

Part III

SOCIAL AND
ECONOMIC
ORGANIZATION

CHAPTER SEVEN

The Development of Capitalism

In this chapter, we develop a contemporary perspective on the social and economic organization of society. Our analysis of modern corporate capitalism is based on a materialist conception of history. We attempt to understand the history of the human species through an analysis of the economic structure of society. Instead of classifying societies according to dominant ideas or the type of culture, we classify societies according to the mode of production which characterizes them. A materialist conception of history is premised on the view that the mode of producing the essentials of life is the most important structure of a society. The mode of production, including social relationships involved in production and reproduction, is seen as exerting a fundamental influence on the social formation we call capitalist patriarchy. Having analyzed patriarchy in the previous three chapters, we now focus on capitalism.

HISTORICAL MATERIALISM

The forces of production (tools, human labor, etc.) and the social relations of production (cooperation, slavery, serfdom or wage-labor), taken together, constitute the *mode of production* of a particular society. Within the development of European society, it is common to identify different modes of production: *tribal society*, *slavery*, *feudalism*, and *capitalism*¹ are epochs Europe has witnessed. Many researchers classify advanced industrial societies like the United States as monopoly capitalism, an advanced state of corporate capitalism which is characteristic of the twentieth century.² Some sociologists identify future stages which human society might achieve. *Socialism*³ is a mode of life where all humans have enough to eat, and the vast majority have equal economic and political rights. *Communism*, a classless, stateless system of total freedom, could develop out of socialism.

The forces of production in human societies have been greatly expanded since the dawn of humanity. Our bare hands are still very much

a part of production, but in agriculture, for example, we have proceeded from the stick to the hoe to the tractor to the huge agricultural combine. We have gone from being at the mercy of our natural environment in earlier times to the domination of Nature today.⁴

The social relationships of production have changed drastically at least four times in the history of Europe. Many early groupings were characterized by the basic social relationship of cooperation.⁵ This cooperation occurred within the tribe or gens,⁶ and was probably a result of necessity. Marx referred to this stage of human cooperation as "primitive communism." Engels and Morgan⁷ called it "savagery." In any event, it was not characterized by the monogamous, patriarchal nuclear family, but generally by kinship groups identified by a common totem (bear, goat, pig, deer, etc.) within which marriage was not allowed. These tribal societies differed a lot among themselves, but they all shared certain basic characteristics. Generally speaking, these tribes lacked extensive private property, and what property they did have, whether in livestock or agricultural lands, was held in common. There were no social classes based on different relationships to the means of production. The Iroquois of North America, like some tribes in Oceania, were highly democratic and had a high respect for individual rights.

The second basic relationship of production which appeared on the stage of history was slavery, which is commonly identified with the development of private property, the family, and civilization.⁸ The development of slavery and private property was probably associated with warfare and conquest—actions which led to the taking of slaves in battle, the ownership of conquered property, and the development of the patriarchal family. In Latin, the word "family" refers to man, his property, and his slaves, an indication of the kinds of social relationships which characterized that social formation. The institution of the state then emerged to settle disputes between families, and on the backs of slaves, western civilization arose.

As feudal societies developed, the vast majority of the population became tenant farmers or serfs. As a serf, a person "belonged" to a piece of land. Most land was owned by the nobility. Part of the food produced on that land was left to the serfs who had produced it all. In feudal society, the dominant form of the mode of production was bondage to the land, and land and relations of bondage also took on a mystical character which was often justified by transcendental religious beliefs like the "divine right" of kings. The relations of domination were very clear in

feudal society, and the many peasant revolts of the Middle Ages attest to the fact that serfs were relatively well aware of their conditions of enforced servitude.

The class structure that developed out of feudalism in Europe was characterized by the reduction of the power of the landed nobility, their replacement by a court nobility and monarch, and the development of modern cities. In the cities, there was a class of petit-bourgeois shopkeepers, tavern keepers, and other persons who employed a few wage workers and usually exploited their own labor and that of their families. Professionals such as doctors, lawyers, and teachers gained increasing autonomy as the role of the intellectual was liberated from the bonds of the Catholic Church, an institution which had held a monopoly on intellectual development throughout the Middle Ages. Starting in the sixteenth century, several new classes of people developed—a middle class of townspeople and a proletariat who sold their labor to the townspeople.⁹ The towns were called burghs and the people who lived in them, burghers, or bourgeoisie, in French. During feudalism, as in all pre-capitalist societies, production was mainly for *use* rather than for *exchange*. As the modern system of wage-labor developed, however, the vast majority of the population came to the cities to sell their labor-power to an employer or capitalist. The worker's labor-power became a commodity to exchange for wages on the labor market, and the workers produced commodities which were exchanged on a growing world market. As the accumulation of wealth reached higher and higher levels, the middle class of early capitalism became transformed into the corporate elite of the modern world system, whose multinational corporations today continue to produce great changes in society.

HISTORICAL IDEALISM

By way of contrast to the above sketch of history, let us look at two idealist views of history, those of Auguste Comte¹⁰ and Pitrim Sorokin.¹¹ According to Auguste Comte, all societies progress through three stages of development which he called *theological*, *metaphysical* and *positive*. Each of these types of society is characterized by a certain basis on which ideas and knowledge are founded. In a society in the theological stage of development, knowledge and truth are based on faith in supernatural powers such as gods and spirits. In the metaphysical stage, knowledge is based on tradition and speculation. In the third and final stage, the

positive, knowledge is based on sense information and scientific reason. According to Comte, all societies in human history have passed through these three stages.

Comte had a linear view of progress, since he thought that all human societies must inevitably pass through the first two stages and reach the positive stage. His theory is an idealist theory because it assumes that the fundamental principle of a society is the foundation of knowledge within it. He was an idealist because he felt that the basic principle determining the shape of a society was its *ideology*.

According to Pitrim Sorokin, an early twentieth century Russian sociologist, there is no human progress. Human civilizations rise and fall, and there is an intrinsic pattern in this movement. Sorokin saw a cycle of history in which three different "systems of truth and knowledge" vie for dominance in a given period. These three systems, similar to those of Comte, on whose theory that of Sorokin is based, are:

Idealistic – based on Reason

Ideational – based on Faith

Sensate – based on the Senses

The history of western civilization, according to Sorokin, has fluctuated between these three types, with Homeric Greece representing the Ideational, the Golden Age of Athens representing the Idealistic, and the Roman Empire, the Sensate. After a sensate culture there is (according to Sorokin) a period of collapse and mixed type, followed by another Ideational period (the Middle Ages), another Idealistic (the Enlightenment), followed by the Sensate period (in which we find ourselves today), leading again toward a collapse.

A problem with this theory is that it relies too much on superficial characteristics of a civilization—such as the dominant system of ideas—and does not concern itself with the more fundamental phenomena of economic, kinship, and other forms of social organization, which seem to us to be more basic to a society than its system of ideas.

A Theory of Capitalism: An Outline of Marx's Analysis of Capitalism*

THE COMMODITY FORM

A critical analysis of modern society reveals that many phenomena in society are treated as if they were commodities and "relations among people have taken on the character of the relations among things." Marx called this the "fetishism of commodities."¹² This fetishism, based on the capitalist form of production has permeated society as a whole.¹³

In his major work, *Capital: A Critique of Political Economy*, Marx analyzed the essential moments of the capitalist system in order to understand its laws of development. He understood the *historical* nature of commodity production and did not portray it as a "law of nature,"¹⁴ or as inevitable for all times. Marx was able to transcend the commodification (or reification) of economic categories because he had a theory of society in which the mode of production was one factor among many.¹⁵ The philosophy of Marx saved him from getting caught in the overwhelming reification of capitalist social relations as they are reflected in thought.¹⁶ The analysis of the fetishism of commodities is one of the most quoted parts of Marx's work,¹⁷ and it forms the basis of the school of Marxist thought usually referred to as "critical theory."¹⁸

Marx began with the assumption that human beings, using their brains, nerves, and muscles, transform the materials provided by Nature into useful things.¹⁹ A wooden chair, for example, is a tree stamped with the *form* which human labor has imprinted upon it. What we see when we look at a chair in a store is a commodity with a price tag. What is not visible is the network of human relationships which produced that chair. In a capitalist society, the exchange of commodities becomes a fetish, one created by but ruling the producers. This is a form of alienation.²⁰ Pre-literate societies, ancient societies, and feudal societies had no capitalist production, and fetishism took other forms, primarily that of religion. Gods, originally creations of human beings, took on a life of

their own and began ruling the people who invented them. To a human being who did not grow up in a capitalist economy, wage-labor, the stock market, etc. must seem as obscure as the ancient religious rites of the Aztecs. These modern rites are ultimately as violent as ancient rites (if not even more violent), requiring, as we explain, unemployment, starvation, and militarism. One of the worst tragedies of commodity production is that the workers themselves eventually come to believe that their worth is an exchange value (their wages or their price as a commodity) rather than their utility and inherent value to themselves and society.

THE LABOR THEORY OF VALUE

The labor theory of value is based on the assumption that commodities are valuable because of the human labor congealed in them. For example, the machinery which is essential to production is actually accumulated human labor from past production. Machinery (or *accumulated labor*²¹) along with the living labor of workers and raw materials from Nature constitute the *forces of production* of society.

The basic ingredient of capitalist production is labor-power. A worker sells his or her labor-power at the market price (the current wage or the going price of labor-power). To make a profit, a capitalist must pay the worker less than his or her work is worth, which means that the basic relationship between the wage worker and the capitalist is one of *exploitation*. As Karl Marx put it:

. . . labour power is a commodity which its possessor, the wage worker, sells to the capitalist. Why does he sell it? It is in order to live . . .

Labour power was not always a commodity (merchandise). Labour was not always wage labour, i.e., free labour. The slave did not sell his labour power to the slave owner, any more than the ox sells his labour to the farmer. The slave, together with his labour power, was sold to the owner once and for all.

The serf sells only a portion of his labour power. It is not he who receives wages from the owner of the land; it is rather the owner of the land that receives a tribute from him. The serf belongs to the soil, and to the lord of the soil he brings its fruits.

The free labourer on the other hand, sells his very self, and that by fractions . . . it is for him to find his man, i.e., to find a buyer in the capitalist class.²²

* The reader is cautioned that we are merely presenting an outline of a very complicated system. Marx's systematic treatment of capitalism comprises six volumes (3 volumes of *Capital* and 3 volumes of *Theories of Surplus Value*).

MONEY

Exchange is a social relationship between human beings. A commodity does not possess exchange value simply because it contains congealed human labor; it first must be compared (by a human being) to other commodities. If we say that this book is worth, or has the exchange value of, a pocket knife, we are comparing the labor of writers and printers to that of miners and knifemakers. We are comparing the average social labor of many workers to that of many others. Following this same line of argument, we can define money as a social process of measuring the exchange value of a commodity, using an equivalent form of value or a universally accepted equivalent, such as cattle, silver, or gold.²³ Money allows commodities to circulate in a relatively orderly fashion according to their exchange values.

WAGES

Wages are the *price of labor-power*.²⁴ If the value of commodities (prices) are determined by the value (price) of labor, what determines the price of labor? In the long run, the worker's wage is the amount of money it takes to feed, clothe, and house the worker and to allow him/her to have children and reproduce themselves. If wages are higher than this minimum, it is because of one or more of the following factors: there is a high demand for labor and a low supply; super-profits from imperialism; the socially-accepted standard of living is higher than could be maintained at the minimum wage; workers have formed trade unions and fought for higher wages; and/or technological innovations help to produce super-profits.

SURPLUS VALUE

Political economists prior to Marx, including Adam Smith and David Ricardo,²⁵ discussed profit, interest, and rent, but Marx was the first to point out that all three of these things had one thing in common. This common abstract entity was what Marx called *surplus value*. Surplus value is not created in exchange (like buying cheap and selling dear, which is merchants' profit and is a result of control over the system of distribution or the market), but in production. In the production of a commodity, surplus value is created, *but it is not "realized" until the product is sold*. This helps explain why it may appear as if the market or distribution created profit when profit is actually created in the process of

production. Common sense may tell us that interest and rent are created by wise investment or by the mystical value of land, but in reality they are forms of the surplus value of labor. Stated simply, surplus value is what remains after a capitalist sells a commodity for more than what it cost to produce: the cost of machinery, raw materials, and wages of the workers it took to produce it.

Let's take an imaginary example to explain surplus value. Suppose that the owner of a shoe factory employs ten people and pays them \$3/hour for a ten-hour day. Suppose further that each worker produces ten pairs of shoes a day on a machine; the daily costs of the factory and machine-wear are ten dollars per machine; that the cost of the leather and other materials for each pair of shoes is three dollars; and that each pair of shoes sells for ten dollars to a shoe store.

Wages of workers = \$3/hour x 10 (# of workers) x 10 hours =	\$300
Costs of materials = \$3 x 10 x 10 =	300
Overhead = \$10 x 10 =	100
TOTAL COSTS OF PRODUCTION =	\$700/day
Exchange value of production = \$10 x 10 x 10 =	\$1000
Surplus value = \$1000 - \$700 =	\$300

Three hundred dollars is the surplus value appropriated by the owner once the shoes are sold. The workers have produced the total value of the shoes but have only received a part of it in wages.

If we assume that the owner of the shoe factory sells the entire stock of shoes produced in the factory, then a new problem arises. What is to be done with the additional capital now in the hands of the owner? As we will discuss, this problem can be summed up as the inherent and incessant need of the individual capitalist and the system as a whole to expand. (Of course, it must be kept in mind that the purpose of capitalist progress is growth of profit, not human growth.) The internal necessities of capitalism to grow have resulted in the system's global expansion.

Marx distinguished two kinds of surplus value—*absolute surplus value*,²⁶ which has to do with the length of the working day, and *relative surplus value*,²⁷ which is based on the mechanization of production—for example, the advanced machine technology of the assembly line. Even if a worker is paid time and a half for overtime, he/she would be exploited as much (if not more) in the extra time worked. This is a form of absolute surplus value. On the other hand, if a new machine were introduced

which makes the work go faster, and even if the worker were given a shorter work day or work week (like many workers have gotten over the past 100 years), he/she would still be exploited more. This is relative surplus value. It is in the interest of the capitalist to make the worker work faster because the more that is produced, the more profit can be made. It is also in the interest of the capitalist to make the worker work longer hours, because it is more profitable to exploit one worker than it is to hire more workers.²⁸

THE ACCUMULATION OF CAPITAL

The growth of the quantity of accumulated capital carries with it the need for enlarged markets to sell commodities, to control larger regions with bigger sources of raw materials, and to hire a greater number of workers.²⁹ The capitalist system reproduces itself on a continually larger scale.³⁰ Under conditions of competitive (as distinct from monopoly) capitalism, cut-throat competition between individual capitalists is an important feature of the system. A commonly used analogy to describe this process is the big fish eating the little fish. Those capitalists who succeed in accumulating greater quantities of capital are able to cut their costs of production by using newer machines and/or larger-scale production than others. As a result, they can undersell smaller capitalists and force them out of business, putting themselves in the position of enlarging their share of the market. An inherent tendency of the capitalist system is the systematic elimination of small firms and the centralization of capital into fewer and fewer hands.³¹

The competition between capitalists is not something which can be ended by appealing to their reasonability. The increasing accumulation and centralization of capital operate as laws of the capitalist system, and the individual capitalist is continually confronted with a simple choice: grow or get out of business. This means, for instance, that even if Ayn Rand and the John Birch Society's dream of a return to the early days of competitive capitalism were possible, the growth of big industries would inevitably redevelop.

The accumulation of capital, originally operating only quantitatively, effects a qualitative change in the composition of capital.³² As a capitalist has more capital to use for production, it becomes more profitable for him/her to produce commodities by using newer and better machinery instead of hiring more workers, necessitating a situation which produces a *reserve army of labor*,³³ workers who are periodically hired

and fired. In the United States today, many black people, Mexicans, women, and young people are generally confined to this part of the working class.

In thinking about unemployment in the United States today, presidential spokespeople often use the rhetoric of full employment. Is this a possibility in the capitalist system? We believe that full employment is not possible in a capitalist society like the United States. A large reserve army of labor helps make the capitalist system function. Employers can pay minimum wage to young people and others at the edge of the system at the same time as technology and automation put more and more people out of work.

CLASS STRUGGLE

The capitalist system not only produces surplus value which the various capitalists fight for, it also produces a working class—people who must sell their labor-power in order to survive. When Marx wrote *Capital*, he believed that the proletariat (or factory workers) of the industrialized countries would soon rise against the capitalist system and create a better system of economic organization. Most theorists of the nineteenth century largely ignored the dynamics of class struggle in capitalist society, and some (like August Comte) believed that the material wealth made possible by industrialization would inhibit class struggles.

For Marx, the proletariat—i.e., the class of workers who had been created by capitalism—would be the revolutionary subject of socialism. Having “nothing to lose but their chains,” constituting the vast majority of society, and containing in their needs and desires a philosophical negation of the capitalist system, the proletariat was expected to reconstitute society on a truly democratic basis. But Marx's expectations of socialism being created in late nineteenth century Europe have proven to be wrong. Instead, the struggle for socialism shifted to the most impoverished area of the globe—to Russia, China, and the Third World.

THE THIRD WORLD: ROSA LUXEMBURG AND LENIN

Marx's analysis in *Capital* dealt with a model of society composed predominantly of workers and capitalists. Although the world market was a key to his analysis, he did not include peasants in noncapitalist areas of the world within his framework. He dealt with these areas in terms of the “primitive accumulation of capital” but did not make them a part of his

ongoing class analysis. In the *Accumulation of Capital*, Rosa Luxemburg developed a notion of the "third person" which not only supplemented and universalized Marx's model, but also solved the reproduction problem of Volume II of *Capital*, a problem which Marx himself understood was there but was never able to resolve.³⁴ As the editor of *Capital*, Frederick Engels, said in his preface to Volume II: "This is the material for Book II, out of which I was supposed 'to make something,' as Marx remarked to his daughter Eleanor shortly before his death."³⁵

In *The Accumulation of Capital*, Luxemburg took up the problem of expanded reproduction (how surplus value is realized or reinvested). As a Marxist, she noted the significance of Marx's contribution at the very beginning of her book: "Karl Marx made a contribution of lasting service to the theory of economics when he drew attention to the problem of the reproduction of entire social capital." But unlike Lenin (and many latter-day Leninists and Marxists who cannot criticize but merely recite the works of Marx and Lenin), Luxemburg was unafraid to find flaws in Marx's work where they existed.³⁶ Within *The Accumulation of Capital* can be found the theoretical roots for comprehensively understanding capitalism as a world system based on the continual incorporation of non-capitalist areas into the orbit of capitalist production.

In order to get off the ground, capitalism required an initial stimulus of human and material resources. Where did the original capital come from which makes possible the continuing and ever-growing process of the accumulation of capital? The initial accumulation of capital must have involved the establishment of the fundamental conditions for capitalist production—the conditions upon which such laws as the self-expansion of capital can begin to operate. In essence, these conditions are the separation of producers from the means of production. Only when the means of production, on one hand, and labor-power, on the other, have been made into commodities can the capitalist system work. The initial accumulation of capital, in the first place, called for the bloody and forceful separation of small farmers in Europe from their land. In England, for example, the enclosure laws, the taking over of the vast property of the Catholic Church during the Reformation by monied nobility, robbery, and terrorism were all used to create a mass of proletarians, on the one hand, and owners of land, on the other.³⁷

In the second place, the primitive accumulation of capital called for the wholesale kidnapping of blacks from Africa to serve as slaves on the plantations and in the mines of the New World. The enslavement and

genocide of Third World people, according to *Capital*, was the basis for capitalism:

The discovery of gold and silver in America, the extirpation, enslavement and atonement of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalled the rosy dawn of the era of capitalist production . . . If money, according to Augier, 'comes into the world with a congenital bloodstain on one cheek,' capital comes dripping from head to foot, from every pore, with blood and dirt.³⁸

The global expansion of European capitalism necessitated the robbery of Africa, the enslavement of Africans, and the genocide against Native Americans. Today, the imperatives of growth are producing similar genocide against the Indians of the Amazon River basin in Brazil.

In his study of capitalism, Marx comprehended the swallowing up of non-capitalist peoples by the capitalist system, but only in relation to the *initial* development of capital. In contrast to this view, Luxemburg stated that "capitalism in its full maturity also depends in all respects on noncapitalist strata and social organizations existing side by side with it. It is not merely a question of a market for additional product. . . . Capital needs the means of production and labor power of the whole globe for untrammelled accumulation . . ."³⁹ Luxemburg then proceeded to discuss the greater rewards reaped by the capitalist system through the ruthless means of imperialism as compared to "civilized" exploitation in the factory. In analyzing the effects of the political revolutions and near-revolutions in France from 1789 to the Paris Commune of 1871, she clearly showed how each domestic victory over the absolutism of the French monarchy was accompanied by an intensification of French imperialism in Africa. Luxemburg drew the conclusion that imperialism and capitalism have existed side by side since the inception of the capitalist system, and she introduced the concept of the "third person"—the exploited Third World upon which the worker-capitalist relationship depends—in order to demonstrate the necessity of imperialism. The dual-labor market⁴⁰ and the "urban under-class" as well as the international core-periphery distinction are expressions of the contemporary inequality engendered by capitalism. In theory and practice, imperialism and racism are an integral and self-developing aspect of the capitalist system, as we discuss in Chapter Ten.

Like Marx, Luxemburg insisted on the need to ground a scientific analysis of capitalism in the totality of social capital, something which the fragmented views of bourgeois economists could not (and cannot) conceive, and her mathematical models can be described as intricately grounded in the fundamental truths of *Capital*. From Marx's circular conception of simple reproduction (which left unresolved the problematic of enlarged reproduction in Volume II of *Capital*), Luxemburg provided a spiral model of enlarged reproduction—the kind of model which today's computerized systems analysis makes use of. This she did long before computers or systems analysis had come into existence. She was the first to demonstrate that the real problem of capitalism was to realize the ever-growing surplus, a theme developed differently and more fully in Baran and Sweezy's *Monopoly Capital*.

Perhaps the most famous work on imperialism is V.I. Lenin's *Imperialism, The Highest Stage of Capitalism*.⁴¹ According to Lenin, imperialism is a specific form of late capitalism. In contrast to Rosa Luxemburg's view that imperialism characterized capitalism from the start, Lenin held that the beginning of imperialism dated from the early twentieth century.⁴² Despite this disagreement (and others they had), there is much similarity in the positions of these two revolutionaries. They each predicted the development of World War I long before its outbreak and worked side by side hoping to see the large socialist parties of Europe turn the imperialist war into a civil war of proletarian revolution. Lenin and Luxemburg saw World War I as an annexationist war on the part of both sides: a war for the division of the world, for the partition and repartition of colonies, for control of the spheres of influence by various nationalist combinations of finance capital. He and Luxemburg sharply disagreed with the majority of the Second International (the international organization of Socialists prior to the First World War) who supported their nations' fight against each other for world control.

An essential feature of imperialism for Lenin (and all forms of capitalism for Rosa Luxemburg) was the tendency for competing empires to make war as part of the necessary process of the accumulation of capital. This process was viewed as operating independently of particular individuals: as being caused by the economic forces within the capitalist system of production. On the basis of a concrete analysis of the aftermath of World War I, for example, Lenin predicted a war in the Pacific between Japan and the U.S. over two decades before Pearl Harbor.⁴³

According to Lenin: "If it were necessary to give the briefest possible definition of imperialism, we should have to say that imperial-

ism is the monopoly stage of capitalism."⁴⁴ Lenin's theory of imperialism is an extension of Marx's critical analysis of capitalist production into the era of monopolies. According to Marx, in order for each capitalist to survive, he/she must be successful in competition with other capitalists. The overall effect of this over many years is a massive concentration of capital in a few hands. As Lenin observed, already in 1900, over half of the production in the United States was controlled by 1/100th of all of the business enterprises. This extreme concentration meant that the free competition which was characteristic of capitalism when Marx wrote *Capital* in 1865, had already undermined itself through complete monopoly in all of the basic industries like steel production and railroads.

PROLETARIAT AND REVOLUTIONARY SUBJECT

The shortcomings of *Capital*, however, do not invalidate Marx's general conception of the proletariat. For Marx, the proletariat had both a specific, historical meaning (the emergent class of impoverished workers who had "nothing to lose but their chains" and would constitute the vast majority of society) *as well as* a philosophical meaning. The nature of the proletariat was the negation of bourgeois society:

. . . a class is called forth, which has to bear all the burdens of society without enjoying its advantages, which, ousted from society, is forced into the most decided antagonism to all other classes; a class which forms the majority of all members of society, and from which *emanates the consciousness of the necessity of a fundamental revolution*.⁴⁵

If Marx's concept of proletariat is regarded both empirically (historically) and rationalistically (philosophically), then the nature of the proletariat becomes a dynamic concept suitable for both empirical investigation and philosophical critique.

The "world-system" has only recently begun to receive the attention it merits.⁴⁶ From such a perspective, the concrete meaning of proletariat has been analyzed on a world scale, and conversely, the problem of defining classes exclusively from within the confines of a nation-state has been articulated.⁴⁷ Even here, however, a purely "objectivistic" definition of class is not sufficient. The concrete relationship of conditions and consciousness cannot be seen as a one-way phenomenon in which consciousness is a mere "reflection" of social conditions. Without a dialectical notion of the relationship between social being and

consciousness, history can be seen as nothing but a machine operating independently of its producers.⁴⁸

A *simultaneous* analysis of consciousness and conditions, of individual human beings and socio-historical conditions, is a necessary precondition for the comprehension of revolutionary subject. Lukács formulated the significance of this: "it is not the primacy of economic motives in historical explanation that constitutes the decisive difference between Marxism and bourgeois thought, but the point of view of totality."⁴⁹ The concept of *totality* is crucial not only in understanding history but also in defining the "proletariat." Pure and simple classification of occupational categories even in a world context (class-in-itself) is one moment in the definition of class, but when this one aspect becomes the sole criteria for the definition of revolutionary subject, it obstructs understanding of revolutionary change: the formation of a class-for-itself. Charles Bettelheim and Paul Sweezy have come to a similar conclusion in their critique of economism:

What is common to all forms of economism, whether rightist or "leftist," is that they all objectively favor the short-term or medium-term outlook and interests of a particular segment or segments of the population, and hence tend to strengthen and perpetrate social divisions. Marxism, on the other hand, is quintessentially the body of thought which identifies the long-term interests of the *whole* population and provides a guide to their realization.⁵⁰

Furthermore, as discussed below, the human species has transformed itself through labor as well as through art, revolution, and language, and a definition of revolutionary subject based on the social totality would necessarily be rooted in a wider domain than the labor process alone.

The concept "class-for-itself" refers to the transformation of individuals who share a common relationship to the existing economic and social system from unconscious and isolated individuals to a conscious collectivity held together by the social solidarity of its members. As commonly conditioned by the system, they constitute a "class-in-itself," but as they become conscious of their conditioned commonality and seek to change these conditions, they emerge as a "class-for-itself." A class-in-itself is composed of many "I's" and "me's," "they's" and "them's," but a class-for-itself transforms these into a new "we" and "us." The formation of a "class-for-itself" takes place both on a material and symbolic level, within dimensions of economic exploitation in

the factories as well as within patriarchal oppression and political domination of individuals, communities, and nations. In the modern world, the economic imperatives of the existing system have brought 90 percent of the people of the United States onto the labor market; the logic of capital has simultaneously demanded an ever-increasing fragmentation of production and of the labor power of the working class as a whole. As a "class-in-itself," the working class in the core reflects the existing global inequalities and the specialization and compartmentalization of modern production. It reflects the militaristic misuse and scandalous underuse of vast new global powers of production, powers made possible by dizzying breakthrough after breakthrough in science and technology and the global concentration of the forces of production under the control of transnational corporations.

The process of the transformation of a "class-in-itself" into a revolutionary subject in the modern world system includes national liberation movements in the Third World. These cannot be comprehended as external to the transformation of capitalism.⁵¹ Similarly, movements among students, women, and national minorities are not external to the formation of a "class-for-itself." At the same time, to define revolutionary subject in theory alone is insufficient: it is also a question of the practice of social actors.

SPECIES-BEING

Marx's emphasis on the role of labor in the self-formation of the species should not be interpreted to exclude other moments of self-formative human action such as political praxis, art, and communication. These comprise significant domains within which the human species transforms itself into a "species-being." There is a moment of Marx's theory which positivistically reduces the self-formation of the species to the labor process, and the modern fetishization of this element of his theory partly accounts for the degeneration of Soviet Marxism into an ideology of domination.⁵²

Class struggles were the locomotive of history for Marx, but his conception of history, for various reasons, focused almost exclusively on the history of the forms of the organization of production. To ask whether or not economic reality is decisive in "the last moment" (or the first moment) does not consider the *simultaneity* of the *many moments* of species-constitutive activity. The fetishization of labor constitutes the decisive short-coming of modern Soviet Marxism— the pivot around

which a theory for the liberation of humans has been transformed into an instrument of domination.⁵³ Particularly in the definition of class and “revolutionary subject,” Soviet Marxism is incapable of comprehending the concrete reality of modern society.

The paramount role of labor as a species-constitutive activity—that is, as the process through which the human species emerges from Nature and shapes itself into a “species-being”—was for Marx a key reason for positing the proletariat as the agent which would move the human species from the era of “pre-history” to “real history”:

Humans can be distinguished from animals by consciousness, by religion or anything else you like. They themselves begin to distinguish themselves from animals as soon as they begin to *produce* their means of subsistence, a step which is conditioned by their physical organization.⁵⁴

Nature has produced the human species-in-itself (“*an sich*”), but only conscious, self-reflexive action produces the “species-being,” (“species-for-itself,” or “*für sich*”):

The animal is immediately one with its life activity. It does not distinguish itself from it. It is its life activity. Man makes his life activity itself the object of his will and of his consciousness. He has conscious life activity. It is not a determination with which he directly merges. *Conscious life activity* distinguishes man immediately from animal life activity. It is just because of this that he is a *species-being*.⁵⁵

Long ago, humans began to produce their means of subsistence, but that alone does not yet mean that humans have become a species-being. The material conditions that determine the *how and what* of production—the whole organization of society—evolves in “pre-historical” time according to the logic of natural evolution and the struggle for survival. So long as the whole organization of society continues to develop in an unplanned Nature-like way (*Naturwuchs*),⁵⁶ so long as it is not the consciousness of the species but spontaneous, unplanned developments which create the whole organization of society, the human species is not yet a “species-being.”⁵⁷

To be sure, Nature does not produce capitalism: it does not create owners of the means of production, on the one side, and humans who sell their labor-power and work for the owners on the other. *But neither is capitalism a conscious self-determined creation of the species.* There has

been no vote, no conscious or democratic determination of the whole organization of society by its members. Capitalism and the whole organization of society have developed through economic and political revolutions, through the extinction of a whole series of prior forms of economic and social organization, but it is not the creation of a democratic community of freely associated humans. To the extent that capitalism represents the power of the past over the present, it is an *irrational* organization of society.

Although the early writings of Marx have been criticized as “unscientific” in comparison to his later work,⁵⁸ a similar emphasis on consciousness and subjectivity is the basis of his analysis in *Capital*:

We presuppose labor in a form that stamps it as exclusively human. A spider conducts operations that resemble those of a weaver, and a bee puts to shame many an architect in the construction of her cells. But what distinguishes the worst architect from the best of bees is this, that the architect raises his structure in imagination before he erects it in reality.⁵⁹

It is not within the scope of this book to fully answer the question “what is capitalism?” Marx attempted to answer this question and to uncover its laws of development in three volumes of *Capital*. It is possible, however, to assert the primacy of the substantive separation of the laborers from control over the whole organization of production as constituting the basis of capitalism. The mere formal separation in property terms is far less significant than the fact that the “whole organization of society” is simply given to present generations without at the same time giving them the possibility of consciously determining the what and how of the whole system.

Capitalism has changed significantly since the writing of *Capital*, as we discuss in the next chapter. This is not the place to comprehensively deal with these changes,⁶⁰ but we will now summarize their main features in the core:

- (1) Scientific-technological progress has transformed universities and information-systems into components of the process of production,⁶¹ which itself has been further fragmented through Taylorism.⁶²
- (2) The state has taken on an enlarged role in production—particularly military production—and in the regulation of traditional class conflict through collective bargaining, thereby transforming its structural position.⁶³

- (3) The expansion of the consumer goods sector in the core ("Department 2" in Marx's model) has resulted in what C. Wright Mills called the transition from "public to mass"⁶⁴ and the creation of consumer society.
- (4) The process of monopolization and centralization of capital, as embodied in huge transnational corporations, has been accompanied, on the one hand, by the intensification of the worldwide impact of capitalist relations of production and, on the other hand, by shifts in the global constellation of power⁶⁵ which includes a downward adjustment of the relatively favorable position previously occupied by the population of the industrialized societies.

NOTES

1. Karl Marx, *Communist Manifesto* (Peking: Foreign Languages Press, 1965).
2. See, e.g., Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966).
3. See Chapter 9 for a further discussion of socialism.
4. See, e.g., William Leiss, *The Domination of Nature* (Boston: Beacon Press, 1974).
5. Peter Kropotkin, *Mutual Aid* (New York: Garland Pub., 1972).
6. Frederich Engels, *The Origins of the Family, Private Property and the State* (1942: rpt. New York: International Publishers, 1972).
7. Lewis Henry Morgan, *Ancient Society* (Cambridge: Belknap Press of Harvard University Press, 1964).
8. Engels, op. cit.
9. Karl Marx and Frederich Engels, *The German Ideology* (New York: Progress Publishers, 1976).
10. August Comte, *System of Positive Polity* (New York: Benjamin Franklin, 1966), Vol. I.
11. Pitrim A. Sorokin, *Social and Cultural Dynamics* (New York: Bedminster Press, 1962).

12. Karl Marx, *Capital: A Critique of Political Economy* (New York: International Pub., 1967) Volume I, pp. 72-73.
13. Marx, *ibid.*, p. 587.
14. See Gyorgy Lukacs, "Reification and the Consciousness of the Proletariat," in *History and Class Consciousness* (Cambridge, MA: MIT Press, 1972).
15. Henri Lefebvre, *The Sociology of Marx* (New York: Pantheon Books, 1968).
16. Max Horkheimer, "Traditional and Critical Theory," in *Critical Theory* (New York: Herder & Herder, 1972) pp. 188-244.
17. Karl Marx, *Capital*, op. cit., Vol. I, Part I, Section 2, Chapter I, pp. 41-47.
18. Max Horkheimer, *Critical Theory*, op. cit.
19. Karl Marx, *Capital*, Vol. I, pp. 7-1-84.
20. See Erich Fromm, *Marx's Concept of Man* (New York: F. Ungar Pub. Co., 1961).
21. Karl Marx, *Grundrisse* (New York: Vintage, 1973) p. 272.
22. Karl Marx, *Wage, Labor and Capital* (1847: rpt. New York: International Pub., 1935), p. 23.
23. Karl Marx, *Capital*, op. cit., pp. 69-71.
At this point we would like to raise the question of whether this formulation objectifies Nature and reflects the human chauvinism characteristic of the Western Enlightenment. Does the material scarcity of a resource like gold have any relevance to its exchange value? If the technology and labor-power needed to transform ocean water into drinkable water were equal to that needed to mine and purify gold, would their exchange values be equal? The domination of Nature is an ideological underpinning characteristic of bourgeois and orthodox Marxist theory. For further reading on this topic, see William Leiss's *Domination of Nature*, op. cit.
24. Karl Marx, *Value, Price and Profit* (Peking: Foreign Language Press, 1965), pp. 23-30; 45.

25. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (New York: Collier, 1909); and David Ricardo, *The Principles of Political Economy and Taxation* (New York: Dutton, 1965).
26. Karl Marx, *Capital*, op. cit., p. 509.
27. Ibid., p. 510.
28. Ernest Mandel, *An Introduction to Marxist Economic Theory* (New York: Pathfinder Press, 1970).
29. K. Marx, *Capital*, op. cit., p. 581 and Rosa Luxemburg, *The Accumulation of Capital* (New York: Monthly Review Press, 1968), pp. 40, 344, 356.
30. Marx, *Capital*, op. cit., Ch. 23.
31. Ibid., Ch. 25, Section 2, pp. 625-626.
32. Ibid., Section 3.
33. Ibid., pp. 631-632.
34. Rosa Luxemburg, *The Accumulation of Capital*, op. cit.
35. Karl Marx, op. cit. *Capital*, Vol. II, p.4.
36. Rosa Luxemburg, op. cit., pp. 154-155.
37. Karl Marx, *Capital*, op. cit., Vol. I, Ch. 27.
38. Ibid, Ch. 31, pp. 751-760.
39. R. Luxemburg, op. cit., p. 365.
40. Harold Baron, "The Web of Urban Racism," in L. Knowles and K. Prewitt, eds., *Institutional Racism in America* (New York: Prentice Hall, 1969) pp. 146-49.
41. V. Lenin, *Imperialism, The Highest Stage of Capitalism* (Peking: Foreign Language Press, 1965).
42. Ibid, p. 20.
43. V. Lenin, *Lenin on the United States: Selections from His Writings* (New York: International Publishers, 1970) p. 316.
44. V. Lenin, *Imperialism*, op. cit., p. 105.
45. K. Marx, *German Ideology*, op. cit., p. 94.
46. Immanuel Wallerstein, *The Modern World-System*, Vol. 1 and 2 (New York: Academic Press); Walter Goldfrank (ed.), *The World-System of Capitalism: Past and Present* (Beverly Hills: Sage Publications, 1979); Samir Amin, *Accumulation on a World Scale* (New York: Monthly Review, 1974); Andrew Gunder Frank, *World Accumulation, 1492-1789* (New York: Monthly Review, 1978).
47. Samir Amin, "Class Structure of the Imperialist System" in *Monthly Review*, January 1980.
48. Such is the mistaken view of Althusser in *For Marx* (New York: Vintage Books, 1970), especially pp. 36 and 231.
49. Georg Lukács, *History and Class Consciousness*, op. cit., p. 27.
50. As quoted in Paul Sweezy, *Monthly Review*, November 1974.
51. Samir Amin, *Class and Nation: Historically and in the Current Crisis* (New York: Monthly Review Press, 1981).
52. Albecht Wellmer, *Critical Theory of Society* (New York: Seabury Press, 1971).
53. Herbert Marcuse, *Soviet Marxism: A Critical Analysis* (New York: Vintage Books, 1961).
54. K. Marx, *German Ideology*, op. cit., p. 37.
55. K. Marx, *Economic and Philosophical Manuscripts*, op. cit. p. 113.
56. *Naturwüchs* is a German word which does not have a precise English equivalent. The suffix comes from *wachsen* (to grow), and *Naturwüchs* refers to processes that have developed spontaneously, without human planning. It is used in contrast to processes that are the result of conscious human will and self-determination.
57. K. Marx, *German Ideology*, op. cit., p. 9.
58. Louis Althusser, *For Marx*, op. cit. See Chapter 3 for a critique of Althusser.
59. K. Marx, *Capital*, op. cit., p. 178.

60. One could begin with *Monopoly Capital* by Paul Baran and Paul Sweezy (New York: Monthly Review, 1966); *The Power Elite* by C. Wright Mills (London: Oxford University Press, 1956); *Legitimation Crisis* by J. Habermas (Boston: Beacon Press, 1975); and *One Dimensional Man* by Herbert Marcuse (Boston: Beacon Press, 1964). Another viewpoint on these changes can be found in Daniel Bell, *The End of Ideology* (New York: Free Press, 1962) and *The Coming of Post-Industrial Society* (New York: Basic Books, 1973). Also see Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper Press, 1942) and Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1957).
61. *Legitimation Crisis*, op. cit. pp. 55-57; A Sohn-Rethel, *Die Okonomische Doppelnatur des Spätkapitalismus* (Neuwied, 1972); Alvin Toffler, *The Third Wave* (New York: Bantam Books, 1980); "Imperialism in the Silicon Age" by A. Sivanandan in *Monthly Review*, Vol. 32, No. 3 (July-August, 1980).
62. Alfred Sohn-Rethel, *Intellectual and Manual Labor* (New York: MacMillan, 1978).
63. J. O'Connor, *The Corporations and the State* (New York: Harper Colophon, 1974); *Legitimation Crisis*, p. 57; Ralph Miliband, *The State in Capitalist Society* (New York: Basic Books, 1969).
64. *The Power Elite*, op. cit. pp. 302-3; Herbert Marcuse, *Counter-revolution and Revolt* (Boston: Beacon Press, 1972), pp. 19-23.
65. Richard Barnet and Ronald Müller, *Global Reach* (New York: Simon and Schuster, 1974); Hugo Radice (ed.), *International Firms and Modern Imperialism* (London: Penguin Books, 1975); *Counter-revolution and Revolt*, op. cit., pp. 83-4; Holly Sklar (ed.), *Trilateralism* (Boston: South End Press, 1980).

CHAPTER EIGHT

Modern Corporate Capitalism

In early capitalism, production was dominated by the single family enterprise even though the large capitalist corporation was starting to come into its own. The transformation of capitalist production from the family-owned firm in the nineteenth century to monopoly capitalism in the twentieth century is part of the dialectic of capitalism, and this dynamic is one of the reasons that capitalism contains within itself the seeds of its own destruction. The production of commodities for exchange, which originally strengthened the single family firm, eventually led to booms and depressions and to the extreme concentration of capital in a few hands. This is something which the anti-monopoly right-wing like the John Birch Society fails to understand. They oppose monopoly, as is evidenced by their assertion that Rockefeller is a "communist." They want to go back to the small businesses of laissez-faire nineteenth-century capitalism. They do not realize that we cannot go backward in time: we must go forward and realize the potentialities of the present system. To try to go back to a system which existed 100 years ago and produced the one of the present is absurd.

In this chapter, we present a sketch of monopoly capitalism and discuss some of the ways in which it has changed the United States. From the ever-growing military budget and foreign interventions to the transformation of work and leisure, this new level of capitalism has left its mark on American society. As we discuss at the end of this chapter, multinational corporations continue to transform society—but on a global level and at a pace few people thought possible. In the next chapter, we pause to consider alternatives to the present system of social and economic organization.

MONOPOLY PRODUCTION

Competitive capitalist societies tended to produce more commodities than could be sold at a profit, leading to booms and depressions (with ware-

houses full of food and people on the streets who are jobless and starving). Is this condition alleviated by monopolies? No. On the contrary, it is made worse, as the Great Depression showed. To understand why, we need to diverge for a moment and look at the crisis of overproduction. To continually make profits, capitalists have to expand production (thereby cutting the unit costs) even if there is no one to consume the extra goods produced. When the dairies in Los Angeles pour out millions of gallons of milk, when farmers in the Midwest kill baby chickens or baby calves, it is not because there is not enough food, but because there is too much food; too much, that is, that can be sold at a high rate of profit. When you learn that the system pays farmers billions of dollars not to grow food, while at the same time there are so many starving people in the world, and that they "had to do it" in order not to upset the market price for grain so farmers can make a decent living, you probably can see that something is drastically wrong with the economic system. The irrational nature of the social organization of the huge productive capacity of space-age technology also helps explain why so many resources are diverted into military spending and other wastes.

Similar to the crisis of overproduction which *periodically* results in blatant waste is the *continually* operating crisis of the *absorption of the surplus*.¹ The rapid rate at which surplus value is produced—particularly under monopolies which are free to arbitrarily set high prices since there are no competitors to undersell them—adds up to the problem of finding ways to invest the vast profits. (Under conditions of competitive capitalism, the small enterprise was a "price-taker," but once monopolies have gained control production, the big corporation becomes a "price-maker.") How is the constantly growing surplus to be absorbed? The answer—if indeed there is a permanent solution to this problem—lies in the ever-increasing size of the sales effort (advertising and consumerism) and ever-growing military expenditures. In short, the growing production of waste is a fundamental feature of monopoly capitalism.

The ever-growing defense budget has two primary functions: as forced production to keep factories producing things so we will not slip into another Great Depression; and for the maintenance of the world empire of the corporations' rulers: the one percent of the population who control the corporations and the federal government and whose privileges might be threatened if we had a more rational form of social and economic organization—a society for people rather than profit. The main function of military spending is, in short, surplus absorption. Vast mili-

tary spending has been a permanent feature of the U.S. economy since World War II and has provoked some to refer to it as a *permanent war economy*.

As discussed in the previous chapter, a key problem of the capitalist system is the need for continually enlarged expansion. As monopolies came to exert overwhelming control over the production and markets within their spheres of influence, competition between monopolies became increasingly intense and international. To keep their rate of profit high and not go out of business, they had to control foreign markets for their goods, because they produced more goods than could be profitably sold at home. This is one reason that banks and corporations control the foreign policy of "their" government and helps explain why an ever-growing military is needed.

We have said that the foreign policy of the United States is controlled by and in the interests of the banks and corporations but we have not really said why. It is not because Americans are by nature inherently imperialist and evil; rather it is a natural outgrowth of the capitalist economy. There are two reasons. First, the capitalist economy has a tendency to produce more than it can consume at home. Overproduction will lead to a depression unless something is done with the surplus commodities. One way to get rid of this surplus is to find foreign markets for it. Second, it is the nature of capitalist production to strive for unlimited expansion, and foreign investments are a key way for the system to expand. As mentioned previously, the capitalist mode of production knows no internal limits once it begins to operate. Unless the system as a whole is transformed, it grows as rapidly as can be managed; and in some cases, like wars, its growth cannot be managed.

Like everything else in our society, the federal government has been greatly changed by the rise of monopolies, and we now turn to an analysis of some of the ways Uncle Sam has matured under conditions of monopoly capitalism.

UNCLE SAM AND MONOPOLY: THE RISE OF MILITARISM

The Great Depression of 1929 was brought on by the monopolization of production and is an example of the inability of the system to find ways of absorbing the vast surplus. In response to the idle productive capacity and huge unemployment of that period, Keynesian economics developed a program for federal government spending, a program which has increas-

ingly mushroomed since 1929 as government spending has become a necessary vehicle for bringing idle capital and labor into production. From 1929 to 1957, U.S. government spending increased from about one-tenth of the total production of goods and services (GNP or Gross National Product) to about one-fourth of the GNP. By 1975, federal spending was 36.7 percent of GNP.³

Of all federal expenditures, defense payments have grown most rapidly since 1929. From roughly one percent of the Gross National Product in 1929, the Defense Department directly accounted for more than ten percent in 1957, and directly and indirectly, militarism today accounts for about one-fourth of GNP in the United States. According to the U.S. economists Baran and Sweezy:

This massive absorption of surplus in military preparations has been the key factor of postwar (World War II) American economic history. . . . If military spending were reduced once again to pre-Second World War proportions, the nation's economy would return to a state of profound depression, characterized by unemployment rates of 15% and up, such as prevailed during the 1930's.⁴

Baran and Sweezy went on to refute various arguments put forth to deny the dependence of a healthy U.S. economy on militarism. They reviewed the history of Roosevelt's New Deal, demonstrating that it was not until World War II that the Great Depression ended. Perhaps one of the more telling refutations of the claim of the capitalist system to deliver the goods without war came from John Kenneth Galbraith: "The Great Depression of the thirties never came to an end. It merely disappeared in the great mobilization of the forties."⁵ Indeed, since World War II, the level of military spending has continued to rise: between 1951 and 1965, the United States defense budget totalled \$675 billion (in current dollars), and U.S. military forces were deployed in "minor" incidents on the average of once every 40 days.⁶ Between 1966 and 1970, the war in Vietnam alone cost U.S. taxpayers an additional \$106 billion.

The reader may be wondering why the monies of the government are spent on war and not on such needed programs as public housing or an effective national health program. The answer lies in the opposition of profit-oriented interests like real estate brokers and the medical profession, powerful vested interests which oppose any government encroachment upon the basis of their profit-making activities. Military expenditures, on the other hand, are perfectly acceptable, since private

corporations reap tremendous profits from the manufacture of hardware for war. Moreover, what is a new jet today is made obsolete very quickly, giving defense contractors new products to design, build, and sell. Most importantly, armaments like bombs are destroyed once they are dropped, bringing an almost endless demand for them during a war. To make this fact clear, it should be noted that more bombs were dropped in the recent war in Indochina than in the whole of the Second World War.

In the aftermath of World War II, the need for an expanding military establishment in the U.S. was accelerated by an increase in direct foreign investments by U.S. corporations.⁷ During the 1950s, the real value of U.S. direct foreign investments doubled, and during the 1960s, they doubled again. American banks saw their overseas assets rise from \$3.5 billion to \$52.6 billion in the 1960s.⁸ The decline of classical colonial empires (like the British and French) after World War II was a precondition for the growth of the U.S. empire. U.S. corporations picked up the pieces of the tottering economy of the "Free World," helping to rebuild older European industries and strengthen the ties of dependency of the underdeveloped countries on the industrialized ones. U.S. expenditures for production equipment in the Third World have risen almost entirely through the revenues generated from small initial capital investments. Not only have U.S. corporations been able to reap high rates of profit well over their initial investment, they have also realized revenues from foreign investments which have been used to expand these same production facilities, generating yet even higher returns of profit to these U.S. corporations. By 1964, sources of profit abroad accounted for about 22 percent of domestic nonfinancial corporate profits. Between 1970 and 1980—as the economic ties between the United States and the Third World grew exponentially—U.S. multinational corporations invested only \$8 billion in the Third World during the same time as they received \$63.7 billion from these underdeveloped countries. Not only did the Third World thereby send over \$55 billion into the coffers of U.S. corporations during those ten years, they also generously contributed \$23.3 billion in earnings to these same corporations, earnings which were reinvested in the Third World.⁹

As previously mentioned, there is a second dimension of the dependence of the U.S. on the Third World: as markets for goods produced within the domestic economy. In terms of the exportation of commodities, foreign markets have become a needed outlet for avoiding stagnation within the United States. The ever-increasing problems of overproduction and the accumulation of capital both have found some

resolution through imperialism. As the treasurer of General Electric said in 1965:

. . . business has reached a point in the road from which there is no turning back. American industry's marvelous technology and abundant capital resources have enabled us to produce the most remarkable run of peacetime prosperity in the nation's history. To keep this going, we have for several years sought additional outlets for these sources in foreign markets. For many companies, including General Electric, these offshores markets offer the most promising opportunities for expansion that we can see.¹⁰

In part because of the revolutionary legacy of the U.S. as a small nation which had to struggle for its independence from a classical colonial empire, the U.S. empire has not taken the form of overt political and military domination of foreign lands (although, of course, Vietnam is one of the many notable exceptions). Rather, U.S. neo-colonialism, as it has come to be called, is characterized by the domination of a country's economy, generally leaving politics to a small sector of the indigenous population friendly to U.S. economic interests. A noteworthy example of such neo-colonialism was the U.S. conceived and financed overthrow of the democratically elected government of Salvador Allende in Chile in 1974, a brutal action in which the federal government still refuses to admit its role. Of course, not all U.S. intervention is hidden: the invasion of Lebanon in support of the Gemayel regime (whose Falangist party draws its inspiration from Hitler, Mussolini, and Franco) again brought U.S. troops into combat on foreign soil. Further examples abound: the 1965 invasion of the Dominican Republic, the invasion of Grenada, the CIA-sponsored overthrow of the government of Guatemala in 1954, and the prolonged war against Vietnam and Korea. Since World War II, the American government has only made wars on small countries in the Third World which the "Free World" needs as markets for their commodities, as sources of raw materials and cheap labor-power, and as investment opportunities.

From the forefront of national liberation in 1776, the United States has turned into the primary enemy of independence movements, a development which has ominous implications not only for the Third World, but for the people of the U.S. as well. In order to make this point clear, we pause to consider one institution of government: the Central Intelligence Agency.

THE C.I.A.

After the Second World War, the Office of Strategic Services was converted into the Central Intelligence Agency. Among its many activities, the CIA carried out the unsuccessful invasion of Cuba, Operation Phoenix in Vietnam (an assassination program which left tens of thousands of people dead), and an entire secret war in Laos during which a private CIA army and air force consisted of over 100,000 people. Unreported billions of dollars were spent, and over two million tons of bombs were dropped on the people of Laos during this undeclared war by the CIA.¹¹ In terms of the United States, there has been proof that the CIA worked with the main heroin importers into the U.S. for many years. Beginning with U.S. military operations in Italy during World War II, the Mafia worked hand-in-glove with U.S. intelligence. In the aftermath of the war, the Mafia was used by the CIA to fight the upsurge in the popularity of Communist Parties of Italy and France among European workers, particularly in the French port of Marseilles, now a Mafia headquarters for heroin manufacture and exportation. Furthermore, Air America and other CIA operations in Southern Asia have directly been involved in the heroin trade.¹² Marshall Ky, former premier of South Vietnam and now living in the U.S., was reported to have been heavily involved in the heroin industry.¹³

Since its establishment in 1947, the CIA has grown so fast that few people today are even willing to hazard a guess as to its size. According to Philip Agee, a former CIA agent who has "told all," in 1975 the CIA employed about 16,500 people and had an annual budget of about \$750,000,000. These figures have grown since 1975, and even then, they did not include the hundreds of thousands of employees and billions of dollars which the CIA had in its mercenary armies (as in Laos) or its commercial enterprises.¹⁴ John Marks, formerly assistant to the State Department's intelligence director, estimated that the CIA secretly owned more than 200 corporations in the U.S. and around the world.¹⁵ In the U.S. alone, these corporations included 17 fully operative airlines, such as Air America which employs over 20,000 people. Holding companies like Pacific Corporation and Interprogress Ltd. (whose offices on Pennsylvania Avenue are less than two blocks from the White House) have served as coordinating centers for the CIA corporations. Such prestigious corporations as Manufacturers Hanover lent Southern Air Transport (acquired by the CIA in 1960) over \$6 million on a guarantee from Pacific Corporation.

The front men for the CIA's corporations have been eminent business people with wide connections such as E. Perkins McGuire, Percival F. Brundage, and Stanley G. Williams. These three, according to a 1973 Senate subcommittee report on corporate ownership, were heavily involved with the CIA's acquisition of Southern Air Transport. Thomas D. Cabot, once head of a United Fruit Corporation, was the top executive of Gibraltar Steamship Company which operated Radio Swan, whose activities included broadcasting CIA propaganda to Cuba in much the same way as Radio Free Europe and Radio Liberty have done in Europe.

What the CIA does with its corporate profits and with its money from Uncle Sam has been under investigation by the U.S. Congress. An indication of the magnitude of the problem is the fact that the CIA director has between \$50-\$100 million at his disposal at any given moment in "unvouchered funds."¹⁶

Among its other domestic activities (according to the *New York Times* of December 23, 1974) the CIA was spying on over 10,000 U.S. citizens in blatant violation of its Congressional charter which forbids the CIA to conduct operations inside the U.S. Moreover, in only one of the twenty years during which the CIA opened mail from the U.S., over two million letters were intercepted. Twelve break-ins, numerous wiretaps, drug experiments, and over 300,000 names of U.S. citizens in CIA files were reported. The CIA's Operation Chaos was devised and implemented against the people of the U.S. Police forces in different parts of the U.S. were trained by the CIA, such as the San Diego Police Department in the year before Nixon's Republican Party National Convention was to arrive there in 1972. Within the U.S., the CIA has amassed resources which include dozens of buildings in the Washington area alone, large training facilities at several locations in Virginia, a paramilitary base in North Carolina, secret air bases in Nevada and Arizona, communications and radio intercept bases around the country, scores of "dummy" commercial organizations and airlines, operational offices in more than twenty major cities, a huge arms warehouse in the Midwest, and "safe houses" for secret meetings in Washington, D.C. and other cities.¹⁷

The CIA continues to be heavily involved in the large universities of the U.S. The *New York Times* of October 26, 1975 reported that "CIA recruiting is done from ten regional offices across the country which are said to be in contact with 400 campuses." Most recruits of the CIA are found with the help of college professors. Connections between the CIA and U.S. colleges were unknown until 1967 when *Ramparts* magazine

exposed the CIA funding of the National Student Association, an organization which included most student governments in the U.S. As exposure followed exposure, the CIA director ordered an internal study made of the CIA's connections with colleges. Only one copy of this report was made and it was several inches thick. It was put in the director's safe and later destroyed. A few weeks after the report was finished, a controversy erupted at a Midwestern college over alleged contracts between a professor and the CIA. The study in the director's safe was consulted, and no evidence was found to verify the charges. Media mumblings about "irresponsible students" came from the CIA. Soon thereafter, the professor called the CIA and asked what he should do. After all, he said, he was working for the CIA. He was told to get another teaching job and he did.¹⁸

Colleges in the U.S. serve the CIA in many ways: as recruiting grounds; for the development of better spy tools (listening devices, advanced weapons, invisible inks, the list goes on and on); and for "think-tank" research. In some cases, an entire university has cooperated with the CIA in providing cover for covert research. The best known case of this sort was exposed in 1966 when *Ramparts* reveals that Michigan State University had been used by the CIA from 1955 to 1959 to run a secret police-training program in Southern Vietnam. The CIA also paid MSU \$25 million, and five CIA agents were concealed as university employees. In 1975, students at the University of California in San Diego brought attention to their university's ongoing complicity with the CIA. Third World students and women were actively being recruited by the CIA with the help of university president David Saxon and numerous other administrators. In addition, many research projects, ranging from "weather-forecasting" to radiation research were funded by the CIA at the University of California. These domestic activities illustrate that instead of merely helping to provide a "favorable investment climate" for the overseas operations of U.S. corporations, the CIA has come to pervert institutions within the U.S.

It was not only the CIA which conducted illegal actions against the people of the United States. The Federal Bureau of Investigation's COINTELPRO Program consisted of thousands of illegal wire-taps and hundreds of break-ins and thefts against many Americans. Martin Luther King was among those whose every step was followed, and Fred Hampton and Mark Clark, leaders of the Black Panther Party in Chicago, were murdered during a joint early-morning operation conducted by the FBI

and the Chicago police department. Although these specific FBI and CIA programs of domestic counter-intelligence appear to have been curtailed in the aftermath of Watergate, they continue against the American Indian Movement.¹⁹ We now examine structural reasons for such programs, reasons rooted in the social and economic organization of our society.

BUREAUCRACY, POWER ELITE, AND MONOPOLY

The change from predominantly single family to joint-stock ownership of corporations has prompted some studies, like Ralf Dahrendorf's *Class and Class Conflict in Industrial Society*,²⁰ to describe the U.S. today as "post-capitalist." While we agree with some of his empirical observations, we entirely disagree with his classification of the U.S. as "post-capitalist." (See Chapter 11.) The private appropriation of social wealth continues today as does the necessity for workers to sell their labor-power to the highest bidder. In a capitalist system, the producer sells his or her labor-power for the material rewards of wages and consumer goods. In exchange for human energy, the worker receives things. In this way, capitalist society tends to transform qualitative human factors into quantifiable commodities. The terms of the exchange are unequal on both the quantitative and qualitative levels.

Quantitatively, despite the vigorous and long-term efforts of trade unions, it still remains true that the workers' productivity is far greater than their wages. Surplus value continues to be extracted from their energy. No matter how vigorously the "science" of economics attempts to mask or apologize for this inequality by arguing that capitalists contribute to production and should be reimbursed, the fact remains that the workers produce more than they are paid. Otherwise, how could profits be made?

Unions have traditionally fought only for a more "equal" and safer quantitative exchange between capitalists and workers. "Unions help workers *have* more, not *be* more. They serve to increase the quantity of goods the worker receives in exchange for his alienated labor; they do not serve to abolish alienated labor."²¹ Qualitatively, the exchange between capitalists and workers differs in kind, energy for things. The fact that the workers get higher wages does not alter this qualitative inequality. Industrialization and pressure from unions have resulted in more things being allocated to the workers, but the qualitative inequality of exchange continues. Indeed, wage slavery begins and ends with capitalism. It is a structural backbone of that mode of production.

Many people today work for vast state, military and corporate bureaucracies. What is a bureaucracy, and how is it different from the small business or factory or farm? The German sociologist, Max Weber, who was writing in the period from 1900 until the First World War, developed an "Ideal Type" of bureaucracy which we will use (as summarized by Claude LeFort).²² A bureaucracy can be said to have the following traits:

1. The duties of functionaries are officially fixed by laws, rules, or administrative dispositions.
2. The functions are hierarchical and integrated into a system of command such that all lower level authorities are controlled by higher authorities.
3. Administrative activity is spelled out in written documents.
4. These functions require a professional apprenticeship.
5. The work of functionaries demands complete devotion to office.
6. Access to the profession is at the same time access to a particular technology, jurisprudence, commercial science, administrative science, etc.

Bureaucracy goes back to the ancient Chinese, Roman, Egyptian, and Aztec civilizations, and it has continued to exist in modern patriarchal capitalist societies like the U.S. and patriarchal state socialist societies like the Soviet Union. Bureaucracy can be seen to share some of the characteristics of capitalism (a wide gap between those at the top and those at the bottom) and of the division of labor (specialization of functions). It is a pervasive phenomenon, and it has proven adaptable to various types of male ruling classes.

At the top of the bureaucratic structures in the U.S. today is what C. Wright Mills called *The Power Elite*.²³ This modern aristocracy consists of a chosen few from the military, politics, and big corporations. These men (very few are women) have little in common with the entrepreneurs of early capitalism or the robber barons of the initial period of monopolies. They are organization men, dedicated to preserving their niche in the bureaucracy—to following orders from the top and not making waves in order to get ahead.

This elite substantially controls the U.S. It makes our major social decisions and instigates long-range policy which affects all of us. It controls the media, the military-industrial complex, academia, and the

political process to a degree unprecedented in history. We are not claiming, of course, that this elite is a gigantic conscious conspiracy, although disparate elements of it often cooperate in concerted activities (as in price-fixing, or in the cooperative efforts of the CIA and the larger corporations to insure the security of foreign investments).

As capitalism proceeded with booms and depressions, more and more small businesses were thrown out of business. The size of the giant monopolies grew until we are now left with a few ruling families who own most of the stock in the major corporations and have intermarried with each other.²⁴ We may refer to this class as the monopoly capitalist class, the most powerful sector of the power elite. Who makes up the *monopoly capitalist class*? It includes the Rockefeller family, which controls Standard Oil, IBM, Mobil, CBS, Marathon, Anaconda Copper, Metropolitan Life, Allied Chemical, Kimberley Clark, Borden, Atlantic Richfield, Con Edison, Pan Am, AT&T, CPC International, the Chase Manhattan Bank, the Bank of New York, Eastern Airlines, American Express, Seamen's Bank, Consolidated Natural Gas, all of which are billion dollar corporations. Next, we have the Ford family, which controls the Ford Motor Company, then the Duponts, who control General Motors, Dupont, Uniroyal, Phillips Petroleum, and the National Bank of Detroit. Next come the Mellons. They control Chrysler, Westinghouse, Bethlehem Steel, Gulf Oil, National Steel, Alcoa, the Mellon Bank and the Pittsburgh National Bank among other things. There are also a few minor families: the Pews, the Whitneys, the Crockers, the Olins, the Astors, the Hannas, the Reynolds, the Milbanks, the Phipps, the Kaisers, the Cabots; most of these families are blood relatives of each other.²⁵

It should be reasonably clear who the monopoly capitalists are. It cannot necessarily be said that these people are personally evil, but they are caught up in a system of production that leads to exploitation, oppression, imperialism and war around the globe, and from the standpoint of people around the world, these are probably the most hated people on the planet.

Besides the monopoly capitalists, members of the power elite include top generals and advisers in the military, elected officials and bureaucrats in the government, and members of private foundations, elite universities, policy planning groups, think tanks, blue ribbon commissions, and task forces. These people run the country, primarily through their control of the federal government's executive branch.²⁶ The major

elite universities which are involved in the power elite include MIT, Harvard, Yale, Columbia, Princeton, Johns Hopkins, University of Chicago, Berkeley, Stanford and Cal Tech. Some of the more important foundations include the Ford Foundation, the Rockefeller Foundation, and the Carnegie Foundation. Some of the prominent think tanks include the Center for International and Russian Studies, Columbia, the Center for International Studies at MIT, Stanford Research Institute, and Resources for the Future.

Some of the consensus-seeking, policy-planning groups involved in the power elite include the Council on Foreign Relations, the Heritage Foundation, the Committee for Economic Development, the Trilateral Commission, and the American Assembly. Let us look a moment at the Council of Foreign Relations. What is it?

The Chairman is David Rockefeller. It includes the CIA, the FBI, the Joint Chiefs of Staff, newspaper publishers, famous liberals, atomic scientists, Rockefeller Foundation officials, governors, senators, corporation executives, bankers, presidents, economists, multi-millionaires, top level government officials and others. . . . It is the 1,400 most powerful white men in America. . . . The purpose of the CFR is to staff the federal government and plan foreign policy. . . . It is the most powerful political organization in the world. . . . The invisible government. . . . Ever since World War II it's been planning the world's future—economically, politically, militarily. . . .²⁷

Members of the power elite are recruited from both the corporate rich and the professional service class. The way of life of the power elite is vastly different from that of white collar and blue collar workers. It is also very different from the underclass of "marginal" members of the society, who are effectively cut out of the American Dream. The Rockefeller family, for example, has about \$10 billion in their own money, as much money as what all of the Blacks, Chicanos, Indians, Puerto Ricans and forty million poor whites in America have put together.²⁸

Since World War II, the standard of living of most people in the United States has risen dramatically as a consumer society became consolidated. Although it may appear that the rewards of consumer society have no strings attached, there are unseen consequences of this new access to the comforts of life. We now turn to the effects of modern corporate capitalism on leisure and work.

THE CULTURAL POVERTY OF ONE-DIMENSIONAL SOCIETY

For most people in the industrialized core of the world system, the rise in the standard of living during modern times—the allocation of more things to the workers—has come at a high human cost. Energy at the workplace has become more automated and fragmented, and what was formerly leisure time has become increasingly objectified and controlled. Assembly line production, the basis for consumer society, has produced a routinization on the job, reducing the worker to a mere appendage of machinery. Vast differentiations in the division of labor, necessary for assembly line production, have caused workers to specialize in jobs which block the use of nearly all creativity. The increasing separation between decision-makers and decision-takers has reinforced the alienation of workers and their passivity. As space-age production has given human beings atomic weapons, for example, the decision to pull the trigger is beyond the power of the vast majority.

In the university classrooms, military service, and virtually all the institutions of modern society, the role of the individual has been reduced to a passive cog in the social machinery. The transition from public to mass (to use C. Wright Mills' words) has been accompanied by the growth of one-way communication institutionally as dialogues and collective discussions have become less common.

As monopoly capitalism has consolidated itself in the U.S., the university has moved to the center of the system, providing the technical specialists, disciplined workforce, and technological innovations demanded by the power elite. The role of college training is increasingly important for the functioning of monopoly capitalism. Large scale industry needs more technicians to run space-age production, more managers to administer it, more psychologists to find ways of keeping employees working and to market the goodies of the new consumer society, and more sociologists to maintain the system's overall capacity to function. As the large scale bureaucratic organization of industry and politics developed after World War II, the educational sector was expanded in response. In France, there were 123,000 college students in 1946; in 1961, there were 202,000; and in 1968, there were 514,000.²⁹ In the U.S. today, more than one-half of all people between 18 and 21 are in school.³⁰

Academic freedom, the isolation of the universities from the control of the church and government, has been undermined by the development

of monopoly capitalism. Traditional humanistic education, recognized since precapitalist times like the Renaissance as a socially useful endeavor, has been rapidly disappearing in the modern world. Land grant colleges in the U.S. were a source of educators and thinkers for many years, but today their influence has dwindled as the federal government has spent huge sums of money for research and development at science-oriented universities.

Traditionally speaking, academic freedom meant freedom for learning and the development of new ideas. The initial breakthroughs of science were staunchly opposed by the church, and scientists were persecuted by the entrenched religious power of the society. Academic freedom was a principle adopted by the early bourgeoisie as a means to gain freedom from reactionary social constraints on the development of science and liberty. Today, the meaning of academic freedom has been changed to freedom for the corporations and the government (especially such militaristic agencies as the Defense Department and the CIA) to utilize the resources of academia to develop new methods of social control, new weapons, and whatever else the power elite may desire. Academic freedom, originally a tool in the struggle against the reactionary influence of the church and government, is today used by the government and the power elite as a club to ward off progressive critics of the system who oppose the use of knowledge for human destruction and waste. The universities, once a source of critique of the established order, have turned into ideological and technological defenders of the status quo.

With the growth of monopoly capitalism, science and technology have become one of the system's main productive forces, capable of drastically altering old methods of production (or warfare) in a short time. As scientific research, one of the essential functions of today's universities (directly and indirectly), has moved to the center of the system's needs, higher education has increasingly become dependent upon and subordinated to the economic, political, military and ideological needs of the entire society. This development prompted such thinkers as Herbert Marcuse³¹ and Jürgen Habermas³² to discuss science and technology as forms of domination in contrast to their traditional function as a force liberating humans from the scarcity and superstition of earlier days. The university's function has been reduced from criticizing the status quo and pointing out more rational modes of life to defending the irrational system of today. This trend is one among many which has produced a one-

dimensional society—a form of social organization which mobilizes all human resources into the functioning of the system as it is. All problems—human and mechanical—are treated as technical problems which science and specialists can resolve. Quantitative change and material progress become the norms, and progress in the quality of human life becomes a technical problem which is treated mechanically, if at all.

CONSUMERISM: THE COLONIZATION OF LEISURE

The strength of the system today lies in its ability to “deliver the goods” to a majority of people in the U.S. Urbanization and the mass media have centralized consumers, and as disposable incomes have risen, new markets have been developed. Using a variety of techniques called advertising, new ways of manipulating human consumption have been devised. Products hitherto unheard of have been invented, and the desires for them created through advertising. On a covert level, psychologists have designed ways to stimulate unconscious needs and desires in order to sell a product. Thus after establishing its capacity to profitably satisfy the animal needs of humans—food, clothing, and shelter—capital has moved on to new markets: the manipulation of cultural and psychological needs of everyday life for profit.

The increasing importance of consumer markets for monopoly capitalism has created a new situation in the industrialized countries. In the words of Henri Lefebvre:

Organizational capitalism now has its colonies in the metropolis, and it concentrates on the internal market in order to utilize it according to a colonial pattern. The double exploitation of producer and consumer carries the colonial experience into the midst of the erstwhile colonizing people.³³

The coercion needed to maintain these internal colonies is predominantly psychological, in distinction to the Third World where physical force is more common. The human regimentation and standardization which monopoly capital imposes on its subjects in the industrialized core in order to control them is hidden behind the freedom of choice among gadgets, pretty politicians, and other goodies of the consumer society.

The system of consumerism is partially maintained by the structure of everyday life itself. When working at a job is draining of energy, all we can really do is slug our way through it and try to find satisfaction during our leisure time since we get very little from our job. Work is the

“hell” we must pass through to reach the “heaven” of spending money.³⁴ But when we give up trying to make our jobs meaningful and rely on leisure, we are often buying into a giant leisure industry and reproducing the very system we are trying to get away from.³⁵

In the realm of consumption, mass society reproduces the primacy of things, not people. Instead of a person going to a cobbler, for example, and having a pair of shoes specially made, one would go to a shoe store where a variety of styles and prices would be available. Instead of the commodity being matched to the person, the person must match with the commodity.

Service industries have risen in importance, providing for cash what used to be available in the family. From acts of intimacy and love to cooking and cleaning, mass society gains what the atomized individual has lost. The exchange of human energy for things and the proliferation of the cash nexus to nearly all aspects of life have combined in their effects on the human psyche. People tend to view themselves, not simply others, as objects—things to be sterilized by deodorants for various parts of the body much as cleaning aids are available for parts of the house.

At the same time as consumer society has been consolidated, work has been increasingly shorn of meaning because of changes in the process of production. For one thing, the level of skill of workers has continually diminished in proportion to the amount of machinery used in the factory. Second, the division of labor within factories and offices has increased, creating further artificial distinctions between workers. Under twentieth century capitalism, the production process has been enlarged and mystified in such a way that the capitalist control over the process is being solidified, and the managers are trying to make themselves “essential” to a productive process which long ago made the entrepreneur superfluous and has today undermined the need for managers.³⁶ The degradation of labor in the work process functions to help maintain the hegemony of control by the top and to prevent popular power. This has led to what Marcuse calls “surplus repression,”³⁷ which is enacted according to a “performance principle” of authoritarian roles, rather than according to how little repression is necessary today to produce the goods and services we need. The capitalists and managers must perpetuate this extra domination, because it insures their control of industry. Another aspect of the degradation of labor is the division of tasks into smaller and smaller rationalized units which can be accomplished with the help of machines by almost anyone.³⁸ Most people think that labor advanced

under capitalist production. The opposite is true: The character, dignity, and skill of labor is being replaced by machinery amid the capitalist division of labor.

ALIENATION

As social authority is maintained by the bureaucratic authority of capitalist production, a major effect this has on human relations is that of increasing *alienation*. Alienation takes the form of the estrangement of the workers from the instruments of production (the tools and machines they must deal with daily), from the products of their labor, and from their own lives and their species.

The notion of *alienation* was first developed by the German idealist philosopher George Hegel. According to Hegel, whenever the product of human beings—and the whole organization of society within capitalism is a human product, however easy it is to forget this—becomes an alien power that rules them instead of being ruled by them, we have an instance of alienation. The first case of human alienation is religion, where ideal representatives of human beings become treated as gods above human beings. Later a theistic god, which is obviously a human creation, becomes the creator of human beings. Modern alienation within capitalist production can be illustrated by using the example of a carpenter who uses his or her labor power to build a house. The house is owned by the developer who hired the contractor who hired the carpenter. The worker had no (or little) choice about how the house was built or for what use it is to be put. In order to find work, the vegetarian carpenter may be compelled to build a slaughterhouse; the pacifist welder may be compelled to repair B-52 bombers; and the machinist who hates golf may be compelled to manufacture golf clubs.

When worker alienation in capitalist production is not subjectively felt or consciously articulated by the worker herself or himself, the experience is referred to as false consciousness.³⁹ Herbert Marcuse calls this phenomenon the “happy consciousness,”⁴⁰ which is closely associated with the idea of one-dimensionality. According to Marcuse, in the modern corporate state, the second dimension of human consciousness (critique) is being lost. The culture of corporate capitalist society has become the administered culture of corporate domination, and a popular culture independent of corporate domination and a transcendental high culture (if only among the ruling class) are disappearing from society. A popular culture indigenous to the working class has been

colonized by the cultural domination of the mass media and other institutions of the system. The resulting society tends to be one-dimensional, with little critical culture and few sets of groups which can challenge the organizing and mobilizing power of corporate capitalism.

Another important form of alienation was discussed by Erich Fromm.⁴¹ Fromm tried to explain why people suspend their own independent judgments of their condition and replace them by dictates from authority figures. In the case of false consciousness within corporate capitalism, this would consist of dictates from bureaucratic authority in the factory, office, from the government and from mass media. Basing his analysis on the works of Marx,⁴² Freud,⁴³ and Wilhelm Reich,⁴⁴ Fromm developed ideas about the relationship between submission to patriarchal domination within the nuclear family, the inability to think critically about one’s own interests, and the tendency to accept the definitions of the situation set out by figures of authority. The “artificial consciousness” involved in the submission to authority was seen by Fromm as the basis for the mass following of fascist leaders like Hitler and Mussolini. This argument was developed with empirical and social psychological data by the Frankfurt School of sociology and their American friends in T.W. Adorno’s work.⁴⁵

MULTINATIONAL CORPORATIONS

As we discussed earlier, the process of the accumulation of capital is continually operating on a larger and larger scale within the capitalist system. Today, this process has reached new levels of concentration of wealth and power in the hands of giant multinational corporations. In 1968, multinational corporations accounted for 25 percent of all of the goods and services produced in the world. It was estimated that in 1979 this figure rose to 33 percent, and that by 1990, multinational corporations will account for a full 50 percent of the world’s production.⁴⁶ Within the U.S., the top five hundred public corporations have increased their share of all manufacturing and mining assets from 40 percent to 70 percent in the last fifteen years.⁴⁷ These are global, interlocking directorates which developed from within the U.S. In conjunction with large commercial banks, like David Rockefeller’s Chase Manhattan, they substantially control huge productive, investment, and marketing capabilities.

According to John Kenneth Galbraith, multinational corporations are the “greatest invention of the twentieth century.” Others maintain that

since these huge conglomerates have “transcended the nation-state,” they will usher in a new world order based on peace and prosperity for all. As the authors of *Global Reach*, a study of multinational corporations, put it:

As the boundaries of the known world expanded, a succession of kings, generals, and assorted strongmen tried to establish empires of ever more colossal scale . . . The Napoleonic system, Hitler’s Thousand Year Reich, the British Empire, and Pax Americana left their traces, but none managed to create anything approaching a global organization for administering the planet that could last even a generation . . . The managers of the world’s corporate giants proclaim their faith that where conquest has failed, business can succeed.⁴⁸

According to their professional managers, multinational corporations are a revolutionary development in the world’s political economy. The new global factory, global shopping center, and global moneymarket of the multinational corporations have given rise to a “new revolutionary class” of corporate executives who say that they will successfully manage the lives and livelihood of planet earth. The slogans of these men (none are women) are seen as mimicking the revolutionary students of France in 1968 who demanded “down with borders.” Global planning, they say, has overcome “the anarchy of capitalist production” and will make the multinational corporations a force for peace, not war.

As the bicentennial celebration of the revolution of 1776 approached, Madison Avenue came out with a host of products like revolutionary soap, deodorant, cars, and other commodities in an attempt to convince the people of the U.S. that technology is inherently revolutionary—that the system works. David Rockefeller called for a “crusade of understanding” to dispel the “dangerous suspicions” that exist about corporations. What we need, Pfizer Corporation President John Powers told a gathering of business people, is “philosophers in action” to explain “the promise of world corporations.” It has been said that the business executives of today are aware that “ideologies, like crackers, travel well only if skillfully packaged.”⁴⁹

An examination of the “free world” economy reveals that it is under the control of a few hundred businesses. These multinational corporations, the vast majority of which are U.S. owned and based, have economic and political interests of their own which go far beyond the national interest of any country (including the United States). They

substantially control production, investment, trade, media, technology, and even governments. Many of them have their own security agents who not only seek to discover the secrets of other corporations but also buy off high government officials at home and abroad. In short, multinational corporations are a new world aristocracy which rules over a far more extensive empire than any empire of the past.

The rise to power of multinational corporations has three main implications for the United States. Generally speaking, these can be summed up as the “Latin Americanization of the United States.”⁵⁰ Because of the predominance of giant firms with worldwide interests of their own, the U.S. is increasingly coming to resemble countries of the Third World whose energies and resources have been controlled by outside interests. Thus, we are now experiencing a change in the pattern of production, a shift in income distribution, and a change in the balance of power in the United States. Let us examine these changes in more detail.

MULTINATIONAL PRODUCTION

Firms with manufacturing capabilities in more than one part of the world have the opportunity to maximize their profits by locating plants in areas of the globe where the price for labor-power is cheaper. Many U.S. corporations, for example, are relocating factories from New England where the average wage is roughly \$8 per hour to places in the Third World where the average wage is as low as 30¢ per hour. This saves the company enormous sums of money in the costs of production. Other factors which similarly affect the relocation of U.S. industry abroad are lower tax rates (in some countries the first several years are tax-free) and no pollution controls (as in South Korea). The general trend resulting from these factors is the relocation of labor-intensive industry (production requiring a large number of workers) to the Third World and the build-up of capital-intensive industry (high-tech production) in the U.S. Thus, while highly specialized technical jobs are being created here, there are large numbers of jobs being lost. The AFL-CIO has said that if this trend continues, the U.S. will be turned into a “nation of hamburger stands.”⁵¹

In 1957, U.S. corporations invested 10¢ abroad for every \$1 invested domestically. Today it is closer to 25¢ for each \$1. Profits earned on all operations abroad rose from 25 percent of total profits of U.S. corporations in 1957 to 40 percent in 1970.⁵² According to a study

by the U.S. Department of Commerce in 1976, the projected book value of U.S. direct investments abroad has risen from \$78 billion in 1970 to over \$100 billion today. This is over one-fifth of the total assets of the top 1000 U.S. corporations. Thus, one of the effects of multinational corporations is direct damage to the U.S. as jobs are being sent abroad. Consequently, in recent times the people of the U.S. have suffered a higher level of unemployment than any time since the Great Depression. At the same time, the monopoly mode of life necessitates the production of even more unnecessary goods and services, of increasing planned obsolescence, of more deodorants, gadgets, and waste. We have a skyrocketing defense budget at a time when this country is not at war.

Because today's vast social wealth is under the control of the multinational corporations, the result is the production of warfare and waste and the perpetuation of full-time alienating work at a time when the achievements of the capitalist system make possible a reduction in the time and energy spent at work. Moreover, the transfer of production abroad means that the commodities produced in the Third World (from steel to shoes) are flooding the markets within the U.S., leading to the new and growing problem of a negative balance of trade for the U.S.

It would be incorrect to infer from what we have outlined that the less developed nations to which production is gravitating are really benefiting from the influx of multinational investments. On the contrary, rather than helping poor countries come to terms with even the most basic problems they face, problems like hunger, disease, and illiteracy, multinational corporations have compounded the world's hunger problem.⁵³ Because multinational corporations invest according to what is most profitable for them and not in accordance with the human needs of people, and because they extract profits from the poor nations, they actually increasingly underdevelop these countries. Agricultural production has become monopolized and mechanized for the profit needs of the multinationals—for example, as coffee production in Brazil reached more and more lands, the peasants from the countryside have been forced to migrate to the slums of the big cities where it is even more difficult to find food, work, or shelter.

Altogether, then, multinational corporations make both the problems of the industrialized and the underdeveloped nations worse, not better. While it may be true that these corporations are decentralizing the productive forces of the world, the potential benefits of this shift are undermined because of the accompanying centralization of control by the

multinational corporations and the increasing technology gap within and between industrialized and underdeveloped countries.

CLASS STRUCTURE AND MULTINATIONAL CORPORATIONS

The shift in the location of many productive plants to the underdeveloped countries is causing a change in the pattern of wealth and income within the U.S. As the authors of *Global Reach* point out: the distribution of wealth and income in the U.S. today is "more in the tradition of the underdeveloped world than in that of the affluent society. . . . A careful look at income statistics reveals that the average employee, as opposed to the top executive, is earning a decreasing share of the national income."⁵⁴ What this means is that many people in the U.S. do not conceive of themselves buying a home since the costs have climbed far beyond their reach. Many are forced to sell the one they already own since the cost of living has risen so drastically. More and more families now rely on two incomes where twenty years ago, one income was sufficient. Furthermore, another characteristic of neo-colonialism—the growing strata of unemployed university-educated young people—is on the ascendancy in the U.S. today. In the Third World, dependence on the international division of labor has relegated many countries to a one-crop economy like growing coffee for the consumers of the industrialized nations, and jobs for university graduates in these nations are rare. In the U.S. today, we witness more graduates of college taking jobs which do not have educational qualifications as a prerequisite. We witness financial crises in the old urban manufacturing centers of the northeast (like New York). As multinational corporations relocated their headquarters to foreign countries (or even to New Jersey), the center city area lost tax revenues and other sources of income to pay for basic educational, medical, and other social needs of the people.

In many ways then, today's multinationals are a direct menace to the well-being of the people of the U.S. These multinational corporations are a new aristocracy resembling the rule of the East India Tea Company and British merchants which the revolutionary war of 1776 successfully dealt with. Today we have Coca-Cola and corporation executives holding the reins of power over our lives and work.

The people of the U.S. will experience a further deterioration in their standard of living over the decades ahead as multinational corporations locate more of their jobs outside the U.S. Structural unemployment will

continue to climb and may necessitate a new "New Deal" involving federal programs to create jobs. Less jobs will exist even for skilled unionized workers who have traditionally been secure in their careers. But it will be the unskilled and semi-skilled—women, young people, and minorities—who will be the hardest hit as the demand for professionals increases. Furthermore, the relative privileges which the working people of the U.S. have historically received are being undermined. In 1950, for example, workers in Germany (West) and France received 50 percent of the wages of workers in the U.S. Today that figure has risen to 80-100 percent. In 1950, Japanese workers earned 10-20 percent of the wages of the U.S., while today they make about 70% as much.

Thus, the decentralization of the global forces of production and the centralization of their control under a few hundred giant corporations have very radical implications for the future, undermining as they do the material well-being of the people of the U.S. With the rise of multinational corporations, there now exist the material preconditions for massive rejection of the capitalistic system, a rejection which, until the New Left, had not been in sight since the Great Depression.

UNCLE SAM AND MULTINATIONAL CORPORATIONS

What is meant when it is said that "multinational corporations have transcended the nation-state?" Will these corporations come to be a force for world peace? If so, what kind of peace?

We have said that global corporations can intervene to determine an individual nation-state's foreign policy. Let us look at some examples. The International Telephone and Telegraph Company's (ITT) role in the overthrow of the Allende government in Chile has been well-documented both in the major news services in the U.S. and in our Congress. According to testimony in the U.S. Senate, Harold Geneen, ITT President, met with officials of the Central Intelligence Agency in 1970, offering to supply \$1 million to help prevent the democratic election of Salvadore Allende. In the years to follow, ITT and the U.S. government organized an economic boycott of Chile's Popular Unity government which had been democratically elected in 1970. The coup of September 11, 1973, supported and in part organized by the CIA, resulted in the rule of a fascist junta which has imprisoned and murdered thousands of people. Although neo-colonial rule is nothing new, the extent to which big business can now control the military-industrial complex of the U.S. as well as many small foreign governments is at a new level. Moreover,

there has recently appeared a divergence between the short-run needs of the U.S. military and those of the multinational corporations. In 1973, for example, the Philippine subsidiary of Exxon refused to sell oil to U.S. warships for fear of violating the worldwide Arab boycott of the United States. In 1976, the State Department prevented the delivery of Boeing 737 jets to the MPLA,⁵⁵ the socialist liberation movement in Angola, despite the MPLA's purchase of the jets prior to the intensification of the civil war there. These examples are indications of how much the national interests of the U.S. (even as defined by the Department of Defense) differ from the global profit maximization of the multinational corporations.

The political scandal we call Watergate has its roots in this new development. Indeed, it caused the authors of *Global Reach* to call the U.S. "a banana republic." The power elite, which has superseded the bourgeoisie or ruling class of the early days of capitalism, no longer is developing the productive forces or fulfilling other historical tasks of the bourgeoisie like defending civil rights or emancipating the individual. Rather, in much the same way as the free enterprise system undermined itself and created monopolies, the democratic results of the revolution of 1776 have been continually deteriorating. The ruling class today is a parasitic class protecting itself and its multinational corporations from effective popular control by cutting back on Civil Rights. Nixon and friends' invasion of the inner sanctum of the Democratic Party at Watergate is one example of the many abuses suffered by the people of the U.S. at the hands of their government in modern times.

Earlier we discussed the rise of Keynesian fiscal policy—the growth of the size and function of the federal government since the Great Depression. Multinationals have helped to make this type of economic planning obsolete since their scope of operations and power far exceeds the limits of any individual nation-state. For the U.S., the implications of this trend include a much weaker Congress, not only in its capability to effectively regulate the national economy but also in terms of its ability to significantly affect foreign policy. The war in Vietnam, for example, was never declared by Congress, as stipulated in the Constitution of the U.S. that only the Congress shall have the authority to declare war. Rather, the Kennedy, Johnson, and Nixon administrations took it upon themselves to conduct an illegal and immoral war. It would not have been possible to continue fighting such an unpopular war unless the men in power had a loyalty which was not to the people of the U.S. The drive of the

multinational corporations for profits outweighs any national loyalty they may have. As Thomas Jefferson said:

Merchants have no country of their own. Wherever they may be they have no ties to the soil. All they are interested in is the source of their profits.

Even President Eisenhower recognized this when he said “capital is a curious thing with perhaps no nationality. . . . It flows where it is served best.” During World War II, monopolies like ITT and other U.S. corporations operated factories for the Nazis, a demonstration that loyalty for a nation has been replaced by corporate loyalty, particularly for the executives of the multinational corporations. Only 1.6 percent (0.016) of these multinational corporation high-level executives are non-Americans, and in terms of management and ownership, all global corporations are either American, British, Dutch, German, French, Swiss, Italian, Canadian, Swedish, Japanese (most, of course, are American). Thus, the control and division of the world by European powers, as in the days of classical colonialism, remains true today although with new modifications.

It is the hope of the multinational corporations that their new powers will end war as a means to resolve their scramble to control the world's markets, labor, and wealth. President Carter's policy of human rights, however, was an indication that the role of world police force (which was foisted upon the people and government of the U.S. in the aftermath of the Second World War) was only decentralized since “deputy sheriffs” have been “sworn in” and armed in various parts of the globe: Brazil in Latin America; Israel in the Middle East; and South Africa. Ronald Reagan's foreign policy—from the invasions of Grenada and Lebanon and the intensification of the nuclear arms race to the arming of Nicaraguan counter-revolutionaries—indicates that small wars remain a U.S. policy, and larger wars are a policy option.

From another perspective, however, peace is meaningless unless justice comes first, particularly if we view the injustices and inequalities which exist under today's multinational corporations. As the people of Vietnam have demonstrated, foreign control and underdevelopment are fates which the people of the Third World will not accept. It is essential to realize that the multinational corporations have developed from the same capitalist political economy which brought us two world wars and a host of other “minor” wars. Without a truly fundamental change in the world's political economy, without the socialization of industry and the

liberation of oppressed nations, there will be wars fought for the necessities of life: for food and for freedom. The fundamental structure of the multinational corporation is monopoly capitalism: injustice and its maintenance require violence.

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CHAPTER NINE

SOCIALISM

Many people understand the destructive nature of the social and economic organization of the system today but refuse to believe that any better system could be made real. "After all," it is said, "human beings are greedy," or "there will always be wars." With that perspective, it is no wonder that today so many Americans fight to get to the top – for the "survival of the fittest." That kind of thinking poses qualities of today's world as eternal ones, in much the same way as slave-owners put forth the fact that "there have always been slaves."

Throughout the preceding two chapters, we have maintained a critical perspective on the development of the economic system in the U.S. All societies of the past (including today's) have been organized in the context of scarcity, and the struggle for survival has characterized the lives of human beings. In this chapter, we will indicate how a more just and human mode of life could be organized. We call this system socialism despite that word's pejorative meaning in the minds of many Americans. We define socialism as a system in which the social wealth is distributed according to individual needs and there is equality of political and economic power among the vast majority of people. Implied therefore is popular ownership and control of the means of economic production as well as direct democracy and self-determination for social decisions. Socialism in the U.S. would involve institutional self-government for schools, factories, hospitals and communities; self-determination for countries oppressed by U.S. imperialism and nations within the U.S. (like the Native Americans); and truly equal rights and opportunities for all, especially the oppressed of the past (Blacks, Mexican-Americans, women, the young, and the old). Socialism in the U.S. would be a non-exploitative, harmonious system of social organization based on expanded democratic rights.

As you read on, we hope you will set aside for a moment your preconceptions of what this new form of life might be. We believe that as a country moves into a new form of social organization, it will be based

on a people's own internal characteristics and needs – so a socialism in the U.S. will not be mechanistically modeled on the theory and practice of the socialisms of underdeveloped or other industrialized countries.

It should be remembered that socialism as it has existed so far in the world generally has been developed under conditions of utmost scarcity and human deprivation. The Russian Revolution of 1917, the Chinese Revolution of 1949, Cuban socialism, Guinea Bissau's, Vietnam's and Nicaragua's have been conceived and implemented with the initial objectives of industrialization to eliminate poverty, disease, and illiteracy – problems which do not exist on the same scale in the United States and the other industrialized countries of the world.

In the U.S. and the industrialized countries, the struggle for socialism is for a better *quality* of life for the vast majority, not simply for more material goods for physical survival. In the U.S., socialism could mean a decentralization of production and politics, not their centralization. Socialism here could mean more freedom for the full development of the individual's creativity and democratic rights in contrast to the domination and stultification of the individual under monopoly capitalism. Socialism here could mean institutional, community, and regional self-government in contrast to the authoritarianism of the power elite.

We do not believe that the development of socialism in the U.S. or in any country can exist in isolation from the rest of the world. The interrelationship among the nations and peoples of the world are greater today than at any other time in history. Many "weak links" of world capitalism have been broken since the Russian Revolution of 1917. Yet, the "socialist" countries have not been able to develop independently of the rest of the world. The strongest links in the chains of capitalism, in particular the U.S., need to be broken before a socialism worthy of the name will appear on planet Earth.

We do not believe that socialism will mechanically develop from the economic forces at work within the society nor that socialism can be imposed from without or above. Rather, socialism as a system must be consciously created by people from below. Of course, this cannot happen simply by an act of mental talent. The historically needed conditions for the creation of a non-exploitative social order must be present in advance in order for people to conceive and implement it. These conditions are not merely constituted in economic structures or other "material" things. Rather, human beings whose lives and needs require such a system must exist in order for it to be realized.

THE PRECONDITIONS FOR SOCIALISM

As we have seen in Chapter Seven, the epoch of capitalism is initiated through the separation of laborers from the means of production. Once this has happened, as soon as the capitalist mode of production stands on its own feet, the further *qualitative* development of society takes on a new form. For a new system of production and life to develop, the vast majority of the people must take direct control of the means of production and separate the capitalists from it. In the case of primitive accumulation of capital, the vast majority were separated from the means of production. To create socialism, the vast majority must separate themselves from the values and ideas of the capitalist system, expropriate the bureaucrats and power elite, and directly live a new mode of life.

The very laws of development of capitalism – the centralization and accumulation of capital – create the material preconditions for socialism. As Marx said in *Capital*:

The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property . . . But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of the negation.'

The point is that the capitalist system undermines itself. Free enterprise has produced monopolies, and monopolies have created their new form as multinational corporations, organizations which have undermined the viability of the nation-state, a socioeconomic unit which the initial development of capitalism brought into being. The bourgeoisie of the era of competitive capitalism has produced the power elite of today, whose policies are rapidly wiping out the democratic legacy which the bourgeoisie fought so hard for against the absolute power of the nobility and church.

Today, the main prerequisites for worldwide socialism exist. The monopolization of control over the vast social wealth has proceeded so far that rational global planning of production and resource allocation is technically possible. The modern, space age forces of technology make the conquest of scarcity now possible for the first time in human history. Automation and cybernation make a quantitative reduction and qualitative transformation of working time a distinct possibility. Today, the Puritan work ethic which Max Weber attributed as the primary cause of capitalism's development in Europe has been eroded within the working

population, a fact demonstrated by the high level of absenteeism in the major factories in the U.S. and West Germany.

In the established society, however, all these preconditions for a new kind of society are turned into their opposite. The profit motive demands that global production continue to underdevelop much of the world. The production of waste and war continues at an increasing level. Schools, factories, the military, and jails continue to demand hard work and mindless discipline to the authority of the system. Automation of work is a threat to workers because it often results in unemployment. Those people with steady jobs are often bound to jobs which are so specialized and supervised that there is little pride or joy in them and much alienation from them. We receive things – money and consumer goods – in exchange for alienated work, but few of us are really satisfied at work or play.

It is not possible to solve the many problems of today by patching up or even drastically reforming the capitalist system. We have demonstrated that modern alienation and war are rooted within wage-slavery: an essential aspect of any kind of capitalism. Production for profit, and not for human use, defines the present socioeconomic system. If we are to truly realize our potential as human beings, we need a whole new system, one which will not automatically be created for us by the developments of the capitalist system or handed to us on a silver platter by any elite, especially the power elite.

The main precondition for socialism are the men and women who will develop a vision for the future and devote themselves to creating a new and better form of life. Unlike capitalism which developed in piecemeal fashion within the feudal system, socialism needs to be consciously created by the vast majority of people. Before socialism in the U.S. can emerge, there need to be self-conscious and organized women and men who will create and nurture it.

The fusion of cultural and political revolution has increasingly characterized socialist movements in the modern world.² The necessities of protracted struggle against the former rulers of the Third World, from China to Vietnam to Guinea-Bissau, have prompted the liberation movements there to develop forms of popular power and to fight social diseases of the past (like sexism and racism) in the course of defeating the enemy. In order for the reader to gain a concrete appreciation of the historical development of socialism, we will briefly look at the USSR and China.

THE SOVIET UNION

After World War I, social convulsions swept through Europe, and the socialist movement which had been developing since the publication of the *Communist Manifesto* in 1848 was given the historical opportunity to seize power. But the socialist movement, organized as the Second International, was badly divided. Some socialists aligned themselves with their nations' rulers during the war while others opposed World War I. The movement which came to power during the aftermath of the war in Germany (1918), Hungary (1919), and Russia (1917) was faced not only with severe splits within the movement, but also with conditions of famine and economic hardship, and in some cases, reaction from capitalist powers militarily contested the power of the new socialist governments.

V.I. Lenin and Rosa Luxemburg had attempted to maintain the independence of the socialist movement through opposition to World War I from its start. In the course of the war, each worked tenaciously to promote socialist revolution within Russia and Germany. Because of its legacy of feudal absolutism, Russian capitalism had developed far less rapidly than in the remainder of Europe. Coupled with disastrous losses to the Germans during the war, the situation in Russia was ripe for revolution. In 1917, two great revolutions were sparked by the popular aspirations for "Land, Bread and Peace." In Germany, the aftermath of the war saw those "socialists" who had supported the Kaiser during the war swept into power by the defeat of Germany. In 1919, the Spartacus revolt unsuccessfully attempted to overthrow the newly created liberal German state, and Rosa Luxemburg was arrested by the government of her old comrades and murdered while a prisoner.³

The new socialist government in the Soviet Union immediately faced a variety of deep problems. As time went on, the socialist movement in Russia became even more deeply divided, and Lenin was shot and nearly killed in 1919 by members of the Socialist Revolutionaries, a group who opposed the leadership of the Bolsheviks. Moreover, six Western powers (including the U.S.) sent money, equipment, and troops to overthrow the Bolsheviks' government.⁴ A long civil war followed, and it was not until 1921 that the last of the foreign invaders was defeated at a high cost. Famine swept Russia, and hardship was the lot of most. Many of the industrial workers were killed fighting the invaders, thereby depriving Russian socialism of its most prized members. Although opposition

movements from the Right (as well as the Left) had been defeated, the resulting situation was such that the Bolsheviks ruled above the people.

During the Civil War, the Bolsheviks had fought against some of their former supporters. The sailors at Kronstadt, for example, had been among the most militant fighters during the revolutions of 1905 and February and October, 1917. In 1921, these sailors again took over their ships, this time demanding "Power to the Soviets" (the locally based organization of workers, soldiers and peasants) "not to the Bolsheviks." Despite attempts to negotiate, the Red Army marched on Kronstadt and brutally suppressed the Kronstadt sailors.⁵ Even earlier in 1919, the Red Army had attacked its former ally, the Insurrectionary Army of the Ukraine led by Nestor Makhno. Under the banner of attacking bandits, the Red Army brutally defeated them, even though in the two years between 1917 and 1919, Makhno and the peasant army of the Ukraine had joined forces with the Bolsheviks to defeat the White Army – the former rich of Russia armed by their supporters in the U.S., England, and other capitalist countries.⁶

In some ways, the seeds of the elite rule of the Bolshevik Party were contained *within* their secret organization. Because of the severe repression of the Czar, many leaders of the Party like Trotsky and Lenin had been forced to live in exile between 1905 and 1917. Others, like Stalin, were forced into such underground resistance as bank robberies to support the revolution. The conception of the vanguard party (developed by Lenin in 1901 and articulated in his *What Is to Be Done?*) stressed the need for centralization and secrecy, a combination which left the Central Committee knowing much more than the membership. Although the Leninist party has been used successfully by revolutionary movements in the underdeveloped world since 1917 and has been a key factor in providing continuity to the protracted revolutionary struggles in China, Vietnam, and Guinea-Bissau (to name only a few), Herbert Marcuse⁸ and Andre Gorz⁹ have questioned the validity of a centralized Party with iron discipline (like the Bolsheviks) for a revolutionary movement in industrialized society. More than anything else, the struggle in Western Europe and the U.S. differs from the socialist revolutions of the past in the degree of allowed freedom of expression. While revolutionaries in the Third World consistently face death (in 1965 in Indonesia, for example, nearly half a million suspected communists were murdered by the government), activists in the industrialized countries face television cameras more often than guns. Furthermore, the struggle for socialism in the industrialized

countries has to deal with qualitatively different conditions than in the developing nations. Specifically:

1. Different economic structures: mass production of luxuries vs. minimal production of necessities;
2. Different indigenous cultures: modern commodity culture vs. a more traditional one;
3. Different class structures: monopoly power elite, large classes of workers and technicians, small but growing marginalized sector vs. small ruling class dependent on multinational corporations, small working class, large peasant and marginal classes;
4. Different geopolitical terrain: urban based society vs. urban and/or rural based society.

We point these differences out in the hope that the reader might understand the Russian Revolution of 60 years ago in its current historical context. As the first great experiment in social reorganization, many mistakes were made and lessons learned. One of the lessons of the Russian Revolution is the need for an organization to provide unity and direction to those dissatisfied with the status quo even though the exact kind of organization cannot be mechanically copied from the Russian example. Moreover, given the degeneration of Russian socialism,¹⁰ fundamental questions need to be asked about the ways in which a "Party of a new type" could relate to the vast majority of people. As Andre Gorz put it:

Co-ordination and political-ideological vision and leadership must not be superimposed from above or imported from outside: if they are to lead to the building of popular power and a new state, they must be internal to the mass struggles themselves, so as to not create from the outset a new social division between those who lead and those who are led, between the workers and their "spokesmen," between the masses and the vanguard, between state power and the people. The history, structure and ideology of the Bolshevik Party – conceived as a vanguard separated from the masses, as an elite who had to bring to the mass of ignorant people the truth whose sole depository it conceived itself to be – can be held to contain the matrix of later deviations and degenerations.¹¹

The dilemma of organization faced by socialist movements in the industrialized countries has to deal with the need for spontaneous social movements, on the one hand – the people themselves rising up against an oppressive mode of social organization – and on the other hand, the limits of spontaneity – the need for leadership with a vision of a new society, a vision which must be self-consciously created long in advance of any spontaneous insurrection. This dilemma has been largely resolved by national liberation movements in the Third World, where the Leninist Party has been refined and suited to the unique national conditions of China, Vietnam, Guinea-Bissau, Angola, Mozambique, and Nicaragua.

As we will discuss, the struggle for socialism in China took a very different route than in the Russian Empire, and the Chinese Party self-consciously refrained from ruling over the people. Whereas the Bolsheviks used force to collectivize the farms in the countryside after their revolutionary victory, the Chinese Party relied on persuasion, not force, in dealing with problems among the people of China.¹² Moreover, the Chinese Communists established base areas within China to nurture the building up of cadre and a new political infrastructure over the course of many years of revolutionary war. By way of contrast, many Russian revolutionaries were forced to live far away from the Russian people during the years preceding the seizure of state power. Trotsky, for example, was living in the lower east side of New York when the February Revolution of 1917 broke out. In the aftermath of that revolution, the consolidation of a liberal regime under Kerensky's Provisional Government permitted Trotsky and other leaders of the Bolsheviks, including Lenin, to return to Russia.

To imagine that socialism might be created without the guidance of an organization which would provide the movement with a sense of the strategic goals and help to mobilize and educate people for many years in advance of any popularly based insurrection is to put forth false premises¹³ of the nature of revolution. In his book *False Promises*¹⁴ Stanley Aronowitz is one of the newest advocates of the position that the working class themselves will come to power of their own will, with no help from any political organization needed. Aronowitz put great faith in the revolt of young workers in the United States in such industries as the automobile assembly line in Lordstown, Ohio. Many of the workers there consistently refused to work overtime and often refused to show up for the minimum number of shifts as well. Their desire for more leisure time and personal autonomy made the rigid discipline of the factory unaccept-

able. Aronowitz comprehended the liberatory moment of this refusal to work: capitalism's vast productive capacity today has created the preconditions for the reduction of the work week for all. Yet the individualistic nature of the workers' refusal to work long hours also reflected the same ideology of their parents who moved to suburbia and accumulated a small piece of the capitalist pie. In failing to express their dissatisfaction politically, these workers expressed the individualism engendered by the capitalist system. Here is one example of the need for popular organization which could challenge people to be socially responsible and to think in terms of transforming the entire society, not simply in making life a little easier for themselves.

In the previous chapter, we said that the Soviet Union today is a state socialist society.¹⁵ What we mean by this is that the state acts as the owner and controls the factories and farms of the Russian people. Instead of individual ownership of factories or farms, the state controls these productive facilities. Whether this is state capitalism or state socialism is a debatable question. In fact, Lenin justified the development of state capitalism after the Bolsheviks consolidated their power. The Left Opposition in the new Soviet Union warned of this danger, and in response, Lenin said:

In reality, state capitalism would be a step forward for us. If we were capable of attaining state capitalism in Russia within a short time, this would be a victory . . . I said that state capitalism would be our savior. If we would have it in Russia, then the transition to full socialism would be easy and certain. For state capitalism is a system of centralization, integration, control, and socialization. And this is precisely what we lack.¹⁶

Lenin understood the Marxist belief that socialism would develop from within mature capitalism. "Backward Russia," as Lenin referred to his homeland, was not a highly industrialized country, nor one in which the vast majority of people had been urbanized or formally educated. From the beginning, Lenin and other Bolsheviks expected socialism to succeed in Germany and other industrialized countries in Europe. When the German revolution failed, the Russian leadership had little choice but to attempt to create "socialism in one country."

As Herbert Marcuse discussed in his analysis of the Soviet Union, once the German revolution had failed, coupled with the leadership of the United States in rebuilding world capitalism, the Russian revolution was severely set back. The Bolsheviks had expected much of Europe to build

socialism together. After 1918, Lenin reevaluated the relationship of Russia to Europe, creating the basis for what has become peaceful coexistence (or detente today). He reanalyzed the new international situation, concluding that the centers of future revolutionary actions would be in the non-industrialized countries of the Third World since European imperialism was being rebuilt. As history has demonstrated, his prognosis has been proven correct as the fire of revolution has swept the Third World since 1917. At the same time, however, the prospects for the kind of socialism envisioned by Marx (and by Lenin before the defeat of the German revolution) were altered. As Marcuse observed:

Socialism presupposes capitalism – or at least the achievements of capitalism, namely, a high degree of industrialization, a high productivity of labor, and a highly developed, skilled labor force. Stages in this sequence may perhaps be “jumped” (Lenin was hesitant also with respect to this problem) but without the achievements of a fully industrialized and rationalized economy, there can be no socialism, no distribution of the social product according to individual needs and faculties. In a backward country, industrialization has priority over socialization, that is, over production and distribution according to individual needs.¹⁸

A concrete historical lesson is that *socialization* is not the same as *nationalization* of industry. This is an important legacy of the Russian revolution. All factors considered, it must be realized that socialism implies popular decision-making-power—bottom-up control over production of what, for whom, and how, as the Russian experience has made glaringly obvious. In this sense, it would be incorrect to judge the Bolshevik revolution as a failure since it has provided the revolutionary forces around the world with practical experiences to learn from. Moreover, in the 60 years since 1917, the Soviet Union has successfully developed her industry and the material well-being of the people. In contrast to the poverty, deprivation, illiteracy, and famine in pre-Bolshevik Russia, the Russian people have taken great steps in bettering their lives and creating the preconditions for genuine liberation.

Yet, as Marcuse said:

The bureaucracy (in the USSR) constitutes a separate class which controls the underlying population through control of the economic, political, and military establishments, and exercise of

this control engenders a variety of special interests which assert themselves in the control Whether or not the Soviet state will develop into a socialist or communist democracy is a question for which the prevailing facts and tendencies do not provide a workable hypothesis The qualitative change can never be envisioned as an automatic one . . . no matter how high the level of technical progress and material culture, of labor productivity and efficiency.¹⁸

It seems that the socialist aspirations of the Russian revolutions of 1917 have been turned into means of social control. Earlier (Chapter Three) we discussed the reduction of Soviet Marxism to a strictly scientific anti-humanistic world view, and we have indicated the existence of a “bureaucratic elite” there. Martin Nicolaus¹⁹ among others, has attempted to document the nature of “state capitalism” in the USSR, citing the existence of a labor market and “the separation of the direct producers from the means of production.”²⁰ Moreover, the Chinese government and others today comprehend the Soviet Union as a state monopoly capitalist society under a fascist dictatorship of the Hitler variety.²¹ According to this view, the Soviet Union is a social-imperialist country, masquerading as a socialist country, when in reality it is a new capitalist imperialism. The danger of a new world war between the two super powers, the U.S. and the USSR, is seen by the Chinese and others as very real since, as we have discussed in the previous chapter, the need for expansion of the capitalist system (often through war) operates independently of individual human will. These views may appear extreme, but it should be remembered that the United States, once in the forefront of the struggle for national independence and the right of countries to determine their own destinies, has turned into its opposite. The Soviet Union, once the pioneer on the road to socialism, may very well have changed dialectically over the decades since the establishment of the new government. The invasions of Hungary in 1956 and Czechoslovakia in 1968, recent interventions in Afghanistan and Eritrea, and the Soviet build-up of nuclear weapons all appear to have been responses to real or perceived U.S. political-military deployments. However these events are viewed, it seems clear that external pressures from the U.S. have served to strengthen the internal role of the Soviet military and to further erode the possibility of developing genuine socialist democracy in the Soviet Union, Eastern Europe, and other Soviet bloc countries.

CHINA

If you had been able to visit the main port of China (Shanghai) in the years before the victory of the Chinese revolution in 1949, you certainly would have been horrified by what you would have seen. Shanty towns composed mainly of cardboard were crowded by millions of people who lived under conditions of utmost poverty. Many were peasants who had not been able to pay taxes to the ruthless landlords in the countryside, and rather than sell their children into slavery (as many Chinese were forced to) or be killed, they simply went to a city and lived as well as they could. Child prostitution was common, and illiteracy and diseases abounded. Nearly every year, hundreds of thousands of people were killed when rivers flooded vast regions of the countryside. At the same time, China was being carved up by Western powers who had little regard for the Chinese people.

Today, new China is very different. Starvation and illiteracy have been ended, and the collective energies of the Chinese people have been mobilized for the common good. Disease-carrying flies, for example, were exterminated by each person killing at least one a day.²² Barefoot doctors traverse the countryside, getting to know the health problems of people and helping to cure them. Marriage laws give equal rights to women in a society which for centuries saw women brutally oppressed through such means as the binding of feet at an early age to prevent women from being able to run away.

The Chinese Revolution encompassed nearly three decades of protracted revolutionary war against foreign invaders (the Japanese) and against internal enemies (Chiang Kai-shek and the Kuomintang Party which now rules over the island of Taiwan). During thirty years of struggle, the Chinese Communist Party created base areas of revolution, liberating the peasants from the oppressive rule of warlords and tax collectors, promoting women's liberation, and helping set up popular power.

Many currents of inspiration fueled the Chinese Revolution. Most important were the legacy of Sun Yat Sen and the desire of the Chinese people for freedom to determine their own national destiny. The legacy, lessons, and strength of the Bolshevik revolution in the Soviet Union as well as the heritage of the rights of countries to independence (sparked by the American revolution of 1776) also contributed to the basis from which an independent Chinese socialism developed.

The history of the Chinese revolution helps to demonstrate the principle that socialism develops from within a particular country in accordance with its own unique national conditions. One of the first struggles within the Chinese Communist Party concerned the dogmatic application of the lessons of the Russian Revolution. In 1927, mass uprisings occurred in all major cities largely because of agitation on the part of the Chinese Communist Party. Their strategic approach (copied from Russia) lay in the armed seizure of power in urban areas led by the proletariat. After the second wave of costly and unsuccessful uprisings, Mao Zedong suggested building a base among the peasantry, especially in the most remote areas. For carrying out these "non-proletarian" politics in action, Mao was suspended from the Politburo, the Central Committee, and all Party committees.²³ Only when he had succeeded in building the base (which his comrades believed could not be built) was Mao reinstated. Gradually, the Communist Party changed from being urban-based to rural-based. Historically, this shift marked the first time Marxists had self-consciously organized peasants (and for that matter, any non-proletarians).

These rural bases were ultimately raided by the Kuomintang. After further evaluation of strategy, Mao once again made suggestions which proved to be both creative and correct: the Long March to Yen-an and the most remote areas of China provided a vast base which sustained the struggle until victory in 1949. The Long March to Yen-an is one of the more spectacular events in human history. In October, 1934 the Red Army set out from their bases in southern China and began moving north. Not until a year later (368 days) did they arrive in Yen-an in the northern part of the country. Carrying disassembled factories, schools, and everything else they needed, thousands of people marched over 5000 miles (approximately the distance from New York to San Francisco and from San Francisco back to Chicago). They had to fight a skirmish a day, and fifteen whole days were devoted to pitched battles with the enemy. They defeated the armies of ten different warlords as well as the crack troops of the Kuomintang. They crossed eighteen mountain ranges (five of which are permanently snow-covered) and forded twenty-four major rivers. En route to Yen-an, they liberated 62 cities and carried the message of socialism to their inhabitants.

All of this was described by Edgar Snow, a Western journalist who went to China as a reporter intrigued by the "Red Bandits" like Mao Zedong who had a price on his head: a quarter of a million dollars in

silver. In the course of finding Mao and other leaders of the Communists, Mr. Snow discovered them living in simple quarters (in Yen-an, Mao lived in a cave) and respecting the fundamental rights of the indigenous people. Members of the Red Army, for example, followed a strict code of conduct which included the obligation never to steal from the people, "not even a needle or a piece of thread."²⁴

The base area in Yen-an served as a training ground for the Red Army and sanctuary for poor peasants who flocked there to join the movement. Other parts of the Red Army were engaged in fighting the Japanese invaders who were in control of large parts of China, particularly the industrial region of Manchuria. Numerous alliances were made with the Kuomintang against the Japanese. At one point, Chiang Kai-shek was kidnapped by some of his own officers and forced to sign an agreement with the Communists to join forces against the Japanese invaders. Despite repeated violations of the alliance (often in the middle of a battle, the Kuomintang troops were ordered to turn their guns on the Communists), the Red Army remained Chinese patriots, preferring not to fight other Chinese until the foreign invaders were expelled. The final defeat of the Japanese during World War II (as we all know) occurred in 1945 with the use of atomic bombs from the United States. Long before Hiroshima and Nagasaki, however, the Chinese Red Army had pushed back the Japanese in the course of liberating large parts of China.

Since the victory of the revolution in 1949, the problems of poverty, disease, and illiteracy have been overcome by years of patient and arduous work.²⁵ The mobilized people of China, utilizing the most precious resource which any country possesses – its people – have turned China around. There have been a continuous series of collective projects within China aimed at the qualitative development of the human and material resources of an underdeveloped economy.

There have been many steps in the development of modern China. After the seizure of power in 1949, the capitalist enterprises owned by Chinese were not immediately seized by the government. Rather, the New Democratic era, a transition era on the road to socialism, allowed former owners of factories to be reimbursed over many years for what had been their private property. Many capitalists cooperated with the new government of workers and peasants to help create the conditions for popular control of production.

The Korean War which followed on the heels of the revolutionary victory of 1949 brought the United States and China into a major

confrontation. General Douglas MacArthur wanted to bomb the industrial region of Manchuria and even advocated the use of nuclear weapons to cripple the industrial capacity of the new Chinese government. It was President Truman's fear of starting World War III which led him to recall MacArthur in a highly publicized split. Nevertheless, under the banner of the United Nations, Western powers (in particular the United States) intervened in Korea to try and stop the spread of Communism. The American people were subjected to the anti-communism of McCarthyism and blatant lies about what was occurring in Korea (including the highly publicized invasion of Seoul by the North Koreans even though not one North Korean soldier or vehicle was seen there²⁶). The Chinese people rallied to the defense of their revolution, aided their neighbor Korea, and forced the United States into a stalemate. Of course, fifteen years later in Indochina, the U.S. intervened once again on the borders of the Peoples' Republic of China. This time, however, the people of Indochina were totally victorious in throwing the American invaders out of their country.

Despite two wars perpetuated by the Pentagon, the Chinese people were able to consolidate their revolution and move forward with the construction of a new society. In the 1960s, two series of events were catalyzed which were novel attempts to move the society ahead. The Great Leap Forward was an attempt to bring industrialization to a largely peasant society. Millions of people experimented in the creation of steel from pig iron in their backyards with the encouragement of their government. Many Western "experts" regarded this and other experiments as dismal failures since the construction of new factories and large-scale industrial production did not leap forward as much as had been hoped. These experts miss the point: the people of China are the most important resource, not their machines, and the Great Leap Forward was a success if viewed in the historical context of the Cultural Revolution which followed it.

The Cultural Revolution is a phenomenon which Westerners have a great deal of trouble understanding. Both Russian and United States observers of China saw it as a reversion to mob rule. From the perspective of an elite, the Cultural Revolution will be seen as just that, but from the viewpoint of the people of China, it was a second revolution to take the country from the hands of newly developed elite rulers. In order to understand this, we need to digress for a moment and take a closer look at the Cultural Revolution.²⁷

In contrast to the view promulgated in the Soviet Union that no classes existed in Russia (first put forth in 1937 in Stalin²⁸), the leadership of the Chinese revolution recognized the existence of classes in socialist China. The original conception of socialism developed in the USSR mistakenly equated the nationalization of the means of production with their socialization and assumed that once the factories, mines, farms, railroads, etc. were under government control (and not under the control of individuals) that classes would no longer exist. Learning from the Russian example, the Chinese Communist Party was vigilant with regard to the emergence of a new class (or bureaucratic elite) developing within the Party and industry. The Cultural Revolution was aimed at disenfranchising this new emerging elite in China and strengthening organs of popular power.

In 1966, students in some of China's large universities began protesting bureaucratic interference in their education by putting up posters critical of professors and administrators. Mao Zedong put up his own poster in the spirit of solidarity, calling on the students to "turn the fire on headquarters!"²⁹ This marks one of the first times in modern history that the leader of a government has called upon the people to make revolution.

The Cultural Revolution of 1966-68 turned China upside down. Hundreds of high-level administrators were forced to leave the government in disgrace for having lorded it over the common people. University admission standards were transformed, putting peasant communes and factories in the position of nominating students from among their membership who would return to work and thereby use their college education to help in social development. The distinctions between manual and intellectual work and the countryside and city were challenged through programs of exchange where intellectuals would live and work with peasants for three months out of a year. Workers' control of factories was demanded, and campaigns against the old oppressive philosophy of Confucianism were initiated as late as 1974.

The importance of human development (not simply industrialization) and the use of persuasion and not force constituted important steps which the Chinese road to socialism took. During the Cultural Revolution, however, force increasingly came to replace persuasion as the means used to transform social relationships, leading to the collapse of the Cultural Revolution and a swing toward more traditional policies after the death of Mao.

In the aftermath of Mao Zedong's death, China watchers have been trying to understand what the recent changes in the government might mean. One distressing development was the ending of factory and commune nomination of students for university education, one of the products of the Cultural Revolution. Another distressing development was the Chinese invasion of Vietnam, something which again raises the question of the extent to which national interest may pervert even the most thorough-going revolutionary movement. At the same time, however, the Chinese-supported Pol Pot regime in Cambodia was responsible for genocide against their own people until they were driven into exile by a new government backed by Vietnam. Among other lessons, the example of Cambodia illustrates that national interest can be a complex issue.

Despite the view of some observers that China is a great power, China today remains an underdeveloped country: 80 to 85 percent of the people are engaged in agriculture, and a great deal of human labor is necessary for all tasks since machinery is not abundant as in the U.S. China is a relatively poor country (the average per capita income is about \$200 per year), yet many who are familiar with New China say that the *quality* of life there is far superior to the U.S.³⁰ The president of M.I.T. (one of the more technocratic U.S. universities), Jerome Wiesner, visited China in 1974, and upon his return, he marvelled at what he had experienced. It was "the most all-engaging experience of our lives," he said. "You sense that you are experiencing one of the great social experiments of the century. We came away with a strong feeling of people with their destiny in their own hands, and all we could do is wish them well."³¹

SOCIALISM IN THE UNITED STATES?

As the struggle for socialism shifted from Europe to the underdeveloped countries of the world, the idea of socialism came to be redefined as the gradual introduction of equality during the process of eliminating disease, hunger, and illiteracy. The old conception of Socialism as "the leap into freedom" was defamed as "utopian." With the rising tide of socialisms in the Third World and the reintroduction of its possibility in the industrialized countries at the end of the Twentieth Century, we believe that the vision for the new society again needs to be redefined. Today, we need to understand the short-sightedness of even the most "utopian" socialist proposals of the nineteenth century (and certainly of the "realistic"

conceptions from underdeveloped countries). We offer the following proposal in the spirit of imagination, believing that the leap into freedom would define socialism in the United States.

Socialism as a mode of life needs to be directly created from peoples' needs and desires. It cannot be created from above. In this section, therefore, we present a sketch of how people may choose to reconstitute the economic structure of the U.S. once the capitalist mode of production has been thrown onto the garbage heap of pre-history. There is no blueprint for how to do this, yet a long-run vision of what socialism might be should not wait until sometime in the future. We believe that real human freedom does not begin until there is freedom from the domination of scarcity and the domination of the mode of production over human beings.

In talking about freedom, we mean the abolition of wage-labor, the abolition of the military as a force separate from the people, and the control of the processes and products of production by the vast majority. We are talking about a *rational* form of social organization, one where human needs and not profitable exchange would be the criterion for all major social decisions. This would involve the abolition of bureaucratic administrations and management jobs and their replacement by popular control. Students and faculty would control the universities in harmony with other parts of society. Workers would control production in accordance with democratically defined social needs. As much as possible, living labor would be replaced by machines to free people from the drudgery of toil. We would attempt to make work into play, creating a social reality where art, beauty, and truth were socially encouraged, respected, and possible for all. We would attempt to eliminate garbage – an ideological category of the capitalist system which produces warfare and waste for profit. We would clean up the environment and find ways to live in harmony with Nature, not dominate it. We would build aesthetically pleasing and efficient public transportation and design proper health-care programs.³² We would try to create a situation where no one was hungry, and where there was no state.

To achieve such a rational society, huge changes would need to be made in ourselves as human beings and in our social structures. We would need to develop self-responsible individuals and self-governed institutions. There can be no doubt that this whole process would take generations to create. Yet if we do not begin now, we leave a poor legacy to our children and their children.

CULTURAL REVOLUTION

In the U.S., the domination of monopoly capitalism has gone on for so long that the traditional social forces of cohesion like small towns, the family, and even small churches have lost much of their previous strengths.³³ Community does not exist in the U.S. today except where it is created. The vast majority of people live in the atomized jungles of big cities where "social involvement" takes the form of mass spectacular worship like televising God or a football game into the homes of millions of people.

The principal contradiction in the U.S. is technological and economic overdevelopment and political, cultural, and human underdevelopment.³⁴ The vast social wealth of today has laid the basis for a post-scarcity socialism in the future; but today, even with the harsh realities of the profit-oriented system, the vast majority of people of the U.S. are still provided with the bare essentials (food and shelter) and for most, even a little more. With these factors in mind, it becomes clear that the arenas of political and cultural liberation lie as much at the center of the need for a socialism in the U.S. as do purely economic problems. The average person on welfare or food stamps lives a better material standard than the majority of people in the Third World.

The United States is a patriarchal, white European settler colony founded on the genocide of Native Americans and the enslavement and importation of Africans as a labor force. The intense racial, sexual, and all forms of cultural oppression here substitute for the use of military force in terms of the repression of humans who would try to create a better society. Since, as we have discussed in the previous chapter, monopoly capitalism has developed a system of total administration (at work and at play) the arenas of liberation also need to be expanded from previously set limits of the past.

In order for us to be free, we must change ourselves and develop the new forms (economic, political, cultural, psychological) of freedom. Without changing ourselves, we will remain imprisoned in the consumer mentality, in doing our own thing (which more often than not is total social irresponsibility), or in the ageist, sexist, and racist patterns of behavior ingrained within us by the monopoly system. Without a self-conscious class of women and men who have decisively broken with the culture and values of capitalism long in advance of its overthrow, there will never be its overthrow. Instead, we will remain imprisoned in the ideology of the system – a set of beliefs which puts things ahead of

people, profits ahead of life, and the needs of a few rich ("me first") ahead of the social needs of the whole society.

By itself, simply changing the institutional structure of our society will not automatically lead to a liberated mode of life. Ageism, sexism, authoritarianism, and racism are social diseases which today permeate the consciousness and institutions of the U.S. (as we discuss in the following chapters). Curing these diseases will require more than a drastic change in the nature of our social organization, although creating a new economic system would be a big step forward. We need to personally and institutionally break out of these social prisons, and recognize that these diseases will not be cured until long after a socialist U.S. has been established.³⁵

Socialism is not the promised land. Change and struggle are the only constantly recurring phenomena of human history. Socialism is the first form of socioeconomic organization which frees us from the domination of scarcity and the struggle against it. With these preconditions, the new generation of human beings who would be born into a socialist U.S. will certainly progress much further as time goes on in imagining and helping to create new forms of life. Freed from the oppressive property relations of the corporate U.S., their energies, experiences, and quality of life will be better than any form of human existence in the past.

There is no guarantee that the kind of socialism we have in mind will come into existence. A new Dark Ages may define the future if the present technological barbarism continues. There is no automatic determinism to the creation of a socialism worthy of its name. It is up to the people of a society to get it on the right track if it is going the wrong way; to shape the future, we need to reshape ourselves. If we are not ourselves free of the age-old prejudices carried within us, how can we find freedom?

SOCIALISM WORTHY OF ITS NAME

A socialism worthy of its name would mean an end to the centralized authoritarian state, an end to managers and bureaucrats, and all power to the people. No socialism could appear in the United States unless the state is smashed. One of the most difficult, but also most important problems faced by the now-fragmented revolutionary forces within the United States is not only to contribute to the disintegration of state power, but to build up new forms of popular power. Self-governing factories, communities, universities, and all institutions of society will not appear

overnight by proclamation, but will take many years of patient consciousness-changing to develop the self-reliant women and men who are ready to assume the "awesome responsibility"³⁶ of self-government.

In the transition to socialism, there would be a need for international and regional transformation of the economic and political structures necessary to achieve a harmonious system of steady-state production and consumption. One of the problems involved in working toward such a society would be to create a means of economic and political coordination which would rapidly fulfill its local and international functions at the same time as it made itself irrelevant and withered away. Only in the context of the greatest democratic liberties and the strongest possible self-responsibility would such a socialism even be a possibility. International coordination could produce a problem of bureaucracy, but if people in local communities and workers in the factories made decisions directly, and if all representatives were subject to immediate recall, there would be independent popular control of the various regional, national, and international coordinating councils.³⁷ The expansionist and elitist tendencies of bureaucracy are so notorious that its size and function must be kept to an absolute minimum, and one of the main functions of the coordinating councils would be to help achieve localized economic and political self-reliance.

This new system implies decentralization compared to the centralized authoritarian state of modern industrial societies. Creating regional centers of production, investment, politics, and culture could be an important problem since today nearly all these decisions are made nationally (in Washington, D.C.) or internationally by multinational corporation executives. Especially in the first year of socialism, we would need to qualitatively transform production, to decentralize cities, industry, wealth, and political power.

The transformation of work into meaningful activity necessitates at least: worker/community self-management of the process and products of production and consumption; species self-consciousness (especially of the domination of Nature); individual cultivation of talents and abilities; quantitative reduction of time spent at work; democratic transfer of resources and technology from the industrialized countries to the underdeveloped ones. We would need to evaluate what work needs to be eliminated or done mechanically as well as to develop those kinds of work which help unleash human creativity. A goal would be to find ways that an individual's contribution to society is not an externally imposed

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one, but self-motivated. Unemployment would not be a problem since individuals would be part of a community involved in meaningful projects. Since social development is not simply a summation of individual development, new forms of integrating the personal and social would need to be created. Collective creativity has been smothered by the individualism of capitalist societies. As part of a purposeful community, however, the individual would be able to realize an *individuality* hitherto unknown. In a socialist society worthy of the name, work and play would be synonymous.³⁸ By rotating necessary but unpleasant jobs, we could strive to overcome the difference between categories of work, especially the split between mental and manual labor.

It would not be possible to create such a society unless it were the vast majority of people who brought it into existence. Popular power and expanded democracy are cornerstones we would lay on the way to real freedom.³⁹ The vast forces of production developed within the capitalist system make possible new modes of post-scarcity relationships in a liberated world.⁴⁰

Human beings have yet to enter this world of real "history." If and when our species gains the self-consciousness necessary to leave behind "pre-history," imagination would define reality,⁴¹ and responsibility would be the key to freedom. The quest for perfection is never-ending, yet it is in trying to achieve the impossible that we make real the possibility of freedom.

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