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# **INTERNATIONAL SOCIALIST REVIEW**

**July-August**

**1967**

## **Is Marxism-Leninism Obsolete ?**

**By Joseph Hansen**

## **An Exchange of Views on Monopoly Capitalism**

**David Horowitz and Ernest Mandel**

## **Malcolm X, Black Nationalism and Socialism**

**By George Novack**

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**INTERNATIONAL  
SOCIALIST  
REVIEW**

Published bimonthly by the International Socialist Review Publishing Association, 873 Broadway, New York, N.Y., 10003. Second Class postage paid at New York, N.Y.

Editor, *Tom Kerry*; Managing Editor, *Dick Roberts*;  
Associate Editor, *George Novack*; Business Manager,  
*Karolyn Kerry*; Book Review Editor, *Arthur Maglin*.

Vol. 28 No. 4 — Whole No. 181



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**SUBSCRIPTION RATES:** 1 year (6 issues) \$2.50; 2 years (12 issues) \$4.75. Add 50 cents per year for Canada, Latin America and overseas; a single copy 50 cents, bundles 35 cents a copy for five or more domestic or foreign.

International Socialist Review  
873 Broadway, New York, N. Y. 10003:

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JULY—AUGUST 1967

Joseph Hansen

## IS MARXISM-LENINISM

### OBSOLETE ?

Where does Marxism-Leninism stand a half century after the October revolution?

This question is not academic. It has become an integral component of world politics since the end of World War II. The foreign policy of the greatest capitalist power has centered on "containing" and eventually rolling back "Communism." The biggest witch-hunt in American history—launched by Truman, carried to a frenetic pitch under the guidance of the late Senator McCarthy, and still virulent in many fields of American life—was directed against the "Communist threat." Washington has repeatedly intervened in civil conflicts in other countries, toppling governments, as in Iran and Guatemala, sending U.S. troops to Lebanon and the Dominican Republic, or financing and organizing mercenaries as in the Bay of Pigs invasion and in the Congo—all in the name of fighting "Communism." Intervention of this kind has twice been escalated into a war of such size as to risk a major conflagration that could end in a nuclear catastrophe: in Korea in 1950-52, in Vietnam today.

The principal source of this "Communist threat" has been the Soviet Union—at least up to the time of Mao and Fidel Castro. Behind the Soviet Union, the bourgeois ideologues and propagandists invariably trace the genesis of the threat to the theoretical system of Karl Marx and the political methods of V. I. Lenin.

Thus the trinity of the Soviet Union, Lenin, and Marx has been a perennial target of attack. The propaganda, like most of the war

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*"Is Marxism-Leninism Obsolete?" has been written for an anthology of articles by leading figures of the revolutionary socialist movement in various countries, on the fiftieth anniversary of the Russian Revolution. This is scheduled to be published later this year by Merit Publishers.*

propaganda turned out by these reactionary sources, is crude enough. Its principal objective is mere brainwashing.

Something more plausible is required, however, to have deep or lasting effect on serious people genuinely concerned about truth. Thus the more sincere, or more skilled, bourgeois theoreticians make at least a pretense of examining Marxism-Leninism in an objective way. Their output is prodigious but singularly lacking in originality. The same theme is insistently repeated decade after decade: Marxism is not a science but only a dogma.

### Eduard Bernstein's Revisionism

Besides the anti-Marxist literature which frankly and unashamedly defends the capitalist system, there is another current which proclaims its opposition to capitalism but finds enough truth in the attacks of the critics to warrant the overhauling of basic Marxist ideas. The term "revisionism" was used in the late nineties by Eduard Bernstein, who considered the term an honorable one. As this leading figure in the generation after Engels saw it, the evidence showed that some aspects of Marxism had become outmoded or been refuted. He attributed some of Marx's errors to his "Hegelianism," a rather widespread view that reflected the narrow empiricism of the times.

Bernstein concluded that the capitalists had learned to manage their system sufficiently well to avoid depressions of a catastrophic nature. He held that "reason" had gained sufficient ascendancy to lower the probability of war, and that the democratic process made it possible to achieve a gradual introduction of socialism.

The immediate social roots of Bernstein's views were to be found in the conservative labor bureaucracy, particularly in Germany. But the ultimate source of Bernstein's optimism about capitalism and depreciation of scientific socialism can be gathered from his view that the working class is insufficiently cultured to exercise power without first going through a long period of education; that in the colonial world, the Western powers were performing a progressive mission as a whole; and that the foreign policy of Hohenzollern Germany was not entirely without merit. To his credit, Bernstein claimed no originality for his views. In fact they reflected arguments emanating from such bourgeois theorists as Bohm-Bawerk, a leading economist of the Austrian marginal utility school.

Bernstein's outlook has been refuted by all the major events beginning with 1914. An epoch of wars, revolutions and colonial uprisings opened; the class struggle reached pitches of intensity foreseen only by the most far-sighted socialists; the "rule of reason" gave way in Western Europe to the rule of fascist barbarism; capitalism began oscillating between catastrophic depression and feverish pros-

perity, an essential ingredient of which is preparation for wars of massive destructiveness. Although Bernstein's prophecies did not survive the test of events, his arguments have lingered on to this day.

A later revisionist current took form under Stalin. Unlike the preceding Social Democratic tendency, Stalinism did not advocate or proclaim "revisionism." Its central thesis was that it is possible to build "socialism" (and later "communism") in a single country, and a backward one at that. This theory constituted a gross revision of Marxism, which views socialism as the coming international system based on the achievements of at least *several* of the most advanced capitalist countries.

Lenin and Trotsky viewed the Soviet Union as a *transitional* society which was compelled to carry out tasks historically belonging to the capitalist phase (agrarian reform, industrialization) by means that are socialist in principle (expropriation of private ownership of the key sectors of the economy, introduction of overall planning).

Stalin also revised the Bolshevik program of seeking, from the base secured in Russia, to foster and support socialist revolutions in other countries. The displacement of the internationalism of Lenin and Trotsky by narrow nationalistic concepts reflected the social interests of the bureaucratic caste that arose in the isolation imposed on the Russian revolution. The retrogressive outlook, of which this revisionism was an expression, was carried to monstrous extremes in the liquidation of the revolutionary-socialist leaders and cadres assembled by Lenin, vast purges of all oppositionists, including potential ones, the establishment of forced labor camps, autocratic personal rule and the virtual deification of the dictator.

This revisionist current, albeit with the elimination of the worst excesses, was continued under Khrushchev and those who followed him. Its hallmark internationally is the line of "peaceful coexistence" with imperialism, meaning collaboration, with the capitalist class, or at least its alleged "progressive" sectors, and promulgation of the "parliamentary road" to power—a revival of the concepts of Bernstein's time. Little attempt is made to offer theoretical justification for this line. In the manner of Stalin it is simply advanced as a dogma; sometimes accompanied with slanderous attacks against revolutionary socialists and epithets like "adventurists," "putschists," "agents of imperialism," or worse for those who adhere to the classical program of Marxism.

This school of revisionism is still strong but is on the wane.

Still another current, which has emerged in the past few years, particularly in the United States and England, is the "New Left." While it owes heavy debts to its reformist predecessors, going back to Bernstein, it is not inclined to acknowledge these obligations. The fresh packaging is thought to be enough to assure saleability of a rather shopworn product. The main, perhaps distinguishing, feature of its ideology is lack of confidence in the working class. The relative qui-

escence of organized labor for some two decades, particularly in the U.S. and Britain, due to the long, artificially sustained prosperity, is taken to be a permanent feature, an inherent characteristic of the working class itself.

## Postulates of Scientific Socialism

Before considering the arguments of these schools at closer range, it would provide a useful counterpoint to state briefly the central postulates of scientific socialism.

(1) *It is humanist.* Economic activities involve human beings. Whatever the technological and sociological conditions may be, human beings in a given social formation work up the materials taken from nature into the means needed to sustain them as individuals, as groups, as a species. In the final analysis, all economic relations and their corresponding categories originate in this human labor activity—including the enigmatic category of "value" clarified by Marx.

If this point seems obvious enough, it is not so to many bourgeois ideologists and those influenced by them. They find the source of economic categories in objects—commodities, rare metals, in money; or vague abstractions like "wants and desires," "ability," "scarcity," "supply and demand". . .

It was Marx's great merit, following the insights provided by Ludwig Feuerbach, to disclose the reification involved in the bourgeois outlook. Underlying such things as commodities and other concrete forms of capital are relations between people, which in our time primarily take the form of relations between exploiting and exploited classes and the various sectors of these classes.

With his proof that the bourgeois outlook is largely an unconscious projection, a secular version of the religious way of viewing the world, Marx at the same time established that his own approach was based on social reality. Thus in the case of gold, Marx showed that the "precious" quality attached to its physical properties by the miser, banker or bourgeois entrepreneur, or those who think like them, is illusory. Under Marx's procedure, the "precious" quality of gold is seen to derive from the immense human labor exerted in searching for it, mining and refining it. Its exchange value, in short, is derived from the real world of human activities. The bourgeois procedure, at best, puts things upside down, leads to endless confusion, and stands in the way of any genuine progress in understanding the economic system, its origin, development and future evolution. This is the fundamental basis of Marx's claim to having founded a science of society.

(2) *Scientific socialism is materialist.* Nature and labor are the twin bases of society. The evolution of human society hinges in the final analysis on the development of technology and the possibilities this opens up for more productive organization of the labor process. This

criterion of productive powers, of increased efficiency of labor, provides a solid objective basis for determining progress, whatever one's opinion may be of the dominant cultural values of a given time.

In our epoch of the production expert, the time-study man, and such an outpouring and development of labor saving devices as to give rise to the term, "cybernetic revolution," the key role of technology and the organization of the labor process as the foundation for broadening mankind's access to culture, leisure time and more bountiful well-being seems obvious to the point of banality. Not so with those who would debate with Marx. For them "free enterprise," "free competition," "the public interest," and similar spirits still rule man's economic enterprise.

(3) *Scientific socialism recognizes the key role played by the class struggle.* While Marx and Engels were not the first to perceive the class struggle or its economic roots, they did establish a firm basis for exploring its material basis and its multiple ramifications not only in politics, government and the state, but in remoter fields such as art and literature.

It is not too difficult to determine the interests of the various classes in a completely objective way. What statesman in his real calculations proceeds today otherwise than on the basis of such a calculation? If the tangle of class interests appears obscure at times, every sharp struggle generally brings clarification, often to very wide layers.

(4) *Scientific socialism is historical.* Marx's procedure enabled him to establish that capitalism had its origin in qualitatively different preceding social systems. If this irritates certain bourgeois ideologists who refuse to acknowledge anything less than timelessness for the conditions of their system, the burden of proof is on them to show how such a common, ordinary phenomenon as an economic system—merely a way of organizing the collective labor process—can be immune to the universal law of change affecting everything else. It is not sufficient to point to the invariants of "human nature." Anthropologists have provided abundant evidence on how variable human characteristics and capacities are. Marx's conclusions were derived from a most thorough study of the origin of capitalism as well as the inherent tendencies of this least stable and most disruptive of all economic systems.

Thus Marx was able to offer a rational explanation for the periodic appearance of revolutions—those great upsurges of collective energy that have at times taken humanity forward at great speed, toppling or engulfing every obstacle in their path.

The bourgeois view that capitalism is timeless or everlasting compels its theorists, if they are to be consistent, to view revolutions as irrational and unnecessary, even the revolutions in which their own system was born—not to speak of the revolutions bringing it to a close.

(5) *Scientific socialism takes an overall view.* Marx approached his subject in its totality; as a development in time with a beginning and

an end. With the establishment of its time limits, the capitalist system can thus be compared both with the systems that preceded it and the one succeeding it insofar as the latter can be foreseen by extrapolating the development of technology, the organization of the labor process and the modifications in the social structure that have occurred under capitalism (constant strengthening of the social weight of the proletariat at the expense of all other classes).

From the viewpoint of the survival, well-being and advancement of the human species, a basis is thereby provided for judging how far mankind has come from its animal origins. If we utilize as our measure the gains made in modifying or controlling natural processes, then progress has certainly been made. Furthermore the nature of the progress can be stated in objective, verifiable terms (growth of productive power, population, knowledge, etc.). The laws governing the processes giving rise to this progress can be stated in a similar way.

Arguments to the contrary must, in the final analysis, advance norms of a subjective nature such as the "losses" entailed by the development of civilization. Arguments of this sort are largely irrelevant and most certainly not scientific because they disregard the most decisive factors in human history.

(6) *Scientific socialism is dialectical.* Marx's procedure makes it possible in principle to study in a fruitful way reciprocal actions, modifying forces, countertendencies and combinations of the most varied nature. It is a gross distortion or misunderstanding of Marx's scientific socialism to say, as Arthur P. Mendel does in the October 1966 *Foreign Affairs* ("The Rise and Fall of 'Scientific Socialism'"), that it "represents a transposition into sociological and historical terminology of classical mechanics, now radically undermined by the theories of relativity, quantum physics, probability and indeterminacy."

Marx was fully aware of the role of chance and probability not only in the determination of such economic categories as prices but in the outcome of specific events in the class struggle. It is not necessary to read very far in *Capital* to discover this. A good example in the first chapter is Section 3 on the development of money from its lowly origin in accidental acts of barter.

Mendel's analogy is defective even if we accept it at face value. Twentieth century developments have restricted but not nullified the validity of the Newtonian mechanics. The laws of classical mechanics and quantum physics apply to different levels of phenomena. Is Mendel willing then to grant that Marx's scientific socialism holds up as well as does classical mechanics in the field in which classical mechanics applies? The erudite academician should think this over carefully.

(7) *Scientific socialism is not a set of dogmas.* The essence of scientific socialism is contained in Marx's dialectical materialist method, for this makes it possible to analyze new developments in objective reality. It is not surprising that some of today's developments were unforeseen by Marx or foreseen unclearly or one-sidedly; by following his procedures the necessary adjustments can be made and the



body of Marxist theory enriched. Scientific socialism maintains its scientific character by its hospitality to historical novelties and its capacity to recognize and incorporate them. (We leave aside the question of the quacks and cultists who profess to be "Marxists.")

Little is said about Marx's method—the heart of scientific socialism—by those who try to demolish his conclusions. Even the once-current fashion of assailing Marx for his "Hegelianism" is dying out. (It has been replaced by efforts to pit the young "humanist" Marx against the Marx of *Capital*.) His foes today generally rest their case either on the fact that some of the trends in capitalism observed by Marx have been checked in some countries by countertrends (the impoverishment of the masses) or trends which he did not anticipate (the rise of a new middle class). Their trump card is the point that, although Marx predicted that capitalism would be overturned by the working class, the goal still remains to be achieved almost a century and a quarter after the *Communist Manifesto*.

Where Marx has been fully confirmed with the passage of time, as in his conclusions on the accumulation and concentration of capital expressed in the dominance of big business and high finance, the extension of the factory system, the introduction of labor-saving machinery, the domination of the state by the capitalist class, the disruptive expansion of the capitalist system, its explosive contradictions, and so on, they remain silent.

They brush aside and devalue the material accumulated, sifted, analyzed, placed in logical order and explained by Marx in his study of the processes of the capitalist system as valid for the capitalism of his day but not for the capitalism of our time. They make out the descendants of the pirates, slave traders and robber barons to be a placid and benevolent lot. Unlike their progenitors they are concerned about social security from the cradle to the grave for those who dwell in the slums and ghettos at home while their interest in other countries centers around the welfare and democratic rights of the teeming poor to be found there, particularly those inhabiting the colonial regions endowed with rich natural resources.

Is it more humane or a mark of progress to burn little children with napalm than to work them from dawn to dusk in the mills?

What Marx offered is not a mere exposé of the excesses committed by the capitalists of his day in carrying the logic of their system to extremes but an analysis of the material basis of that logic; i.e., the processes governing the operation of this system. The significance of the exposures which he and Engels made of the English factories in the past century is that the evils—whether in extreme or ameliorated form—were inherent in the working of the system itself and thus served to verify the correctness of their findings concerning the main tendencies. Hence the analysis retains its validity and relevance so that every serious student is impressed by how modernly Marx reads and how truthfully he depicted the workings of the economic system in which we still live.

(8) *Marx's forecasts concerning the future society are not of primary importance but are logical derivatives from his analysis of capitalist society.* They can only provide general indications about the nature of the future transitional society and its ultimate culmination in a communist classless society of such abundance as to definitively end the millenia of poverty, with all its attendant restrictions and evils. His forecasts do not have an idealistic, utopian or dogmatic character. They do not depend upon preconceptions of human nature other than a judgment of its demonstrated capacity to adjust within certain limits to the economic systems in which people find themselves. Still less do Marx's extrapolations involve any "best" system under which to live.

### Socialization of Labor Process

Marx's vision of the future is drawn from logically extending the socialization of the labor process, the advance of science and technology and the concomitant tendency to introduce planning on a massive scale. While capitalism has given enormous impetus to these trends, it has kept them within property forms based in principle on the individual ownership of the means of production. This bars science from being properly and thoroughly utilized in organizing the economy, maintains the economy on an anarchistic level, and preserves competitive forms that become more and more explosive and destructive particularly on the international arena.

If these limitations which are a heritage of the primitive stage of commodity production from which capitalism evolved were to be removed, the socialized labor process, the principle of planning, the development of technology, and the application of science would enable society as a whole to surge forward at a truly revolutionary rate.

The beneficent ramifications in all fields can scarcely be calculated. It would be pointless to attempt to visualize them in detail in any case, since this will be the work of future generations. The paramount task of the present generation is to carry out the political and social revolution necessary to establish the basis for these developments. That was the way Marx viewed the connection of the present with the future.

(9) *Scientific socialism is rational.* This striking characteristic has constituted its greatest appeal to those able to transcend the narrow outlook associated with capitalism and the moods of pessimism and irrationalism generated by its decay. Marxism offers a supremely rational insight into the entire rise and decline of the period of class struggles. This view in turn provides a realistic basis for ascertaining the most fruitful way to expend one's own efforts and make a positive contribution toward bringing this difficult and painful epoch to a close. In addition to its political effectiveness, the serious student of

Marxism can receive incomparably rich and rewarding insights into the philosophical, cultural, artistic and even psychological phenomena of our times.

(10) *Scientific socialism is not averse to innovations but welcomes fresh acquisitions.* Among the most noteworthy developments based on Marx's contributions are Lenin's analysis of the imperialist stage of capitalism, now shaping the major course of world politics, and Trotsky's theory of "permanent revolution" which offers an explanation of why capitalism, in the opening stages of the world socialist revolution, has tended to succumb at its fringes rather than in the major centers of industrial, financial and political power.

Lenin also contributed valuable teachings on the question of oppressed nationalities, the political alliance of the workers with the peasantry, and the building of a combat party to lead the masses to attainment of political power.

Trotsky's analyses of the nature of Stalinism and of fascism were further important additions.

Most important of all, Marxism-Leninism did not remain a mere theory, a set of formulas and studies confined to the shelves of libraries. It helped direct the October revolution, actually establish a post-capitalist state, and successfully defend that revolution and workers state against a sea of foes. This remains an imperishable example of the verification of theory by actual practice.

In a most unexpected way, the practical experience of the Cuban revolution also offered a unique new verification of Marxist theory. There a youthful leadership began with the burning conviction that the Batista regime offered no recourse but armed struggle. Accepting this framework laid down by imperialism and its native agents, the Cubans went ahead—and found they had taken the road to socialism. Rather than draw back, upon making this discovery the key leaders proved intelligent and honest enough to draw the appropriate conclusions. Trotsky's prediction that another Marx was unlikely to appear in the immediate future but that revolutionists of action were sure to move into the center of the stage thus found striking confirmation. The Cubans put this thought into a slogan—"The duty of every revolutionist is to *make* the revolution!"

## Marx's Mythical Outlook

Having indicated the leading ideas of scientific socialism, let us turn to the criticisms of the Marxist outlook by current propagandists of the capitalist system. Their line of attack is well illustrated by the article mentioned above, "The Rise and Fall of 'Scientific Socialism.'" The author, a professor of Russian history at the University of Michigan, plays on a theme going back to the eighteen nineties. According to this, Marx spent his life in a library laboriously constructing a "myth" that abundance could be achieved for the masses if capitalism was done away with and socialism established.



This "explanation" of Marx's achievement is given a modern dress by referring to the Soviet Union, where, Mendel claims, the myth was used to justify inhuman sacrifices in the name of progress and the generations to come. The fantasy concocted by Marx proved "irrelevant in the advanced Western countries" and is now increasingly questioned in the Soviet Union itself. Today the best Soviet thinkers, Mendel contends, are demanding "honesty" and a genuinely scientific approach instead of the "hateful obligation of corrupting their talents in the service of dogma." "Rational price, profit, interest calculations, marginal utility theory and advanced mathematical and 'cybernetic' models are, consequently, replacing primitive techniques associated with the sacred labor theory of value and the fetish of maximum 'command' planning."

The basic assumption in Mendel's argumentation is clear enough: no definite and central line of evolutionary development is discernible in human history—all that really exists at bottom are certain propensities inherent in human nature. The capitalist system, in the final analysis, is grounded in the genes. Adam Smith had it exactly right when he made the acute observation, "Nobody ever saw a dog make a fair and deliberate exchange of one bone for another with another dog."

Others of this school, less crude in their polemics than Mendel, including some who grant a certain value to Marxism as an instrument of criticism or an ethical creed, consider that socialism has

been invalidated as a science by the "failure" of the workers in the West to carry out a socialist revolution or the "failure" of the Soviet government to represent the revolutionary interests of the working class. Unwilling to concede that human society is an exception to the universal processes of evolutionary change evident in all other sectors of the universe, some find evidence of a supposed "convergence" between capitalism and the now "mellowing" planned economy of the Soviet Union. Each of the two competing industrial societies are taking on the best characteristics of the other. A liberalizing, democratic tendency, allegedly borrowed from the West, is thus appearing in Soviet society under guise of "de-Stalinization"; and more and more planning at a governmental level is appearing in the capitalist countries in response to the Soviet challenge and the Soviet example. This represents progress of a kind, in the opinion of these thinkers, but progress that deviates far from the historic pattern predicted by Marx.

This theory is quite prevalent; some even advance it in the style of a plank in an up-dated program for enlightened technocrats and partisans of the "New Left." Thus in the summer 1966 issue of the *Partisan Review* George Lichtheim suggests that "the U. S. A. and the U. S. S. R. are beginning to look somewhat similar, and that it is desirable (as well as probable) for them to become more alike still . . ."

Among its many dubious elements, this theory leaves out of account the nuclear arms race. If the two societies are converging, why are they stockpiling the bomb? This question is particularly pertinent in regard to the U. S. which started the race towards doomsday. Viewed from this angle, the U. S. and the U. S. S. R. appear to be converging like two express trains headed toward each other on a single track.

The substance of the theory is an updated variation of the gradualism advanced by such figures as Eduard Bernstein at the turn of the century. Capitalism, it was thought, had become matured or mellowed enough, or sufficiently civilized, to bow to reason and the popular will as expressed through the democratic process. At the same time certain aspects of Marxism had been "refuted," such as its theory of a devastating economic crisis; or had become "out-moded," as in its formula "dictatorship of the proletariat"; or had reached the point where it could discard "doctrines" of a dogmatic nature like the Hegelian "scaffolding" of dialectics used by Marx. Thus it was now possible to bridge capitalism and socialism through the parliamentary process. The idea of a violent revolution—to the relief of everyone—could be discarded.

Today's theory of "convergence" of antagonistic states is not argued nearly as well as in Bernstein's time when it was presented as a convergence of conflicting classes, harmonizing the interests of the bourgeoisie and the proletariat. For instance, it fails to show how convergence can cross the borderline into merger without a violent struggle. In Bernstein's time it was held that this could occur

through electoral decision and a parliamentary majority. How and where will the gradual evolution of opposing systems reach the point of qualitative change into identity today? In the United Nations? Nobody takes that body seriously enough to even suggest it. The theorists of the "convergence" of the U. S. and the U. S. S. R. lack even parliamentary shadows to point to. To be sure, the diplomatic needs of the Soviet bureaucracy may partially coincide with those of Washington and bring the two closer together for a time. This happened in the nineteen thirties, during the second world war, and is now in the cards again. But the disruption of relations after each such essay at collaboration betrays the underlying irreconcilability of their social structures.

### The Keynesian Sophistication

An associated line of argumentation would have us believe that a basic flaw has turned up in Marx's analysis of capitalism. The Keynesian economic engineers, having gained a "sophisticated" insight into the workings of the capitalist system, are now able to take timely preventive measures which can eliminate depressions of major proportions like the one of the thirties. By manipulating taxes, interest rates, public works, money and credit, they can cool down the system when it gets "overheated" or warm it up when it is struck by a sudden chill and thus keep it in good health.

As proof that the system can actually be controlled by such means, they point to the fact that no major depression has recurred since the thirties, that on the contrary capitalism has experienced an unprecedented boom, above all in the United States.

This argument is particularly fraudulent since the necessity to utilize government controls on a vast scale to manipulate the economy shows that something is fundamentally wrong with a system that is supposed to run by itself on the basis of "private" initiative. The prolonged boom is also not very convincing or conclusive evidence of the health of the system. It began, not as a fresh normal expansion of the system but as a result of the colossal expenditures for World War II, followed by the immense outlays needed for the postwar recovery. (These "scientists" always leave out of account, too, the losses entailed by the war and the major setback dealt to civilization as a whole by the devastation and slaughter.)

It is highly significant, too, that the postwar boom has been accompanied by a continual rise in the national debt which now reaches astronomical proportions in the United States, the wealthiest of the capitalist powers. True, the same economists—unlike their forebears—argue that the existence of a colossal and growing national debt is a matter of indifference. The debt, nonetheless, does not stand exactly on the credit side of the ledger for society as a whole.

Finally, the boom has been maintained only by continual government spending on a scale never before seen in history. One of the major items in this spending is preparation for another and ultimate war.

In their own way, the vast government outlays in the development of such new fields as nuclear energy and the exploration of space likewise bespeak the limitations of capitalist enterprise—it is becoming increasingly difficult for any corporation, no matter how huge and powerful, to undertake socially required developments on the scale demanded in the modern world. The connection of private capital with these advances is becoming more and more parasitic.

It is one of the ironies of history that the contentions of the ideologues of capitalism against scientific socialism are, in essence, merely variations of a single argument—that Marxism is irrational and cannot therefore be adopted by any intelligent, fair-minded person.

In truth, the rationality of the Marxist outlook and program stands out in such sharp contrast to the irrationality and anarchism of capitalism and finds such striking confirmation today that one suffers an embarrassment of riches in citing examples.

One of the most obvious relates to the nuclear breakthrough. At one stroke the problem of tapping abundant cheap sources of energy was solved. From human muscle power to animal power, then to water, wind, and the fossil fuels, with nuclear power humanity made its biggest advance in the field of energy since the discovery of fire.

The capitalists nevertheless insist on continuing to burn up fossil fuels—while they cautiously consider how nuclear energy can be converted into a new source of profits. At the same time they have turned the development of nuclear energy toward a supremely destructive goal. The stockpile of nuclear weapons is now sufficient to wipe out all the higher forms of life, who knows how many times over? The possibility that this ultimate irrationality can actually occur grows greater with each day the capitalist system continues to endure.

Hardly less striking is the contrast between the Johnson administration wasting \$24 billion to \$30 billion a year in a war of aggression against the tiny country of Vietnam while investing only \$2 billion a year in the "War against Poverty" at home. That the foul and bloody adventure on the mainland of Asia threatens to escalate into an attack on China and still further aggression until World War III is brought down on our heads scarcely testifies to the exercise of reason among those in charge of the destinies of American capitalism. They clearly stand in the tradition of the German and Japanese imperialists who shut their eyes on the eve of the previous world war and headed straight toward their own doom.

Aside from such supreme instances of the irrationality of the capitalist system, other examples abound. One that is currently becoming of increasing concern is the pollution of the air, the land and even the oceans from the anarchistic disposal of waste products and

indiscriminate use of pesticides on an international scale. In our generation alone the number of species of animals reported to be close to extinction if not already doomed, makes appalling and depressing reading. Their disappearance is not the consequence of any "struggle for survival" as against mankind. This decimation of the animal population is merely one of the by-products of the growing irrationality of the capitalist system, merely one of the many warning signals of what is in store for the human species—and not in the distant future—unless the insanely anarchistic capitalist system is transcended.

Up until 1917, the bourgeois theorists placed heavy stress in proving the alleged fancifulness of Marxism by scoring its "utopianism." The socialists, they maintained, had set up an illusory goal which scarcely warranted serious consideration; for human greed and inequality of native endowments would upset the most idealistically conceived plan, not to mention the little item of who would do the dirty work like sweeping the streets and cleaning the sewers.

Of course, this did not prevent those in charge of political affairs from showing in practice that a certain gap existed between their propaganda about the ineffectiveness of socialism and their real appreciation of the class struggle. It is sufficient to cite the savage reaction of the French rulers to the Paris Commune of 1871, the hanging of the Haymarket martyrs in Chicago in 1886, the witch-hunt in Germany under Bismarck in the 1880's, and the notorious repressive measures of Czarism over the years.

Nevertheless the capitalist class came to put considerable credence in its own contention that socialism could be dismissed because of its "utopianism"; hence its surprise that World War I should end with a revolutionary upsurge, the high point of which was the actual establishment of a workers and farmers government in Russia.

While the Allies, under Churchill's guidance, sought to smash this government by supporting the Russian counterrevolutionaries and sending in their own troops, they also argued that the Soviet experiment was doomed on the simple grounds that "it won't work."

## Technological Backwardness of Planning

Besides the alleged incompatibility of socialism and human nature, a standing theme in capitalist propaganda was the incapacity of planned economy to absorb, still less advance, the technological achievements of capitalism. Lack of Russian "know-how" assured the eventual collapse of an economic system based on overall planning.

The ideologists conveniently forgot that the source of technological advance under capitalism was not the capitalists who appropriated its fruits but the workers (including technicians) and the divisions of



science most closely associated with production (mechanics, chemistry, electronics, physics).

The "know-how" argument took a staggering blow when the Soviet Union developed first its A-bomb and then the H-bomb. For a period it was maintained that "spies" were responsible; the "secret" had been stolen. This rationalization collapsed when the Soviet Union launched the first space satellite, clearly taking the lead in technology in this field.

Beyond a few belated echoes about U.S. "sophisticated instrumentation" in its satellites and "miniaturization" in nuclear weapons, the argument about an alleged contradiction between economic planning and the development of technology is no longer heard—particularly after China's spectacular development of nuclear weapons.

Still worse for the defenders of the capitalist system is the fact, now clearly established in the minds of the great majority of human beings on this planet, that overall economic planning has demonstrated its superiority in a practical way as the swiftest means by which a backward country can overcome a low cultural and technological level. The capitalists cannot point to a single country in the world where their system has offered results that come anywhere near the achievements of the Soviet Union, the countries of Eastern Europe, Yugoslavia, China and Cuba. Let them compare Yugoslavia and Turkey, China and India, or Cuba and Chile! The achievements under economic planning are all the more remarkable since they have occurred not under the most favorable conditions, but in face of enormous handicaps and setbacks such as war and invasion and natural disasters, coupled with the most terrible pressure from capitalism on all fronts.

This is such common knowledge today that in the economically backward countries even the indigenous bourgeoisie, including conscious agents of Western imperialism, are compelled to pose as "socialists" and at least offer lip service to the principle of economic planning, if not considerably more in some instances.

Thus the spokesmen of the capitalist system have had to narrow their arguments. Since the thirties their final defense has been that the supposed irrationality of Marxism or socialism is shown by the absence of democracy in the "socialist countries," the purges and mass murders that took place under Stalin, the herding of millions into forced labor camps, and all the other abominations that occurred under the late dictator.

The whole argument hinges on (1) taking Marxism and Stalinism as one and the same thing and (2) maintaining that the atrocities characteristic of Stalinism are inherent in Marxism (or Leninism).

The historical record shows that the capitalist rulers—at least the more intelligent among them—know better. In the great struggle between the Trotskyist Left Opposition and the reactionary tendencies headed by Stalin, these rulers favored Stalin. When it was to the advantage of German imperialism, Hitler signed a pact with Stalin.

When it came the turn of American imperialism, Roosevelt even went so far as to prompt Hollywood to make a film presenting Stalin's official version of the monstrous frame-up trials of the thirties.

What is the source of this compatibility between Stalinism and certain capitalist rulers? The bourgeois theorists never go into this question, although it would seem to offer a promising field for research for doctoral theses.

Stalin's own claim to represent the tradition of Marx and Lenin of course facilitated the imperialist objective of presenting the crimes and evils of his regime as inherent in socialism itself rather than monstrous deviations from it.

Up to now, however, the bourgeois thinkers have not taken much interest in providing a truly rational explanation for the rise of Stalinist authoritarianism. In 1944, one of them, Prof. F. A. Hayek, published a book, *The Road to Serfdom*, which became a kind of bible in American management circles (the *New York Times* called it "one of the most important books of our times") because it claimed to expose a basic contradiction in the Marxian "myth." It is fraudulent to visualize a society of abundance, said Hayek. "The reader may take it that whoever talks about potential plenty is either dishonest or does not know what he is talking about." (p. 98.)

Another school of anti-Marxists holds that capitalism—and no other system—has the potential of solving the problem of scarcity and poverty. This school extends from such well-meaning engineers as the late Walter Dorwin Teague to L. B. Johnson with his demagogic "War on Poverty."

Hayek holds that planning leads straight to loss of individual freedom, arbitrary rule, personal dictatorship, slavery and chaos. As Hayek saw it, "the basic fact" is that it "is impossible for any man to survey more than a limited field, to be aware of the urgency of more than a limited number of needs." Man's powers of imagination are limited. "This is the fundamental fact on which the whole philosophy of individualism is based." Hayek was not very original. He offered only a variation on the basic sociological argument advanced by Robert Michels in the book he published in 1911, *Political Parties*: the apparatus required by the revolutionary party develops its own interests, which are conservative, and the revolutionary party thus turns into its opposite.

As against the "serfdom" of planned economy, Hayek advanced a program centered around establishing an ideal economy made up of small enterprises, operating according to the laws of free enterprise and free competition. The basic premise on which he argued for this utopia—the incapacity of man's imagination to take into consideration the extremely complex and multitudinous factors embraced in an entire economy—appears quite ridiculous in the light of developments in technology that were only in their infancy or still in the experimental stage when he wrote his book: television, with the enormous speed which it has given to the gathering and exchange of information and

opinion, and the electronic computer, the capacities of which in processing data are now common knowledge. These advances, coupled with the virtually limitless resources in energy made available by the development of nuclear energy and what this implies as to the possibilities of an economy of abundance, make Hayek's concept, of going back to the good old days of small business, look like a relic from the horse-and-buggy age.

Hayek, too, made full use of the crimes of Stalinism, equating Stalinism and socialism. In the fashion of the day he also equated socialism, fascism and Nazism, calling them simply variants of "collectivism." With the rehabilitation of the German capitalists, who backed the Nazis, this theory is no longer quite as fashionable as it was in 1944. Nothing better, however, has been produced to replace it since Hayek became the prophet of the American "go-getter" out to make a "fast buck." The standard argument, now reduced to mere repetition, as in the case of Mendel, is the one concerning Stalinism.

### Analysis of Stalinism

It has thus remained to those Marxists, who have genuinely understood Marx's method and sought to apply it, to analyze the rise of Stalinism and offer a rational explanation for it. The main contribution came from Leon Trotsky. He sought the material roots of Stalinism in the society in which it appeared. The Bolshevik party, good, bad or indifferent, was only one force in the superstructure of early Soviet society. It represented the political interests of the workers; but the working class itself was far outweighed by the peasant masses both in numbers and in specific weight in the economy. The backwardness of the country, its poverty, the ruin left by the war, the blockade set up by the imperialist powers, the decimation and exhaustion of the revolutionary forces—all these handicaps and obstacles required either time or early and substantial aid from the industrially advanced countries to be overcome. The Bolsheviks were denied both.

Stalin's rise to power becomes explicable once it is seen that he gave up the program of Leninism to enact the role of the political figure best representing the retrogression while still retaining a facade of Bolshevism. The logic of this shift required Stalin to liquidate both the program and the cadres of Bolshevism in order to stabilize and consolidate the position of the usurping bureaucratic caste.

Scientific socialism was thus able to correctly forecast the general alternatives facing Soviet society: either further decline along the spiral of counterrevolution, with the eventual restoration of capitalism; or, with a new upsurge of the revolution, whether nationally or internationally, the break-up of Stalinism and the eventual return to the path of the world revolution.

This dual prognosis has been borne out in the most impressive way. The victory of the Soviet Union over German imperialism in World War II, representing a revolutionary success of historic import, was followed by the toppling of capitalism (if largely by bureaucratic-military means under the Soviet occupation) in Eastern Europe. The world revolution, too, resumed its march, although not along clear programmatic lines. A social revolution in Yugoslavia saved that country from being returned to the orbit of British imperialism. China, the most populous country on earth, broke the grip of both foreign and native capitalism, establishing a new workers state that is now swiftly rising, whatever the ups and downs, to first-rate standing as a world power. Then little Cuba shook the whole international scene by presenting the world with the first socialist revolution in the Western Hemisphere.

Stalinism itself is now racked with a most profound crisis, clearly portending its doom. The "de-Stalinization" process, marking a policy decided on by the bureaucracy to grant concessions to the masses, aims at gaining time and staving off a definitive settlement of accounts. When the top bureaucrats felt that they had no choice but to give up the cult of Stalin, this concession indicated the strength of the revolutionary pressures that have developed in Soviet society. The Sino-Soviet conflict and shattering of the Stalinist monolith constitute additional symptoms of the erosion of bureaucratic totalitarianism.

Taking the forecasts and the facts of the postwar revolutionary upsurge together with the decline of Stalinism, Marxist-Leninism, as maintained and developed by Trotsky and his followers, has certainly received powerful confirmation. Where, in all the literature of the economic and political "science" of the bourgeoisie—or of Stalin's disciples—is there to be found anything that has withstood the test of events in this fashion? We are not likely to get an audible answer on this score from the defenders of capitalism or of special bureaucratic privileges.

## Role of Working Class

We come now to the final considerations of how well Marxism has stood up in the past fifty years. These involve mainly the capacities of the working class.

The views of Herbert Marcuse, a student of Hegel and Freud as well as Marx, offer a convenient starting point because he speaks for an expanding trend of thought among the new radicals. At a symposium held at the University of Notre Dame in April, 1966,\* Marcuse

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\*The University of Notre Dame Press has published the papers of the participants in a book, *Marx and the Western World* (500 pp., 1967, \$8.95).

was assigned the topic, "The Obsolescence of Marxism." He began his paper by objecting to the title. In his opinion it ought to have included a question mark, inasmuch as Marxism becomes obsolete to the degree that the basic concepts of its theory are validated. "In somewhat plainer English," he sates, "the factors which have led to the passing and obsolescence of some decisive concepts of Marx are anticipated in Marxian theory itself as alternatives and tendencies of the capitalist system."

Marcuse maintains that with but one exception the most fundamental notions of Marx's analysis of the capitalist system have been validated factually. The exception is the Marxian concept that the deepest contradictions of capitalism can be broken "only if the laboring classes, who bear the brunt of exploitation, seize the productive apparatus and bring it under the collective control of the producers themselves."

Marcuse maintains that in "the advanced industrial countries where the transition to socialism was to take place, and precisely in those countries, the laboring classes are in no sense a revolutionary potential."

In his opinion they have been corrupted. Enjoying relative prosperity, they feel no vital need for revolution. This includes not only the trade-union bureaucracy but also the rank and file.

Despite this gloomy view, Marcuse does not give up hope as to the perspectives of socialism. He sees four categories which, taken together, can serve as a substitute: ". . . first the national liberation movements in the backward countries; secondly, the 'new strategy' labor movement in Europe; thirdly, the underprivileged strata of the population in the affluent society itself; and fourthly, the oppositional intelligentsia." (He also adds the existence of "established Communist societies.")

The possibility of the youth and the intelligentsia substituting for the proletariat appears particularly attractive to Marcuse. This social layer appears capable of appreciating a world reality that requires humanity to take the road to socialism. "The development not of class consciousness but of consciousness as such, freed from the distortions imposed upon it, appears to be the basic prerequisite for radical change." To put it in class terms—which Marcuse does not do—the hope for the future in the industrially advanced countries lies with the petty-bourgeois intellectuals and student youth.

This is not a new view; it has a venerable tradition, although Marcuse does supply some new arguments. In essence, however, he stands on factual grounds. The working-class has not yet carried out a socialist revolution in the industrially advanced countries. The workers do appear somnolent, particularly in the United States. A sector of the intellectuals and student youth have recently displayed encouraging signs of radicalization.

From this, however, it is hazardous on the part of Marcuse to *substitute* the intellectuals and youth for the working class. Another interpretation would appear at least equally valid; i.e., that the radicali-

zation of the intellectuals and youth *foreshadows* the radicalization of the working class. It constitutes the beginning of a new process rather than reflecting any alleged inherent characteristics of these social layers as formed by present-day capitalism. In short, the very causes that are arousing the youth and the intellectuals are also operating on the workers, if at a slower rate. The workers are just as inherently capable of exhibiting "consciousness as such" as allied sectors of society; for instance, reaching the conclusion that action is required to save mankind from the threat of a nuclear conflict. This growth in understanding becomes "class" consciousness when it relates to the class position of the workers and particularly to the means they turn to in order to achieve their goals.

In considering whether or not the Marxist view on the revolutionary role of the working class has been verified factually, it would seem in order to take into account the Russian experience—both in 1905 and 1917. Also the great upsurges of the working class elsewhere in the past fifty years. For example, in China in 1925-27; in Spain in 1936-39; in France and Italy and elsewhere in Europe following World War II. The pessimists who hold that the workers lack revolutionary potential fail to consider whether they themselves have not been unduly influenced by the prolonged prosperity in the United States, Western Europe and Japan which was derived first of all from the enormous destruction of World War II, and following this, the preparations for another global conflagration.

The first great new upsurge in any major city in the world will put a finish to this fundamentally anti-Marxist view by confronting an old and outworn empirical fact with a new and opposing one. A faint indication of the potential can be gained from careful study of the opening days of the uprising in Santo Domingo in April 1965.

The workers in that city gave every indication of their readiness for the most audacious action. They may even have succeeded in building a revolutionary party in the very process of moving toward power and of opening another chapter in the process started by the Cubans in the Western Hemisphere had their armed uprising not been artificially terminated by a crushing blow from abroad. It was precisely because of the revolutionary capacities of the working class that the Johnson administration immediately ordered an armed invasion and occupation of the country. As practical rulers, they must go by political realities, not doctrinal preconceptions of astigmatic intellectuals.

The significance of this fact bears stressing. In general, the wholesale disparagement to be found in "New Left" circles about the insurgent capacities of the working class is not shared by the capitalist rulers. This is the explanation for their tough antilabor legislation, their witch-hunts, the assiduousness with which they try to maintain a collaborationist leadership at the head of the trade unions, labor parties and other organizations of the working class, and their readi-

ness at crucial turning points to give up the parliamentary system and turn to "strongman" regimes and even fascism.

An extension of this line of reasoning is that, even if the workers succeed in conquering power, they are incapable of retaining it. George Lichtheim, for instance, argues in the summer 1966 *Partisan Review* that the technocrats constitute a "predestined ruling stratum." Commenting on the U. S. S. R. and the East European countries, he declares: "The attempt to continue 'communism' as such an ideology [an ideology linking the technocratic stratum to the masses] has failed. Communism is historically the ideology of a revolutionary working class. This class having exhausted its mission and been subjected by the technocratic stratum which evolved from the ruling group of the Communist party, the latter employs the traditional vocabulary for the purpose of legitimizing a new form of inequality."

Lichtheim's concepts derive from a not very fresh theory that socialism will give rise not to a classless society but only to a new exploiting class, whether of "managers" or "technocrats," or whatever you want to call them.

One form of this position in vogue during the late thirties and early forties held that a new "managerial" society is advancing all over the world of which communism, fascism and New Dealism were but particular variants. Some of the strongest "proofs" of this theory were drawn from fascist Italy and Nazi Germany. With the defeat of these two powers in World War II and the clear evidence that fascism was merely a form of capitalist rule, and a fairly unstable one, a major pillar of the theory collapsed. It survives only in vestigial form in occasional lucubrations like those advanced by Lichtheim. (The origin of his views in the old, discredited theory about the coming wave of a "managerial society" appears clearly from his contention that in "our Western or Atlantic world" there has been "the gradual displacement of bourgeois society by a new social formation . . .")

The growth of "statism" in the capitalist countries, which was interpreted by theorists like James Burnham to indicate the advance of a society qualitatively different from capitalism, has been noted in Marxist theory since the time of Engels. The increasing intervention of the state in the economy in a series of capitalist countries testifies to the ripeness of the system for socialism. The need for overall controls, for overall planning, has become so imperative that even the capitalist state is forced to engage in it. That it occurs under capitalist auspices, however, entails particularly malevolent forms and pernicious results, the fascist countries providing prime examples of this.

It is a gross error to mix up Soviet planning and even Soviet mismanagement and inequalities with this phenomenon of capitalist decay. The key difference is the continued existence of private property in the means of production in the capitalist states; its absence

in the workers states. Inequalities in the capitalist countries derive from a class structure required by the functioning of that system whether in depressions or booms. Inequalities in a workers state like the Soviet Union derive from a system of distribution inherited from the bourgeois past. Since the inequalities are confined to the field of distribution they are not essential to production (they in fact hamper it). Hence they are strictly parasitic in character and can be removed without a social revolution which changes the property forms. The problem belongs to the political level and can be solved with a political revolution which transfers power from the bureaucrats to the working masses.

It is quite true that Stalin destroyed proletarian democracy in the Soviet Union (hence the need for a political overturn to restore that democracy). The reasons for this are much more complex than the simplistic explanation advanced by the various adherents of the "managerial" theory would have us believe; however, as indicated above, it can be stated briefly that the main reason was the poverty and backwardness prevailing in Russia and the fact that a series of *capitalist*, (not socialist) tasks still had to be accomplished. When planned economies have been extended to embrace the most industrially advanced countries and to constitute an interlocking whole, the resulting abundance will eliminate the material basis for a parasitic bureaucratic caste. Democracy, freedom, and still more important, the economic and social requisites for the flowering of the human personality will be assured. And, in the final analysis, no other assurance exists that these goals can be achieved.

Another, not unrelated, current argument is that Marx forecast that the socialist revolution would occur where capitalism had developed to its highest peak. But instead of the advanced capitalist countries, the first socialist revolution took place in backward Russia. It is strange that the bourgeois ideologists should imagine that this argument contravenes Marxism since they are compelled to admit that a socialist revolution did occur. It is still stranger that they should think that their contention bolsters *their* "science" in any way whatsoever. First of all, none of them predicted this course of events in advance; secondly, none of them have anything original to say about it even a half century after the event.

### Trotsky's "Permanent Revolution"

But a revolutionary Marxist *did* predict precisely this course of events—some twelve years in advance! Moreover, the total explanation (likewise presented in advance of the occurrence) showed that Marx was completely correct in predicting that *socialism*—the



international society based on the foundation of the highest achievements of capitalism—will find its primary base in the advanced capitalist countries. The refinement in Marx's theory consisted in noting that the anticapitalist revolution is doubly explosive in those backward countries where a belated bourgeois revolution is telescoped with a proletarian struggle for supremacy and where capitalism in introducing its system also introduces its most modern developments both technologically and ideologically. The scientific socialist to be credited with this advance was, of course, Leon Trotsky with his famous theory of the "permanent revolution."

Thus the Russian revolution, envisaged in its main lines by Trotsky's theory, explodes the principal contention of the bourgeois propagandists—it proved that Marxism is not a set of inflexible dogmas but a genuine body of science perfectly capable of taking into account new developments in the real world and providing a rational explanation for them.

Still another objection, which has been advanced in some circles, is that the Chinese revolution took a different course from the one predicted even by Trotsky. In the case of China, peasant armies—not the working class—took the lead in the revolution and did so not under the guidance of a revolutionary-socialist party but under a party strongly tainted with Stalinism.

Again, the argument—coming from adherents of the capitalist system—is singularly bizarre. There was not much about the Chinese revolution to cause the capitalists to throw their hats in the air. In fact Washington sang quite a dirge about unexpectedly and mysteriously "losing China." Where in their literature is a viable explanation to be found of its occurrence, even seventeen years later?

## Chinese Revolution

The victory of the Chinese revolution proved that international capitalism is weaker and more unstable than even the Trotskyists had judged or dared hope. Capitalism has reached such a point that in a country like China, a revolution can win with inadequate leadership! Let the rulers in Wall Street and Washington comfort themselves with that indication as to the real relationship of world forces . . .

Marxism was certainly not damaged or discredited by the fact that a country of the size and importance of China overturned capitalism and took the road to socialism, however tortuous that road has proved to be. The capacity of Marxism to accept the actual course taken by history shows the distance it stands from being a dogma. The greatest victory since 1917 happened in China and not Western Europe because, among other reasons, Stalin proved strong enough



to block a successful proletarian revolution in such countries as Italy and France after the end of World War II but not in China. These divergent outcomes were determined by the specific conditions of the class struggle itself.

Marxism has never pretended to be able to forecast events with astronomical accuracy. Due to the complexity of the factors involved and the number of indeterminate and unknown elements, Marxism has never undertaken to specify the date in advance on which a revolution would occur or forecast all its peculiarities. Its predictions concern the major tendencies of development and the mobilization of forces under a program that correctly reflects these objective conditions.

If, in their search for material to disprove the validity of Marxism, its bourgeois opponents care to take another example of a specific event that was not predicted either as to date or to form by any Marxist, we willingly offer them the not unimportant example of the Cuban revolution. More than that, we will state that the appearance of the Cuban leadership in the international political scene foreshadows a similar development in a number of other countries.

If the bourgeois propagandists care to dispute this prediction, the issue can well be left to the test of events. Meanwhile the key political representatives of the American ruling class in both the Democratic and Republican parties, whether of the most reactionary or liberal wings, are proceeding on the assumption that this is exactly what the near future holds in store. That is why they are now staking everything on naked military dictatorships in most of the countries under their control in Latin America, Africa and Asia and why they are ready, upon receipt of an emergency call, to rush American troops by the tens of thousands wherever a puppet regime appears in danger of going down in face of a mass upsurge like that in the Dominican Republic. How thoroughly convinced the capitalist rulers are about this basic trend can be judged by the course taken by Kennedy and Johnson in Vietnam.

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Scientific socialism can well celebrate the fiftieth anniversary of the Russian Revolution. Many of its main forecasts with regard to the revolutionary process have already been born out, particularly the primary one—that capitalism itself generates its own gravediggers. Whatever the detours, the delays or the singularities in the world revolution of our time, this conclusion of scientific socialism can scarcely be called a "myth." It is the mightiest reality that the theoreticians and strategists of all classes have to deal with.

David Horowitz

## THE CASE FOR A NEO-MARXIST THEORY

Ernest Mandel's review of Baran and Sweezy's *Monopoly Capitalism* is the kind of intelligent and penetrating analysis that one would expect from the author of *Marxist Economic Theory*.<sup>1</sup> He has skillfully portrayed most of the essential virtues of this important book, and at the same time has not overlooked its significant deficiencies. Yet there is one question, and that perhaps the most central, that Mandel has not confronted directly. As it is a question of the very nature of Marxist theory, and the requirements for its contemporary development, and as few writers can be so eminently qualified to deal with it as Mandel, one can only regret its absence from his review. However, I would like in the following remarks to attempt to describe the challenge to orthodox Marxists which I believe *Monopoly Capitalism* represents, in the hopes of opening the discussion which Mandel's review skirted, but which I believe to be desperately needed on the left.

The most striking feature of *Monopoly Capitalism* from a theoretical point of view, is its employment of the concept of the economic surplus, as the integrating concept of its analysis. As Mandel notes, this concept was first employed by Baran in *The Political Economy of Growth*, where he showed "the operative usefulness of the notion . . . for understanding the economic problems of the underdeveloped countries." In *Monopoly Capitalism*, the authors attempt to use this concept as a basis for a Marxian analysis of advanced monopoly capitalism. Whether a *Marxian* analysis based on this concept is by nature impossible, or whether Baran and Sweezy have merely fallen short of such an analysis in their particular development of the concept is the question that Mandel does not come to grips with and the question that seems to me crucial to answer.<sup>2</sup> For I believe that not only is a Marxian analysis based on the concept of the economic surplus

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possible, but that such an analysis is the necessary point of departure for a truly adequate Marxist theory of contemporary capitalism.

The concept of the economic surplus is derived from Marx, Veblen and Keynes, and makes possible the integration of various features of the analyses of these three theorists. The basic framework of Baran and Sweezy's analysis remains Marxian in the sense that the class control of the means of production is seen to provide the determinant matrix for the system. Within this framework the income analysis of Keynes, which includes some of the most potent economic tools developed in the last hundred years, is made available through the concept which Baran called "actual surplus" in the earlier volume, and which is treated as a "first approximation" of the concept of economic surplus in the joint work.

The Keynesian analysis is further employed to reveal the long-run trend of the system. For Baran and Sweezy have not only broken "with the stereotype repetition of the Hilferding-Lenin analysis," as Mandel notes, but with the competitive model on which *Capital* is based as well. Recognizing the predominance of oligopolistic forms in the market structures of monopoly capitalism, they have been compelled to abandon the theory of the falling rate of profit (which rests on the assumption of perfect competition). In its place, they have put the law of the tendency of the surplus to rise, which is a developed version of the Keynesian stagnation theory.

From Veblen, Baran and Sweezy have taken the analysis of waste as increasingly the fundamental and characteristic feature of monopolistic capitalism. It is this analysis that is behind their final definition of the economic surplus as the difference between what a society produces and the socially necessary costs of producing it. For by this analysis, they seek to expose the fundamental irrationality of the system, even if, in Galbraith's phrase, it "delivers the goods."

Now Mandel finds the concept of economic surplus deficient, because it abstract, according to him, from the difference between surplus capital and surplus goods. Mandel seems to suggest that this is not merely a terminological problem, but one that "strikes at the roots of Marxist economic theory." But does it really? Baran and Sweezy do in fact speak of the growth of surplus capital, as distinct from the growth of other forms of surplus, in terms of the tendency of aggregate profits to rise both absolutely and as a share of total output. The problem of effective demand (or of realizing surplus value, in Mandel's terminology) is very much recognized as a fundamental problem of contemporary capitalism in their analysis. Where the authors have opened up possibilities for confusion (for that is as far as I would go in criticism) is in treating the concept of economic surplus as equivalent to aggregate profits, as merely an approximation of the more developed concept of economic surplus as equivalent to the difference between output and socially necessary costs. In fact, they seem to have abandoned in *Monopoly Capitalism* the useful distinctions between forms

of the surplus (e.g., actual and potential surplus) employed by Baran in *The Political Economy of Growth*, whereas they ought to have added new distinctions and articulated their model even further. They have attempted, in other words, to subsume the whole of their critique under its Veblenesque aspect. I think this was a mistake, but I do not think it was a basic one, since it can be easily overcome by a suitable redefinition of the surplus and an abandonment of the attempt to get all of its features into a linear relationship with one another in a manner of Marx's use of the labor theory of value.

This brings me to the final point I would like to make. The value of the concept of the economic surplus is that it makes possible an integrated analysis of the most distinctive features of monopoly capitalism, the phenomenon of waste in the allocation of resources, and the problem of effective demand. It does so, moreover, with a conceptual apparatus that is very close to the apparatus employed by orthodox economics (about as close as Marx's apparatus was to the orthodox economics of his day). The great virtue of this theoretical situation, in addition to making immediately available to Marxists a set of highly sophisticated analytical techniques, is that it focuses attention on the real differences between orthodox and Marxian analysis, rather than on differences in mere terminology, or highly formalistic and basically irrelevant questions such as what constitutes a proper economic theory of value.

On the one hand, the adoption of an economic apparatus close to the conceptual apparatus of orthodox economic theory, makes it much more difficult for opponents to evade the challenge of the Marxian critique. On the other, it prevents Marxists from hiding behind the ritualistic invocation of their own orthodox terms and theorems as an excuse for not facing up to the real problems involved in developing a viable socialist theory. For all these reasons, it seems to me that the innovations introduced by Baran and Sweezy must be recognized as representing a major step forward in the development of theoretical Marxism, and the necessary point of departure for a really adequate contemporary Marxist analysis.

## Foot Notes

1. This is the English title of Mandel's two volume *Traité d'Economie Marxiste*, which is to be published in 1967 by Merlin (London) and Monthly Review (New York). See Jan-Feb, 1967, ISR for Mandel's review of *Monopoly Capitalism*.

2. Elsewhere, I have indicated my own criticisms of the development of the concept by Baran and Sweezy, and my suggestions for a more adequate treatment. "Analyzing the Surplus," *Monthly Review*, January 1967.

Ernest Mandel

## THE LABOR THEORY OF VALUE AND "MONOPOLY CAPITALISM"

David Horowitz's challenge offers a welcome occasion to test the validity of the labor theory of value as an instrument for analyzing and explaining the functioning of contemporary monopoly capitalism. At the same time, it enables us to deepen both our appreciation and our criticism of Baran and Sweezy's book.

The concept of "surplus" is today widely used by anthropologists and students of primitive societies in its most elementary sense: that part of social production which exceeds the immediate consumption needs of society. Since primitive society, in which "surplus" first appears, is a classless society, consumption by producers (i.e. restoration of the producer's labor power and reproduction of the given number of producers), and social consumption are largely equivalent. In that sense, "economic surplus" covers the same socio-economic concept as the Marxist concept of "surplus product," that part of social product over and above "necessary product."

In all but the most backward of primitive societies, "necessary product" has, however, still another function to fulfill in order to reproduce society's productive capacities. It also has to guarantee equivalent substitution of all means of production used up in the process of social production. The more a society develops, the more important this second function becomes.

In a capitalist society, the necessary product includes constant plus variable capital ( $c+v$ ), that is, reproduction of dead and living labor necessary to restart production at the same level as during the previous cycle. This ensures what Marx calls "simple reproduction." The surplus product represents the difference between the value of the social product,  $c+v+s$ , and the value of the necessary product. It is equal to  $s$ , surplus value. In fact, surplus value is simply the specific form under which surplus product is appropriated in the capitalist economy.

Baran and Sweezy do not dispute this definition. They actually repeat it on pp. 8-10 of their book. They add that, if they prefer the term "surplus" to the term "surplus value," it is only because "most people familiar with Marxian economic theory"—contrary to Marx

himself—identify surplus value "as equal to the sum of profits plus interest plus rent." (p. 10.) In that sense, they seem to start from identical definitions as Marx, and David Horowitz seems wrong in his assumption that they have abandoned the labor theory of value.

However, as the authors develop their arguments, it becomes more and more apparent that they substantially depart from this initial definition. The impression is created that they have abandoned the labor theory of value. Whether or not this is the intention is for Paul Sweezy himself to clarify.

### Depreciation Allowances

In evaluating "surplus", Baran and Sweezy lay particular emphasis on the question of depreciation allowances. They allege that "excess depreciation allowances" (pp. 99-100 and 372-378) constitute "surplus" and they get entangled in various calculations of this factor. But they do not pose the question the way it should be posed from a Marxist point of view: What is the *value* of the fixed capital actually used up in the process of production?

Several arguments plead against their and Joseph D. Phillips' thesis about "excessive depreciation allowances." The use of a percentage of *gross* investment similar to that of the Soviet Union is obviously untenable, because the rate of net investment in the Soviet Union is greatly superior to that of the U.S. economy. Excessive depreciation allowances are not the only form of tax evasion. Profits are even better hidden by charging expenses for capital renewal to current operations; this is widely practiced by big business.

And last but not least, in order to have a correct estimate of real fixed capital values used up in current production, one must start by having a correct estimate of real capital value. This is usually even more underestimated than are current profits. And as the accelerated rate of technological expansion, which Baran and Sweezy acknowledge, tends to reduce the lifespan of plant and machinery, the value of annually used up fixed capital is very large indeed, probably larger and not smaller than official depreciation allowances contend.

Consequently, one should subtract, not add, depreciation allowances from gross receipts in order to establish corporate "surplus." And this calculation strongly reduces Phillips' statistical demonstration of the "tendency of the surplus to rise." Without any part of depreciation allowances, the surplus, as it is defined by the authors, declines to 43.8 percent of the GNP in 1929, 49.4 percent in 1949, 49.2 percent in 1959 and 49.8 percent in 1961.

On the other hand, if one defines the "surplus" in the way the authors initially do as "the difference between what a society produces and the costs of producing it" (p. 9) and eliminates interest and rent from the



"costs of production," one is following the labor theory of value: The "surplus," or "surplus value," is then the difference between the value of the social product and the value used up (in the form of constant and variable capital) in producing that product.

But this classical Marxist definition is inconsistent with the more sloppy definition of "surplus" as "the difference between aggregate net output and the aggregate real wages of productive workers" (p. 125). This definition uses the labor theory of value in the second part but denies it in the first. "Aggregate net output," as defined by current bourgeois calculations, includes redistribution of surplus value and many incomes which are simply the result of inflation (e.g. payments to armed forces, veterans or state functionaries financed through budgetary deficits, etc.). Our authors thus shift back and forth between value and "aggregate demand" calculations. Horowitz is right in assuming that they try to combine Marx and Keynes. He is wrong in assuming that this contributes to a clearer understanding of the "laws of motion" of monopoly capital.

Horowitz bases his rejection of the labor theory of value on an old article written by Oskar Lange in the thirties.<sup>1</sup> This article contains what amounts in our opinion to several misconceptions both about Marx's economic theory in general and his labor theory of value in particular. This is not the place to answer Lange's arguments extensively. But we would like to take up one of his basic points, which has a direct bearing on our critique of *Monopoly Capitalism*.

Lange's assumption that Marx's labor theory of value is "nothing but a static theory of general economic equilibrium" (op. cit. p. 194) seems to us utterly mistaken. One could make this point about the special application of this theory to conditions of simple commodity production. But it is completely wrong to maintain it about the theory of value as applied to capitalism. And it is to this application, and not to the special case of static equilibrium in a precapitalist society, that Marx after all devotes nearly all his economic studies, from 1844 until his death.

In order to understand the dynamic nature of the labor theory of value as used by Marx, it is sufficient to understand Marx's purpose in perfecting Ricardo's labor theory of value by working out his theory of surplus value. What he wanted to explain was the essentially dynamic problem of capital accumulation: How the exchange of "equal values" between the worker and the capitalist leads to constant enrichment of the capitalist. It is unnecessary to develop the way in which Marx solved this problem at length: the distinction between labor and labor power; the discovery that the worker does not sell his "labor" but his labor power; the distinction between exchange-value of labor power and its use-value for the capitalist (which is precisely to produce more value than its own exchange value) etc.

The labor theory of value thus corrected by Marx introduces two dynamic elements into what Lange mistakenly calls a "theory of general economic equilibrium." By its very nature, it implies a process

of economic growth built into the model. And it indicates the dual processes which provide the rationale of capital accumulation: competition between capitalists; and competition between capitalists and workers.<sup>2</sup>

For the same reason, it is inappropriate to speak of Marx's model as a model of "general economic equilibrium." In reality it is a model which presents a dialectical unity of equilibrium and disequilibrium, the one leading *necessarily* to the other. This is the reason why it is futile to try to "discover" Marx's theory of crisis in the famous reproduction schemes of Vol. II of *Capital*, because these schemes actually make abstraction of "competition between capitalists." And any study of business cycles must necessarily come under that heading, according to Marx himself.<sup>3</sup>

All the "laws of motion" of the capitalist mode of production arise out of the process of capital accumulation, based upon and explained by the labor theory of value as perfected by Marx. This is especially true for the law of centralization and concentration of capital and the law of increasing organic composition of capital, both of which result from competition between capitalists ("the big fish eat the small fish") and from competition between capital and labor (the necessity to increase the production of relative surplus value, i.e. to increase the productivity of labor).

Indeed, the attempt to divorce the activities of capital accumulation from these two rational explanations offered by Marx, or even to divorce one from the other, must lead to the discovery of some mystic "accumulation urge" beyond the realm of scientific investigation. Authors embarked upon this perilous path generally end up with the kind of tautological explanations like "capitalists accumulate because (!) it is their mission—or function, or role, or goal—to accumulate." One is reminded of Moliere's immortal definition: "Opium causes sleep because it has dormative qualities."

## Competition between Capitalists

Baran and Sweezy strongly contend that to accumulate capital is still "Moses and the Prophets" for today's giant corporations. With this we fully agree. But they do not give any exhaustive explanation of the reasons why this is so. On the contrary, they do not incorporate at all the basic competition between capitalists and workers into their analysis; it appears only in the final chapters treating the current displacement of workers by automation. As for competition between capitalists, they waver between erroneous positions: On one hand they identify competition with "price competition"; on the other hand, denying that "price competition" prevails, they seem to say that competition does exist, but in a system which is "radically different" from Marx's model.

A good deal of clarification is in order. It is true that in Volume III of *Capital*, when Marx develops his theory of the formation of "pro-

duction prices" (equalization of the rate of profit as a result of flux and influx of capital between different branches of industry), prices rising or falling are the mechanism through which the profit equalization process takes place. But a moment's thought shows that this is only a subordinate mechanism, not the crux of the matter. If instead of price cutting, aggressive advertisement is used as the vehicle for appropriating a greater share of the market, the whole reasoning stands exactly as in Volume III of *Capital*. The important point is that one firm realizes a substantially higher rate of profit, and that this higher rate then attracts capital of other firms (say: other monopolists) to the same field, until equalization occurs. To say that the monopolists try to avoid excessive risks means precisely in this framework that they will avoid excessive deviations from the "normal" monopolistic super-profits, because such deviations would unavoidably attract other capital.

The crucial weakness of *Monopoly Capitalism*, however, is the authors' failure to deal with the exploitation of labor by capital and their consequent omission of the capitalists' need to increase relative surplus value. When speaking about poverty in the United States, Baran and Sweezy correctly point out (p. 286) that the total disappearance of the reserve army of labor during the second world war led to an "improvement of living standards of poor people . . . nothing short of dramatic." This in turn led to an upward pressure on real wages, exemplified in the great postwar strike wave. They continue (p. 287) to state that in the fifties "unemployment crept steadily upward, and the character of the new technologies of the postwar period sharply accentuated the disadvantages of unskilled and semi-skilled workers." It seems to us that the "new technologies of the postwar period" created that upward tendency of unemployment, i.e. that the U.S. economy then entered the most dramatic period of "displacement of labor by machines" in its whole history.

There can be no further doubt that this move was successful beyond all expectations, that for more than 10 years U.S. real wages nearly stagnated as compared with the rapid increases in all other imperialist countries, and that the big increase in profits during that period was a result of the fantastic increases in relative surplus value so produced.

By leaving out of their analysis of monopoly capital the continuous struggle of the capitalist class to maintain and increase the rate of exploitation of the working class, Baran and Sweezy put their whole economic concept of the present functioning of the capitalist system outside the realm of contending social forces, i.e. outside the realm of the class struggle. It is not surprising, therefore, that they end by denying any validity to the anti-capitalist potential of the American working class; they imply this negation already in the premises of the argumentation: We are faced with a classical *petitio principis*.

As for the competition between capitalists, as said before, Baran and Sweezy's argumentation is vague, to say the least. They recognize the need of the corporations to reduce costs. They recognize the

need of the corporations to increase profits for goals of increased capital accumulation. They also recognize the fiercely competitive nature of the "monopolists' jungle," not to speak of the fierce competition between the monopolists and the non-monopolized sectors of the economy. Yet they shy away from the obvious conclusion: That the main rational explanation of that accumulation remains competition, exactly as it was in Marx's model. And this leaves a gaping void at the center of their analysis.

## Value Analysis

The reason for this weakness is easy to discover. The labor theory of value implies that, *in terms of value*, the total mass of surplus value to be distributed every year is a *given quantity*. It depends on the value of variable capital and on the rate of surplus value. Price competition cannot change that given quantity (except when it influences the division of the newly created income between workers and capitalists, i.e. depresses or increases real wages, and thereby increases or depresses the rate of surplus value). Once this simple basic truth is grasped, one understands that the displacement of free competition by monopolies does not basically alter the problem *in value terms*. It means that the distribution of the given quantity of surplus value is changed, in favor of the monopolists and at the expense of the non-monopolized sectors. It *can* mean (but this must then be demonstrated) that the general rate of surplus value is increased. But it does not modify in any sense the basic relationships which explain the *creation* of surplus value.

By jettisoning the field of *value production* for the field of monetary aggregate demand, Baran and Sweezy obscure the simple basic relationships. They speak loosely about "the surplus being absorbed" when idle men and machines are put to work. But what has not been produced cannot be absorbed. When machinery is idle, we do not have an "unabsorbed surplus," i.e. *surplus value* not spent, or unsold commodities. We have unused *capital*, which is something quite different. And when "idle men and machinery" are put to work, "surplus" (surplus value) is not being "absorbed" but is being *produced*, i.e. its amount grows, as a result of an increase in variable capital.

Abandoning the firm ground of value calculation for the slippery field of "aggregate demand," Baran and Sweezy often show an amazing inability to distinguish between the micro-economic behavior of the firm and the macro-economic result of such generalized behavior. They correctly state that the modern monopolist corporation tends to "maximize profits" at least as much as its competitive ancestor did. But they seem to forget that the average rate of profit is precisely the macro-economic result of such behavior in the individual firms. This follows immediately from the assumption that surplus value, which

can be distributed among different firms, is a given limited quantity each year.

If any monopolist corporation succeeds in gaining an excessive share of total surplus value, other corporations quickly move into the same line of business. The examples of aluminum, electronic computers, duplicating machinery, petrochemical products, just to note only a few "growth" industries during the last three decades, clearly confirm that this actually happens. Thus we arrive at the conclusion that under monopoly capitalism exactly as under the "competitive model," profit maximization of individual firms leads to the tendency toward equalization of the rate of profit. The only distinction one has to make is that under monopoly capitalism, *two different* average rates tend to evolve: one for the monopolist sector of industries, and another for the competitive sector.<sup>4</sup>

We can therefore conclude that Baran and Sweezy have been unable either to prove that Marx's model was based on some specific feature linked to price competition, or that capital accumulation under monopoly capitalism unfolds along lines which are qualitatively different from those of "competitive capitalism." Under monopoly capitalism as under "competitive capitalism" the two basic forces explaining capital accumulation remain competition between capitalists (for appropriating bigger shares of surplus value) and competition between capitalists and workers (for increasing the rate of surplus value).

In Marx's model, the tendency of the average rate of profit to decline arises from two causes. First, since human labor alone produces surplus value, only one part of capital, variable capital, corresponds to the production of surplus value. If there is a tendency for variable capital to be a smaller part of total capital, there will be a strong pull for the relation  $\frac{s}{c+v}$  to decline. Second, this pull could be neutralized only if at the same time the rate of surplus value  $\frac{s}{v}$  would increase. But historically, it is very unlikely that the increase in the rate of surplus value occurs *in the same proportion* as the rise in the organic composition of capital. And in the long run, this is impossible. Because, whereas the organic composition of capital can grow infinitely (the limit being complete automation, i.e. complete expulsion of living labor from the process of production), the rate of surplus value cannot grow infinitely, because this would imply that wages of workers actively engaged in production fall toward zero.

Baran and Sweezy contend that the tendency toward a decline of the rate of profit is somehow linked to Marx's "competitive model" and no longer operates under the reign of monopoly capital. But they do not make the slightest attempt to examine the two basic ratios from which the falling rate of profit results: the organic composition of capital and the rate of surplus value.

In relation to the organic composition of capital, the authors of *Monopoly Capitalism* do not make any overall assessment. On the one hand, they say that "under monopoly capitalism the rate at which

new techniques will supersede old techniques will be slower than traditional economic theory would lead us to suppose . . . Technological progress tends to determine the form which investment takes at any given time rather than its amount" (pp. 95, 97). But a few pages further, they write, "the decade 1952-1962 was one of rapid and probably accelerating technological progress" (p. 102). The figures they quote bear out the thesis that investment in fixed capital rises quicker than wages. In 1953, expenses for research and development and outlays on plant and equipment of non-financial corporations amounted to \$27.4 billion, while they amounted to \$44 billion in 1962 (and have since risen to a figure double that of 1953!). Wages paid to labor engaged by the same corporations have certainly not risen by 100 percent between 1953 and 1966!<sup>5</sup>

### Technological Advance

First Baran and Sweezy contend that the only technological revolutions which really caused tremendous spurts in productive investments were related to the steam engine, the railways and automobile. But later (pp. 267-8) they admit that the technological revolution linked with mechanization, automation and cybernation has reduced the number of unskilled workers in the American economy from 13 million in 1950 to less than 4 million in 1962, and that, according to many authorities, this technological revolution is still in its early stages! Surely, a displacement of workers by machines at what Baran and Sweezy call this "fantastic rate" expresses a tendency toward an increase in the organic composition of capital, does it not?

There is no doubt in our mind that starting with the late fifties (i.e. with the upward shift in the unemployment rate) there has been a significant increase in the rate of surplus value, which crystallized in the "profit explosion" of more than 50 percent between 1960 and 1965. But that this increase can continue to displace more and more productive workers, who alone create surplus value, at an equivalent rate with the rise in the organic composition of capital is doubtful. Automation will continue to displace more and more productive workers; the wages of the productive workers may well represent a gradually declining part of the new income generated in industry; but they will certainly not fall rapidly enough to offset the rising organic composition of capital. So there is no reason to assume that the tendency of the rate of profit to decline will be historically reversed.

There is striking proof of this which interestingly enough is quoted by Baran and Sweezy without drawing the necessary conclusions. On pp. 196-7 they indicate that between 1946 and 1963, direct foreign investments of American corporations increased more than five fold, because the rate of return on investment abroad was much higher than in the U. S. Obviously, the organic composition of capital is lower, and

the degree of market control by monopoly capital is less in these foreign countries, than in the U.S. Isn't it reasonable then to conclude that the more they become "Americanized," the more the rate of profit will tend to fall? And in the U.S, new technological progress will result in a new and significant decline of the rate of profit compared to its present level.

Baran and Sweezy's insistence on a continuous rise of the "surplus" is based upon very simple reasoning: Under monopoly capitalism, costs decline, prices rise together with profits, therefore the surplus must increase (p. 79). But here again price calculations instead of value analysis obscure the macro-economic problems involved.

"Under monopoly capitalism employers can and do pass on higher labor costs in the form of higher prices," write Baran and Sweezy (p. 77). But a moment's thought shows that such sloppy statements, useful as they might be in agitation, do not mean very much in terms of real economic relations. For if the employers "pass on" identical higher labor costs in the same way to all consumers, all commodity prices rise in the same proportion, and far from "surplus" having increased, relations between wages and surplus value, and between the parts of total surplus allotted to each firm, remain exactly as they were before. If this "passing on" can be done only by the monopolists, there is a big probability that real wages will actually have risen, and that the biggest gains of the monopolists will have been made at the expense of the non-monopolist sectors of the capitalist class who will have been unable to raise their prices in the same proportion. In that case again, "surplus" has not been increased but only redistributed and probably even slightly reduced at the expenses of one part of the capitalist class. And if prices of consumer goods actually rise

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**published bi-monthly**

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more than wages, then there is a decrease in the real wage and indeed a rise of the "surplus"—but not through any special "new" device, but through the age-old method of capital: lowering wages.

The origin of Baran and Sweezy's theory about the tendency of the "surplus" to rise is easy to determine. It is, on the one hand, an incorrect generalization from a temporary occurrence: the sharp rise in capitalist profits during the late fifties and the first half of the sixties. It is, on the other hand, a result of a tendentious use of the term "surplus," even to the point of making it synonymous with "aggregate demand." Such reasoning simply eliminates the problem of inflation and includes a number of cases of counting the same income two or three times.

Here we can see clearly, that contrary to David Horowitz's contention, Baran and Sweezy's attempt to combine Marx with Keynes is precisely one of the main reasons they are led astray. Marx makes it crystal clear that on the basis of the labor theory of value, all income generated in capitalist society (except for the income of small owners of the means of production who do not exploit wage labor) can only have two sources: either variable capital or surplus value. When capitalists use their surplus value to buy directly the individual services of housemaids, private teachers, clergymen, etc., they do not create new income. They simply distribute part of surplus value as revenue. It is unimportant how many times this surplus value circulates in a year's time. It is always the same surplus value which is redistributed. Mayors of small towns, whose industries have disappeared know this through sad experience: Eliminate the original wages and surplus value, and all service income disappears as if by magic! But if you calculate "aggregate demand" in the way in which it is at present defined in the United States, you get the impression that income of *all* service industries is simply added to profits of industrial firms and you then easily arrive at calculations in which part of the "surplus" (defined in this sloppy way) is two or three times as big as it really is.<sup>6</sup>

### Sales Effort

A good example of this is that of the problem of increased sales effort. Sales costs do not add to value produced, but are an example of what Marx called "the expenses of circulation . . . paid out of a given quantity of surplus value." Baran and Sweezy actually quote this passage from *Capital* on p.112 of their book. Yet they not only treat increased sales effort as a means of "surplus absorption" (surplus value absorbing surplus value!). They even see therein a means of increasing profit for the capitalists, because part of the initial outlay will be "paid by the workers" through increased consumer prices! They don't seem to understand that the whole outlay was paid by



the capitalists in the first place, and that you can't add it three times: first as surplus value (capitalist profits); then as advertisement outlays (part of profits used for sales efforts); and finally as additional capitalist profits (part of the sales effort recovered from the workers' wages).

Here again, the source of Baran and Sweezy's confusion is easy to discover. For the "sales effort" they speak of (which is not part of the distribution costs treated by Marx) is in reality *financed out of capital*, and not out of current surplus value. Inasmuch as monopoly capitalism is characterized by huge amounts of *surplus capital*, "sales efforts" (in the same way as the "service industries") offer a welcome outlet for this capital. As supplementary workers are employed, and as they buy commodities with their wages and salaries, the "increased sales effort" can trigger indirectly increasing "realization" of surplus value, out of an increased capital outlay. But to add this capital (generated from yesteryear's surplus value) to this year's surplus value is an evident error in calculation, as far as value calculation is concerned.

The valid and important kernel of truth contained in Baran and Sweezy's book is their insistence on idle and unused capital. This indeed is a specific feature of monopoly capitalism, arising precisely out of the slowing down of price competition and the concentration of capital in the monopolized sectors. It increases precisely inasmuch as the average rate of profit tends to be higher in the monopolized sectors than in the non-monopolized sectors of the economy. And it poses the crucial question of *surplus capital disposition* which Baran and Sweezy have elucidated in many important fields. The monopolists receive indeed higher profits—but they are unable to reinvest all of them without endangering this very rate of super profits!

This is, be it said in passing, the *main* reason which *compels* monopoly capital to invest more and more capital in armaments and—together with an attempt to counteract the falling rate of profit—one of the main reasons which explains the growing volume of capital exports by U. S. imperialism. Without these two elements added to the analysis, U. S. imperialism's intervention in both world wars, and its present attempt to "make the world safe for capitalism," cannot be explained in a sufficiently thorough-going manner, as being *inherent* in the system.

But adding surplus capital to surplus product doesn't clarify the issue. Had the authors applied the labor theory of value to this question, they would immediately have noted both the relations and the differences between the two crucial problems aging monopoly capital faces: investment of surplus capital and increasing difficulties in realization of surplus value.

In an essentially underdeveloped economy this difference is negligible. There the social surplus product does not consist of industrial goods which need to be sold; at the same time, the ruling class is

not essentially geared to productive capital investment. Social surplus product takes essentially the form of land rent, income of the *compradore* bourgeoisie, and profits of the foreign trusts, none of which are industrially invested in the country. To lump these incomes together, call them "surplus" and show that the mobilization of this surplus for the goal of productive investment through planning and industrialization would make possible a rapid process of economic growth, is entirely legitimate. That is why the concept of "surplus" is operative when Baran applies it to the problem of underdeveloped countries.<sup>7</sup>

But in an industrialized imperialist country, the situation is entirely different. The social surplus product essentially takes the form of industrial goods which have to be sold before surplus value can be actually realized. This process meets with increasing difficulties. On the other hand, under conditions of monopoly capitalism, there are great reserves of capital on hand—as a result of the past realization of surplus value—which find more and more difficulties for profitable investment, and plants corresponding to invested capital are generally run below the optimum level of capacity. These twin problems of surplus value realization and of surplus capital investment both demonstrate the irrationality of the system. And neither can be lumped together in a new category of "surplus."

They are even more obscured when one passes from value production and realization analysis to aggregate demand analysis, and thereby adds to surplus value the vast amount of purchasing power of inflationary origin injected into the system since the second world war. Baran and Sweezy themselves state that the post-1945 boom in the U.S. is to be explained by "a second great wave of automobilization and suburbanization, fueled by a tremendous growth of mortgage and consumer debt" (p. 244). If one adds the not less tremendous growth of public debt since 1940, one gets a picture not of an "increased surplus" but of increased difficulties of surplus-value realization, which sooner or later must bring the whole topsy-turvy pyramid down. Surely Sweezy will agree with us that inflationary purchasing power injected into the system can, from a point of view of value production and distribution, only do one of two things in the long run: either redistribute surplus value in favor of certain sections of the capitalist class and at the expense of others, or increase surplus value at the expense of wages. And this second "solution" would only exacerbate the problem of surplus-value realization.

But here we arrive again at the problem of inflation in the U.S., and its repercussions both on the class struggle inside that country and on the international monetary system. These questions need further elucidation. They are certainly one of the main problems posed by monopoly capitalism, as both bourgeois and Marxist economists know only too well.

## Erratum

In my article on Baran and Sweezy's book which appeared in the January-February 1967 ISR an unfortunate typographical error occurred. On p. 59 it is printed: "Equally to take sales costs *en bloc* as part of the surplus is to indicate that this notion encompasses something more than surplus value. Evidently, the part of sales cost which is just reproduction of *capital invested in the service sector* is not part of social capital." The last sentence should read: ". . . is part of social capital."

## Foot Notes

1. Oscar Lange: "Marxian Economics and Modern Economic Theory," *Review of Economic Studies*, June, 1935.

2. Incidentally, in the above named article, Lange completely eliminates competition between capitalists and assumes that technical progress proceeds independently from such competition, thereby introducing an element of built-in evolution. This is a serious misinterpretation of Marxism.

3. In his general plan for *Capital*, Marx explicitly excludes crisis from the part entitled "capital in general," and includes it in the part called "different capitals," i.e. competition.

4. In my *Traité d'Economie Marxiste*, Vol. II, pp. 46-51, I have tried to offer some statistical proof of this proposition. It is clear that Baran and Sweezy seriously underestimate the amount of competition occurring under monopoly capitalism, both nationally and internationally. When they approvingly quote Galbraith's list of commodities (p. 74), which in the next generation will still be bought from the same corporations as several decades ago, they have to leave out of this list such important commodities as coal, airplanes, computers, plastics and other petrochemical products, TV sets, office machines and even electrical power or steel, from which the statement is either partially or totally incorrect.

5. At one point of their reasoning, in a very abstract way it is true, Baran and Sweezy seem to imply that the rise in organic composition

of capital is impossible. They write on p. 81 that it is "nonsensical" to conceive of capitalist production as implying that "a larger and larger volume of producer goods would have to be turned out for the sole purpose of producing a still larger and larger volume of producer goods in the future. Consumption would be a diminishing proportion of output, and the growth of the capital stock would have no relation to the actual or potential expansion of consumption." Two words are the source of confusion here: the word "sole purpose" and the word "no relation."

It seems to us proved that more and more producer goods *are* being turned out for the purpose of producing still more and more producer goods, although this is of course not their *sole* purpose. Their purpose is also to produce at cheaper costs more consumer goods. And it seems also proved that consumption *is* a diminishing proportion of output, although this does not imply there is *no* relation at all between capital stock and the final output of consumer goods. That producer durables are a growing percentage of current output is born out by U.S. historical statistics. And to deny this possibility is not only to deny a rise of the organic composition of capital under conditions of monopoly capitalism; it means to deny such a rise for capitalism of the 19th century as well!

6. Capital invested in trade and several service industries, as well as in transportation of individuals, does not lead to the creation of additional surplus-value through the hiring of labor; it only participates in the distribution of surplus-value created by labor in the productive sectors of the economy. But in order to calculate the total sum of surplus-value produced, one cannot just add profits of all firms. Some are clearly the result not of distribution, but of *re-distribution* of surplus-value, e.g. when they sell services in exchange of profits from other firms (to quote only one example: the services of brokerage firms called upon to invest newly realized profits).

7. Cf. *Political Economy of Growth*, Paul Baran, Monthly Review Press, 1959.

George Novack

# MALCOLM X, BLACK NATIONALISM AND SOCIALISM

When Malcolm X was shot down in February 1965, it was clear that his memory would be cherished by the millions of black men and women who mourned their martyred leader. It was not so certain that the movement he initiated after his departure from the Nation of Islam or the ideas he was elaborating and broadcasting during his last year would survive and gain ground.

The gunmen had silenced a personality in the midst of change who still had a great deal to learn for himself as well as to teach and tell others. Their bullets removed an exceptionally able commander from the battlefield before he was given time to train the officers and assemble the troops for an army of Afro-American emancipation.

When I wrote an obituary article on the meaning of his life and death at that time I thought it likely that Malcolm would become a heroic legend as an unbreakable defier of white supremacy and enter into the folk memory of the oppressed yearning for freedom, like Patrice Lumumba or Joe Hill. The image of "our shining black prince" evoked by Ossie Davis at the funeral service pointed in that direction and tended for a while to veil the more prosaic but potent political views and perspectives that Malcolm had projected in the most creative months of his career.

These were further dimmed when the movement he had just launched and barely begun to build, the Organization of Afro-American Unity, became fragmented and, passing under a different sort of leadership, veered farther and farther from the new course he had charted. This unfortunate development cannot be held against Malcolm himself. He was compelled to start out on his own in the spring of 1964 under

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*This review of George Breitman's "The Last Year of Malcolm X: The Evolution of a Revolutionary" was originally presented in a San Francisco symposium with Eldridge Cleaver, May 4, 1967.*

extremely heavy handicaps. He had considerable national notoriety and international prominence and a large following. But this following was amorphous and remained to be welded together and re-educated along somewhat different lines.

Malcolm lacked the means to create a base of organization that was broad and strong enough to implement the aims he had set for the movement. These were big objectives and demanded extensive resources and mighty forces for their promotion and realization. It would have taken no little time and effort to acquire and assemble these—and that time was taken away from the thirty-nine-year-old revolutionary along with the breath of life.

## Arena of Influence

However, if Malcolm's organization faltered and failed to fulfill its potential as a rallying center for black unity and militancy, his example and ideas have had a happier destiny. In the two years since his death these have penetrated into the hearts and minds of the ghetto population from North to South, from Harlem to Watts. His arguments, his pungent, witty sayings, and his telling points are repeated on many occasions by Afro-American spokesmen and woven into their debates and discussions over radio and TV. They orient the black power movement that won over SNCC and CORE whose members are spreading the gospel to broader circles. The Sunday *N. Y. Times Book Review* recently reported that Malcolm's autobiography and collected speeches stand high among the favorite reading in black communities.

The main channels of communication in these communities are not literary but verbal. So the ideas of Malcolm are transmitted through the spoken word he himself mastered by those who have read or heard about them from various sources. Growing boys and girls, afflicted by the brutal realities of poverty and racism, as Malcolm was, absorb his insights as readily as they inhale the dust of big city streets and rural roads. Malcolm's words are passed on in classrooms and schoolyards, on street corners and tenement stoops, and burgeon like seeds on rich tropical soil because they match the deepest feelings, the inarticulate aspirations, and life experiences of rebellious black youth. His ideas have become a precious, inalienable part of the cultural and political heritage of Afro-America, nourishing the black nationalism which bubbles and boils in the giant cauldrons of the ghettos.

Malcolm's influence does not stop at America's shores. He is honored and placed alongside Lumumba by freedom fighters from one tip of Africa to the other. This is not surprising. It is more remarkable that his autobiography and speeches have been published abroad and translated into a number of languages: French, German, Italian and

Japanese. A play about his life has just been produced to great acclaim in England.

The main reasons for his reknown are to be found in the integrity and courage of the man, the capacities for growth and leadership he exhibited, the rightness and relevance of his positions, and above all the gravity and importance of the cause of Afro-American liberation he represented. But if Malcolm's message has taken wings and traveled so far and so fast through the printed page as it has, no little credit must go to the devoted industry of George Breitman. He was one of the first, certainly among white radicals, to discern the real stature and significance of Malcolm as the most responsive champion of black nationalism since Marcus Garvey. He undertook to defend him against his detractors and defamers. He explained and propagated his views among white and black militants and then, when Malcolm could no longer speak for himself, collected and edited the materials to be found in *Malcolm X Speaks*.

Shortly before Malcolm's death I talked with the very tired leader and his lieutenant James Shabazz at the OAAU headquarters at the Hotel Theresa in Harlem about the publication of his speeches. He was agreeable to the proposal but it was not to be carried through under his direction. His movement was thrown into such disarray following his murder that their appearance would have been indefinitely delayed, and black militants would have been deprived of these treasures for much longer, if George Breitman had not taken the initiative to gather them from different quarters and push them through the press.

## Interpretation of Malcolm's Direction

After that he felt that something more was urgently needed than simply making the text of the speeches available. Malcolm's statements had to be knit together and accurately interpreted, not only in view of the many distorters of his positions, but also because Malcolm's outlook had evolved so radically and rapidly after he left the Black Muslims that even many of his followers and admirers could not keep up with the pace of his theoretical and political development and remained unaware of its full import and applications.

The prime purpose of Breitman's latest book is to show in just what respects Malcolm changed during the last year of his life.\* Breitman analyzes Malcolm, the agitator, in agitated transition. What did Malcolm move from and what was he heading toward?

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\* *The Last Year of Malcolm X: The Evolution of a Revolutionary* by George Breitman. Merit Publishers, \$1.95 paper.

In a symposium on this book at the Militant Labor Forum in New York April 14 one of the participants who was, like Malcolm X, a former Muslim minister, stated that in essence he never changed. This view sweeps aside and fails to do justice to the differential features in the successive stages of Malcolm's growth.

From the moment he was made acutely aware of his own degradation and the entrapment of his people in the cages of white capitalist society Malcolm was imbued with an unfaltering singleness of purpose. That was to oppose, combat and outwit the system that impoverished, crushed and humiliated twenty-two million blacks. That blazing revolutionary fire was never quenched in him.

### From Individualism to Organization

His first modes of resistance and rebellion were individualistic. He sought relief and release from the white-dominated hell called America by "making it" in whatever ways, legal or illicit, ghetto life left open to him. The first big turn came when he had time to read and reflect inside prison walls and saw that this reckless course led to a dead end or an end in premature and purposeless death. His conversion to the Nation of Islam was not only a personal redemption and racial reawakening but a tremendous step forward for him and thousands of others who entered the ranks of the Black Muslims in the postwar period.

It represented the passage from individual evasion of a terribly oppressive and cruelly depressive environment into collective organization and action. To be sure, the national and social revolutionary impulses which flowed through the congregation of this religious sect had yet to find their proper channel. Nevertheless, the Nation of Islam provided an elementary, albeit inadequate, expression of racial solidarity and emergent national consciousness, a cohesion born of the burning need to fight the devilish white masters as a united band of brothers and sisters.

Despite the insurmountable defects of the Muslim movement, the twelve years he served in it was an inescapable, indispensable and valuable factor in the making of the revolutionary Malcolm X. He could not have been educated and his special talents of leadership brought out in any other available way. By temperament and training he was a man of action who had to test ideas in practice to see what they were worth. He thirsted for knowledge of all kinds and assimilated it in huge gulps. For him theoretical generalizations did not precede but flowed from his own experiences of struggle. For example, he had to knock his head against the constrictions of the Muslim movement before he could be convinced of their incorrectness and inadequacy.



For a long time he firmly and fervently believed that Muhammad held the keys to the kingdom of salvation and that his wisdom sufficed for the direction of the movement. In religious as well as radical political circles there is nothing unusual in such a deferential master-disciple relationship and the discipline attached to it. Think of the millions who have adopted a comparable attitude of blind faith and obedience toward the declarations of a Stalin or a Mao Tse-tung—and this in movements which are not religious in inspiration but presumably actuated by the critical-minded philosophy of materialism.

Malcolm asserted his full capacities for self-reliant leadership only after he had recovered from the surprise and shock of his rupture with Muhammad and proceeded to review and revise his past thinking. Breitman delineates and documents the successive steps in this second period of transformation in his outlook. That change essentially consisted in going from the wholesale rejection to the deliberated revolutionizing of American society. Such a task required the development of a political program to guide the action of the black masses and the building of an organization capable of leading them out of bondage.

The key ideas he advanced in his own charter of black nationalism include black leadership of black people on all levels summarized in the idea of black power; self-defense; racial pride and solidarity in the face of the enemy; identification with Africa and the colonial liberation struggle; intransigent opposition to the white capitalist power structure and its twin parties; independent black political action; opposition to all imperialist interventions against the colonial peoples; collaboration on a basis of equality between militant blacks and those militant whites who are ready to do more than just talk about fighting racial injustice and social inequality.

These results of Malcolm's reappraisals have since spread far and

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wide through the black community. But when his life was cut short he was embarked upon a new and third state of transition which is not so well or widely known. In this book Breitman deals only in passing with this incompleted phase of Malcolm's thought, although he has written about the subject elsewhere, notably in *Marxism and the Negro Struggle*.

Malcolm was on the way to becoming something more than a pure and simple black nationalist and a revolutionary advocate of black power; he was beginning to embrace some of the ideas of socialism, especially the conscious conviction that U. S. capitalism and its vulgaristic imperialism had to be overthrown and abolished if the Afro-Americans and the exploited and oppressed in the rest of the world were to be freed. These conclusions have an immense bearing on both the problems of black liberation and the prospects for a socialist America.

There are many misunderstandings about the real relations between progressive militant nationalism and revolutionary socialism. It is often contended that nationalism and socialism have nothing whatsoever in common, that they are irreconcilable opposites. This is a one-sided judgment. It is true that the nation-state has been the characteristic product of bourgeois society and capitalist political development; that Marxists are internationalists; and that one of the principal objectives of socialism is to do away with the national frontiers that straitjacket economic activity and the national animosities that divide peoples and enable reactionary forces to hurl them against one another.

## Anti-Imperialist National Independence

All this makes up one part of the socialist program. But there is more to its position than that, especially at this point in history.

Marxists recognize that the imperialist conquest, division and exploitation of the globe has resulted in the subjugation and oppression of many peoples. Their strivings to throw off economic, political and cultural domination by the great capitalist powers and win national independence and unity are not only irrepressible but wholly legitimate. These struggles are entitled to support on their own merits from any genuine supporter of democracy.

There are further reasons why revolutionary socialists hail and help the national liberation struggles in Asia, Africa, the Middle East and Latin America at all stages. These anti-imperialist movements deliver sledgehammer blows to the capitalist rulers who are the main enemies of the world working class and opponents of socialism and thereby alter the balance of class forces in favor of the anti-capitalist camp. Thus the insurgent nationalities are in objective alliance with

the forces of socialism against all forms of imperialist reaction and repression.

This alignment of the two separate social and political movements is not confined to the international arena; it can also be operative within the imperialist strongholds themselves. That is the case in the United States today where the nationalist sentiments expressed in the black power crusade, and the revolutionary socialist movement are alike pitted against the capitalist regime.

## Uneven Development of Workers

Unfortunately, oppositional movements do not march in unison but are often out of step with one another. That is certainly so nowadays when the Negro masses are far out in front, ready to challenge the power structure as the most rebellious social force in American life while most white workers are conservatized and apathetic. Just as the colonial areas are the scene of the most intense revolutionary activity on a world scale, so the black resistance movement takes precedence in the anti-capitalist struggles in the United States. This irregular development creates many agonizingly difficult problems for revolutionists, both black and white, who are concerned with building a winning opposition to the status quo.

However, the experiences of the colonial revolutions with which black militants feel such close kinship have many lessons to teach those who, like Malcolm, want to think through their problems in order to wage the most effective fight. Among these are the need for unity in struggle, uncompromising hostility to the men of money, and distrust of all their agents, conservative or liberal, open or disguised.

Two such lessons which Malcolm came to learn are of great and even decisive importance. One is the usefulness of having allies when you are beset by a formidable foe. To beat back and defeat the assaults of imperialism, the colonial insurgents need all the help they can get from any quarter, and not least from discontented residents in the homelands of their oppressors. We see a fresh example of this in the boost to the morale of the Vietnamese and the dissension sown in Washington by the antiwar mobilizations which have called forth such frenzied attacks from Johnson, Westmoreland, Lodge and Nixon.

So black freedom fighters here, as Malcolm came to realize, can benefit from alliances with fraternal forces at home, provided these alignments do not obstruct their own unity and independence or discourage and deter their own revolutionary action. What counts in alliances, as Breitman emphasizes, is not the skin color or national affiliation of the participants, but the nature and the goal of their partnership in struggle.

Another truth which has been brought home to many colonial rebels,

sometimes to their astonishment and dismay, is that a national struggle which stops halfway cannot fulfill the deepest needs and social aspirations of their peoples. The struggle for emancipation must be carried through to its logical conclusion. It is not enough to win political sovereignty under capitalism. National independence can become fictitious and turn into a snare and a delusion if popular power, yellow, black or white, is not buttressed by public ownership over the means of life and labor. So long as foreign or native propertied interests control the major national resources, the demands of the masses will remain unsatisfied and the country can again easily fall into economic subservience to imperialism. The reinstatement of neo-colonialism under formally independent black regimes is being enforced in many newly liberated African nations today.

### From Nationalism to Socialism

This development is not foreordained. It can be averted and the high-road to progress be taken if the national revolution becomes combined with a deeper and broader revolution along socialist lines through which a government of workers and peasants takes over the productive facilities of the country and operates a planned economy in a democratic manner. That is why the anti-imperialist national liberation movements in the undeveloped lands irresistibly tend to pass over from purely nationalist grounds to socialist aims and measures, often in rhetoric but sometimes in reality.

This redirection of a democratic nationalist revolution into socialist channels, which is lodged in the very dynamics of a powerful mass upsurge, took place in Cuba after China and Vietnam. Starting as armed national liberation struggles, these revolutions grew over into consciously socialist movements through conclusions derived from direct confrontations and collisions with the imperialists and their servitors.

What application do these developments of the colonial revolution have to the Afro-American struggle for equality and emancipation? There are three diverse components at work in the black freedom movement: its working class social composition, its black nationalism, and its submerged and latent socialism. The interrelation and interaction of these elements are seldom clearly seen, and are often denied and dismissed, because they do not come forward evenly and mature at the same rate.

It is obvious to almost every black American, whether nationalist or not, that he has to work for a living (if he can get a job), and that the whole existence of his people is disfigured by the color bar. These conditions generate fierce and explosive revolt. But the anti-capitalist,

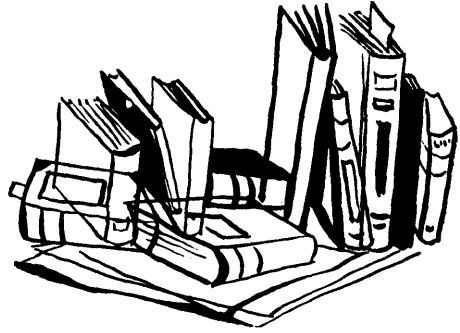
and therewith pro-socialist, dynamics and direction of his struggle are not so evident, especially when he is not yet acquainted with authentic socialist thought, when the labor movement is passive and indifferent to his plight, and when the avowed socialist elements are predominantly white and weak.

Under such circumstances there are dangers in an outlook, which is prejudiced in principle against socialism or Marxism, is politically unclear, and disregards the anti-capitalism implicit in the working class character of the black revolt. It runs the risk of lagging behind the needs and checking the forward march of the movement itself. The millions of ghetto dwellers are not only imprisoned by racial segregation; they are daily confronted with social, economic, political and educational problems which cannot be alleviated, let alone solved, within the framework of the existing economic and political system or without the aid of socialist ideas.

The outstanding significance of Malcolm's evolution from black nationalism toward socialism on a national and international scale was that, from his observations of the colonial world and his analysis of modern history, he had begun to grasp the necessity for the coalescence of these two movements and seek a synthesis of the revolutionary nationalist and socialist aspects of the freedom struggle. This step in his evolution was neither accidental nor strictly individual; it was a logical political conclusion from his entire experience as a revolutionary. In this respect he anticipated the future of the movement as well as embodying the best of its current stage.

His evolution was incomplete—or rather, incompleting. He was not, or was not yet, as Breitman is careful to point out, a Marxist. However, some of his disciples today, inspired by Malcolm's vision and his gift for growth, are also beginning to see that black nationalism and revolutionary socialism need not be adversaries or rivals but can and ought to be friends and allies whose adherents can work together for common ends.

# REVIEWS



## WORKERS IN THE DEPRESSION

***THE LEAN YEARS: A HISTORY OF THE AMERICAN WORKER 1920-1933***, by Irving Bernstein. Penguin Books, 577 pp., \$2.25.

*The Lean Years*, by Irving Bernstein, deals with the condition of the working class in the United States during the decade of the twenties and the early years of the depression. A history of that period has a certain special interest today because of a number of important similarities between the "golden twenties" and the "affluent sixties."

The book is also a timely addition to the material available for the new generation of workers, of young union members and of campus militants who are undoubtedly tired of being reminded periodically by their elders that the youth didn't go through the experience of the depression.

*The Lean Years* provides an opportunity for the young to share that experience, vicariously; for the depression generation to review the experience in perspective; and for both to consider its significance for today.

Bernstein, who is associate director in charge of the research and publications program of the University of California Institute of Industrial Relations, clearly defines the scope of the book in the preface:

"It begins with the worker rather than with the trade union. I am, of course, concerned about the worker when he is organized and devote considerable attention to the manner in which his union bargains for him. But this is not all. I am also interested in him when he is unorganized, in his legal status, in his political behavior, in his social and cultural activities, and in how the employer and the state treat him. In other words, this book is about the worker in American society at a particular stage of its development."

In the first part of the book Bernstein describes the economic problems of wage workers in the twenties, the decade in which, for the first time "a majority of the people in the United States lived in urban areas." In vivid detail he describes the inability or unwillingness of the labor movement to provide leadership in dealing with the problems of unemployment, poverty, discriminatory wage patterns based on sex, race and age.

He reviews the antagonistic interests of the employers and their anti-labor policies and practices, and reports objectively on the role of the state, through its executive, legislative and judicial agencies, in protecting the interests of the employers against the workers. Parallels with the sixties may be seen in all of these areas, but possibly some of the most thought-provoking are to be found in the chapter titled "The Paralysis of the Labor Movement."

"A favorite sport of writers at this time was to denounce the American labor movement," Bernstein notes. "These writers who attacked the AFL pointed repeatedly to the same weaknesses: the emphasis on a craft structure, the ignoring of industrial unionism, jurisdictional disputes, inertia in organizing the unorganized, weak or tyrannical or corrupt leadership, philosophic individualism, fraternization with businessmen, and political impotence."

## Decline in Union Membership

Union membership dropped from 5,047,800 in 1920 to 3,622,000 in 1923. For six years there was little change, except down—to 3,442,600 in 1929.

"In the twenties union leaders seemed bereft of ideas to deal with this decline of their movement. They were ideological prisoners of the past," Bernstein says.

From militancy, the AFL shifted to respectability. It "advertised itself as an enthusiastic admirer of capitalism and a staunch enemy of bolshevism." A whole series of class-collaborationist and conservative policies followed: union management cooperation to make production more efficient, union concessions in wage rates to make the employer "more competitive," the linking of wage rates to increases in productivity, labor banking and insurance plans. Labor was going to pro-

gress by selling enlightened management on the advantages of unionism, and persuasion would replace struggle.

"Viewed as a whole," Bernstein observes, "union-management cooperation must be regarded as a failure." Experiments were few and ineffective. "The movement [labor-management cooperation] can be understood only as a facet of general union decline in the twenties and it did virtually nothing to stem the tide."

## Poverty Amidst Plenty

The real test of the policies of the labor leadership, as well as those of management and the state, came in the depression, and here they exhibited complete bankruptcy. Part II, the bulk of the book, deals with this period. Poverty amidst plenty, unemployment, hunger had become familiar features of American society during the golden twenties—just as the hopelessness and destitution of Appalachia and the urban ghettos are undeniable facts of the affluent sixties. President Johnson's fine speeches about the War on Poverty come to mind in reading Herbert Hoover's speech accepting the Republican nomination for the presidency:

"We in America today are nearer to the final triumph over poverty than ever before in the history of any land. The poorhouse is vanishing from among us . . . We shall soon . . . be in sight of the day when poverty will be banished from this nation."

The American economy reached the high point of production of goods up to that time in the summer of 1929. Then, on October 29, came the stock market crash. The number of jobless went from 492,000 in October to 4,065,000 in January 1930. It reached 5 million in September, 6 million in November, 8 million by January 1931 and passed 9 million in October.

"The President himself issued a steady stream of . . . 'optimistic ballyhoo statements'" which nobody believed. The credibility gap of the depression years could be compared to the credibility gap today regarding the Administration's statements on the war in Vietnam. Bernstein describes graphically and statistically the collapse of the economy, the breakdown of local resources, the futility of reform programs, "the social price paid by the victims of unemployment."

"Joblessness sapped the little remaining strength of the labor movement," he reports. "Union membership and dues fell off, forcing the organizations to curtail their activities. Racketeers took the occasion to penetrate the unions on a hitherto unknown scale. The unions were incapable of calling strikes except in desperation. Thus they were powerless to improve the wages and working conditions of their members and had little ability even to hold the line on wages. That once mightiest of the unions, the United Mine Workers of America, disintegrated."



The national policy of local responsibility for unemployment relief had broken down completely by the fall of 1931. Private charitable agencies and many municipalities, particularly the large cities, were completely incapable of handling the load. The unemployed turned to their own experiments and their own leaders. The first self-help organization in the United States, according to Bernstein, was formed by the jobless in Seattle in 1931. The Unemployed Citizens League was initiated by Hulet M. Wells and Carl Brannis of the Seattle Labor College, "an offshoot of A.J. Muste's Brookwood Labor College." Self-help (including production for use and barter), relief and employment were the first objectives of the organization, with political action added later. By the end of 1931 the League had 12,000 members, and a year later 80,000 in the state of Washington.

Other forms of protest organization and action are described, many led by socialists and communists. And other forms of self-help developed, ranging from the "rent party" which originated in Harlem in the twenties, to the Utopian Borsodi experiment in production for use in Dayton, Ohio, to various back-to-the-land movements.

1932 was the high-water mark of mass protests and demonstrations of the unemployed. Marches on Washington, on city halls and state capitals, and on the Ford Motor Co. in Dearborn involved millions of Americans. The most massive national demonstration around the most minimal demand—immediate payment of the veterans bonus that had been voted by Congress for future payment—was the gathering of veterans from all over the country in Washington, D. C. After weeks of "sitting-in" in the nation's capital, the unemployed veterans

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and their families were evacuated by the Army and their camp at Anacostia demolished. The President ordered the War Department to send in the Army, and on July 28, 1932, General Douglas MacArthur, aided by Major Dwight D. Eisenhower, George S. Patton Jr., four troops of cavalry, four companies of infantry, a mounted machine gun squadron and six whippet tanks, swiftly and efficiently defeated the unarmed, unemployed "Bonus Expeditionary Force."

## Attacking the BEF

"It is probable that no act of Hoover's proved so unpopular as his decision to drive out the BEF," Bernstein observes. The use of armed force against jobless veterans undoubtedly contributed to the massive reaction of the American workers on the 1932 presidential election. But the Roosevelt landslide (22,809,638 votes to Hoover's 15,758,901) represented a much broader protest against unemployment and the administration's failure to deal with it.

Within the framework of the existing two-party system the labor vote had already begun to shift in the 1928 election, in which the Democratic Party standard bearer, Al Smith, appealed to the city workers. By 1932 "the labor vote, because of its great size and strategic location in the big states, now made the Democratic Party the majority party and established a new pattern that was to dominate American politics for almost a generation."

In historic perspective two major lessons of *The Lean Years* emerge clearly: The philosophy and institutions of American capitalism and its supporters in the labor movement proved incompetent to deal with the problems of economic collapse. The efforts of political reformers proved completely ineffective until the unemployed working class acted on its own behalf to win the minimal relief necessary for self-preservation.

The book is strong, as a history, in its description, in its vivid presentation of relevant facts with a high degree of objectivity. But it must be remembered that it deals only with a brief period of labor history, a period of decline. It tells nothing of the period of rise of the labor movement from between the Civil War and World War I, nor the dramatic rise of the CIO described by Art Preis in *Labor's Giant Step*.

It would be incorrect to attempt to draw conclusions about fundamental questions from an observation of superficial similarities between the twenties and the sixties. For example, such questions as: What was the cause of the depression, and could it happen again? Is there a working class in the United States in the Marxist sense, and does it have an independent role to play in reorganizing society on a more rational basis for satisfying human needs? Why did the American labor movement which seemed at the end of its rope in the twenties,

revive, become reinvigorated and play a major role on the national scene in the thirties and forties—only to degenerate again by the sixties to an apparently socially irrelevant role? Do the unions have a future, and what is it?

*The Lean Years* does not attempt to answer these questions but it does provide essential material for such analysis about a most revealing period in the development of American society.

Irving Bernstein's next book, the history of American labor from the inception of the New Deal to World War II, will provide him with an opportunity to make a major contribution to education on labor history. In *The Lean Years* he "sought to break with the tradition that has dominated the writing of American labor history" by focusing on the worker rather than the institution, the trade union. Hopefully, in his next volume he will break with the Roosevelt myth which has dominated the writing of American labor history since the depression, and continue to make the working class his point of departure and return.

Jean Tussey

## THE SAVAGE MIND

*THE SAVAGE MIND*, by Claude Levi-Strauss. University of Chicago Press, 290 pp., \$5.95.

The erudite French professor, Claude Levi-Strauss, is today the most prestigious figure in the field of anthropology. *The Savage Mind* is a companion volume to his book *Totemism*, both originally published in 1962.

The nineteenth century founders of anthropology who discovered totemism regarded it as a central institution of the epoch of savagery. Levi-Strauss, on the other hand, sets forth the thesis that totemism never existed. "Heterogeneous beliefs and customs have been arbitrarily collected together under the heading of totemism."

Thus the several generations of scholars who have tried to decipher the secrets of its origin, evolution and significance were victims of a "totemic illusion." Frazer's four-volume study of *Totemism and Exogamy* is to Levi-Strauss more a monument to fiction than a reliable accumulation of data on the subject, as a guide to prehistoric theory.

Levi-Strauss sides with the anti-totemic school of anthropologists led by Boas, Goldenweiser, Lowie and others who have sought to

dispose of the riddle of totemism by denying that it was a social and historical reality. This position corresponds to their denial that a primitive collectivist society, with fundamentally different relations, preceded the advent of civilization with its class-divided formations. For example, Levi-Strauss equates the castes of an aristocratic society with the kinship clans of equalitarian tribal society.

Apart from its other features, totemism is inseparable from the classificatory system of kinship. Historically, totemic classifications, in which social relations were expressed through animals, plants and other things, were the earliest, most rudimentary form of the classificatory system. Later, with the casting off of this original shell, social relations came to be expressed in exclusively human kinship terms. But this is not the view of Levi-Strauss who deals with both phenomena in *The Savage Mind*.

Unlike the evolutionary thinkers, Levi-Strauss rejects any overall continuity of development in history. He belongs with the piece-meal anthropologists who sever history into fragments. A "total" history of mankind is impossible and would lead to "chaos," he says. "Insofar as history aspires to meaning, it is doomed to select regions, periods, groups of men and individuals in these groups and to make them stand out, as discontinuous figures, against a continuity barely good enough to be used as a backdrop . . . It inevitably remains partial—that is, incomplete."

From such a standpoint the totemic period is not the most ancient stage in social history nor are totemic classifications the earliest form of social relations. These represent, he says, only one arbitrary mode of classification among others, "namely that constituted by reference to natural species." It was part of the remarkable capacity of the savage mind that they could make precise and even subtle distinctions among natural species, naming up to 2,000 specimens of plants and animals.

According to Levi-Strauss, totemism is simply an exercise in logic of the savage mind, not the mark of the colossal achievement of our savage ancestors in constituting the first form of social organization. This accords with his conception that "ethnology is first of all psychology."

Curiously, Levi-Strauss claims that Marxism is the "point of departure" of his thought and that he aspires to a "theory of superstructures, scarcely touched on by Marx." Actually, his non-historical and non-materialist approach is far removed from the Marxist method.

Evelyn Reed

## LAETRILE AND CANCER

*LAETRILE: CONTROL FOR CANCER*, by Glenn D. Kittler. Paperback Library, 1963.

Despite the millions of dollars being spent for cancer research throughout the world, no effective control for cancer has yet been announced to the public, nor have any public statements been made by the medical profession concerning the discovery of the cause of cancer. Yet, a book was published in this country documenting the development and research of a drug which has the acceptance and support of many prominent doctors in various parts of the world, and which on the basis of clinical research, has proven effective in controlling that dread disease, cancer.

### Research of the Krebs

In *Laetrile: Control for Cancer*, author Kittler describes the years of research done by Ernst T. Krebs, Jr., and his father, Ernst T. Krebs, Sr.; years of intensive work which led them to the ultimate conclusions that 1) the cancer cell is a normal body cell (known as the trophoblast cell), which under normal conditions is kept under control by the pancreatic enzymes; 2) inadequate quantities of the enzymes allow the trophoblast cell to appear abnormally and demonstrate itself as cancer; 3) cancer cells can be destroyed by the enzymes; 4) cancer is a deficiency condition, which like diabetes, is responsive to medication. Based on these conclusions, they developed the drug, Laetrile, which performs the function of the pancreatic enzymes and destroys cancer cells.

More than half of the book is devoted to reprints of medical reports and case histories by doctors who have carried out the basic clinical research of the drug. Although this section of the book is not easily interpreted by the lay reader, one basic theme becomes apparent throughout the book, which is that while there can be no cure for cancer—an impressive number of people have been relieved of symptoms; have had their lives prolonged, and are functioning in a nor-

mal manner; and that in cases where the cancer had destroyed too many vital organs, the terrible suffering associated with the disease was alleviated and at least their deaths were peaceful.

Of course the first question to be asked by anyone reading the book, is: If the cause and control for cancer have been discovered, why hasn't this information been given to the public—and why isn't the drug in wide use?

The author answers the question by citing numerous examples in medical history of discoveries being rejected or ignored for years because of the necessarily cautious nature of the medical profession whose duty it is to protect the lives of patients, and who are ethically bound by a code which inhibits premature acceptance of any discovery. But Kittler also goes on to describe how in many instances, as with Laetrile, the medical profession in its conservatism becomes the obstacle to medical progress.

In the case of Laetrile, a fair trial was not given the drug when it was first presented to the California Medical Association for testing, (in 1952). (Reviewer's note: Not mentioned in the book is the fact that approximately 10 years later Laetrile was supposed to be given another chance, but once again, the trial was unfair and woefully inadequate. This information was given to the reviewer by a doctor who used the drug with successful results.) Because of the two inadequate trials in California the medical profession in that state, and subsequently in the rest of the country, the drug has been ignored. But worse, it has been banned from use even within the confines of research.

However, extensive research has been carried on in Canada, Mexico, the Philippines, Japan, England, Italy, and the Union of South Africa, and in all instances the doctors carrying out the work with the drug have reported enthusiastically favorable responses.

## American Medical Association

And still the American Medical Association keeps its back turned upon what may be the most important medical discovery to date.

The drug Laetrile was first brought to the reviewer's attention by an acquaintance who had been told he was suffering from acute leukemia, and was given a maximum of three months to live. The patient heard about Laetrile and was able to find a doctor who treated him with the drug. More than a year after receiving a prognosis of imminent death, this patient is very much alive, in good health, and leading a normal existence.

Personal inquiry by the reviewer led to a doctor who had been administering the drug to his cancer patients, until the medical association clamped down on him, and he was threatened with loss of his medical license. In a recent interview, this doctor verified from his own personal experience that 90% of the patients he had treated sur-

vived the disease, even though they were all terminal cases in the final stages of the disease.

In the course of the interview the doctor was asked his opinion as to why the medical profession in this country refuses to use Laetrile despite what appears to be overwhelming evidence as to its effectiveness. The doctor's reply was that the medical profession has too much money invested in cancer equipment and research; that their financial loss would be tremendous if they had to abandon their investments and accept a drug like Laetrile which does not require the elaborate cobalt machines, and other types of cancer equipment now being used.

### Role of Economic Factor

This explanation is certainly consistent with the Marxist view of our capitalist society which makes the accumulation of wealth the primary consideration for existence—above and beyond any other consideration, even that of human life. Unfortunately, the author of the book does not recognize that the economic factor plays a major role in prohibiting the use of Laetrile in this country.

One does not have to be a Marxist to know that proper medical attention, medication, and hospital care are beyond the means of the average family in this country. The cost of good health runs pretty high—and the majority of the medical profession are more concerned with the amount of the fee they can collect than they are with the Hippocratic Oath they swore to uphold. This being the case, it should come as no shock to John or Jane Q. Public that medical discoveries may possibly be ignored because of the economic danger that they may present to the medical profession.

Being only a layman, this reviewer is not qualified to pass judgment on behalf of any medical theories or drugs, nor is this reviewer qualified to oppose any medical theories or drugs. However, as a member of society, as one who has seen relatives and friends destroyed by cancer; who sees others presently doomed by that disease; as one who may be a potential victim of the disease; and as a Marxist dedicated to alleviating the suffering of my fellow-man, I feel compelled to maintain an open mind and attitude in regard to medical discoveries. It is on this basis that I conclude this review by stating, for those interested in knowing about the drug Laetrile, and about the theory concerning the cause of cancer—which led to the development of this drug—I strongly urge that the book written by Glenn D. Kittler be read.

Sheavy Goldman

# BOOKS RECEIVED

- LETTERS FROM VIETNAM edited by Bill Adler. E. P. Dutton and Co. 212pp. \$3.95.
- SOVIET ECONOMIC DEVELOPMENT SINCE 1917 by Maurice Dobb. International Publishers. 515pp. \$7.50.
- VIETNAM: Lotus in a Sea of Fire by Thich Nhat Hanh. Hill and Wang. 115 pp. \$1.25 paper.
- TEACHERS AND POLITICS IN FRANCE: A Pressure Group Study of the Federation De L'Education Nationale by James M. Clark. Syracuse University Press. 197 pp. \$6.50.
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- THE LABOR SPY RACKET by Leo Huberman. Monthly Review Press. 209pp. \$5.00.
- BLACK SKIN, WHITE MASKS by Frantz Fanon. Grove Press. 232pp. \$5.00
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- THE COMPANY SHE KEPT by Doris Grumbach. Coward-McCann. 218pp. \$6.00.
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- THE NEW RUMANIA: From People's Democracy to Socialist Republic by Stephen Fischer-Galati. M. I. T. Press. 126pp. \$6.00.
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- AHMED BEN BELLA by Robert Merle. Walker and Co. 160pp. plus photographs. \$5.00.
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- THE ART OF COUNTER-REVOLUTIONARY WAR by John J. McCuen. Stackpole Books. 349pp. \$8.50.
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- 1848: THE MAKING OF A REVOLUTION by Georges Duveau. Pantheon Books. 254pp. \$6.95.
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- THE SOVIET CAPITAL STOCK, 1928-1962 by Richard Moorsteen and Raymond P. Powell. Richard D. Irwin, Inc. 671pp. \$9.75.
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