baroque form of manufacture in political competition/compulsory voting in Belgium/quantification & the vote/Webbs in Ind Dem. on material limits of rep. democracy.

Next meeting: John Menham's house, ~~at 8.00~~, at 8.00 on 9th June, to further discuss Conf. paper on the State. Rm. 5/6/7.

State and the Labour process.

Notes for outline of paper to July conference.

1. Classification of theories of the state; use value/exchange value: production/circulation. State as/autonomous region.
2. State as organisational form producing use values which cannot adequately be produced by capital. Force and law. Grundrisse on roads. One form taken by the contradiction of socialisation of labour and the market, by the contradiction use value/exchange value. The relative autonomy of the state is a relative autonomy from the law of value, not the relative autonomy of the political instance.
3. The circuit of capitalist public economy. Force and bounty replace the freedom of exchange. Problem of levies, and the form of levy. Developments of these forms, both abstract(money) and concrete (conscripts).
4. Forced levies and consent. Representation as a political form. Politics as a material process. The deskilling of politics, and machinofacture. The history of the vote. The notion of public. ~~Public~~ 'Public' politics only one form of politics. Politics and control: composition, decomposition, recomposition.
5. The state and the capitalist labour process. 'Use values' produced by the state and the reproduction of the capital/labour relation. Force, education, law, ways of seeing. Characteristics of these use values produced: people as the material of the production process. The production of processes of subjectification.
6. The labour process in the state. Hierarchy, fragmentation, the division of head and hand. Differential hierarchies. Control as the material basis of these hierarchies. Control and capital. Other features: artisanal processes; socialised labour.
7. Contradictions and the state. Exchange value contradictions: productive/unproductive labour distinctions discussed. Contradictions from within the state labour process: hierarchy and inadequacy for production of particular use values/; seen ~~as contradiction of form and function.~~ as contradiction of form and function. Contradictions in the relation of state sector as producer of use values, and the sphere of capital and its self-expansion: socialised state labour/market; character of use values produced/value; forms of levy ~~and~~/capitalist incentives, and operation of market; market as social nexus and forms of consent ; fragmented social capital, and unified state authority.
8. The state and crisis, non-operability of capitalist means of restructuring: liquidation, redundancy, centralisation and concentration, internationalisation, hidden discipline of value market indications of location of restructuring, introduction of machinofacture. State and the imposition of crisis: arbitrary character of cuts; the tool of inflation; ~~XXXX~~ ~~XXXX~~ suspension of value via relations with world economy; cutting social wage through changing forms of levy; the 'political' crisis.

- 89
9. The Public Expenditure Cuts. Specification of the current form of crisis; role of state in type of use values for private capital in crisis; the state as a terrain of crisis; character of ~~the~~ state expenditure and cuts; 'fiscal crisis' of state as mechanism for re-asserting capital's control; specificity of state labour's response.
  10. The state as nation state. (to be inserted after 4). Why states are nation states. Forced levies, and use value spheres. Nation states derived from the nature of the social circuit. Specific contradiction: national state/capital: rivalry, territorial non-coincidence. Theories of state integration (Germany, Italy, EC), and disintegration (colonial liberation movements). The neo-colonial state.
  11. The State and the Labour Process. Summary, contrasting our approach to others via major issues: relative autonomy; the nature of the political; the location of contradiction; the significance of the development of the state and the question of social democracy; state as tool; social wage. Reassertion of use value/exchange value contradiction, as contradiction of market/socialisation of labour, and of forces/relations of production.

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...the increasing socialisation of labour outside the market and Sohn-Rethel

...Sohn-Rethel is concerned with is how...  
...the sphere of private capital, that is to say, with very

...the laws of time economy...  
...the laws of time economy

...our starting point, our way...  
...the functional discussion

...we want to talk about what...  
...the circuit of private capital.

...the normal one...  
...the reproduction of the social

...the following...  
...the State economy

...the State, and because they cannot sell...  
...the market problems arise. One is where do they get the revenue?

...the character of this circuit...  
...the character of this circuit

...the point of this circuit is not...  
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...the function of the...  
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...the market which plays these functions...  
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...a problem point for the State...  
...a problem point for the State

...the question of bourgeois representation...  
...the question of bourgeois representation

...the requirements for private capital...  
...the requirements for private capital

...the development of representative democracy...  
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of all political machine-facture and how that relates to the equivalence of actions represented by the vote.

I will not talk about the nation state except to say one thing which follows from the kind of analysis which is that when we try to understand the nation state as a form, one of the things which follows from forced levies, and these can be levies of both money and labour, particularly conscripted labour for the army, that those have to be over a definite geographical area and our view this is one of the material basis for the development of the nation state.

Sections 8 and 9 which is contradictions and the State and the State in and crisis. Mary ~~to~~ talk. Only point we want to say is in looking at the State economy as part of the material process of reproduction of the social economy, you have also got to look at the mechanisms of crisis, not only of the devaluation of labour in the State economy and the problems that arise rise to when the market is no longer there, but the way in which crisis operates in the State. And we see that immediately you pose it like this any of the things which happen in the private economy which is liquidation, redundancies, centralisation, concentration, internationalisation, the hidden discipline of value, market indications for where restructuring is to take place, the introduction of machine-facture and so on, those which are the elements of crisis and the restructuring of the economy at a higher level of productivity, most of those in many sectors of the State are not desirable. So therefore have to look at the way in which crisis in this sphere and which operates on here via the kind of circuits we have been discussing, how capitalism attempts to restructure when none of these are open to them when they can't, no matter how much they actually try, put prices on many outputs, work out marginal ~~value~~ etc. And we see that giving rise to quite specific types of contradictions within the State which then reflect themselves back on the private sector in a way which the distinction between productive and unproductive labour cannot begin to get at and which Mary's discussion is addressed to in much greater detail. And so to finish off on this point, and one of our works next year is going to analyse the current crisis and the public expenditure cuts from this kind of point of view and detail in the D'ton area. We want to emphasise that our task, which is to clarify the quite distinct character of contradiction within the State economy which cannot be adequately derived from a mere consideration of the private economy and the functions which the State has in relation to the private economy and our avenue into this is to reaffirm that the State is a material labour process. ~~and~~ Once we've done that and seen that all the problems of hierarchy etc arise in that, one begins to get some hold and some guidance towards an understanding of the forms and contradictions.

Mary ~~to~~ Like to say two things to clarify what Robin said just because it is quite important to lay down the basis for what I was going to say. I think in trying to understand what we are saying about the vote it is very useful to draw a comparison between the vote and the wage form - that the wage form, the free labour represented an advance on serfdom in the same way as the vote in bourgeois democracy represents an advance on the absolute anarchy. But at the same time just as the freedom of the labourer, the fact that he owns his labour is an elusory freedom because of the monopoly of the means of production just in the same way as the vote is an elusory freedom because of the monopoly by capital over the political process.

The second point is that I think it is very important that Robin is not saying that the vote is a form of commensurability, in that it arises, certainly because of the problem of allocating social labour, because of the need for exchange at (full?) forced levies whether they are in the form of taxation or soldiers. But it is very imperfect, it is nothing like the market, it doesn't transmit signals in any sense and for this reason various other forms of commensurability naturally exist. The one I am going to talk about is the commensurability of war as being a form of commensurability on the allocation of labour in the arms sector but also various other forms arise and one of the most important of these is the political party which represents a way of making much more concrete and minute decisions about the way labour should be allocated and there are other forms of commensurability which one can think about but I think this question of the political party is extremely important.

Now as is obviously evident by our name the Labour Progress group, I think what is very important, the distinctive feature of our approach, is that we

consider it to be tremendously important at every level of analysis to be looking at concrete <sup>organizational processes</sup> as well as more abstract valorisation processes. We see the use value - exchange value distinction as absolutely at the heart of every analysis of society and the State and corresponding with this distinction we have the distinction of class structure and concrete labour of the L.L. and valorisation, of subordination and exploitation. And we see this contradiction, or we see this duality, as the heart of any explanation of crisis, of the role of the State in crisis, and of the State itself in crisis, the crisis within the State. Just to briefly say something about crisis, because I think it becomes important when you start to talk about the State. Again I think that any explanation of the crisis must be understood in terms of the contradiction between subordination and accumulation by a system of control or a system of subordination. - just give one specific example - seems to us that if one is going to try and analyse, for example the rising organic composition of capital, it is quite inadequate to discuss this purely in value terms but what in fact we have got to try and understand is that what is meant by the rising organic composition of capital is, in a sense, a concrete objectification of a system of control in constant capital and that it is concrete objectification which actually prevents the advance of productivity, of productiveness and this is the key one must try to understand that is happening when one is talking about the falling rate of profit, one is talking about rising technical composition of capital, one is talking about the dominance of steel and concrete over man and one is talking about the way in which this dominance prevents, - it cannot be compensated for in a certain point in time by an increase in productiveness of labour because of the very nature of this dominance.

Now the State is closely involved in this contradiction. One of the things I ~~forget to mention~~ which was in terms of trying to understand State functions both in terms of the valorisation process and the labour process that the State intervenes in both states, that the State is involved in maintaining a system of subordination.

The State is involved in providing all sorts of concrete in which productiveness can be raised, in which accumulation can take place and simultaneously it is involved in providing a sort of system of social subordination if you like, a system in which the class struggle can be contained in order for accumulation to take place. So one form of the State in crisis is precisely because the crisis is to be understood in terms of the contradiction between relations of subordination, so the role of the State within it is to be understood in terms of that contradiction.

I finally come to the contradiction which we have spent most time on and this is a way where our contribution is made and this is the way in which the contradiction affects the State itself and inhibits the possibilities for the State to resolve crisis and we call this contradiction the contradiction of form and function and what we mean by this is that in carrying out its functions, the State itself has its own labour processes, its own material processes. The State itself has its own labour process which is shaped by the society in which it is operated, it is

shaped I think most importantly by the need for assent to the activity of the State by those who operate within the State, the need if you like to contain the class struggle within the State sector and the very form of State activities actually constrain the development of State functions. In crisis for example, though it may not be necessarily true, the fact that the State has to intervene in a new way perhaps, that functions of the State have to be developed in some way, is actually constrained by the forms of State activity, by the material processes of State activities by resistances within the State and this is the contradiction which we have focused on and we have looked in particular at the case of armaments + rest of time will talk about this example.

We talk about the form of force which contains two elements, the techniques of force i.e. armaments, and the relations of force, the way in which the army is organised and recruited. We consider that the form of force tends to reflect the prevailing relations of production in society this is because they are shaped by the need to gain the consent of those who participate in organised violence which is essentially the biggest problem which an army faces, how do you make soldiers go out and kill other people. The way in which





being reproduced and that we don't separate reproduction as the function of the State.

Second point is about the irreducibility of the State, we talked about this in our discussions quite a lot. We wanted to see what our position - was there a State at all and if its just a form of the capital labour relation why is there at all any specific form which is different from the form of the capital-labour in valorisation? Why isn't all production carried out by private capital? Well there we came to a decision, which I think agreed with the Holloway and Ficciozzo sort of position on the irreducibility of law as a use value which cannot be produced in a commodity form. However at this very abstract level ...you cannot immediately deduce from that very abstract level the necessity for the State in its centralised form, that we all normally think of as the State. All we can deduce from this necessity for a use value which cannot be produced in a commodity form is, - it could be very very decentralised form of producing that commodity. To understand why you have the nation state rather than the city state if you like, we feel that you have got to look at the actual material processes of producing law, of organising those forced levies...and that you have a centralised State partly because of certain economics which centralisation gives in the production of law and the force to implement it.

Third point, is the question why is the State a capitalist State. This was raised in the plenary session right at the beginning of the Conference and I don't know how far it has come up in discussions since, about to what extent is the State somehow regarded as a somewhat neutral instrument....

What we mean by saying that it is not that, it is a capitalist State.... We agreed with Holloway and Ficciozzo in beginning from the form of the State as a form of the capital-labour relation- we feel you need to develop that at material level and not just leave it at the abstract level which we feel it is posed there. And so we think it is important to look at the specificity of the State, the material basis, to understand in what sense it is a form of the capital-labour relation, in what sense it is a capitalist form which is not a neutral form which can be captured by one side or the other in the class struggle. And that is where we think this connection here, between the way in which the State gets its revenue and (they) operate on the area of the economy where the law of value operates, is extremely important because what this shows is that the essential limitation to the ability of the w.c. to use the State is that the State doesn't have a material basis - its material basis which in fact is dependent upon the operations of capital and the law of value and that one can develop in a more concrete material form the limitations on the potential way in which the w.c. struggle can be conducted on the terrain of the State one has got some way of developing what the limitation to the possibilities of class struggle on the terrain of the State are the limitations on what happens if the w.c. party captures control of the State.

Discussion (for start see 7a)

JOHN BROWN ...w.c. within the system though in the way you put it I just could not understand why, for example, you needed the vote in order to substantiate that social affair because it seems to me, that the way you deduce the derivation of form, like the political one of the w.c. movement and the way the w.c. got the vote, simply does not explain anything about why there was a certain situation in the 19th C. which meant that the w.c. would get the vote. Another example, (that) I found your argument that the State is a L.P., though I just cannot really see what you mean by that, except in a certain organisational way which, in a trivial sense of course is true, that the State exists as an organisational form - you have certain institutions of the State like the army or something and they exist as some kind of process, like the army is, I suppose, you could say some sort of labour process. But by that you just seem to mean that there is a kind of pressure from the outside, there is a kind of input and output, the w.c. is smashed by the State and the L.P. organised within the army like that is somehow a L.P. but I just could not understand the way you were using that term. It seems to me to be used completely indiscriminantly and when you come to talk of crisis in the State I was interested to see for example that you said there is a specific reproduction of crisis within the State and yet you did not mention anything about what that specific reproduction of crisis tendencies from the accumulation process means within the State

John It seems to me from what Robin started with that he started off with some kind of abstract notion that what you need to understand the State is to understand that there is a public sector of the economy or something which is controlled by the State and that somehow means that the way in which the State functions relates in a direct manner to that kind of scheme on the board. Now the way that you put it I found it very difficult to understand, there is a lot of rhetoric which is (derived) from your L.P. work I think and I just couldn't work out exactly what you meant by that derivation of the State in the sense for example of what you said about the vote and the way that relates to the kind of circuit on the board. You basically argue I think when you came to this concrete example of why the British w.c. got the vote in the middle 19th C. .... that capital, I don't know whether you meant the capitalist class or just capital in abstract, just wanted to divert the working class....(break due to tape loss)

suddenly, we can see it. It's not that  
 it's in the economy, or it's not the economy, it's not  
 in the commodity relation but it is separated out just as these other  
 things are separated out, they are disjoint, they are at different times  
 and different ways and you can see them. And because of that, it's not  
 just a point about forms, they are themselves, they require material  
 processes. That because you have this line and not getting it thro' the  
 market you have got to have taxes and there are problems of form of levy.  
 There are contradictions we have to do the whole form of levy and the contr-  
 adictions which that has is a continuing operation of this. And I just  
 have to say it, you can see how there is a lot of work for us to do on  
 that. It's the same about the vote, that is a material process, we call  
 it a L.P. because we don't want to be idealist about it. Whenever you  
 have something material going on, you have got the problem of work and  
 workers to do it and you've got the problem of controlling those  
 workers. Because we analyse the L.P. more generally as C.P. last year,  
 when you put it like that you have some how got to understand what  
 happens if valorisation isn't in command. What are the laws governing LP  
 there? Can you talk about hierarchy, head and hand, deskilling in  
 all these material processes and we feel you can but not in the same  
 way.

### The significance of state ownership of enterprises

It has been suggested that state ownership of enterprises constitutes a separate mode of production - see Teddy Brett on the bureaucratic mode of production, John Harrison BCSE Winter 1973. This note discusses the interpretation of 'private appropriation of the product', and suggests the correct way to differentiate between state enterprises is in terms of the material basis of the state.

Let us begin with the characterisation of a mode of production as a combination of a mode of appropriation of nature and a mode of appropriation of the product. The capitalist mode of production can then be characterised as one of social appropriation of nature and private appropriation of the product. Much of the argument about the status of state enterprises revolves around the question of whether or not state production entails social appropriation of the product, and hence a different, non capitalist mode of production.

The crucial question is how we interpret 'social' and 'private'. There is a strong tendency to assume that because the profits of nationalised enterprises in an economy such as that of the UK or Uganda do not accrue to private persons but to public bodies that their appropriation of the product is social. But this is to apply a juridical concept of social and private, which I think is to misunderstand the nature of the capitalist mode of production. Capitalist appropriation of the product is private in the sense that each individual capital must valorise itself, must make a profit, or cease to exist: its essence lies in the competition between capitals not in the ownership of capital by juridically private persons. In contrast capitalist appropriation of nature is social in the sense that each individual worker employed by a particular capital does not individually have to valorise the fraction of capital which employs him (his wage, the equipment and raw material he uses etc.). His relationship with other workers

employed by the same capital is one of co-operation not competition. Production of use values is thus organised collectively and is consciously directed and planned, in contrast with the anarchy of appropriation of the product, which depends on the actions of other capitals (eg. in the determination of socially necessary labour time). This is the sense in which capital is blind, and private, one might say, privatised.

The question now becomes the extent to which state ownership of enterprises in a capitalist economy can overcome this anarchy and blindness, and result in social rather than private appropriation of the product. I would argue that it modifies, but cannot abolish the private character of appropriation of the product, so long as there remains capitalist competition. Thus the nationalised enterprises in a capitalist economy are still engaged in private appropriation of the product so long as they must operate in competition with private capital in acquiring inputs (labour power, raw material, finance, etc.) and/or selling their output. They only cease to engage in private appropriation of the product if they can be entirely insulated from competition with private capital. This is the only way of making the appropriation of the production social, ie. emancipating it from the operation of the law of value. Thus the requirement is that the state's material base lies outside the operation of the law of value. But this is not possible for a capitalist state. The monetarists are quite right to focus attention on the government borrowing requirement - this is the concrete expression of the inability of the capitalist state to evade the law of value and of the competition between public and private capital.

Thus it is not a quantitative question of how much production is carried on by state enterprises which determines the nature of the mode of production, but a qualitative question of the relationship between state owned and privately owned

industry, which in turn rests on the quality of the material basis of the state. The crucial question becomes one of how the state can achieve a material base independent of the operation of capitalism. Until this happens state appropriation is not social in the required sense, and the mode of production remains capitalist.

DEL 12/18/70

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Outline for CSB Paper

Baroque Armaments

1. Introduction

(a) Every society is characterised by a particular form of force, a

particular combination of armaments, techniques of force, and organisation, relations of force. The relations of force generally reflect the prevailing relations of production in society. They are shaped by the need to gain the assent of those who participate in organised violence; hence they must embody a certain form of control and ideology. The techniques of force are determined by the forces of production, i.e. the level of technology in society, and the relations of force. The feudal army for example was based on levies, i.e. serfs who owed military service to their lords, and the techniques were pikers, lanceos, etc. It took the introduction of bourgeois relations of force, i.e. mercenaries associated with the rise of the absolute monarchy, before gunpowder, the product of urban craftsmen, could be introduced into the feudal army.

(b) What is the form of force that characterises modern society? The relations of force, the organisation of modern armed forces, appear to be dominated by techniques of force, in much the same way as modern society appears to be dominated by machines and the products of machines, i.e. commodities. The modern techniques of force are represented by the concept of a weapon system. The rise of the weapon system was associated with the Anglo-German naval arms race

*concept*

before World War I - the first great peacetime increase in military spending. It imposed a rather rigid division of labour on the armed forces. The weapon system combines the weapon - gun, missile, torpedo, etc., the weapon platform - ship, aircraft, tank, etc., and the means of command and communication. Formerly the weapon was the instrument of the soldier. Today, the soldier appears to be the instrument of the weapon system. The organisation of men needed to operate a weapon system is somewhat similar to the organisation of batch production, in which each man has his allotted task, under the supervision of an officer, and none can act without the co-operation of others; essentially it is shaped by the need for control or subordination. The idea that relations of force are somehow exogenously determined by a given technology is a form of fetishism.

*dec. 20  
explanatory  
why the  
fetishism*

(c) In one important respect, armaments differ from commodities. They have a use value as means of destruction. But what is their exchange value? The price of armaments is arbitrarily determined through bargaining between the government and the producers. Valorisation is not in command. There is, however, a form of commensurability, i.e. war. Unlike the market, war is discontinuous. Unlike commodities, armaments are not repeatedly called to account. This is why it is possible to develop armaments that are 'baroque'. They embody a system of subordination, enforce a particular set of relations. They are the product of enormous skill and knowledge and, yet, as means of destruction, they have become ever elaborate, inefficient - a form of propaganda.

99

2. Some Baroque Armaments

A description of four 'weapons systems' - the American B-1 bomber, the American XM-1 tank, the European Multi Role Combat Aircraft, the British ASW Cruiser. What are their characteristics?

- (a) They are all exceedingly costly. They are the product of <sup>large</sup> numbers of highly skilled <sup>men</sup> and sophisticated technique. They are much more costly than their predecessors.
- (b) They all embody improvements in performance characteristics, according to certain historical, mainly World War II criteria, e.g. more speed, more payload, improved navigation and communication equipment, better armour etc. Each successive improvement costs more, e.g. there are diminishing returns to technical change.
- (c) These performance characteristics are no longer the relevant criteria judged in terms of modern warfare, e.g. Vietnam and Middle East. New military technology has reduced the importance of offense, e.g. bombers and main battle tanks, and the significance of sophistication.
- (d) All the weapons systems have a critical role in upholding ~~the~~ structure of armed forces. Each system involves a large body of men organised hierarchically for operation and use. Each system is at the apex of a hierarchy of other weapon systems that determine the structure of a particular branch of the armed services.

- B-1 Bomber - USAF
- XM - 1 - US Army
- ASW Cruiser - RN
- MRCA - RAF, Luftwaffe, IAF.

Additionally, MRCA involves the creation of a multi-national form of control and a multinational ideology.

- (e) All the weapons systems have a critical role in upholding particular important companies, and groups of smaller dependent companies.
- B-1 bomber - Rockwell International, General Electric, Boeing.
- XM-1 - Chrysler
- ASW Cruiser - Vickers
- MRCA - Panavia, comprising BAC, MBB, and Fiat, Turbo-Union - Rolls Royce, MTI & also various electronics companies including Marconi, Ferranti, Lucas Aerospace, Plessey, etc.

3. The Origins of Baroque Armaments

- (a) The development of the armed forces is part of the process of establishing the social conditions for capitalist accumulation; a process which has historically necessitated the use of force. The techniques are the product of capitalist industry; battleships and heavy artillery were the techniques of the British era, aircraft and tanks are the techniques of the American era, Japan is reportedly at the forefront in developments in electronic warfare. In general, new techniques are integrated into military practise during war. The relations of force adapt to the techniques in such a way as to ensure loyalty to the social formation as a whole; that is to say, the way which the functions of force are carried out is <sup>shaped</sup> by the form of force.



(b) Over time, however, the relations of force become a fetter on the development of techniques - the form of force constrains the full development of functions. To put it another way technical change in the military sphere is circumscribed by a given set of military and industrial relations channeling it into 'baroque' directions. In particular, the rise of 'baroque' armaments coincides with decline of certain dominant industries, e.g. shipbuilding and engineering in Britain after 1870, automobiles and aircraft in the U.S. after World War II, and the growing rigidity and defensiveness of the associated nation-states. (It should be stressed, at this point, that similar processes take place in other spheres of state activity, reflecting and reinforcing the character of military developments). This argument rests on three propositions:

1. A secular increase in peacetime military spending, both absolutely and in relation to national income, marks the beginning of the phase of economic decline Britain in the 1880's and the U.S. in the 1940's. Some important companies face bankruptcy. The Government responds through increased military contracts because
  - (a) The companies are said to be a national asset representing reserve capacity for mobilisation in time of war
  - (b) The pursuit of a more aggressive militaristic foreign policy in response to loss of markets, etc.; 'Baroque' armaments are valued for symbolic importance, c.f. Churchill on the "majesty and might" of empire aboard the Dreadnoughts and explicit German recognition that naval arms race was political, also theology of modern strategic thinking.

11.) The procurement of arms requires an internal momentum because of the capitalistic form of production. Rapid technical change, necessary for the survival of individual capitals, means that arms producing companies become increasingly specialised and dependent on government support. But technical change is circumscribed by the particular relations of production or labour process in a given industry and by the particular relations of force. Hence, just as with civilian industry, we find diminishing returns in military technology as well. The technical composition (is the term organic meaningful here?) of capital in the arms sector, i.e. in arms manufacture and in the armed forces, is rising. Increasing amounts of labour, dead and living, are required to produce and operate armaments for every marginal improvement in performance characteristics. This does not appear as falling rates of profit in the arms industry or through some such signal in the armed forces because arms are not subject to the law of value. This is why generals can always go on fighting the last war. It becomes obvious in fairly catastrophic ways in war.

111.) The continued and increasing expenditure on arms rigidifies the material processes of military activity. It saves companies, provides employment, absorbs investible and scientific resources, reinforces the political power of the armed forces. As a consequence, it slows down accumulation and postpones the rise of new dynamic industries. New ideas result from this concentration of resources, i.e. spin off, but cannot be effectively developed because of the inadequacy of social

conditions - the State itself, the military sphere being but one example, poses a barrier to the penetration of new sectors, e.g. integrated circuits in the U.S. automobiles in the U.K. Equally, <sup>baroque' armaments eventually</sup> ~~it~~ undermines <sup>the</sup> the power of the State. With rise of revolutionary technologies, e.g. PGMs based on electronics industry, the political and military power of 'baroque' armaments can be ultimately challenged.

#### 4. The Crisis of Baroque Armaments

The crisis of 'Baroque' armaments is manifested at three levels:

##### 1) The State:

- (a) Exchange value. As accumulation slows down, the growth of state revenues slows down and the state finds it difficult to finance growing military expenditure.
- (b) Use value: The repressive function of the state is undermined. The process of decline produces new conflicts. The armed forces are ineffective at coping with them; e.g. Northern Ireland, God War, Vietnam, etc.

##### 2) The Arms Industry - Military Production.

- (a) Valorisation: As military spending fails to keep up with the growth of capacity, the industry is forced to increase markets, e.g. arms exports and civilian diversification, and to destroy or devalorise fixed capital, e.g. rationalisation through amalgamation and international collaboration. For various reasons, discussed below, these options are ultimately limited.

Hence, the rise of 'baroque' armaments is part of a process of decline; it represents a response to decline, which generates an internal momentum, thus accelerating decline.

(b) Subordination: The rising technical composition of capital involves the expulsion, fragmentation, and deskilling of workers in the arms industry. In particular the arms industry employs a relatively large proportion of technical labour. Hence the growth of shop stewards combine committees, etc., e.g. Lucas Aerospace, Vickers, Rolls Royce, BAC

##### (3) The Armed Forces: Military Production

- (a) Function: Efficiency of existing armed forces is impaired by new technology, e.g. improvements in accuracy of guided weapons greatly increase the vulnerability of the weapon system and call into question the utility of complexity, size and sophistication, and by Government attempts to reduce cost of military spending, e.g. saving on <sup>ammunition</sup> ~~armaments~~ in Britain, bad pay for conscripts in Italy and France. Efficiency is challenged in war, e.g. Vietnam, Portuguese colonies, etc. Yet it is impossible to shift to a more efficient system without undermining control in the armed forces and destroying the existing arms industry, c.f. ideas emanating from the Rand Corporation on appropriate ways to prosecute Vietnam war.
- (b) Form: The inadequacies of function, the risks of death and defeat, undermines ideology and control; hence the growth of military unionism, in US, France and Italy, drug taking in the US, politicization in S. Europe and Britain, more open opposition to military policies. In Brazil for example, the guerilla war broke down control within armed forces and led sergeants to ally with trades unions.

##### 5. The United States

The rigidity of 'baroque' technical change was codified in Macnamara's Systems Analysis approach and the baroque methods of fighting the Vietnam war. The Vietnam war represented a profound challenge to the armed forces and US imperialism. The subsequent economic crisis imposed limits on military spending and resulted in severe recession in the arms industry. The consequences include:

101

- a) A new emphasis on the Soviet threat. This helps to reassert control over NATO and to justify renewed increases in the defence budget.
- b) The Nixon Doctrine, according to which arms sales replace direct military intervention. This represents an alternative way of carrying out the functions of force and on important new market for the industry. Ultimately, however, the policy will lessen control, and increase the likelihood of competition in the arms market.
- c) A new emphasis on standardisation in NATO, which means increased sales of American arms to NATO countries, e.g. F-16 deal. This is discussed below. For the first time, US officials and commentators are becoming quite explicit about the need for more arms purchases to preserve the industrial mobilisation base.

6. Europe

NATO and US military alliances in general represent multi-national forms of force. The dependence on US military equipment and the US command structure implies US techniques and relations of force, i.e. a form of control by America and of American type - assent to the structure of US imperialism, including the US arms industry.

1. The State.

- a) Exchange value: the increasing financial burden of NATO, including the cost of 'baroque' armaments. NATO accounts for 90% of the British defence budget. European NATO accounts for 60% of the US defence budget. In consequence, there are increasing demands for new cheaper forms of defence, including standardisation and integration.
- b) Use Value: The function of NATO as a means of control is questioned. This evidenced in strategic and political disagreements, e.g. tactical nuclear weapons, European refusal to allow <sup>us</sup> US to use NATO airbases to airlift arms to Israel in 1973. The case for a more independent European defence effort is increasingly heard. Also, other functions are becoming more important, e.g. nationalist conflicts - Ireland, Scotland, Brittany, Basque, etc.

2. Industry:

In Britain and France, the crisis of the arms industry is longstanding. The industries are heavily dependent on arms exports and hence very sensitive to increased American competition. Moreover, the growth of arms exports cannot keep up with the growth of industrial capacity and the absolute size of arms exports cannot is insufficient to finance new developments. Civilian diversification is difficult because of the specialised nature of 'baroque' arms production - only 'baroque' civil products, like concorde, are possible. Domestic rationalisation has reached national limits. International collaboration, e.g. MRCA, is currently inefficient and costly because it is organised through inter-state bargaining. Companies face bankruptcy or international rationalisation, e.g. multinational defence companies. The latter needs state support. Germany is developing an indigeneous arms industry and is dependent on foreign assistance, US or French and British.

3. The Armed Forces:

Growing dissatisfaction with 'baroque' armaments because they involve a heavy concentration of resources in a few items and because of their disutility in local conflicts. This is most evident in the French and Italian armies. In Britain, the RAF is unhappy with MRCA, submariners are attacking the cruiser, and the experience of Northern Ireland, Oman and the Cod War directly contradicts the emphasis on training for Europe and enhances the "technical" importance of lower grade officers.

Possible Outcomes:

- 1. An Integrated European form of force, comprising European multinational arms companies and a European command structure. This would be part of a general political and economic challenge to US imperialism including the challenge of new industrial sectors based in Germany and the need for more "progressive" state support e.g. European multinational state. It would mean a lesser role for baroque armaments and more electronic warfare etc.

2. Increased dependence on the US, including greater NATO standardisation and bankruptcy of European arms companies. This would represent a continuation or suppression of crisis. It would be the consequence of continued weak European Governments like Britain or Italy dependent on American or American backed loans, domestic repression, slow growth etc.

3. De-emphasis on baroque arm in a national context. This would involve the planned elimination of arms companies, and the restructuring of the armed forces. ~~Would~~ this be part of the transition to socialism?

5. Alternative Forms of Force

a) Alternative capitalist forms of forces: could Japan and Germany challenge the US military with new technologies, based on more modern industrial sectors, e.g. electronics, chemicals, deep sea technology. (o.f. recent agreement between Germany and Japan to mass-produce small missile equipped submarines). Suppose we could survive such a war, then the techniques would eventually become 'baroque' too, because the machine remains in command. We would have to envisage an even more horrible war and more profound crisis.

b) Is it possible to envisage a form of force in which man controls the machine? Would this be socialist? Or is it a contradiction in terms? Surely, force or organised violence must entail control or subordination and this must be reflected in its form?

M.K. June 1977.

Notes from Commodities Meeting.

December 13th 1977.

1. The State and commodities.

If we start not from the company or the state but the branch we can see institutions for what they are: organisational forms for the production and circulation of use values. The question posed by the many primary commodities with which the group is dealing is why the state plays a more important part in some commodities rather than others - and, more generally, whether we should speak of primary commodities as a generic category at all.

Carlos argued that the case for talking about primary commodities as a whole was founded on their relation to land and landed property. For this reason the analysis of rent was important in most if not all the cases under discussion. But having said that he argued that we should make a strong distinction between agricultural and mineral products on the grounds that:

- a) minerals were exhaustible.
- b) minerals were an industrial input whereas most agricultural commodities were directed at final consumption.
- c) minerals production tended to be more capital intensive than primary agricultural products, and the labour process was therefore less significant in analysing the patterns of accumulation in the mineral sector, and for class relations. Of course the capital intensive/labour intensive distinction did not have a one to one relation with mineral/primary agricultural production. There were some minerals (gold panning) which were labour intensive, and some agriculture (battery chicken production) which was capital intensive. The correlation still held in spite of these exceptions.

Another way into these sectors was through the concepts of socialisation of labour and the market. By socialisation of labour one means the direct organisation of labour outside the market. It is a way of looking at the rising organic composition of capital, the concentration and centralisation of capital, the development of manufacture, and so on. The point of seeing this feature of capitalist development from the point of view of how labour is organised, allocated (division of labour), commensurated is that it raises the question of the social nexus and the adequacy of the market. With small scale production labour is commensurated via the market. This commensuration takes the form of value. It is indirect. The social nexus is the market. Market prices reflect in a modified form the socially necessary labour time in the commodities. The price signals to where labour should be moved: it cuts out some branches, some firms, and raises others. As production processes becoming increasingly socialised, with increasing use of machinery, knowledge, large aggregations of labour synchronised by a single authority, price as a commensurator of human labour becomes increasingly problematic. How should the labour embodied in R&D or in a machine be allocated to particular products: i.e. how should prices be set. Joint products challenge value theory not for neo Ricardian reasons, but because of the ambiguity



3.

What follows from the above is that once we have established the social character of production in a branch, we can look at the organisational forms involved. 'Socialised' production<sup>4</sup> contradicting ~~xxxx~~ price as a means of commensuration, also contradicts capital. For capital requires quantitative measures of performance: rates of profit per annum. Finance capital in particular (like the finance departments of large firms) wish to maintain even more continuous monitorings. How can this be done when the amortisation of fixed capital is spread over many years, when ~~xxxx~~ have a notional value which may be quite at avariance with the final realised price, and so on. How can firms make investment decisions for massive projects when the whole of the fixed capital, may be devalued by new knowledge, even when that knowledge (say in electronics) is developed by themselves. Like the medlar, so many new developments ~~xxxx~~ in electronics are rotten before they are ripe.

It is here that the state is introduced as an organisational form more adequate for the zones of socialised labour. ~~xxxx~~ For the state is insulated from the law of value. It is not being called to monthly account. It does not have to announce its annual rate of profit. It has a quite distinct ~~xxxx~~ economic relation. It is not based on equivalent exchange, but on the principal of levy and bounty. It raised by fiat (mainly tax) what is required ~~xx~~ for the cost of producing these products ~~xx~~ using 'socialised' labour. It does not have the same need as does private capital to set a price in relation to value (e.g. a cost plus price) because it does not raise its revenue primarily through price. It can allocate costs, as it sets prices and taxes, according to other criteria than value ('the social considerations' taken into account by the state is merely a way of saying that private considerations cannot be adequately accounted for these products).

With any branch, we can then distinguish between those zones for which the market is adequate <sup>as a means of commensuration</sup>, and for which therefore capital is adequate as an organisational ~~xxxx~~ form, as against the zones of socialised labour where ~~xxxx~~ ~~xxxx~~ ~~xxxx~~ the state and its principles of forced economy are the adequate ~~xxx~~ structures. This is clearly different to a mechanistic analysis of the state. For while ~~xxxx~~ the state can be interpreted as 'intervening', acting as a supporter of private capital, etc. in fact what is happening is the development of a social form more adequate than private capital for the reproduction of this system of social economy. ~~xxxx~~ ~~xxxx~~ ~~xxxx~~ It is not enough to see one ~~xxxx~~ serving another. Rather both institutions reflect different characteristics in the social economy. We could as well talk of private capital intervening on behalf of the capitalist state (which is how the Fabians and social democrats do see it - that capital is under license from the state and that the state has power to remove that license if it is considered necessary). Whereas ~~xxxx~~ both institutions ~~xxxx~~ ~~xxxx~~ can only be understood in terms of the ways in which labour is commensurated in modern capitalism, and the adequacy of the market as the social nexus.

## 4.

The point of this approach is that the mechanisms of regulation, their geographical range, and therefore the relations between ~~xxx~~ head and hand, those who rule and those who work, are different according to the organisational form in question:

a) the process of restructuring is different; the state economy does not go bankrupt in the same way as private capital, nor centralise - the weaker element being taken over by the stronger. This may happen in the state, but it is the result of a direct, centrally organised restructuring rather than one carried out through the market.

b) the control and direction, and therefore the restructuring is more problematic in the state sphere than in that of capital, since it is more difficult to quantify performance. The market is no longer an adequate commensurator of individual labour. It increasingly commensurates collective labour, socialised labour.

c) competition between states is confined to national competition, whereas that between firms is international. Between states battle is joined indirectly, via internationally ~~xxxxxxx~~ traded 'private' goods. (Where the state trades or produces internationally, as in the car industry, it is acting in a part of the branch where the market may commensurate, or where at least private capital still 'runs' / though in some branches such as state produced energy equipment, competition can sometimes be direct.)

So we have the marked national restrictions on the range of state commodities (so called non traded goods) compared to the geographical universality of capitalist commodities. ~~X~~  
The states confinement follows from the character of the levy/bounty economy. Levy implies forced appropriation of ~~xxxxxxx~~ (xxx value (or labour) and this ~~xxxx~~ implies territorial exclusivity. Bounty could be spread beyond the area of levy, but the principles of equivalent exchange suggests otherwise. It would for example be possible for Britain and France to co-operate in providing a specialist hospital in one or the other country, paid for on some shared basis and open to all inhabitants of either country. Does not happen, nor in education. We could identify those areas where socialisation within the state sphere has brimmed over national boundaries for reasons of scale.

Trace also the way in which state output is sold: capital goods / fees for higher education / pay beds for foreign visitors.

The reason why foreign capital for the most part 'enjoys' state bounties is that they are in principle subject to levy because they have located within the area of exclusive power. This has been a problem for those who see the nation state as peculiarly wedded to national capital: how is it then that foreign capital receives the same benefits - tariff protection, access to skilled labour - as national capital? The approach through forms and the levy/bounty economy finds no such problem. The state - by virtue of its territorial confinement is nationalist by geography rather than by (nationality'.



## 5.

For the most part the state only competes - or put another way, engages directly with value - via sales on the market by private capital. It is subordinated in that sense.

In the study of any particular branch ~~xxx~~ we have therefore some production processes which are under the sway of capital, are submitted to international competitive pressures, and are internationally mobile. Others are confined to state production, and state competition through non market means: (note the states use of distribution of surplus value, tax incentives, tariff protection, etc. to strengthen the final embodying competitive position of the capital that is realising all intermediary value embodied in it)

Note that capital tends to throw off those zones within a branch which cannot be adequately commensurated via the market. Those are allocated to the state on a cost plus basis.

One of the principle commodities which is not adequately commensurated via the market, and for which capital is not an adequate producer is labour power. Why:

- a) because capital requires free wage labour, and therefore labour owned by another capitalist contradicts the very principles of capitalism. (What are the material reasons for this point?) (what about the implicit freedom of commodity relations)
- b) because labour has many socialised costs not directly related to incremental production: upbringing, education, health, retirement, family production, an individual capitalist asks: why should I pay for these. In South African mines, refused. In UK some of them paid for, (cf family wage), others 'produced' by state forms.
- c) because labour is simultaneously subject of society, ~~xxxx~~ at the same time as capital is making it its object.

Let us consider <sup>labour power</sup> ~~xxxx~~ production as the object of capitalist firms:

- the labour sold at its value (the wage) and can be produced at less than its value, in as much as that value represents total (nec. plus surplus) labour time embodied in it.
- problems of mass production of labour power, amongst other things because labour fights back when together.
  - in 'social services' there is mass production, but not in ordinary 'family' living, birth, marriage, death. (~~xxx~~ note flow line births, and flow line crematorial destruction).
- if labour 'overproduced, then failure to sell on the market, 'devaluation of the commodity labour power' - i.e. starvation. But in these circumstances, can there be any incentive to revolutionise product process of labour power. Cheap wages. Answer: yes. Lower food costs, and all 'intermediate inputs' costs (housing, education, health ~~xxxx~~ cooking).

6.

- so called freedom of labour continual artisaal labour process in production of children, and certainly daily need production: hence adoption of putting out system.

The validation (realisation) of value embodied in labour power is through sale of final commodities embodying labour. Hence state concern to keep this low, not through direction of individual labour, but through general provisions affecting collective labour.

How does the consideration of labour power as a commodity touch the question of tarriffs and other forms of protection of primary agricultural commodities?

Returning then to Carlos's point;

- a) the dependence of primary commodities on land is important, because of rent and landed property, and because the control of landed property rights is 'nationally' defined, being lodged in the state. What we need to know, however, is the differential importance of rent between different branches, or between minerals and agricultural commodities.
- b) minerals are as Carlos says more commonly capital intensive and intermediate rather than final products. What we have to consider is why that distinction is significant. Effects on labour process and class relations is one possible answer to the first. Technology control, and therefore extraction of rent other than through rights of landed property is another. The point I have raised is a third, viz. the degree of socialisation in mineral as against agricultural branches, the adequacy of the market, and the consequent part that the state plays as an organisational form. The point is important not merely to understand different forms, but because the forms are not Platonic representations of essences, but material organisations, which have different dynamics, means of competition, restructuring, discipline, relations to the market. To recognise a dual economics, will help us in discussions of international price, and in endogenising the state into our treatment of branches and the theory of international trade.

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