

***The Socialist Register 1982:
A Survey of Movements and Ideas***

edited by Martin Eve and David Musson

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Socialist Economic Review 1982

edited by David Currie and Malcolm Sawyer

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Production and Finance

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THE EDITORS

Is Socialism Possible on the Periphery?

BARRY MUNSLOW

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NOTES FROM THE EDITORS

This issue of MR marks the beginning of the magazine's thirty-fifth year of publication and at the same time the first major personnel change since the death of Harry Braverman in 1976. As of May 1, Jules Geller who took Harry Braverman's place as Director of MR Press is retiring from that position. He will remain as Editorial and Marketing Consultant and as a member of the Board of Monthly Review Foundation, and will devote more time than has been possible in the past to the magazine's coverage of the labor field. Susan Lowes who has been Managing Editor at the Press is assuming the position of Acting Director. We want to take this opportunity to express our thanks to Jules for the excellent work he has done for the Press in a period of many difficulties and challenges, and our confidence that Susan will be able to continue this work and successfully overcome the no less serious problems which surely lie ahead.

Corrections: (1) In the March 1983 issue (p. 60) the price of a single issue of *The Insurgent Sociologist* (c/o Dep't of Sociology, Univ. of Oregon, Eugene, OR 97403) is erroneously given as \$6. The correct price is \$4. (2) Jacob Morris's article on social security in the February 1983 issue

(Continued on inside back cover)

PRODUCTION AND FINANCE

In a review of a new book on the problems of the U.S. economy,* Cornell economics professor Alfred E. Kahn, perhaps best known as Jimmy Carter's "inflation fighter," articulates in the briefest and clearest form an important tenet of orthodox economics which is usually taken for granted and left unexpressed. He writes:

Contrary to popular assumption, speculation in securities, real estate, and commodities, and mergers and acquisitions of existing companies do not waste capital that would otherwise be used for productive investment. All they do is transfer dollars from purchasers to sellers. The authors clearly imply that if these funds had gone instead into new plant and equipment, the result would have been a far more satisfactory rate of economic growth. This is economic nonsense. According to that reasoning, the \$66 billion used to purchase stocks in the New York stock exchange this past October alone could instead have more than tripled our acquisition of new plant and equipment! But of course that would have been physically impossible. The point is that these mere purchases and sales of existing assets do not use up real resources (except for the time put into making the transactions). (*New York Times*, Sunday Book Review section, December 12, 1982)

Is this true or isn't it? The answer is that some of it is, some of it isn't, and the conclusion to which it leads is false. By reformulating the statement with a few changes and amendments, we reach the opposite conclusion:

* Barry Bluestone and Bennett Harrison, *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry* (New York: Basic Books, 1982).

In accordance with popular assumption, speculation in securities, real estate, and commodities, and mergers and acquisitions of existing companies absorb money capital that could otherwise be used for productive investment. Instead of being transferred from purchasers to sellers, they could have gone into buying new plant and equipment, and the result would have been a far more satisfactory rate of economic growth. This is economic common sense. According to that reasoning, the \$66 billion used to purchase stocks on the New York stock exchange this past October could have greatly increased our acquisition of new business plant and equipment. With more than 10 percent of the labor force unemployed and more than 30 percent of productive capacity idle, that would have been physically perfectly possible. The point is that purchases and sales of existing assets, while not using up real resources (except for the time put into making the transactions) do provide uses for money capital that otherwise could have been transformed into real capital.

What would (or could) orthodox economists say to this? We're not sure, since they rarely if ever pose the problem in this way. For them money used to buy existing assets is not capital; it is simply a means of circulation which does not impinge on the productive process. This is in keeping with a very old way of looking at the economy, i.e., dividing it into two realms, the "real" and the "monetary," with the latter being treated as a veil which hides the real economic processes. If it can be shown that certain activities pertain only to the monetary realm (like the purchase and sale of existing assets), they can be ruled out as having any influence on the real realm.

The trouble with this approach is that there is in fact no separation between the real and the monetary: in a developed capitalist economy practically all transactions are expressed in monetary terms and require the mediation of actual amounts of (cash or credit) money. Some of these transactions are generated in the process of production (payment of wages, distribution of incomes derived from profits, purchase of means of production and consumer goods) and some are generated by financial transactions (borrowing and lending, purchase and sale of existing assets, etc.). The appropriate analytical separation here is not between real and monetary (all are both real *and* monetary) but between productive and financial. One can thus legitimately distinguish between the underlying productive base of the econ-

omy and its financial superstructure (not to be confused of course with the base/superstructure metaphor commonly used in expounding the theory of historical materialism).

In the earlier days of capitalism—roughly prior to the Civil War in the United States—when most production was carried on by small competitive proprietorships or partnerships, the financial superstructure was relatively insignificant and for analytical purposes could be ignored. In those days economists developed the real/monetary distinction as a method of contrasting the way the actual economy functioned and the way a hypothetical barter (moneyless) economy presumably would function. Money was thought of as having been imposed on a natural barter economy, becoming in the process the source of a wide variety of price (as distinct from value) phenomena like inflation, gluts, panics, and later the business cycle.

By the end of the nineteenth century, with the spread of larger and larger corporations as the typical form of business enterprise, the composition of the capitalist economy underwent a qualitative transformation. The issuance of many types and quantities of corporate securities brought in its train the development of organized stock and bond markets, brokerage houses, new forms of banking, and a community of what Veblen called captains of finance who soon rose to the top of the capitalist hierarchy of wealth and power.

In the twentieth century the growth of the financial sector has proceeded apace, both absolutely and relative to the underlying productive sector, most especially in the long post-Second World War boom during which there has occurred a veritable explosion of new kinds of financial institutions and instruments along with speculative activity on an unprecedented scale.

For reasons which need not detain us—and indeed which have never been seriously studied—orthodox economics paid scant attention to this continuing transformation of capitalist economies. To be sure, the rise of large-scale production units was given belated recognition (in the 1930s) in new theories of imperfect or monopolistic competition, but these were focused on individual firms or industries and no attempt was made to extend them to take in the whole economy. Moreover, developments in the field of corporate finance and banking were rele-

gated to the status of "applied economics" having at best a loose and ill-defined relation to the hard core of economic theory (the "neoclassical synthesis") which, apart from a variety of lovingly elaborated refinements, remained pretty much what it had become when Alfred Marshall published the first edition of his *Principles of Economics* in 1890. It is true that the work of Keynes (*A Treatise on Money*, 1930; and *The General Theory of Employment, Interest and Money*, 1936) constituted a partial exception to these generalizations. There is no sign of the real/monetary dichotomy in Keynes, and there are places where he clearly recognizes the distinction between productive and financial sectors (especially in Chapter 15 of *A Treatise on Money* entitled "The Industrial Circulation and the Financial Circulation"). Still, Keynes did not follow up his own leads and never got around to conceptualizing the economy as a whole in terms of the two sectors as a preliminary to exploring their interactions historically as well as analytically. And in this respect, as well as in others, the subsequent development of mainstream economics has been a retreat from the advances pioneered by Keynes in the 1930s.

What has to be understood—and what is missing from the kind of reasoning exemplified by the statement of Alfred Kahn quoted above—is that in modern complex economies, a large and growing part of money capital (i.e., money invested with a view to earning more money) is not directly transformed into productive capital serving as the means by which surplus value is extracted from the productive utilization of labor power. Instead it is used to buy interest-bearing or dividend-yielding financial instruments. It used to be an axiom of orthodox theory that the sellers of these instruments (stocks and bonds) were themselves productive capitalists who would use the proceeds to expand their real capital, handing over to the buyers part of their increased surplus value in the form of interest and dividends. To the extent that this is what actually happens, the money capitalist simply becomes a kind of partner of the productive capitalist.

Nowadays, however, this is very far from what actually happens. Money capitalists are being offered an enormous variety of financial instruments to choose from—stocks and bonds,

certificates of deposit, money-market funds, titles to all sorts of assets, options to buy and sell, futures contracts, and so on. There is no presumption, let alone assurance, that money invested in any of these instruments will find its way, directly or indirectly, into real capital formation. It may just as well remain in the form of money capital circulating around in the financial sector, fueling the growth of financial markets which increasingly take on a life of their own.*

In the present state of knowledge it is not possible to define or delineate the financial sector with any accuracy, and perhaps it never will be.** But that it is large and getting larger both absolutely and relatively is clear to any reasonably attentive observer of the economic scene. And these observations can be supported in a general way by readily available statistical data. For example:

● According to data cited by Guy E. Noyes, former vice president and chief economist for Morgan-Guaranty Trust Company (*Morgan-Guaranty Survey*, October 1981), at the end of 1980 debits to demand deposits (i.e., checks written against demand deposits) were running at an annual rate of approximately \$68 trillion compared to a Gross National Product of \$2.7 trillion. Thus only some 4 percent of payments by check were related to transactions involving the goods and services that compose GNP. "A large volume of transactions, not

* The Marxian formula for the productive investment process is $M-C-M^1$ —money exchanged for commodities (means of production plus labor power) which are used to produce more valuable commodities which in turn are sold for more money than was originally laid out. The corresponding formula for money capital is $M-M^1$, i.e., money which yields more money without the intervention of a process of production. Marx aptly referred to this as capital in its "most externalized and fetish-like form." (*Capital*, vol. 3, Kerr ed., p. 459)

** The difficulty stems in large part from the fact that most of the large corporations which are officially classified as "nonfinancial" are in reality, at least to some extent and often to a substantial extent, engaged in financial operations such as buying and selling securities and other existing assets, borrowing and lending money, etc. They take in large amounts of money (from both productive and financial operations) over and above what they distribute to their stockholders and creditors. In deciding how to invest these funds, they are guided by criteria of profitability, safety, liquidity, etc., which often means that they invest in financial rather than productive assets. They are, in other words, money capitalists as well as productive capitalists.

counted in the 4 percent figure," Noyes explains, "involves intermediate purchases of goods and services—as opposed to final purchases, which is what GNP measures. However, financial payments represent far and away the great bulk of total debits to demand deposits." This does not mean that most of the nation's money is tied up in the financial sector, but it does mean that most of the economy's money flow (quantity of money times average number of turnovers in a given unit of time) takes place in the financial sector. Since the rate of turnover is very high in the financial sector, less money is needed to sustain a higher flow of payments. Still, the financial sector does absorb a vast amount of money. It follows of course that any change in the relative profitability of production and finance can quickly send money scurrying from one sector to the other with significant consequences for the way the system functions.

- In 1950 dividends and interest amounted to 8.1 percent of total personal income. By 1982 this had increased to 17.1 percent, a gain of over 110 percent. (*Economic Report of the President*, 1983, pp. 188-89) A major reason for the growth of interest and dividends has been the dramatic rise in interest rates. But that is itself a product of the ballooning financial superstructure which stretches credit to an extreme limit and even beyond the bounds of rational finance.

- Pretax profits of financial corporations averaged 10.9 percent of total corporate profits in 1945-54. This had risen to 15.7 percent by 1975-81, an increase of 44 percent. (*The National Income and Product Accounts of the United States, 1929-76*, pp. 283-84 and *Survey of Current Business*, July 1982, p. 92) The increase in the share of finance would certainly have been greater if it were possible to separate out and count the financial operations of what are officially classified as non-financial corporations.

- Employment in "Finance, Insurance and Real Estate" increased from 3.6 million in 1970 to 5.4 million in 1982, a rise of 50 percent. This compares with an increase in total employment in the same period of 26 percent. In other words, in terms of employment the financial sector grew almost twice as fast as the economy as a whole. (*Economic Report of the President*, 1983, p. 205)

The foregoing are evidently no more than indicators or symptoms of long-term trends at work in the U.S. economy; in and of themselves they do not tell us anything about the consequences of the shift away from production and toward finance for the overall functioning of the system. For this we must inquire into the way the two sectors—production and finance—interact with each other.

We have found that the most useful way of pursuing this inquiry focuses on the production and utilization of society's surplus product under conditions of monopoly capitalism. The basic condition for any society's survival and reproduction is the uninterrupted operation of a productive sector which supplies the consumer goods required by the population, plus the producer goods to replace what wears out and (if conditions are favorable) to add to the productive base. In primitive societies there is normally little left over after the people's livelihood has been provided for, so growth is at best slow and often non-existent. As civilization progresses, labor becomes more productive, the surplus (over and above what is required to maintain the working population) grows, new classes of non-workers emerge (landlords, priests, government functionaries), and faster growth becomes possible. Still, throughout most of human history the surplus remained small and was from time to time reduced or even wiped out in the face of adverse natural conditions, wars, plagues, etc. This is why history seems to move so slowly for so long and why apparently flourishing civilizations decline and fall.

The arrival of capitalism introduces a new dynamic element into the historical process. The rate of increase of labor productivity quickens. As Marx and Engels put it in *The Communist Manifesto*, the "bourgeoisie... has created more massive and more colossal productive forces than have all preceding generations together." The surplus product grows by leaps and bounds. During most of the nineteenth century in the countries of advanced capitalism a large part of this growing surplus was plowed back into expanding the productive base, and much of the rest went into nourishing the growth in the numbers and standard of living of the non-working classes. In time, however, these traditional ways of utilizing the surplus proved increasing-

ly inadequate to keep the capitalist machine running at or near full capacity. New science-based technologies and improved forms of organizing the labor process proved to be, in one of Veblen's favorite phrases, "inordinately" productive. One result was, as Veblen noted in a path-breaking study as early as 1904, that the economy tended to slow down and to operate for sustained periods at less than full capacity.* One remedy for this situation, Veblen argued, could be sought "in an increased unproductive consumption of goods," but he was not optimistic about its effectiveness:

Wasteful expenditure on a scale adequate to offset the surplus productivity of modern industry is nearly out of the question. Private initiative cannot carry the waste of goods and services to nearly the point required by the business situation. Private waste is no doubt large, but business principles, leading to saving and shrewd investment, are too ingrained in the habits of modern men to admit an effective retardation of the rate of saving. Something more to the point can be done, and indeed is being done, by the civilized governments in the way of effectual waste. Armaments, public edifices, courtly and diplomatic establishments, and the like are almost altogether wasteful, so far as bears on the present question. They have the additional advantage that the public securities which represent this waste serve as attractive investment securities for private savings, at the same time that... the savings so invested are purely fictitious savings and therefore do not act to lower profits or prices... But however extraordinary this public waste of substance latterly has been, it is apparently altogether inadequate to offset the surplus productivity of the machine industry, particularly when this productivity is seconded by the great facility which the modern business organization affords for the accumulation of savings in relatively few hands. (*Ibid.*, pp. 255-57)

Veblen might have gone on to cite the growth of the financial sector, of which he was one of the earliest and most insightful observers, as an additional offset to the "surplus productivity of modern industry." The reason he didn't is probably that at the time he was writing *The Theory of Business Enterprise* in the

* "It might even be a tenable generalization... to say that for a couple of decades past the normal condition of industrial business has been a mild but chronic state of depression... Seasons of easy times, 'ordinary prosperity,' during this period are pretty uniformly traceable to specific causes extraneous to the process of industrial business proper." (*The Theory of Business Enterprise*, pp. 184, 251).

first years of the present century the financial sector, in a purely quantitative sense, was still quite small. It is interesting to note that Baran and Sweezy, in *Monopoly Capital* (1966), also failed to focus on finance, along with the sales effort and government spending, as a major absorber of surplus, although they had much less reason than Veblen for the oversight. Be that as it may, there is certainly no excuse for continuing to ignore this role of finance after the fantastic explosion of the financial sector which characterized the 1960s and 1970s.

If a capitalist economy worked in the manner assumed by the textbook models, there would be no reason for the development of a distinct financial sector. All incomes would be paid out by productive enterprises in the form of wages, salaries, dividends, interest, and rent; and all incomes would be spent on consumer goods or on means of production serving to expand the productive base of the economy. Savings would be directly invested in or loaned at interest to productive enterprises, and credit would be limited to the modest role of facilitating commercial transactions and economizing on the need for cash.

With the coming of corporations all this gradually changed. The original purpose of the corporate form was to allow a number of investors to go into an enterprise together without each of them running the risk of losing his or her entire fortune. The matter is often presented as though this is really only an extended partnership with each participant actually owning a piece of the productive assets in question. But this is not so. The corporation itself owns the real assets, and the participants own only shares in the corporation—pieces of paper embodying specified legal rights (to vote for directors, receive dividends when declared, acquire a pro rata share of assets in case the corporation is liquidated, etc.). The difference between owning real assets and owning a bundle of legal rights may at first sight seem unimportant, but this is emphatically not the case. It is in fact the root of the division of the economy into productive and financial sectors.

Corporations can of course sell their assets, wholly or in part. Shareholders on the other hand can only sell their pieces of paper. In the absence of an organized market, this is not easy, as many early corporate shareowners discovered. But even

before the rise of the corporation, organized securities markets existed, most notably those handling government bonds and to a lesser extent the shares of banks and insurance companies. As the volume of new corporate securities swelled in the closing decades of the nineteenth century, the established dealers and brokers—a good example was J. P. Morgan who got his start as a financier to the Northern government during the Civil War—were more than anxious to extend their activities to include these new types of securities.

It was in this fashion that corporate securities acquired the attribute of liquidity—instant convertibility into cash—which the physical assets of corporations by their very nature could never have. And once this stage had been reached, the way was open for a proliferation of financial instruments and markets which, so far at any rate, has proved to be literally unlimited. A crucial step in this development was the determination by state legislatures and the courts that corporations had the power not only to issue their own securities but also to own the securities of other corporations. Thus was born the holding company, a corporation whose purpose is to own the securities of other companies. Given this possibility, corporations could be piled on top of other corporations in a theoretically endless chain, with the aggregate number and volume of corporate securities growing in step and without any addition to the underlying productive base at the bottom of the pyramid.

This is not the place to detail the various other ways in which the financial sector, once established on a solid independent basis, expanded its size and its influence. Buying and selling securities on credit, the development of options and futures markets, the multiplication of specialized financial intermediaries, orchestration of corporate mergers and acquisitions—all these and more have been part of the build-up which has resulted in the huge financial sector which looms so large on the present-day economic scene.

What, then, is the nature of the interrelation between the productive and the financial sectors? Clearly the financial sector does not itself produce anything with significant use value. On the other hand it does use up a lot of real resources: the nearly 5.4 million employed in this sector (see p. 6 above) presumably

consume on the average as much as (and perhaps even more than) employees in the rest of the economy; banks seem to need fancier buildings than most businesses; a very substantial part of the output of the hi-tech industries (computers, communication equipment, etc.) certainly goes to the financial sector. In Veblen's terminology quoted above, the financial sector evidently does its part to offset the surplus productivity of modern industry. Nor is the demand which it directly generates for consumer goods and means of production the full extent of its contribution in this respect. Recent years, and even more dramatically the last nine months, have shown that the financial sector can prosper while the productive sector continues to stagnate.* When this happens, the favorable impact of the financial sector on the productive sector is not limited to the increased demand for the latter's products created by more employment and greater profits in the financial sector. There is also the indirect effect of an increase in the value of financial assets held by households and businesses throughout the economy. The *Morgan-Guaranty Survey* for March estimates that "the value of consumer-held stocks, bonds, and liquid assets rose more than \$500 billion in the last half of 1982," obviously wholly a result of activity in the financial sector. This should have some stimulating effect on consumer demand, though in the present overall condition of the economy this may show up more in slowing a decline than in registering an increase.

What about the outlook for the period ahead? Can this seemingly contradictory coexistence of a prosperous and expanding financial sector and a stagnant production sector continue? It is probably safe to say that in the long run the answer is no. But this doesn't help much since no one can define the long run, and in the meantime capitalist enterprises are for the most part constrained, whether they like it or not, to make decisions on the basis of the immediate outlook.

In the productive sector, with demand stagnant and nearly a third of productive capacity lying idle, this means trimming

* Between August 1982 and the end of February this year the New York Stock Exchange composite index went up 35.7 percent, while industrial production and profits of nonfinancial corporations were both declining.

costs of production (especially by firing workers and cutting wages) and limiting investment to unavoidable maintenance and replacement—a perfect recipe for perpetuating stagnation. In the financial sector things are different. There is plenty of money available (cash plus unused credit), and hunger for profits added to competitive pressures drives all financial enterprises to put as much of it as possible to work. This generates an upward tendency in the price of financial instruments which in turn sparks a speculative psychology which comes to pervade the financial community and to provide its own justification.

From a structural point of view, i.e., given the far-reaching independence of the financial sector discussed above, financial inflation of this kind can persist indefinitely. But is it not bound to collapse in the face of the stubborn stagnation of the productive sector? Are the two sectors really that independent? Or is what we are talking about merely an inflationary bubble that is bound to burst as many a speculative mania has done in the past history of capitalism?

No assured answer can be given to these questions. But we are inclined to the view that in the present phase of the history of capitalism—barring a by no means improbable shock like the breakdown of the international monetary and banking system—the coexistence of stagnation in the productive sector and inflation in the financial sector can continue for a long time. The reason is that the underlying attitudes of the capitalist class, especially in the United States, are dominated by a set of expectations deeply rooted in the history of the capitalist system. Capitalist ideology takes for granted that the *normal* state of the economy is prosperity based on vigorous growth. Deviations from this norm—so the argument goes—are temporary and bound to be reversed. This holds not only for the recessions/depressions of the ordinary business cycle but also for the longer periods of stagnation which are supposed to come along every 50 years or so (hence the growing popularity in the business press of theories of the so-called long-wave cycle). We are in such a period now, according to this view, and it is due to last pretty much through the 1980s and to be followed by a new long upswing in the 1990s and after.

As long as capitalists really believe this (or something simi-

lar)—and we think there is no doubt that they do—it provides a reasonable explanation for the kinds of behavior which characterize the productive and financial capitalists respectively. Those who are entrenched in the productive sector can only batten down the hatches (mostly at the expense of labor) and wait for the new long-term upswing to begin. Those who operate in the financial sector on the other hand can rationally (so it seems to them) value their pieces of paper at what they presumably will be worth after the upswing gets under way. Hence stagnation in the productive sector and inflation in the financial sector.

As MR readers know, we regard the 50-year cycle as ideology in the bad sense of the term, i.e., a myth which serves to rationalize capitalist interests. The norm of mature capitalism is stagnation, not vigorous growth. In the absence of powerful extraneous stimuli, of which there are no present signs anywhere on the horizon, the stagnation drags on and, except for occasional zigs and zags, feeds on itself. If this is a correct diagnosis, the U.S. capitalist class, like the rest of the American people, is in for a rude awakening some time down the road. But whether this will occur in the “natural” course of events, or whether a severe shock such as might be administered by an international financial panic will intervene and set events on a new course—these are questions to which no sensible answers can be given in advance. In the meanwhile we must not be surprised if the strange *pas de deux* being enacted these days by the productive and financial sectors continues for a considerable time yet.

(April 6, 1983)

How can we call those systems just
Which bid the few, the proud, the first,
Possess all earthly good;
While millions robbed of all that's dear
In silence shed the ceaseless tear,
And leeches suck their blood?

—Philip Freneau

PROBLEMS IN THE TRANSITION TO SOCIALISM

BY JAMES PETRAS

The transition to socialism, as the phrase implies, is a *process operating over time*, not a cataclysmic event that suddenly thrusts a society from one mode of production to another.

The transition period incorporates elements of the previous society, as well as the first measures aimed at fulfilling the promise of a socialist transformation. Capital and labor continue to confront each other within a mixed economy—each with its own set of responses. The problem for a socialist regime is how to mediate these conflicting demands while retaining the initiative in proceeding toward an eventual socialist transformation. In examining the problems in the transition to socialism, it is important to examine the issues raised by capital and labor and the policy options available, before proceeding to a discussion of a broad set of issues that have arisen in a number of historical cases.

Capital and the Transition to Socialism

Capitalist development has always been heavily dependent on the state—as a protector, financier, promoter, and organizer. Contrary to Schumpeterian imagery, most capitalists are not great “risk takers”—they require security and guarantees that frequently involve access to and close collaboration with the state.

This is a talk given at a conference organized by the Greek Confederation of Trade Unions, held in Athens in February of this year. James Petras teaches sociology at SUNY-Binghamton and is a frequent M&R contributor.

Secondly, while free-enterprise ideologues have frequently associated market freedom with political freedom, and early radicals—including some Marxists—associated the development of democracy as an outgrowth of the dominance of the bourgeoisie, contemporary experiences tell a different story. In many countries, especially among the newly industrializing countries, authoritarian dictatorships have provided the “political shell” within which capitalism has grown. This ambiguous relationship between capitalism and democracy suggests a certain conditionality between them. Specifically, capitalist development is compatible with a particular form of democracy in which political participation does not have serious consequences or impact on the process of capital accumulation and realization. In effect, democratic politics must not impinge upon the basic social relations of production between capital and labor. Hence, capital focuses on the *formal aspects* of democracy, legal equality, and the electoral process, and not on the substantive issues which include equality of socio-economic conditions and the application of democratic principles to the economic sphere.

The rise of a socialist regime raises two fundamental inter-related issues for capital: (a) control of the state, and (b) its use to discipline labor. A socialist regime, unlike its predecessors, is *not* rooted in the matrix of business and financial associations. It draws its support elsewhere and is *responsible* and responsive to other classes (wage, salaried, and petty-commodity producers). Given the dependence of capital on state support, the shift in political responsibility and access leads capitalists to lessen their level of activity. This includes declining rates of investment, capital flight, decline in research and development, etc. Capital's response is frequently described as a problem of “loss of confidence”—meaning capitalists do not have the certainty that the conditions which have enabled them to accumulate capital and realize profits are still operative. Moreover, without the “strong state” capable of repressing “unruly” or militant workers, capital faces the need to adjust the social relations within which capital is reproduced.

Entrepreneurial behavior then is locked into a set of political and social relations, and its willingness to continue operating

under a socialist regime is contingent upon the latter's ability to satisfy demands that evoke "confidence."

The socialist regime, especially those intent on a prolonged transition period involving a "mixed economy," not infrequently do not anticipate the problems presented by capital withdrawal. In the first instance "nationalization" is not immediately on the agenda; or, if it is, the process is very selective. The problem posed by capital's adverse reaction then is not the loss of property but the loss of control over the state and labor. There is, as well, fear of future loss of property.

The socialist regime faces the immediate question: how to meet the demands of capitalists to ensure their cooperation over the period of prolonged transition, without alienating labor or sacrificing the historical transformation envisioned in the socialist program. There is some room for negotiations: the problem becomes one of trading off state support and financial resources for commitments to maintain and expand production. This would ensure capital its profits, limit its economic risks, and provide economic incentive for collaboration. What the regime cannot consider without abandoning its historic task is the incorporation of capital into the state and the mobilization of state power as a mechanism for repressing labor. The preservation of the political character of the regime—as one belonging to labor—guarantees that the concessions to capital will not sidetrack the process.

In a word, the immediate economic demands of capital are "negotiable," but long-term political guarantees are not compatible with a socialist transition. While "negotiations" and conditional concessions to capital are necessary accompaniments in the period of socialist transition, the socialist regime must recognize that its social base is essentially anchored in labor. "Open-ended" bargaining, where concessions are made to capital without any substantive trade-offs to labor, threatens the survival of the regime, strengthening the political adversary while alienating supporters. This disastrous approach can be properly labeled the "political economy of falling between two stools."

The policy options of a socialist regime involve a complex set of measures reflecting the *heterogeneity* of the economy and the *transitional* nature of the period. Across-the-board change

that fails to take account of the variety of modes of production, capacities of the state, and orientation of the productive classes would result in conflicts, abrupt decline in production, and unnecessary alienation of political support. In the strategic productive, distributive, transport, and financial areas, selective expropriation and the establishment of worker-state management councils could be introduced. These areas should be clearly demarcated and the policies executed with firmness, as prolonged adjudication would lead to the old owners running down the plant in anticipation of expropriation. In other major enterprises, where for short- or medium-term political, administrative, or economic reasons nationalization and self-management are not possible, forms of workers' control with powers of oversight and access to the financial books of the companies concerned could serve to guide the enterprise. Among the large number of small and medium-size firms, cooperatives could be organized to channel technical assistance and credit, while introducing mechanisms for political socialization into the organization. Among individual producers local regulations (tax, quality, and health standards) could be administered to ensure against excess profiteering.

Collectively, these and related policy measures allow for the market and profit motive to operate but *within political and social parameters consciously determined by the socialist forces*. This pattern of socialist "encirclement" and market freedom provides a framework within which to encourage capitalist cooperation and from which to gradually build up the capacity for a socialist transformation.

Capital can respond to this strategy in several ways: (a) it can seek to maximize its opportunities within these parameters, taking advantage of government programs (spending, credits, income policy) to increase its production and profits; (b) it can perform the minimum tasks compatible with continual operation, hoping that a change in policy or regime will provide the long-term guarantees; and (c) it can actively oppose the policies, citing its political insecurities, labor indisciplines, state intervention, or some combination of such political and economic factors. This latter response, perhaps the most common, presents the most formidable threat, since it is usually accompanied by

the withdrawal of economic and financial resources. If class-wide organization takes place in a systematic fashion, it can seriously undermine the economy.

Some of the economic threats by the capitalist class are "testing" probes to determine the degree to which the regime is committed to its socialist goals. The hope held among these entrepreneurs is that a credible threat can cause the regime to retreat from its socialist project and reverse its programmatic commitments. In these circumstances it is essential for the regime to take the necessary follow-up measures to ensure that its authority and policy retain credibility. Resolute actions should be firmly taken, in a visible fashion, directed at those firms that fail to cooperate. Exemplary actions taken against a few, and consistency of purpose, can clearly convey the message to others who may be watching and harboring similar thoughts. Irresolution and backsliding in the face of entrepreneurial defiance, especially in the first stages, is an open invitation to large-scale opposition and to an avalanche of other "special exemptions" from the socialization process.

In cases where the entrepreneurial groups reject the new norms, it is incumbent upon the regime to assume the management of the firms, even if optimal conditions are not present. To sacrifice authority for economic expediency (under the guise that managerial expertise is lacking) is to completely misunderstand the dynamics of political struggle. Without political authority, the regime cannot retain the support of its members and it can no longer discipline its adversaries. On the other hand, a decline in economic operation that may result from premature assumption of economic management can be corrected over time (training programs, hiring of foreign consultants, etc.). Moreover, once the regime concedes its impotence to operate the firms, it has lost all sanctions and levers to enforce lesser measures of control and/or regulation on the entrepreneurs. The end result would be that the regime would have to adapt its policies to the traditional *laissez-faire* behavior of the capitalists, offering incentives and designing investment programs within the framework of the private sector.

Besides the state apparatus, the socialists possess in the labor movement enormous potential resources to "redirect" the econ-

omy—if the movement's role is properly recognized. The first priority of the socialist regime must be the extensive organization and the intensive education of the labor force in the basic programmatic issues. Effective changes in the organization of the productive system can only occur when there is prior organization and mobilization. Participation in production, discipline in work, and responsibility for the firm cannot be inculcated through periodic declarations from the ministries of economy and finance. These behavioral attributes emerge as part of the continual struggle prior to and leading up to the eventual socialization of production. In this context, the role of labor becomes a decisive factor in any discussion of the socialist transition.

Labor and the Transition to Socialism

Labor can adopt two strategies under a socialist regime, one which can be described as "immediate maximizing" and the other "strategic maximizing." The immediate maximizers look to the new socialist regime to respond in a brief period to a series of immediate demands. These usually include demands for substantial increases in personal consumption, rapid reduction in work-time, and loosening of work discipline. These demands are frequently enforced by "mobilizations" that range from strikes to enterprise "takeovers." In many ways this orientation is understandable: it reflects the pent-up frustrations of the past and the first free exercise of class power without the restraints imposed by the coercive apparatus of the state. While this orientation has an objective and subjective basis, it still remains to be asked whether it is compatible with the strategic aims of a socialist transition. The answer must be qualified; in part it is yes and in part it is no. The militancy and organization that accompanies the enforcement of demands reflect the capacity of the labor force for self-mobilization—a necessary ingredient in sustaining any socialist transition. The real debatable question, however, revolves around the issues and demands to which the self-organization is directed. It is clear that there are a number of areas where concessions on wages, salaries, and working conditions can and should be consolidated. However, a snowballing of strikes organized only around "immediate issues" without taking account of the *rest of the economy* or of the *process* of change

can result in a premature polarization on the one hand and the destabilization of the regime on the other.

Two factors must be taken into account in dealing with radical immediate demands. First, there is a need for continued accumulation and expansion of productive forces to raise the standard of living of low-paid workers, to provide jobs for the unemployed, and to create opportunities for productive employment for previously excluded sectors (e.g., women). Large-scale concessions to increase the consumption of some sectors of workers would increase inequalities within the working class. Secondly, while the socialist regime and the economy function within the world capitalist marketplace, they are subject to the general laws of competition. Massive improvements and changes that increase the cost of goods could lead to a decline of exports and serious balance-of-payments problems. What a socialist regime can do is equalize the costs and benefits from participation in the world marketplace.

While strikes are an element in the class struggle, all class struggles do not involve strikes. The prolonged period of transition involves partial victories, negotiations, and concessions that allow the working class to accumulate forces, deepen and broaden its organization, and retain non-working-class allies. *The political struggle must be within the bounds of the possibilities of the productive system, just as the productive system must be increasingly transformed to accord with the basic needs of the evolving forces of the working class and its allies.* Thus while there will be efforts by the socialist regime to limit consumption demands from labor (or to direct these demands toward satisfying social rather than individual needs), in order to increase the surplus for investment and growth of the productive forces, labor should and can actively pursue two strategic interests: (1) greater participation and control over the disposition of the surplus—a direct role in controlling investments; and (2) a development approach which is directed toward strengthening the social base of the socialist regime. This means that in any trade-off between the state and the trade unions, involving a lessening of consumption demands and maintenance of labor discipline, labor must insist that the development strategy place high priority on producing goods for the satisfaction of local necessities,

reducing unemployment, redistributing income, and upgrading social services.

The Transition and Development Approaches

For a socialist regime's economic policy to succeed, it must be congruent with the regime's political base. Any socialist investment policy which pursues methods and goals divorced from the organized working class risks confrontations and ultimately political defections. This proposition is especially relevant in times of deepening economic crisis that may require an austerity program. The imposition of austerity measures (restraints on wages, state spending, imports, etc.) without compensatory measures in the direction of socialization or greater worker participation will alienate substantial sectors of the mass base of the government. The equalization of socio-economic conditions facilitates political acceptance by the working class, farmers, and other popular classes. In sum, there must be a trade-off between equity and economic sacrifice.

The central problem that faces a socialist regime is to avoid relying mainly on the state and state officials in formulating and organizing investment and planning programs. Technocratic development ("from above") has, in most cases that have been studied, led to the alienation of the social and political basis of regime support, to increased conflict, and to the eventual demise of the regime. These outcomes are especially probable in electoral settings, since the disaffected classes and groups can express their disfavor. Only authoritarian regimes have been able to sustain a system of technocratic planning, incremental changes, and austerity programs, while retaining power in the face of mass disaffection.

The activation of popular social movements from below and the deepening involvement of the regime in popular struggles are particularly important in political settings where the regime controls only part of the state apparatus. Without the active mobilization and support of the organized social movements, the regime will have a difficult time overcoming the inertia and political sabotage entrenched in the middle and lower levels of the bureaucracy.

It is important to recognize that there are two "class strug-

gles" occurring simultaneously during the socialist transition: "externally" against the local and foreign bourgeoisie and "internally" (within the regime) against incipient bureaucratic-technocratic elitist tendencies.

Technocratic tendencies manifest themselves in a number of ways. For example, there is a tendency to introduce technological changes without having established a social base to support the changes. In some cases such changes are introduced without any labor consultation. In the absence of an organized social base and an appropriate political framework, the policy runs the danger of falling into a political abyss. Through mass participation and consultation, policy-makers can explore and develop alternative lines of technological development, maximizing local advantages through local rank-and-file knowledge and experience.

The second example of "technocratic" thinking that can create problems during the socialist transition is the tendency to base economic analysis on geographical regions and economic sectors instead of social classes. The heterogeneity of sectors like "agriculture" and "industry" necessitates recognizing distinctions between better-off and poorer strata. Especially in expansive periods, dramatic increases in income can lead to heightened social differentiation. The issue of regional development is likewise fraught with contradictions. Some regions outside of the "center" have experienced dynamic development while others have not. Hence the conventional "center-periphery" dichotomy is inadequate; account must be taken of inequalities *within* the "periphery" and between different classes in each region. Recognition of uneven development is particularly important when a socialist regime is considering a policy of decentralization. The relevant question for socialists to ask is: *To whom and for what is power devolved to the local level?*

Party, Ideology, and the Transition to Socialism

Discussion of the role of labor and the importance of labor mobilization in the transition to socialism cannot be understood except in the context of an analysis of the role of the party and ideology. The relationship of the party to the relevant social

classes is vital to the transition to socialism. Essentially, several issues are involved: (1) Party activity at the grass-roots level, mobilization of the electorate, and association of trade unions with political activity are essential in creating the consciousness and praxis necessary for the transition. (2) The party provides a perspective for struggle—it serves as a pressure *from* the mass movement on the state not as a mere transmission belt for state policies. And (3) the party provides programmatic clarity regarding objectives, methods, and phases on the road to socialism—this implies a clear conception of the components of socialism. It is impossible to consummate the transition to socialism with an amorphous party—one that lacks mass roots, clear perspectives, and a consistent program.

Ideology is the second essential element in the transition. In the first instance, ideology requires the *creative analysis of particular social formations*. In the case of Greece this requires recognition of the specificities of Greek capitalism. In particular, socialists should analyze the specific relationship between rapid economic growth and growing radicalism (it should not equate socialism with misery), the patterns of uneven development (not underdevelopment), the heterogeneity of the social structure (not simply the worker-capital relationship).

Secondly, ideology serves to specify necessary stages and changes in order to provide a clear understanding of the inter-relationship between current short-term measures and long-term changes. This is the way to avoid, on the one hand, a "maximalist" position which fails to recognize phases, demanding instead massive immediate transformations; and, on the other hand, the reformist approach that freezes the process around small incremental changes.

Thirdly, *ideology specifies the areas of change and identifies the adversaries*. In this regard, ideology delimits which economic areas are and are not affected and what role mass movements should play in the short- and medium-run. It describes policies which will guide action in target areas and prepare political-social organization to sustain the policies. In brief, ideology provides the mass organizations and popular mobilizations with the political education that accompanies structural change. The "politically educated" forces thus provide the neces-

sary support to sustain the transformation and the basis for recruitment of new leadership.

Essentially the transition to socialism is a very difficult and complex process. It requires a combined focus on *developing productive forces with changes in social relations*. The difficult issue is to combine technical expertise with political consciousness. While every consideration should be given to retaining technical experts, socialist politics should be in command. This means that state priorities and the orientation of economic policies must be directed toward expanding the scope and depth of popular control over the productive and distributive systems. Concomitant with the increase in social control, there must be worker discipline and concern with increasing the productive forces. Socialism must be based on raising the standard of living of the broad masses, not the equality of poverty.

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IS SOCIALISM POSSIBLE ON THE PERIPHERY?

BY BARRY MUNSLOW

Can a transition to socialism occur in an underdeveloped country? The question has long been posed by Marxists and has caused as many divisions as any other single issue of theory. For the two thirds of the world's population who live "on the periphery" this is *the* central question, and the differing answers have determined the various strategies adopted by their revolutionary parties. There remain many who would deny any possibility of a socialist transition in a Third World country, or at the very least would cast grave doubts as to its viability. Among the most important of these theories is the world-systems approach and various tendencies within the Trotskyist tradition.

The former present one of the most extreme structuralist arguments based on the supreme dominance of the world-capitalist system over all global social formations. In the case of Immanuel Wallerstein, perhaps the best known exponent of this approach, this enables a generalized metropolitan/semi-periphery/periphery model to be drawn, subsuming within it even those socialist states which have relatively highly developed productive forces.¹ The prognosis for a socialist transition in a backward peripheral country is accordingly bleak. Only with the demise of the dominance of the world-capitalist system, envisaged over a time-span of centuries rather than decades, can

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such a transition be on the historical agenda. Any attempt by a single state to make the transition is doomed by the compromises it necessarily has to make for its survival, and this leads to inevitable incorporation (or reincorporation) into the world capitalist system.

For the various Trotskyist schools, only an internationalized revolution can create the conditions for a socialist transition.² All-important is the spontaneous upsurge of the masses, in particular the working class, with the formation of soviets or soviet look-alikes. But in the absence of a "genuine" vanguard, the dominant "revolutionary" party quickly acts to control the movement and enforce increased production norms and discipline upon the workers. This rapidly causes a decline into a form of state capitalism or at best a degenerated workers' state characterized by its bureaucratized socialism. Revolutions have inevitably foundered because they sought national solutions: "Given the initial decision to base their strategy upon the fragmentation of the world into distinct national units and to seek the solution to these problems within the confines of these units, everything else followed."³

Closely paralleling Wallerstein, these authors conclude that "the solution lies not in opting out of the world economy, but in smashing it."⁴ A major reason they give for (what they see as) the failure to adopt internationalist policies, is the petty bourgeois character of the leadership of the Third World revolutionary parties.

Despite their many differences, what these two positions have in common is the basic principle that no country can become socialist unless the whole world, or at the very least the largest proportion of it, is socialist. Although most Marxists would agree up to a point that this is indeed necessary, the crucial question to ask is: What does this mean for revolutionary strategy? For certain Trotskyists, it implies the simultaneous international proletarian-socialist revolution. But the historical experience of more than a century, stretching back to the Paris Commune of 1870, surely provides evidence that such an expectation is essentially utopian. For the world-systems theorists, the criticism can legitimately be laid at their door that they offer little if any immediate help in a real-world situation. In the

main, they pose the long-term background problems forming the context within which the emerging socialist state has to operate. Where the question of revolutionary strategy has been addressed in one case, a hesitating but extraordinary reply has been given that survival in state power may be counterproductive for revolutionary objectives. While stopping short of suggesting that the achievement of state power is neither desirable nor appropriate, Wallerstein suggests that it should be considered merely as a tactical option, in the same way that participation in parliamentary processes was considered a lure in the nineteenth century: "Perhaps the seizure of state power is equally a lure, although it may be useful to play the game *up to a point*."⁵ He concludes by saying that anti-systemic movements would have to *invent* a plausible alternative strategy, hence in the end provide no answer at all.

We would propose a different response to the question based on the proposition that the world system is never as rigidly integrated as Wallerstein *et al.* imagine. It is gradually being transformed by a whole range of struggles among which those of the peripheral states fighting to build socialism are centrally important. They are not to be dismissed, as some do, in terms of their inevitable petty bourgeois deformations. Their gains are real, no matter the constraints under which they have to operate.

This article will concentrate on the African experience where the objective conditions for revolution seem least propitious according to classical Marxist theory, in that there is a low level of development of the productive forces and only a halting process of proletarianization. This experience will be examined in the light of the above two theories; we will attempt to show some of the limitations of their approach.

The African Experience

The dominant position of the world-capitalist system and the intricate integration of peripheral social formations into this system place enormous constraints on the transition process, and we are greatly in debt to Wallerstein for pointing this out in his work. All would admit this much, however, without necessarily drawing his extreme conclusions.

Technological, managerial, and marketing dependencies are

particularly noteworthy, and we begin by examining what these imply. Looking first at Angola, we find that patterns of foreign trade three years after the revolution remained virtually the same as before, with 64 percent of exports going to the United States and 19 percent to Western Europe. Angola's economy and balance of payments are heavily dependent on oil revenues, and this means a reliance on Western technology for its production. Hence the process of breaking away from the world capitalist market has hardly yet begun. Indeed, in July 1979 a "Law on Foreign Investment" set out the following attractive terms for foreign capital: no nationalizations for ten to fifteen years and then only with fair compensation; transfers of profits up to 25 percent of the capital invested; access to internal credit; tax and customs reductions; and transfers abroad for loans contracted overseas. In Mozambique also, a clear call has been made for foreign capital to invest, in association with Mozambique's plans to make the period 1980 to 1990 "a decade of victory over underdevelopment." Encouraging Western investment has been deemed essential given the major development projects being proposed and the relative inflexibility and long planning cycles, as well as the limited resources, of the socialist countries. A further factor is the seeming unwillingness of the Soviet Union itself to invest sufficiently in Mozambique. Only the German Democratic Republic, Bulgaria, and Rumania have thus far made any sizable investments. This may be in part the result of an ideological dispute, with the Mozambicans rejecting the Soviet theory of the noncapitalist road of development in favor of their own theory of underdeveloped socialist states.

In Zimbabwe, Prime Minister Mugabe has stated that his government will not take any measures likely to disrupt the existing economic infrastructure. The gradualist approach adopted in Zimbabwe has been aimed largely at preserving many of the skilled white technical and managerial personnel which were lost to Angola and Mozambique in the panic mass exodus of 1975, a development which all now admit was a mistake.

All of this may appear to confirm the prognosis of the Wallersteinians that the dominance of the capitalist world-system is total. But let us now look at the other side of the coin. The period since the takeover of power has in all cases been no more

than a few years. It is mainly Western multinationals which at present have off-shore oil-drilling capabilities and an extensive marketing network, and Angola desperately needs the oil revenues to survive in the face of the massive destruction to its economy wrought by two years of liberation and the continuing (and extensive) damage being inflicted by the South African invasions, in tandem with sabotage by UNITA (Jonas Savimbi's National Union for the Total Independence of Angola) rebel bands. The oil revenues give a much needed breathing space, bringing in \$800 million in 1979 which provided 80 percent of the country's foreign exchange. Oil revenues allow escape from the debt trap and less reliance on foreign aid, hence greater economic stability and governmental autonomy. Angola does not face the same balance-of-payments problems as many oil-importing Third World countries and is in the fortunate position of having a positive balance of payments. The government has already obtained 51 percent ownership of the oil industry and 76 percent in the case of diamonds (its second most important export product). This does not necessarily imply total control, as we all know, but it does mean substantial control. There is at present no alternative to having some reliance on foreign capital, since there is no socialist state capable of providing the necessary investment, technology, and skilled personnel required in every sector, and the indigenous capacity is severely limited. In order for the Angolan economy to benefit from the presence of these needed resources, it draws on foreign capital. This allows it to finance the growth of the state sector and build up a defensive capacity to resist invasions, without which there would be no prospect of even a partial transition to socialism. Even though multinationals still play a role, more than 80 percent of industrial enterprises have already been nationalized throughout the country, stretching resources of skilled and managerial manpower to the limit.

Mozambique has indicated a willingness to allow foreign capital in to fund certain of its development projects, although it has by no means given a blank check. The much-heralded visit of Business International at the beginning of 1980 has to date produced little increase in foreign investment. A trade mission from Britain which visited the country at the end of 1980

reported cautiously that although the Mozambican government expressed a desire to accommodate foreign investment in joint state ventures, "the Mission felt on balance that at the present stage of these discussions there was an element of naiveté evident on the part of Government, who seemed to think that risk capital is in unlimited supply and could be attracted to Mozambique *on its own terms.*"⁸

What is classified as "naiveté" by the British government's Tropical Advisory Group may be deemed good sense by those planning a socialist transition which is forced to rely in part on foreign capital. Mozambique is not only determined to get the best possible terms, it is also adamant about maintaining its political principles. Such is acknowledged with grudging admiration later in the same report which states: "Both the World Bank and the EEC can provide the volume of money which no bilateral service could possibly contemplate injecting into Mozambique. These financial services are denied the country because they jealously guard their independence—an example of the high price of principles."

That these two countries and others besides are obliged to retain some level of integration in the global capitalist system should not be cause for surprise, nor for immediate cries of "treason" by the left and "realism" by the right. A socialist transition has to be attempted from the situation that actually exists, and we will later develop other arguments to confront those who insist that such an attempt is "doomed from the beginning." Mozambique's economy locked into that of the Southern African regional sub-system was heavily dependent on migrant labor and transit trade earnings from Rhodesia and South Africa. This prevented neither the imposition of sanctions against Rhodesia nor a serious attempt to break this dependency, with some signs of success noticeable even at this early stage. Furthermore, with limited resources it is far better to recognize the limitations of nationalizations which may paralyze production and to allow instead a place for private capital for a certain period of time. Plan and market can co-exist as long as the former is able to control the parameters of the latter.

A major criticism to be made against the world-systems approach is that it neglects class struggle as the motor force of

change.⁷ This is central to Marxist analysis, and parties in the Portuguese-speaking African states at least envisage a dual process taking place—a struggle against both external and internal class enemies. For those actively involved in revolutions, it might be observed, there is *no* likelihood of being able to ignore class struggle as the dynamo of change.

The most pressing threat that Angola, Mozambique, and soon Zimbabwe have to face is the external enemy. This is the metropolitan bourgeoisie in general and the South African bourgeoisie in particular. Armed military aggression against the Marxist states of Angola and Mozambique has been a constant threat since independence. Between March 1976 and June 1979, 1,383 people were killed and damage of \$393 million was inflicted as a result of South African attacks on Angola. In the twelve months prior to August 1982, a further 500 people were killed or wounded.

Upon the outcome of this sheer struggle for survival everything else has depended. It is a war which can be won or lost, and this is not structurally determined by the world-capitalist system anymore than was the defeat of the United States in Vietnam. As further proof of this fact, it is necessary to recall that Mozambique *won* its war against the Rhodesian settler state, even though the cost was an estimated \$500 million from the imposition of sanctions and a further \$47.7 million as a direct result of militarily inflicted damage. More than 3,500 Mozambican citizens were killed, wounded, or disappeared. But in spite, or perhaps because, of this enormous cost, the support that Mozambique provided for the Zimbabwean nationalists and the active role it played on the economic, military, and diplomatic fronts of the struggle were crucial to the achievement of victory. This provided some breathing space before the final confrontation with South Africa, and for the first time allowed the possibility of serious cooperation by the regional peripheral formations as a counter to South Africa's economic domination of the sub-system as a whole. The Southern African Development Coordination Conference was established in 1979 as a concrete expression of this. A salutary warning of what might happen if the struggle for survival is lost is the massacre of

more than 100,000 people inflicted by Indonesia's occupation of East Timor, another ex-Portuguese colony.

The struggle of the metropolitan bourgeoisies against Angola and Mozambique has taken various forms. Weapons, including nuclear arms, were supplied clandestinely to South Africa, and their secret-service intelligence and subversion operations were increased. As proof of this, a network of CIA agents was expelled from Mozambique in 1981, accused of collaborating in the South African raid into Mozambique at the beginning of the year which killed a dozen members of the African National Congress.

The most blatant form of aggression, however, can be seen in relation to Angola. Policy documents of President Reagan's administration leaked to the press in 1981 indicate that the United States was prepared to modify its support for UN proposal 435 on Namibia. It was prepared to accede to many of South Africa's requests, insist on the removal of all Cubans from Angola as a prerequisite for a Namibian solution, demand power-sharing by the MPLA government with Savimbi's UNITA, establish a military liaison officer in its South African embassy, and press ahead with "peaceful" nuclear collaboration.

In such an international class struggle, the tactics of the Angolan government have been quite interesting. They have attempted to divide and weaken the metropolitan bourgeoisie in the United States. Gulf Oil Corporation, which operates in Angola, has pressed the U.S. government to recognize the People's Republic of Angola and made a public appeal to this effect before a Subcommittee of the House of Representatives Foreign Affairs Committee. A small victory was achieved when the official U.S. Export-Import Bank guaranteed funding to the Angolan government. By offering further off-shore concessions to American companies, the Angolans were generating a build-up of pressure inside the metropolitan bourgeoisie for a change of policy. Recognition of the Angolan government would make impossible the threatened official backing for UNITA which could follow the repeal of the Clark Amendment.

Although there have been many solidarity committees in America lobbying the U.S. government, their impact alone has not been nearly sufficient to cause a reversal of policy. The main

labor union newspaper of the AFL-CIO, meanwhile, was publishing long and favorable interviews with UNITA representatives.⁸ Clearly more had to be done to weaken the "enemy," hence the use of the oil lobby. Although the Angolan government had a tactical alliance with Gulf Oil and Texaco, it was not putting all of its golden oil eggs in one petro-basket; Elf-Aquitaine of France and Petrobras of Brazil were also given oil-drilling concessions. Hence the U.S. oil corporations had competition to fear if they did not behave. The use of multinationals by a government attempting a socialist transition may have decidedly positive as well as negative effects for the success of that effort—in the Angolan case not only by providing the financial breathing space but through weakening the metropolitan bourgeoisie by playing on its divisions. A similar though lesser potential exists in relation to South Africa, whose largest multinational, Anglo American, would benefit by a safe rail link through Angola as an outlet for its Central African mineral products. The long-term interests of the South African state at present prevail, however, and it continues to provide the logistical support for UNITA bands to blow up the railway line. This weakens the Angolan economy but costs Anglo American lost profits.

We may summarize the argument thus far and open a consideration of internal class struggle with an observation by James Petras: "Political forms and external relations in the period of transition are dictated by the needs of survival and consolidation under conditions of intense internal and external pressures by interlocked classes."⁹ It is this very need for survival which certainly places constraints on the transition, but it is necessary to emphasize that *without a willingness by the regimes to risk these constraints there would be no possibility of a transition to socialism at all*. There is a complex relationship between internal and external class struggles. FRELIMO in Mozambique, for example, took the opportunity afforded by the Lancaster House agreement over Zimbabwe's independence to declare war against the internal enemy residing in particular within the state apparatus. A major offensive was launched against corruption, apathy, and negligence. This included the removal, for abuse of their powers, of hundreds of members of the secur-

ity police and army whose conduct fell below the high moral and political standards set by the party. There was a general shake-up throughout all parts of the state apparatus, in particular against excessive bureaucracy and incompetence. More emphasis was given to the role of the party, and a severe self-criticism of its failures and weaknesses was made.¹⁰ Only the end of the war in Zimbabwe made such an internal offensive possible.

In Angola there was much debate about the extent to which a similar kind of second front could be opened at a time when the South African attacks were continually increasing in intensity. Such a decision is not only dependent on external factors, however. The capacity of a revolutionary party to launch such an offensive depends also on the particular stage of its own development and the kinds of formative circumstances, both internal and external, that it has had to face. In other words, what is the state of preparedness of the party for such a struggle?

The growth of the MPLA was far from being easy for a number of reasons, including a continual heavy loss of cadres and geopolitical considerations linked to the existence of rival movements. Thousands of cadres and potential cadres were lost in the war, losses inflicted by the combined forces of the Portuguese army, the army of President Mobuto in Zaire, the FNLA, UNITA, and the greatest killer of all, hunger. The second war of liberation in 1975-76 against the South African invasion, and two bloody internal attempted coups in 1973 and 1977, all contributed to reducing the ranks of the MPLA still further.

The significance of these events for the possibility of Angola's socialist transition is considerable. It is the vanguard party's task to control and transform the state, having once captured the seat of power; and the size, vitality, and quality of the party is a crucial factor. With the loss of so many valuable cadres, the party was inevitably weakened. There were clearly positive effects in such a bloody history of struggles against an enemy which took, both inside the party and externally, so many different forms—in particular the rich corpus of theory and ideological maturity the movement accumulated. But the overall effect was to weaken the political vanguard quantitatively. The legacy of all these factors, combined with constant external at-

tacks, is that the time was not judged to be propitious for launching a major internal offensive along the lines of that in Mozambique. But the question remains whether the external enemy can be fought and defeated without also tackling the internal one within the state apparatus itself. Whatever the answer, we would argue that the class struggle both internally and externally is vital and does not have a structurally predetermined outcome. Politics play a vital part in the transition process, but world-systems theory completely eliminates it from the equation, with the result that compromises with the international capitalist system are not seen in the context of class conflict in all its complexity, but rather in simple terms of incorporation into and subservience to that system.

Finally and very briefly in this section, we will take up the criticism that Wallerstein does not take account of the capitalist/socialist divide as being fundamental in his pyramid world-system.¹¹ For those countries attempting a socialist transition on the periphery, the fact of the divide is vital. First, the socialist countries provide the military hardware necessary not only for taking power but also for keeping it. They provide aid and technical advice which offers an alternative to that of the West and their own (generally unique) experiences of building a socialist economy. As with any and every form of aid, it has its pitfalls but it presents a real alternative, frequently on more favorable terms than are offered by the West; and above all it gives some freedom to the recipient to avoid overdependence on one country or bloc of countries. Some measure of genuine independence in the choice of socialist transition strategy on the periphery can be maintained by taking advantage of the multiplicity of aid sources which exist and the stiff competition between and within the Western and Eastern bloc countries.

If we turn now to examine certain Trotskyist positions, we see a tendency either to overestimate the power of the working class in peripheral societies or to dismiss the possibilities for socialism because the working class is so weak. Paradoxically, both positions can be held simultaneously. In relation to the former, we would argue the need for the working class to have some level of preparation for the taking of power. The key considerations here are its objective size and character; its level

of work skills and techniques; its class consciousness and political understanding; and its general level of education, democracy, and culture. It is precisely these considerations which are ignored by many of the Trotskyist writers in their assessments of the Angolan and other revolutions on the periphery.¹²

These writers seem to play both ends against the middle in relation to the economy, on the one hand criticizing the political movement for encouraging discipline and imposing production norms on the working class, and on the other condemning the movement for failing to break with the market economy, which they argue necessarily leads a country back toward the neocolonial fold. At the same time reliance on aid from socialist countries is depicted as acceptance of subordinate status to Moscow's bureaucratic socialism. It is a no-win situation. Our rejoinder would be that running an economy without skilled humanpower, with an illiterate working class lacking experience of trade-union struggles and without a developed class consciousness, with an inherited dependence on the world market, and faced with armed intervention by external forces ready to take advantage of economic collapse, all mean that the measures being condemned are in fact indispensable.

The class-conscious workers prior to a revolutionary takeover are the ones who lead the strikes, the everyday mass resistance in the form of go-slows, etc. After the takeover, the class-conscious worker is the one who is actively involved in the reorganization of new social production relations and in increasing productivity above set targets. Again, if we turn to Lenin, writing less than a year after the takeover in Russia, he asks if class struggle in the epoch of the transition means "protecting the interests of the working class against the handfuls, groups, strata of workers who persistently cling to the traditions (habits) of capitalism and continue to look at the Soviet state in the old way, i.e., give 'it' as little work as possible, and of the worst quality possible and squeeze out of 'it' as much money as possible?"¹³

What precisely is the nature of the working class and peasantry in the African social formations undergoing revolutionary transitions? The short answer is that we do not know in sufficient detail. Such data as are available in Angola, for ex-

ample, suggest that wage laborers make up about 30 percent of the economically active population in total, while peasants and petty commodity producers continue to represent about two thirds of the working population.¹⁴ There were just over half a million wage laborers by the early 1970s, but the great majority of those in the countryside were temporary migrants, and less than half worked on plantations. Even in the urban areas over half the workers were semi-proletarians. Heimer, who has done some research on this subject, suggests a poorly developed class consciousness with strong ethnic loyalties dividing the workforce.¹⁵ If this was broadly the objective position, one should add that the workforce was internally divided into sectors and categories to an incredible extent, with the smallest wage differentials creating even further divisions.

The working class is recent in formation and was greatly divided and massively repressed under colonialism. No trade unions were allowed for Africans, hence the emergence of group, let alone class, consciousness was very slow to develop and there was no institutionalized experience of democracy. The racial division of labor barred Africans in the main from any skilled jobs, and it was essentially an unskilled proletariat which came to power. Illiteracy was about 85 percent. The working class could not read, neither could the peasantry. How then could the working class control or dominate the labor process of the factory, industry, and economy as a whole? Quite simply they could not. It was the task in the post-independence period to create the conditions for such a situation to exist. The aim of the vanguard party, by controlling the state, is to create not only the conditions for the development of class consciousness but also to create the classes necessary for effective socialist development. A working class must be built up as a conscious strategy to provide an essential material foundation for the transition to socialism. These are the concerns of the ruling parties in Angola and Mozambique when they speak of creating the material and ideological conditions for a transition to socialism.

World-system theorists alert us to the structural constraints operating within the framework of the world capitalist system.

We have argued that this is not an ultimate, built-in dominance but is challenged by the existence of a powerful socialist system. This challenge provides important freedoms for those attempting socialist transitions on the periphery. Furthermore, some accommodation with foreign capital does not necessarily mean everlasting subservience to it, nor that the social formation as a whole necessarily remains capitalist-dominated. It may be a necessary expedient for the long-term strategy of developing a dominant socialist mode within the complex social formations of the pre-transition and transition periods. Moreover, the external and internal class struggle is the most important factor determining the success or failure of the transition. This does not mean reliance simply on the will of the "good guys" in the revolutionary party but on the dialectic between the structural conditions and the party's analysis of those conditions and actions to shape them. Consideration of the "political" is vital for any analysis of the transition to socialism.

It is futile and utopian to call for and rely on internationalizing revolution to resolve the real problems which revolutions in one country face. Each is the culmination of its own specific circumstances, and must work through its own problems. Given this necessity in the real world, there are a number of compromises which have to be made and an undoubted series of dangers which follow in their train. But the transition to socialism is a *process*, and the experiences gained from the various twists and turns in that process are necessary for its future advances. The cry that only when the world is socialist can the world be socialist ignores the process required to get there.

In sum, we have tried to argue that the role of politics does not end with the assumption of state power by a revolutionary movement but rather that its role is crucial in the success or failure of the transition to socialism. The failure of socialism on the periphery is not a foregone conclusion.

NOTES

This paper has benefited greatly from detailed comments made by Paul Sweezy, Phil Leeson and Ralf Young on an earlier draft. A paper by Lionel Cliffe and Ray Bush (University of Leeds), "Notes on the Transition to Socialism in Africa," also provided some stimulating ideas.

1. See I. Wallerstein, *The Capitalist World Economy* (Cambridge: Cambridge University Press, 1979); and "Socialist States, Mercantilist Strategies and Revolutionary Objectives," a paper presented at the Fifth Annual Conference on the Political Economy of the World System, Madison, Wisconsin, 1981.
2. See, for example, the Fourth International journal, *Africa in Struggle*; A. Callinicos and J. Rogers, *Southern Africa after Soweto* (London: Pluto Press, 1977); A. Callinicos, *Southern Africa after Zimbabwe* (London: Pluto Press, 1981). There are, of course, many differences within the various Trotskyist tendencies.
3. A. Callinicos and J. Rogers, *op. cit.*, p. 208.
4. *Ibid.*, p. 203.
5. I. Wallerstein, 1981, *op. cit.*
6. British Overseas Trade Board, *Tropical Africa Advisory Group Trade Mission to Mozambique, October 15-29, 1980*, p. 3.
7. See R. Brenner, "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism" in *New Left Review*, no. 104 (1977).
8. See Irving Brown's interview with Jeremias Chitundo in *Free Trade Union News*, vol. 35, no. 10 (October 1980).
9. J. F. Petras, "Class and Politics in the Periphery and the Transition to Socialism" in *Union of Radical Political Economists*, vol. 8, no. 2 (Summer 1976), p. 21.
10. See B. Munslow, *Mozambique: The Revolution and Its Origins* (London: Longman, 1983).
11. See P. Worsley, "One World or Three? A Critique of the World-System of Immanuel Wallerstein" in *Socialist Register, 1980* (London: Merlin Press, 1980; New York: Monthly Review Press).
12. See, in particular, E. Harsch and T. Thomas, *Angola: The Hidden History of Washington's War* (New York: Pathfinder Press, 1976).
13. V. I. Lenin, "The Character of Our Newspapers," *Selected Works of Lenin*, vol. 9 (London: Lawrence and Wishart, 1937), p. 504.
14. H. Guerra, *Angola: Estrutura Económica e Classe Sociais* (Edições 70, 1979).
15. F. W. Heimer, *The Decolonization Conflict in Angola*, International Studies on Contemporary Africa, Series No. 2 (Geneva, 1979).

GEORGE ORWELL AND THE BIG CANNIBAL CRITICS

BY JONAH RASKIN

Has the cultural atmosphere of the Cold War come back to haunt us? One would think so from reading Irving Howe's "Was Orwell Right?" (*The New Republic*, January 3, 1983), Norman Podhoretz' "If Orwell Were Alive Today" (*Harper's*, January 1983), and E. L. Doctorow's "On the Brink of 1984" (*Playboy*, February 1983).

As a novelist who has transformed history into fiction, Doctorow is especially interested in Orwell's predictions about literature, language, and the control of reality. "All over the world today, and not just in the totalitarian countries, assiduous functionaries in Ministries of Truth are clubbing history dumb and rendering language insensible," Doctorow writes. And while he admits that there has been resistance to the clubbing, his mood is pessimistic, even defeatist. "Nobody at the moment can stop the Reagan administration from doing anything it wants to in El Salvador," he insists. We are, Doctorow believes, on the brink of imprisonment in the endless Cold War Orwell envisioned.

Irving Howe has used Orwell before to fight his battles—in a 1969 essay he wished Orwell was alive to berate Tom Hayden. Now he uses Orwell as a club to beat "Stalinist terror," "the Soviet secret police," radical scholars such as Raymond Wil-

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liams, and the "apparatchiks" in the "ruling circles" of Eastern Europe. Howe claims that Orwell predicted the moral and ideological decline of communism in Hungary, Poland, Czechoslovakia. But about immoral regimes or secret police elsewhere Howe prefers to remain silent, leaving us the impression that for him an "Iron Curtain" really exists, with bad governments on that side and good governments on this side.

While Doctorow bends Orwell and Howe twists him, Norman Podhoretz simply swallows him whole. "If Orwell were alive today," he boasts, "he would be with the neoconservatives and against the left." Podhoretz' Orwell would be against the nuclear freeze, against communism, and for capitalism. The implication is that Orwell is alive and well, and living in Norman Podhoretz' mind.

Seizing Orwell isn't exactly new. Three decades ago the architects of the Cold War drafted him into their army of intellectuals and gave him top rank. An Englishman, Orwell had snob appeal; a self-proclaimed socialist, he had the proper credentials for a crusade against socialism. As Arthur Schlesinger, Jr. observed in a front-page review of *Animal Farm* in the *New York Times Book Review*, "Conservative enemies of communism, like John Foster Dulles, sound merely smug and empty. The more penetrating critics are men who share the radical dissatisfaction with existing society which the communists seek to exploit, but understand through bitter experience the purpose of this exploitation." Orwell was especially valuable because he had written two popular works of fiction; even grade-school children could understand *Animal Farm*, and high-school students could grasp *1984*.

How considerable was Orwell's contribution to Cold War fever is suggested by a story that Isaac Deutscher tells in *Heretics and Renegades*. Deutscher and Orwell were both European correspondents for the *Observer* immediately after the Second World War, and Orwell would regale Deutscher with his conspiratorial theories. A few weeks before Orwell's death in 1950, Deutscher found himself in New York. A news vendor begged him to read *1984* because "then you will know why we must drop the atom bomb on the Bolshies."

Certainly many progressives who lived through the ordeal of McCarthyism will remember Orwell as an intellectual sidekick of General Douglas MacArthur. There is, however, more to the story than that. When *1984* first appeared, reviewers noted that Orwell had his critical eye on America as well as Russia. Writing in *The Nation* in 1949, as unlikely a candidate as Diana Trilling remarked that Orwell's novel was a warning about "the ultimate dangers involved wherever power moves under the guise of order and rationality." And, in *The New Leader*, Daniel Bell connected the founding of the CIA that year with Orwell's fictional world.

Still, the dangers of the CIA and the FBI were not the main concern of the *Partisan Review*/*New Leader* crowd. The sour notes about the United States that did creep into reviews of *1984* were buried in the avalanche of articles that heralded Orwell as a prophet of the "Free World."

It wasn't until the early sixties that critics grew bold enough to redefine the whole argument about Orwell. Herbert Marcuse in *One-Dimensional Man*, and Eric Fromm in a 1961 introduction to *1984* that still appears in the Signet paperback edition, depicted a Big Brother with an American face. They showed that "newsspeak" and "doublethink" existed in our media, and that totalitarianism had flowered in our corporate system. The thaw had begun. And so *1984* played a part in the revival of radicalism. If, during the Korean War, students were told that Big Brother was Stalin, they could see for themselves, during the Vietnam war, that Big Brother was J. Edgar Hoover. The constant monitoring of the citizens of "Airstrip One" had its equivalent in Nixonian surveillance.

1984 can indeed be interpreted as a satire on the American Empire. Orwell can be claimed by contemporary radicals. But cautiously. Taken as a whole, Orwell's legacy is profoundly contradictory. Unpredictable and iconoclastic, he was a maverick to his dying day.

Orwell took sides and changed sides dramatically. He joined the Imperial Police in Burma and resigned from the Imperial Police, disgusted with the white man's job in the East. He went to Spain to fight against fascism, was wounded by a

fascist sniper, but fled from Spain dedicated to fighting against communism. Strongly opinionated, Orwell reserved the right to change his opinions whenever he saw fit. ("Fascism and bourgeois 'democracy' are Tweedledum and Tweedledee," he wrote in 1937. And shortly thereafter he complained, "You can only pretend that Nazism and capitalist democracy are Tweedledum and Tweedledee.")

Orwell insisted on the necessity of taking sides, but at the same time he believed that it was futile to take sides. "By fighting against the bourgeoisie," he wrote in 1936, "a working man . . . becomes bourgeois." Moreover, Orwell had a perverse habit of admiring the side he opposed and detesting the side he supported. An anti-fascist, he had a fascist streak in him. In a 1940 review of *Mein Kampf*, he wrote, "I have never been able to dislike Hitler. Ever since he came to power . . . I have reflected that I would certainly kill him if I could get within reach of him, but that I feel no personal animosity. The fact is that there is something deeply appealing about him." And, while it would be difficult to imagine anyone more anti-Stalinist than Orwell, it is true that he believed that Stalin was a decent, sincere human being. At the last minute he made changes in the manuscript of *Animal Farm* to make Stalin a more honorable figure.

Undoubtedly Orwell played a major role in whipping up Cold War hysteria. He himself was often hysterically anti-communist. Shortly after Stalingrad, he maneuvered himself into the mind-boggling position of believing that "willingness to criticize Russia and Stalin is the test of intellectual honesty. It is the only thing that from a literary intellectual's point of view is really dangerous." A typically Orwellian touch in that he felt that condemning communism was a heroic, lonely act of rebellion.

And yet Orwell also gave the chill to Cold War fever. When nuclear physicist Alan Nunn May was found guilty, along with Klaus Fuchs, of passing top-secret information to the Soviet Union, Orwell signed a petition for him because, he explained, "the less spy hunting the better." And though Orwell was very much under the spell of James Burnham, author of *The Managerial Revolution*, he insisted that Burnham's call for the sup-

pression of the American Communist Party "would be calamitous" and must be opposed.

Norman Podhoretz dredges up Orwell's remark that "if one were compelled to choose between Russia and America... I would always choose America." And yet Orwell had no profound love for America. "American materialism," he felt, was as abhorrent as "Russian authoritarianism." Americans mistakenly assumed that size and success constituted moral value. Moreover, Orwell disliked the elite corps of American journalists, with "their glittering uniforms and their stupendous salaries." When *Time* and *Life* demanded an interview about 1984, Orwell refused to see them, condemning the "shame-making publicity" of the right-wing Republican press. But when Francis A. Henson, a journalist for the United Automobile Workers, wrote for a clarification of 1984 Orwell immediately responded, "My recent novel is *NOT* intended as an attack on Socialism or on the British Labour Party (of which I am a supporter)."

Shortly before he died, Orwell targeted the "big cannibal critics that lurk in the deeper waters of American quarterly reviews." Whom he had in mind he didn't say, though Conor Cruise O'Brien argued that had he lived Orwell would have savaged the "anti-communist literary mafia." Perhaps. Howe and Podhoretz fit my image of "big cannibal critics"; and given the way they exploited Orwell for their own aims, it seems likely he would have gone after them.

But to count on Orwell as a consistent radical would be unwise. He was too unpredictable, too perverse. All his life he had no connection with a church or priest, and yet he stipulated in his will that his body "be buried (not cremated) according to the rites of the Church of England."

That final touch smacks of T. S. Eliot's conversion. Still, it is unlikely that Orwell would have become a neoconservative. His experience in Asia sealed him against colonial wars, imperialist adventures, and police actions, whether at home or abroad. ("The British government rules the Burmese in despotic fashion," he wrote. "Their relation to the British Empire is that of slave to master.") Unlike Podhoretz or Howe, Orwell would have known exactly why we were in Vietnam.

In many ways the labels "reactionary" and "progressive" don't fit Orwell. He defined himself as a "Tory anarchist," a contradiction in terms, but still it is a useful handle. The anarchist Orwell hated authorities and orthodoxies, and celebrated the autonomous individual. The Tory Orwell respected tradition, continuity, community. He loved the earth, its peoples and cultures, from Burma to Morocco, Catalonia to London. Orwell hated modern society with its television, glib magazines, Hollywood movies, chain bookstores, and piped-in music. He identified with the "down and out" and hungered for old-fashioned, remote, uncommercial cultures. In that sense he was a "reactionary," but a "reactionary" who wanted to protect the world that the neoconservatives would annex, pillage, plunder, destroy.

Only let Norman Podhoretz and his crew do it their way and we will be turned into the likes of Winston Smith: loyal, patriotic, programmed to cheer military victories, drink gin, and love Big Brother.

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BOOKS

VOICES OF CUBAN WOMEN

By Bell Gale Chevigny

Breaking the Silences: Twentieth Century Poetry by Cuban Women, edited and translated with a historical introduction by Margaret Randall. Vancouver, Canada: Pulp Press Book Publishers, 1982. 292 pp., paperback.

A volume of poetry compiled in Cuba in 1979 by a former New Yorker for consumption in North America and published in 1982 by a small Canadian press tells the tale of the circuitous and chancy journey by which we get words from our near neighbor in these waning years of the twentieth century. Working first in Mexico, then ten years in Cuba, and now in Nicaragua, Margaret Randall is a partisan and prolific researcher, essayist, and poet. She consistently draws on her bilingualism of mind to build bridges for her compatriots to politically remote cultures. Breaking silence on Cuban culture still happens rarely enough to merit notice. But this book's title has reference also to Tillie Olson's exploration in *Silences* of the reasons women haven't written as much as men or been as widely recognized in publication, study, and awards. In 1977, in *Estos Cantos Habitados*, Randall offered works of fifteen young Cuban poets, two of whom were women. Two years later, in the spirit of Olson, she devoted herself to identifying 25 female poets, collecting and translating samples of their work for bilingual presentation, photographing and interviewing the women, and soliciting written responses to questions touching, generally and personally, on the sexual politics and history of poetic practice in Cuba. Each writer collaborates with Randall in introducing herself, and Randall provides an intriguing historical introduction to the whole.

Bell Gale Chevigny is the author of *The Woman and the Myth: Margaret Fuller's Life and Writings*. She teaches North and Latin American literature at the State University of New York, Purchase.

While Randall is of course concerned with the historical break of 1959 and its effects, her feminist line of inquiry leads her to slice into history in ways that expose continuities as well. She presents three generations of poets, beginning with "Our Living Mothers," women whose work had matured before the Revolution. Moreover, women of all ages testify here to three sorts of prerevolutionary heritage. One is the influence of a pervasive popular commitment to poetry; in youth these poets were variously stirred by a circle of poets in a remote village in Oriente, by the uncultivated aesthetic drive of a mother, by a pharmacist grandfather who published poems, or by a tobacco worker teaching guitar. A second is the galvanizing exposure to the work of such figures as Juan Ramón Jiménez, Lorca, Whitman, Neruda, Martí, Vallejo, and Gabriela Mistral. A third is the knowledge of a rich lineage of Cuban women who were poets, many of them engaged (some persecuted for it) in the long and problematic struggle for independence.

But the Cuban Revolution colors everything, and Randall's collection invites us to speculate about socialism's effect on the isolation, impotence, and pain which so often constitute the condition as well as the thematics of the woman writer. (Socialist-feminists in the United States will find this book an illuminating resource for what they call "the problem of the hyphen," the link between these two critical approaches.) Working conditions, if this sample is representative, seem unusually supportive. Almost all have jobs in research, criticism, translation, journalism, radio-writing, children's literature, or teaching. Reina María Rodríguez writes that women who wanted to write, act, recite, or sing in her mother's time in the countryside were considered prostitutes, but now acceptance is the rule. "Poetry is as necessary as bread," writes Magaly Sánchez and "those who write it should share it and not keep it for themselves." Most of the older women in the anthology are members of UNEAC, the writers' union, and most of the younger ones have been chosen to join the provincial Saíz Brothers Brigades, in which they perform and receive advanced training. Almost all have won awards. This broadly sanctioned recognition seems to have the effect of replacing the mystique of the poet, a function of scarcity, with a more socially integrated experience. Most work in other genres and fields as well; they do not strike attitudes.

It is not surprising then that few, in responding to Randall's questions, are comfortable with the notion of a specifically female poetics. And most doubt that women's roles inhibit creativity. Fina

García Marruz, an important Catholic poet born in 1923, suspects that "the woman who complains because taking care of her child prevents her from writing a sonnet would write a very bad one if she had all the time in the world." For poetry "knows the secret of being able to live in the desert. Poetry is capable of slipping through a needle's eye." The only obstacles acknowledged by Excilia Saldaña, of the next generation, stem from blockade and foreign menace, but these spur her to work: "The most powerful weapon people have against a common enemy is optimism. And so I assume the creative act perhaps not in the free hours, but in my free dawns."

What happens to the thematics of love? Love verse opens and closes this collection, though light years of sensibility separate the romantic malaise of Dulce María Loynaz (born in 1902) from the erotic imperatives of Chelly Lima (born in 1957). In "Eternity," Loynaz fears "to give mortal flowers to the beloved"; and in "Ballad by one who doesn't want to make love blindly," Lima celebrates "the fabulous misery/of not having more life than life/itself"; she turns on the light with the injunction, "be fruit: parted and shared." Two poems turn on separation from a loved one in Angola. In Rodríguez' "Now, at the hour of our life," shared engagement helps close the distance:

my daybreak comes dark with news
it's hard to wake up, but possible
for us all to wake in one embrace
against those poor geographies
my body's limits move out
to whatever forest
where i awake, yours,
now at the hour of our life
my love

But remarkably few poets here treat romantic love of any kind. Randall indicates that five are married, and seventeen single, nine through divorce which is endemic in Cuba. We wonder to what extent women poets are still stigmatized by the dubious praise leveled at that assertive romantic foremother, Gertrudis Gómez de Avelaneda—"mucho hombre esa mujer" (there's a lot of man in that woman). As Gertrudis' heirs, many of these poems celebrate strong women, and most bend their attention to women in one poem or another—female workers in coffee and tobacco fields, poets, mountain-women, washerwomen. The campaign against machismo, insti-

tutionalized in the Family Code and brilliantly explored in Cuban film, informs "First Dialogue," a domestic exhortation by Milagros González.

Randall's selection suggests that other themes of older poets—the dark, subterranean self of Mirta Aguirre's verse, the fatalism of García Marruz's "Oedipus"—may vanish from Cuban verse. At the same time, a tautness and relative finality of form appears to give way to more open and tentative shapes.

What then marks the sensibility of the much-discussed "new man" of revolution when "man" means woman? Passions born of cherished struggle: Enid Vián's lyrical vision of death ("This night belongs to a group of men/fallen in the depths of its crystal") ends by seducing the moon itself to "our side." Demystification: Georgina Herrera, repossessing "Birth," dismisses the stork: "The Parisian/packs up her long and useless beak,/maternal bag,/her history and both her wings/Ah, and her old invented journey,/I prefer birthing." Sharp recoils of feeling: the death of an old enemy brings Herrera anguish; or she recalls the prostitutes, the forbidden women on the other side of the hill of her childhood, to bless them now. The authority of the past recaptured from debasement: Nancy Morejon's "Black Woman" voices centuries of resilience; Excilia Saldaña slyly adapts the *patakin*, the didactic narrative of the Yoruba, to feminist ends. The grand and the minuscule: in response to Neruda, González fancies the hemisphere pulsing from the South ("one morning . . . we'll find the North dead/of pure South"); on guard duty, Rodríguez perceives the uncanny vividness of the sleeping world ("asphalt turns comrade/and each three moves through the city/like a gnome").

Randall's project is supported in a special way by the only poet of the 25 who did not weather the blockade and all the vicissitudes of the revolutionary decades. It was as an enemy of the Revolution that Lourdes Casal left Cuba for the United States in 1961 at the age of 25, only to discover that as a black Latin woman, she suffered "triple discrimination" in the United States. Her activism in opposing racism and the war in Vietnam, the increasingly socialist bent of her teaching at Rutgers, all led her to re-examine her assumptions about Cuba. Many exiles will respond to her aching recall of Havana in her poem of the late sixties, "Profile of my city"; "my city's crater always/shining in absence;/pit that defines me and traces/the irregular map of my nostalgia." Eventually she returned with a group of questioning Cubans, worked in 1978 to establish grounds for visits home for the exile

community, and helped found *Areito*, a magazine for the sizable but little-known sector of that community sympathetic to the Revolution. In 1981 this vital thinker and compelling leader died in Havana of a kidney disease; she was buried in state in the mausoleum for martyrs in exile. Her life and her work form an enduring bridge between her two countries.

Breaking the Silences is by no means perfect. In translation, Randall evidently intends to make the meaning of the original available rather than to supply new poems. She generally succeeds in this task, but some of the poems are marred by errors in English or by obfuscations or flattenings of the Spanish. The dates of the great majority of the poems are given, but not all. Though full of information, the book would have profited from more extensive explanatory notes. Some of these defects are bound up with the book's ambitious intention to be useful in a variety of ways as soon as possible. Rather than a careful account, say, of two or three major poets, Randall chose to offer works at varying stages of development, by women young and old, black and white, living all over the island, to provide a panorama not only of poetic production but of women's lives and thought. The result is a unique glimpse of the Cuban experiment.

PITIFUL ROLE

By Marilyn Bobes

Poetesses, they said.
They shall be lukewarm
and false
and small.
Although light on their feet
they won't take flight because they are imperfect.
But if one of them puts her finger
on the right word
—the proverbial burro playing the flute—
we'll exclaim *that woman's a lot of man*
and not *that human being is a lot of woman*.
(Not a woman born in shadow
where we remain slaves or masters.)
And then we'll have to find a way to shut her up.

—from *Breaking the Silences*
(translation by Margaret Randall)

CORRESPONDENCE

RESPONSIBILITY AND IRRESPONSIBILITY OF THE LEFT

By Don Fitz

On rare occasions an article appears which brilliantly cuts through the Gordian knot of theory and provides clear direction for meaningful socialist work. More frequently, an article appears that so profoundly confuses issues that it only attains value as a prototype of what its readers should *not* do.

An example of the latter is "The Responsibility of the Left," written by the editors of *MONTHLY REVIEW* (December 1982), which reached its subscribers early in 1983. The authors deal with the very important question of what socialist response to the current economic crisis will contribute most to developing the class consciousness of American workers. Their answer proceeds with such smooth sophistication that readers may well miss the linguistic acrobatics of jumping from an explanation of why a jobs program won't solve the problems of capitalism to a conclusion that all the left must demand such a program. The MR article typifies how socialists can become so enamored with their pet reform that they come to believe that arguing for it can substitute for a discussion of the need for socialism.

MR begins by reviewing the economic catastrophe of the first two years of Reaganomics and the shallowness of schemes to provide "work enough for everyone" by such Democrats as Felix Rohatyn. In MR's subsequent exposure of the three classic leftist approaches and how they fail to meet current challenges, they make their best contribution to theoretical clarity. The first left approach is to say "that most people are too preoccupied with day-to-day problems to be concerned about overall change and that the left should therefore focus its energies on providing militancy and

leadership to the myriad struggles which spontaneously erupt around specific issues." Such an attitude (prevalent among "independent" radicals and social democrats) neglects the vital need to educate people that the economic system which generates these problems is what needs to be changed. Proponents of the second approach maintain that "day-to-day struggles... feed into the illusory process of bourgeois politics." Abstaining from "effective integration with mass movements" (which characterizes groups such as the Revolutionary Communist Party and the International Communist Current) shows an inability to grasp what Rosa Luxemburg described so well: that mass action is indispensable for people's realizing their collective strength. The third approach is to advocate reforms that either will never be enacted, or, if enacted, will be distorted from their original aims. MR hits the nail on the head with its refutation of the Trotskyist dogma that class consciousness arises from chasing after impossible reforms:

Unfortunately long experience shows that things do not work out this way. Non-starting reforms or reforms that are twisted to serve purposes other than those intended are soon treated like the phony promises of politicians: they induce not an awareness of the need for change but cynicism about the possibility of change.

At this point, MR tells us that we should present the "unvarnished truth" to American workers. Is this "unvarnished truth" an explanation that our defensive measures will only slow capitalism's attacks, and that people must occupy workplaces in order to reorganize society from the point of production? Not exactly. The reader discovers that the revolutionary approach to economic crisis is demanding "a comprehensive program to provide jobs for all who need them."

This logical backflip reminds me of a joke that kids who were anxious about learning how to drive used to tell when I was in Junior High School (in the days of push-button gear shifts). An aspiring vanguard of the drag-racers was challenged the first time he got behind the wheel. Not being too sure about the buttons, he pushed "N" for "nothing" to turn the ignition on. When the signal was given, he pushed "D," which he figured meant "drag." At 60 m.p.h. he was doing pretty well, until he pushed "R" for "race."

Now, this joke may not seem very funny; but neither was the button that MR pushed in the middle of its editorial. The editors are not teenagers, and they should be aware that their "R" stands neither for "race" nor "revolution."

Everyone who advocates social change presents ideas with two components: (1) a critique of what has happened in the past; and (2) a description of an alternative course of action. Unlike much of the American left, MR very clearly understands that the first "responsibility of the left" should not be limited to criticizing certain practices but should show how those practices are the consequences of the market system. But it presents the solution as defending "the interests of the exploited," which they translate to a massive jobs program. MR is totally inconsistent in arguing that the economic *system* should be criticized while failing to offer a new system as the alternative course of action.

When the MR editors emphasize how important it is for people to have jobs, they forget to mention that any such program can only be patch-up work. In this action MR reflects one of the central shortcomings of the left. Presumably, if the American left were to unite around their call, they would also forget to mention why socialism is necessary. Why do the MR editors feel that a jobs program is so central that it should be advocated *instead of* socialist reconstruction?

We are told that the central importance of a jobs program is due to the New Deal's Works Progress Administration's having "had an anti-capitalist orientation." This theory of "Socialism on One Job Site" is based on the bizarre belief that "the New Deal of the 1930s... fashioned a model which should be... a guide for us today." I agree that American workers need an example of militancy. But why not describe the workers' councils of Russia (1905, 1917), Berlin (1919), or Turin (1919), which had a slightly more "anti-capitalist orientation" than FDR? Even if the New Deal were a model for meaningful work, isn't it possible that the work of those who occupied factories in Barcelona during the Spanish Civil War was just a wee bit more meaningful? Since we agree that Americans need guidelines for treating "workers as human beings," why not tell them of the days when Chilean workers treated themselves as human beings? If Americans need a recent example, why not point to Solidarnosc? And if Americans need an American example of revolutionary working-class action, why not tell them about the Industrial Workers of the World?

It seems rather odd that, after going through the pages of U.S. history, leftists should conclude that the WPA had more to do with a revolutionary transformation than the IWW. Could MR be substituting a jobs program for socialism because they have no

conception of the central role of workers' control in building a new society?

Of course, any American revolutionary who dares to suggest that the main task of socialists is to explain socialism runs the risk of being ostracized as a "sectarian." The best response to a charge of sectarianism is MR's own statement: "It is not that we want to minimize the importance of issues of this kind... we are not arguing against the need for a militant struggle to protect the people's welfare." Unquestionably, socialists should demand jobs as vehemently as we defend abortion rights or oppose nuclear proliferation. The problem arises when revolutionaries convince themselves that, if they are to be effective in supporting such defensive struggles, they must not confuse people by letting them know that, ultimately, the battle will be lost if classes are not abolished.

Explaining what socialism is and why it is needed is particularly important when demanding more jobs. Otherwise, such a demand can easily feed the illusion that the beginnings of socialist relationships can be created within capitalist institutions. Such a belief is pure mythology.

To the extent that socialist relationships can develop within capitalist society, they can *only* do so outside of capitalist-controlled institutions. Socialist relationships can only be created and sustained in institutions of the oppressed, institutions which they themselves control. The pivotal institution of the oppressed, the workers' council (or factory council or socialist industrial union), will only be able to initiate a thorough transformation of society if it is complemented by changed social relationships in popularly controlled institutions such as alternative health systems, housing collectives, food co-ops, support groups, and study circles. Yet all of these institutions could either be integrated into capitalism or develop bureaucratic elites with their own repressive apparatuses unless they develop democratic self-control by their membership.

In a nutshell, the MR proposal for a jobs program is non-socialist because it ignores the necessity of workers' control. Even if a jobs program were to create meaningful work (highly unlikely, since, during the last 50 years, capitalism has made great strides in squashing whatever human aspects some jobs used to have), the program would be established by the bourgeois government and be under its control.

The precondition for revolution in America is not pressuring the state to do good deeds instead of bad deeds. The precondition for revolution is the masses of people's believing that they have the

power to collectively control their own destiny. This belief can **only** come into being as they actively create new social relationships.

The MR demand for a rehashed WPA seems to **scream**: "Workers of the world, rather than raising the ultra-left slogan 'Abolish the Wage System!' inscribe upon your banners: 'A Fair Day's Wages for an Unalienated Day's Labor!'" Such a utopian perspective is not a new revolutionary New Deal. It is an old reformist Fast Deal.

THE EDITORS REPLY

We are at a loss to understand how Don Fitz could have so completely misunderstood our argument. He accuses us of "jumping from an explanation of why a jobs program won't solve the problems of capitalism to a conclusion that all the left must demand such a program," adding that this "typifies how socialists can become so enamored with their pet reform that they come to believe that arguing for it can substitute for a discussion of the need for socialism."

The trouble is that Fitz has confused two entirely different things. We first argued that capitalism cannot be reformed to produce full employment (as shown, e.g., by the long series of "full-employment" acts that have regularly made their appearance since the Second World War). Given this sorry record, and given the obvious fact that most Americans are not only not ready to struggle to change the system but don't even think any other system is possible, we drew the conclusion that workers and other victims of the present crisis could and should demand that the government provide useful jobs for all who want work but cannot get it because of the abject failure of capitalism. This is not to demand a reform of capitalism à la Humphrey-Hawkins and other similar full-employment programs. On the contrary, it is a demand that the government should override the "laws" of capitalism to meet the urgent needs of the very people whose interests it is supposed to represent.

We argued further that history—not of the Russians or the Italians or the Germans but of the American people themselves—shows that a jobs program of *this* kind can bring results. That is the lesson of the WPA, which owed its existence not to the generosity or good will of FDR but to the fear of FDR and other enlightened members of the ruling class that their system was in danger of collapsing—a fear engendered by the rapidly rising mili-

tancy of U.S. workers, unemployed, farmers, blacks, and radicalized intellectuals.

Of course the WPA was not a solution to the problems of capitalism: we never said or implied that it was. The "solution" in the 1930s was world war, which gave capitalism a new lease on life for more than three decades. There is a very real danger that the U.S. ruling class will go the same route, now that capitalism is once again bogged down in a crisis which it lacks the inner strength to overcome. But even this ruling class, despite its unbridled ambition for global hegemony, is aware of the potentially suicidal nature of world war in the nuclear age and may stop short of precipitating the ultimate disaster. If so—and it is certainly our duty to do everything in our power to see that it is so—the crisis will drag on and, with occasional ups and downs, get worse. Sooner or later the American people are going to move beyond their present mood of apathy, as they did in the 1930s, and to insist on their elementary right to a decent living. We believe that it is the responsibility of the left to lead the way. The time is already ripe to put forward the demand for a new WPA. If and when this succeeds, the people will have a surer sense of their own power and will be better prepared to consider seriously the need for a change in the system itself.

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CANADIAN BISHOPS ON THE ECONOMIC CRISIS

By Errol Black

The July-August 1982 edition of MONTHLY REVIEW contains a fascinating and useful article by Carl Marzani, "The Vatican as a Left Ally?," detailing the substance and implications of recent changes in the theory and practice of the Catholic Church. For me, the main message in this article is the idea that the Catholic Church is seeking to put distance between itself and contemporary capitalism: "The Catholic Church is consciously, though slowly and deliberately, disassociating itself from capitalism and its institutions as presently structured." (p. 27)

At the time I read the article, I could see little evidence of this development in the North American context. Nor apparently could Marzani, for at one point in his article he notes that the most immediate manifestation of this policy of disassociation in the United States is the Papal nudging of the domestic Catholic hierarchy "toward a critique of capitalism." (p. 39)

There is now some evidence from Canada which suggests that the Papal nudging has borne fruit. On January 5, 1983, the Episcopal Commission for Social Affairs of the Canadian Conference of Catholic Bishops issued a six-page statement on the economy entitled "Ethical Reflections on the Economic Crisis." The Bishops' statement is a thoughtful and perceptive document which, at one and the same time, provides a trenchant critique of the Canadian response to the economic crisis, raises profound questions about the nature of Canadian and global capitalism, endorses the concept of struggle against economic and political oppression, and calls on the Canadian people to create an alternative economic system.

The Bishops' statement was released on January 5, 1983, by the Canadian Conference of Catholic Bishops, 90 Parent Ave., Ottawa, Canada K1N 7B1. (Telephone: 613-236-9461)

At the outset, the Bishops state that their "concerns about the economy are not based on any specific political options." Instead, they are inspired by two important principles of Christianity, as clarified by *Laborem Exercens* and other recent works originating within the Church. Since these principles are usually obscured or ignored in the discourse of Christianity in North America, they merit quotation in some detail:

The first principle has to do with the preferential option for the poor, the afflicted, and the oppressed. . . . As Christians, we are called to follow Jesus by identifying with the victims of injustice, by analyzing the dominant attitudes and structures that cause human suffering, and by actively supporting the poor and oppressed in their struggles to transform society.

The second principle concerns the special value and dignity of human work. . . . It is through the activity of work that people are able to exercise their creative spirit, realize their human dignity, and share in Creation. By interacting with fellow workers in a common task, men and women have an opportunity to further develop their personalities and sense of self worth. In so doing, people participate in the development of their society and give meaning to their existence as human beings.

The Bishops provide no elaboration on the implications of these principles, but their endorsement of struggle to transform society and their placing of work at the center of human life would seem to suggest that the Bishops perceive a logical connection between the two, namely, that the transformation of society is at least partially dependent on the outcome of struggles which focus on the organization, control, and content of work. Moreover, it is important to note that in their statement of the second principle the Bishops place men and women on an equal footing. As becomes apparent from subsequent passages this is intentional. While we have to be careful not to read too much into this, it may be that the Bishops have recognized that if the Catholic Church is to disassociate itself from capitalist institutions it must also disassociate itself from the conditions produced by such institutions, which of course include the inferior position of women.

In any event, having stated their principles, the Bishops go on to call for a complete reversal of the priorities and content of current government economic policies in Canada. Specifically, they argue that we must have economic policies "which realize that the needs of the poor have priority over the wants of the rich; that the rights of workers are more important than the maximization of

profits; that the participation of marginalized groups takes precedence over the preservation of a system which excludes them."

For the Bishops, acceptance of these principles means:

(1) Unemployment rather than inflation would be recognized as the number one problem in Canada.

(2) An industrial strategy would be developed to "create permanent and meaningful jobs for people in local communities."

(3) Control of inflation would be achieved "by shifting the burden for wage controls to upper-income earners and introducing controls on prices and new forms of taxes on investment income (e.g., dividends, interest)."

(4) There would be an end to cutbacks in social services, health services, and social security benefits.

(5) Collective bargaining rights would be restored where they have been suspended and trade unions would be given "a more decisive and responsible role in developing strategies for economic recovery and employment."

These ideas repudiate virtually everything that has been said and done by official policy makers and the representatives of Canada's economic establishment (including the majority of academic economists) in the last decade. Moreover, I would suspect that these ideas will put some pressure on the social democratic government in Manitoba (the New Democratic Party government which argued for similar policies while in opposition but since taking office has in effect turned the formulation of economic policy over to Standard & Poors).

But this is only the beginning. The main and most provocative ideas in the Bishops' paper emerge in their discussion of the longer-term implications of the current crisis and the attempts by the state to deal with it. They argue that the recession is simply a manifestation of "a much larger structural crisis in the international system of capitalism." No attempt is made to identify the origins of this larger crisis; instead, the Bishops point to the fact that remedies now being proposed are based on a restructuring of global capital and the application of labor-saving technology by transnational corporations. Governments for their part are seeking to accommodate this restructuring by introducing measures which undermine the standard of living of workers and repress their rights as human beings and workers. To justify such measures, governments have developed a legitimating ideology which conflicts with the fundamental principles of Christianity. Therefore, along with the economic crisis, we have "a deepening moral crisis."

The Bishops cite two symptoms of this moral crisis. First, they point to the violation of the "*priority of labor principle*":

By placing greater importance on the accumulation of profits and machines than on the people who work in a given economy, the value, meaning, and dignity of human labor is violated. By creating conditions for permanent unemployment, an increasingly large segment of the population is threatened with a loss of human dignity. In effect, there is a tendency for people to be treated as an impersonal force having little or no significance beyond their economic purpose in the system.

And secondly, they cite "the renewed emphasis on the 'survival of the fittest' as the supreme law of economics." This doctrine, which underpins much of what is being done in Canada, the United States, and elsewhere in the name of the "public interest," is correctly identified by the Bishops as an apologia for gross inequalities in income, wealth, and power. And they reject it as "morally unacceptable as a 'rule of life' for the human community."

The conclusion the Bishops draw from their analysis is that we must begin to look for an alternative approach to organizing our economy and our society; an alternative approach based on a "re-ordering of values and priorities in our economic life." For the Bishops, the starting point in this reordering of values is to place the needs of people ahead of profits and growth, and to give priority to the dignity of human labor rather than to machines and technology.

The Bishops make no attempt to provide a detailed statement of an alternative approach based on these values and priorities. They do, however, suggest some possibilities (which are reminiscent of some of the ideas associated with the concept of a pluralistic socialism) and they pose the questions that have to be addressed if people are "to choose their economic future rather than have one forced upon them":

An alternative economic vision... could place priority on serving the basic needs of all people in this country, on the value of human labor, and an equitable distribution of wealth and power among people and regions. What would it mean to develop an alternative economic model that would place emphasis on: socially-useful forms of production; labor-intensive industries; the use of appropriate forms of technology; self-reliant models of economic development; community ownership and control of industries; new

forms of worker management and ownership; and greater use of the renewable energy sources in industrial production?

Since its release, the Bishops' paper has been trivialized, ridiculed, condemned, or totally ignored by the spokespersons for those segments of society who have an interest in maintaining Canadian capitalism as it is—the spokespersons for big and small business, the leaders of the dominant political parties, and many financial scribblers and academic economists. But the Bishops did not address their paper to the Canadian ruling class and its apologists. On the contrary, the paper is, at least as I interpret it, addressed to the working people of Canada: "Factory workers, farmers, forestry workers, miners, people on welfare, fishermen, native peoples, public service workers, and many others," the people in other words who must ultimately lead the way in creating a new society.

The message the Bishops offer Canada's working people is at once a simple and profound one. In short, they are telling us that the economy should be organized to serve the interests of humanity and not the other way around; that economic institutions and economic problems are made by humans and, therefore, that they involve questions of ethics and morality; and that there is something fundamentally wrong with an economic order in which the highest virtues are greed and self-interest. Moreover, they offer us a glimpse of an alternative kind of society, a society based on cooperation and characterized by equality and justice.

Now, it is obvious that the Bishops' paper suffers from many of the same deficiencies as the material examined by Carl Marzani, for example, the absence of any discussion of the class nature of society, and the attempt to link the analysis of society to "Creation and preparing for the coming Kingdom." But, like Marzani, I am inclined to agree that if the Catholic Church is successful in forcing these issues onto the political agenda (and despite the reaction of the Canadian ruling class, there is evidence that the views expressed by the Bishops have both strengthened the struggles of Canadian workers and encouraged other Canadian church organizations, notably the Anglican and United Churches, to take a stronger stand on current economic issues), these deficiencies will be corrected in the course of analysis, debate, and struggle. Not only that, but the Bishops' views should serve as a useful reminder to those of us on the left who sometimes forget that analyses of society ultimately involve humanity and questions of morality and justice.

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(Continued from inside front cover)

states that "military expenditures and interest on the national debt amount to about \$320 billion." Reader Charles Colvin points out that the data issued by the Congressional Budget Office, the figures for 1983 are \$240 billion for the Department of Defense and \$80 billion for interest on the national debt for a total of \$360 billion.

A new Editorial Board Coordinator has been appointed for the *Journal of Radical Political Economics* (published by the Union for Radical Political Economics). He is Bill James and his address is *Review of Radical Political Economics*, c/o Department of Economics, University of Utah, Salt Lake City, UT 84112. All mss. and correspondence relating to editorial matters should be sent to this address.

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The article by Richard Vogel ("Capitalism and Incarceration") in the March 1983 issue of MR drew attention to the correlation between unemployment and incarceration in this country. An article ("Suicide: The Ultimate Cost of Unemployment") in the Winter 1982-83 issue of the *Journal of Post-Keynesian Economics* emphasizes another frequently neglected aspect of unemployment. The authors calculate, using 1980 data, that a "one percentage point increase in the unemployment rate is associated with about 318 more suicides."

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