

# Communist

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## Voice



Successor to the  
*Workers' Advocate*

### **EAST ASIA**

***What crash means for the working class***

### **MEXICO**

***Dirty war in Chiapas***  
***Cracks in PRI unionism***

### **Why did the Soviet Union fall?**

***Reviewing the book 'Revolution from Above'***

**CANADA: What happened to the big strikes?**

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***Debating planning in revolutionary society***  
***Dependency theory — where did it go wrong?***



# What is Communist Voice?

*Communist Voice* is a theoretical journal which not only exposes the capitalist system, but deals with the tragedy that has befallen the revolutionary movement. It confronts the thorny questions and controversies facing progressive activists today, and holds that the crisis of the working class movement can only be overcome if Marxist theory again enlightens the struggle for the emancipation of the oppressed. The liberating ideas of Marx, Engels and Lenin have been twisted beyond recognition, not only by outright capitalist spokespeople, but also by the false "communist" regimes of China, Cuba and others today, and of the Soviet Union and Eastern Europe of yesterday. *Communist Voice* denounces these distortions (revisions) of the ideas of Marxism-Leninism — whether Stalinism or Trotskyism or reformism — and stands for placing revolutionary theory on a solid basis through the criticism of revisionism and by analyzing the new developments in the basic economic and political structure of the world today. Through this work, the *Communist Voice* seeks to pave the way for communism to once again become the red, fighting banner of the revolutionary working class movement. Only the influence of the real communist theory can help the goal of a classless, communist society again spread among the workers and oppressed here and around the globe. Only the spread of anti-revisionist Marxism can overcome the influence of liberal, reformist and petty-bourgeois nationalist trends and allow the struggle against capitalism to break out in full force.

The revolutionary parties and movements of the working class in the 19<sup>th</sup> and 20<sup>th</sup> centuries never achieved their full goals. The working masses fought monarchy, fascism, colonialism, and various capitalist classes, and also made their first attempts to establish a new social system — however these attempts never went beyond the first steps. This class struggle will be renewed in the 21<sup>st</sup> century, as the masses are faced with how to escape from the escalating misery brought by capitalist development around the world. To hasten the day

of the revival of the revolutionary movement, the *CV* opposes the neo-conservative and reformist ideologies that are dominant today. It holds that progressive work today requires more than opposing the ultra-conservatives and more than trying to reform the marketplace. It means helping reorganize the working class movement on a basis independent of the liberals and reformists as well as the conservatives. The *CV* sees its theoretical tasks as helping to clear the way for a future reorganization of the working class into, first and foremost, its own political party, as well as other organizations that truly uphold proletarian class interests.

*Communist Voice* thus continues the Marxist-Leninist and anti-revisionist cause to which its predecessor, the *Workers' Advocate*, was dedicated. For a quarter of a century, the *Workers' Advocate* was the paper of a series of activist organizations, the last one being the Marxist-Leninist Party. The demoralization of the revolutionary ranks included the dissolution of the MLP and, along with it, the *Workers' Advocate*. But the *Communist Voice* continues, in a different form, with fewer resources, and with more emphasis on theoretical work, the struggle of the *Workers' Advocate* to contribute to the development of a mass communist party.

The *Communist Voice* is published by the **Communist Voice Organization**, which links together members in a few cities. The CVO calls on all activists who want to fight capitalism in all its guises to join with us in opposing all the bankrupt theories and practices of the past — from Western-style capitalism to Stalinist state capitalism, from reformism to anarchism, from reliance on the pro-capitalist trade union bigwigs to "left" communist sectarianism toward "impure" struggles. It is time to lay the basis for the revolutionary communism of the future by revitalizing the communist theory and practice of today. Only when communism spreads among the millions and millions of oppressed can the struggle against capitalism again become a force that shakes the world!

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# The crash in East Asia — what it means to the working class

By Pete Brown

"Market meltdown!" "Financial panic!" "Looming disaster!" For the past few months the headlines have been full of news about the economic crisis in East Asia. And the capitalist soothsayers are busy trying to predict what effect this crisis will have on the economy of the U.S. and the world. But what does it mean to the working class? Should workers be concerned if some real estate tycoons lose a few million dollars on their speculations? Is it any concern of ours — aside from amusement — if a few stockbrokers dive out of windows?

Unfortunately the capitalists are determined to make it our business. They intend to make up for the drop in profits occasioned by the lagging Asian markets by taking it out of our hides. Especially for East Asian workers the crisis means layoffs and lack of work — with no social safety net, in many cases, to soften the blow of reduced incomes. And for those still employed it means lower wages and more intense work as the capitalists step up their competitive drive to try and hang onto dwindling market share. The capitalists of different countries are competing against one another for sales of products, but they are all united in their drive to step up exploitation of their employees.

The East Asian capitalists, together with their cronies in government, also intend to make the working class pay for the crisis through taxation. International financiers who are helping arrange bailouts for Asian capital are promoting the U.S. savings and loan bailout of the 1980s as the model program for

shoring up shaky financial institutions. Basically this means the government handing out billions of dollars to the financial capitalists to save their hides, and paying for it with increased taxes on the working class. So the Asian workers can expect to take the kind of hit in their taxes that American workers took in the 1980s.

So workers need to be alert to the ways the capitalists are going to try and slime out of their crisis. Asian workers in particular need to stiffen their backs and step up their economic struggles to avoid being victimized by the capitalist crisis. And workers everywhere need to improve their international ties with workers of other countries, to establish firm bonds of solidarity in these tough times. But most of all we need to use this crisis as an opportunity to reflect on our future under capitalism. Is it really all it's cracked up to be?

Throughout the 1990s the capitalists and their media have been promoting the "end of history." Supposedly the collapse of the Soviet Union meant the worldwide victory of private, free-market capitalism. Supposedly the world's people were now free to march into the paradise of free-enterprise capitalism with no more doubts and no serious contenders. And supposedly we would live happily ever after if we just gave ourselves up to the wisdom of the marketplace. The promotion of East Asian capitalism played a big role in this mythmaking. Supposedly the East Asian "tiger" economies had learned the secret of continuous growth under capitalism, a growth that supposedly spread prosperity to all.

There was always a good bit of fiction to this story about

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East Asia. For the working class any improvements in standards of living were paid for by putting in very long hours of very intense labor. Beyond their economic struggle, poor and working people had to face all the grim "externalities" of capitalism — pollution of their environment, discrimination against women, crime, prostitution, drugs, the degradation of children as they're dragged into exploitation, etc. And many workers, despite their struggles, remained at subsistence-level standards of living. Now, today's spreading financial crisis throws into doubt all of the promises of capitalism. Can it really provide steady long-term employment? Can it modernize countries in a way that brings improved livelihoods for everyone? The bursting of the East Asian bubble shows us, once again, that capitalism remains a system of exploitation; and that it grows by driving the masses hard while careening anarchically from one crisis to another, boom followed by bust. This means constant insecurity for the working class as long as our social and economic well-being rests in the hands of the capitalist exploiters.

### Background to the crisis

Prior to 1996 the export-oriented economies of East Asia had been booming for some years. Financial capital from developed countries poured into the developing economies of Southeast Asia. Capitalists from around the world rushed to take advantage of the low wages and friendly government policies there. The "tiger" economies (South Korea, Taiwan, Hong Kong, Singapore), which had developed through low-wage exploitation, themselves became exporters of capital to the newly emerging tigers, or "tiger cubs" — Thailand, Malaysia, Indonesia, the Philippines. Capital also poured into Vietnam and China as the state-capitalist regimes there rushed to embrace an export-driven market economy.

But as in all capitalist booms, the rush of capital to profit from the boom itself gave rise to a bust. As more and more exports from East Asia flooded world markets, it became more and more difficult to sell them. The rush to build factories and offices had given rise to a real estate boom which netted some speculators millions in profits; but this eventually helped stall out the boom by making land prices prohibitive. Industrial capitalists were forced to float risky short-term high-interest loans in order to get the capital they needed to continue expanding. But stagnating exports made these loans riskier than ever, a disaster waiting to happen. A similar phenomenon occurred in local stock markets, which had shot up to dizzying heights. To stay competitive during the boom, the developing economies borrowed money from imperialist metropolises with which to build factories and buy industrial machinery. But as paper values of stock and land shot up and export markets tightened, it became more and more questionable if they could repay these loans.

Finally, tremors of the coming earthquake began to be felt in late 1996. Exports from Thailand stalled for the first time in nearly a decade. Employers in Thailand tried to save their skins by cutting workers' year-end bonuses. This produced angry reaction from their employees; for example, workers at a

factory owned by Samsung, the Korean firm, burned it to the ground. In the Philippines local stock markets fell by about 25% at the end of the year. In South Korea the capitalists, squeezed by rising labor costs at home and the fall-off of investments in the tiger cubs, tried to legalize increased exploitation by passing a new labor law. This law would have made it easier for them to lay off employees, increase working hours, and delay the recognition of labor unions for years. To counter this law hundreds of thousands of workers went out on strike — the largest strike in South Korea's history.

### The currency crisis

Questionable export markets and pressing foreign loans put increasing pressure on the tiger cubs' national currencies in 1997. Currency speculators began dumping local currencies, which put pressure on the governments concerned to devalue their currencies. The governments involved, concerned about maintaining a stable investment climate, refused to devalue and insisted they never would. But finally in June a run on the Thai *baht* forced the government of Thailand to devalue. The other tiger cubs followed suit, as they tried to out-devalue one another to maintain their positions in export markets. Devaluing a nation's currency makes its goods cheaper in international markets, and so makes them easier to sell. Thus Malaysia could not afford to maintain an inflated currency after Thailand devalued; it would have lost too much market share to Thai-based exporters.

The spiral of devaluations eventually reached Hong Kong, a major financial center for East Asian capitalism. Speculators tried to force a devaluation of the Hong Kong dollar, which is tied in value to the American dollar. The government of Hong Kong has tens of billions in hard currency reserves and was able to withstand the siege by buying back its own currency from speculators. But also, to prop up its currency, Hong Kong raised interest rates through the roof. This meant putting clamps on the economy, and so the Hong Kong stock market began to slide downward in late summer. And other major East Asian markets, in Korea and Japan, slid with it. The slide became a drop in October, when the Hong Kong stock market index lost 35% of its value. In late October the panic sell-off spread from Hong Kong to stock markets around the world. The stock market in New York had its biggest one-day drop on October 27. This was followed by a bounce back up, but many markets stagnated or continued to decline in November.

From late summer until November, the Tokyo stock market lost nearly one-third of its value. This is a major world market, located in the world's second largest economy, and represents an enormous loss of values. The crisis also spread to other economies around the globe, many of them with no direct connections to East Asia. In Brazil the stock market fell by 40% in November. Mexico and Argentina also suffered severe losses. In Russia the stock market also plunged. In many cases these drops did not stem from any direct Asian connections, but to a general worldwide loss of confidence. Capitalist investors and international lenders were suddenly very worried about their investments and refused to extend credit or give new



loans.

Meanwhile, back in Asia, competitive devaluations of currency continued into November and December. The South Korean *won*, which had stood aloof from previous devaluations, suddenly began a precipitous slide downwards. This made it even harder for Korean banks and other institutions to repay their foreign loans on time, since they were now required to cough up billions more in *won* to pay to foreign (hard-currency) lenders. The result was a massive threatened default on loans. Much of Korea's foreign debt — tens of billions of dollars worth — is in short-term loans, due in less than a year, so the devaluation of the *won* aggravated an already precarious situation. Practically every day there was news of another major Korean institution on the verge of bankruptcy. The government of South Korea admitted it was in total retreat, with no idea how to save the situation, and asked for assistance from the International Monetary Fund. The IMF had already designed bailout plans for Thailand and Indonesia, which was due to receive some \$40 billion in loans. But the Korean bailout was unprecedented, even larger than the Mexican bailout of a couple years ago. South Korea is the world's thirteenth largest national economy, about the same size as Mexico, and has close ties to Japan and the U.S., so the IMF ponied up some \$55 billion in loans to stave off the threatened default. It also arranged for foreign lenders to restructure the loans, to give Korean debtors more time to repay. Of course along with the IMF bailout goes the typical IMF supervision and control of austerity budgets, cutbacks and layoffs.

At the end of the year major questions remained about how extensive the crisis might become. Would Japan be able to withstand the earthquake and quiet the shaky markets of East Asia? Would China's rapid capitalist development continue, and if so what effect would this increased competition in export markets have on the tiger cubs? In the tiger and tiger cub economies, how would the working class react to the layoffs and austerity budgets brought about through IMF bailout plans?

### Cause of the crisis

Many theories have been put forward as the cause of the current crisis. When Thailand and South Korea were hit by labor troubles in late 1996 and early 1997, the main explanation among bourgeois pundits was that the governments there were simply blowing it. Too much politicking, too much infighting, too much sneaky maneuvering. Supposedly if the politicians there just learned to be honest and aboveboard (like American politicians?!), economic troubles would fade away and the workers would be happy.

But then the currency crisis broke out. A popular idea among East Asian leaders then was to blame the currency speculators who were forcing them to devalue their currencies. The prime minister of Malaysia, in particular, made headlines with his denunciations of international speculators, and he has since proposed controls on speculation to the United Nations. There may be a certain logic to this call. But speculators only take advantage of an underlying economic weakness; they don't create it. Blaming the speculators is sort of like shooting a

bearer of sad news.

As the crisis deepened it became apparent that there were underlying economic weaknesses in East Asia. These pointed to a classic crisis of overproduction, the type of capitalist crisis that has broken out fairly regularly in the Western capitalist economies since the early 1800s. Consider the computer industry. In the 1980s South Korean conglomerates jumped into the semiconductor business. With help from government policymakers who felt it was important for South Korea to be an important player in this industry, Korean capitalists set up factories to produce computer chips. But this occurred at the same time that Taiwanese manufacturers of chips were also expanding production, and American firms too were struggling to maintain market share. The result was a glut of chips and an intense competitive struggle for profits in chip production. In just the last two years the price of a DRAM (Dynamic Random Access Memory, the memory chip most commonly used in personal computers) has fallen from \$60 per part to \$3.50. This played a role in wrecking the South Korean economy, since when prices were high chips accounted for some 20% of Korean export earnings. And this in turn helped generate the international debt crisis, since much of the Korean industrial expansion was financed by loans from foreign banks.

Or consider the auto industry. Auto capitalists, especially Japanese, have been feverishly expanding in East Asia. Foreign firms are pushing auto sales even in countries like Laos and Myanmar, which barely have roads. Toyota, GM and Ford were all planning new factories for Thailand before the crisis hit (these have since been abandoned). Local capitalists were also trying to jump onto the auto sales bandwagon. Malaysia set up a state-capitalist firm to produce a national car, the Proton, which was sold not only in Malaysia but also in neighboring countries, and the government hoped to begin exporting Protons to Latin America in the late 1990s. Indonesia also set up a state-backed enterprise to produce autos. This company (headed by a son of President Suharto) bought out the Italian luxury sports-car firm of Lamborghini to gain technological expertise and, before the crisis hit, was still considering producing cars.

But this massive production of autos has produced a glut. Worldwide capacity for the production of autos is millions more units than can be sold (at least, can be sold at a profit for their capitalist manufacturers). With the Japanese and South Koreans competing strongly throughout East Asia, and firms from all over the world now setting up shop in China, there is no way the average consumer in East Asia (who still subsists at a low-wage level) can absorb all this production. One of the first Korean firms to go under in the recent crisis was Kia, the country's number three auto manufacturer.

### Asian exceptionalism?

So overproduction has come to be recognized as an underlying cause of the East Asian crisis, at least among some commentators. But the bourgeois pundits, who do not want to admit any underlying problems with capitalism itself, combine this analysis with "Asian exceptionalism", the view that this crisis was a unique result of uniquely Asian conditions. In



particular they point to the close connections between capital and government in the East Asian countries and use phrases like "Japan, Inc." to describe this system. Supposedly, then, the main cause of the crisis was the kind of crony capitalism that flourished in East Asia. Supposedly this allowed unrealistic conditions to flourish which eventually broke out in a crisis. And supposedly the only cure for these problems is — guess what? — good old-fashioned free-market capitalism.

The idea here is that East Asian governments controlled markets, limiting competition through heavy regulation that in many cases excluded foreigners, among others. Cozy relationships were built up between government bureaucrats and local capitalists. The result was that the capitalists were shielded from world market forces and so were able to go on making bad loans and investments for years on end. What they need now to overcome their crisis is a good dose of free enterprise.

Now, there is some truth to this description of Asian capitalism. There has grown up a kind of model Asian society, first pioneered by Japan and then followed by South Korea, Singapore, Taiwan, etc. in which there is a close connection between government bureaucrats who plan economic growth and the capitalists who carry it out. The economy is dominated by a few large conglomerates (*chaebol*, *zaibatsu*), and the government is dominated by one party (or has been until recently). Government policy-makers restrict (by licensing, limitations on imports, etc.) the production of important items such as autos, steel, tractors, etc. to a few large-scale industrialists, who in turn contribute political slush-funds and bribes to the politicians. Thus the capitalists are guaranteed stable profits, and the politicians are guaranteed positions.

But this kind of picture, which emphasizes the differences between Asian and Western societies, can easily get carried too far. Is it really that strange or non-Western to have a cozy relationship between government policy-makers and big-time capital? Isn't that what lobbying, the lifeblood of the American system, is all about? Weren't many industries in America built up through restrictive licensing, limitations on imports, etc.? Just consider the major transportation industries, trucking and airlines, which grew up under heavy government regulation (which was lifted later on). In the U.S. we've had *two* major gangs of political robbers (Democrats and Republicans) alternating in power for decades. So the U.S. has been "freer" in some respects in the past; but the U.S. also has its own unique kinds of cronyism — e.g., institutional racism.

The promotion of "Asian exceptionalism" tries to divert attention away from the underlying causes of the crisis, which are based in capitalism itself and universal in character, and focus attention instead on relatively secondary characteristics. Part of this is purely ideological, part of the capitalists' promotion of free markets as God's gift to mankind. Part is self-serving agitation on the part of Western capitalists who are trying to break into Asian markets and feel they are facing unfair competition. And part of it, as noted, is accurate, since Asian societies do in fact exhibit some of these characteristics. There are extreme examples such as Indonesia, where President Suharto's family and close friends control many of the major economic enterprises. The IMF's plan to open markets in

Indonesia may cut down on some of the old-time corruption and nepotism (though it will at the same time introduce new forms of cronyism attached to international lending agencies).

All in all, it's ridiculous to promote "freer markets" as the cure-all. Freer markets may open up competition in some industries and allow foreign firms to penetrate, but the first result of this will be a shakeout of the weak competitors. For the capitalists this will mean the small fish get bought out by the big fish; for the workers it will mean layoffs and starvation. And deregulating markets won't by any means end the cronyism that pervades Asian capitalism. The fact is, free markets have never been incompatible with cronyism. A perfect example is the savings and loan debacle in the U.S. In the 1980s the savings and loan capitalists got their cronies in the Reagan administration to pass new rules deregulating their industry. Freed from government restraint on loans, these sharpies rushed into real estate speculation and ended up getting buried in debt. But not to worry: the government at this point came to the rescue of these daring free-marketeers, bailing them out with the workers' tax dollars. Among those saved by government intervention were Senators, Congressmen and the son of George Bush.

Fact is, the crisis in East Asia was not brought about by excessive government regulation or restrictions on free enterprise. Just the opposite. It was the free world market in semiconductors, with the lure of high profits, that encouraged capitalists from different countries to jump into production and generate a glut of chips (which did away with the easy high profits). It was free enterprise in real estate speculation that drove up the price of land in Bangkok, Kuala Lumpur, Hong Kong, etc., and left the banks that speculated on these high prices holding the bag, with large portfolios of bad loans. It was the relatively free and open financial markets of East Asia that allowed this boom to get translated into a speculative bubble that drew in finance capital from around the globe. And finally, it was the free market in currency trading that burst the bubble.

Thus it was capitalism itself that generated the crisis of East Asian capitalism. The bourgeois pundits are wrong when they try to stick the blame for this crisis onto some uniquely Asian conditions. But note that this point also tells against some so-called "leftists", dependency theorists and others, who maintain that economic development in the Third World countries of East Asia wasn't "real" development or that further growth is impossible. The fact that economic development in these countries has reached the point that it can generate a capitalist crisis of overproduction, a crisis that may threaten to engulf the world, is proof that there was real capitalist development there. It's precisely in those countries where capitalist industry has been most rapidly developing that this crisis has struck. Capitalist industrial development doesn't mean that these economies are free of crises — far from it. Nor does it mean that their further development will mean greater prosperity for all. On the contrary; it means their further development (as capitalist economies) depends on developing more sophisticated and more intense forms of exploitation.

But there is another possibility. As more workers get drawn



into the circle of capitalist exploitation and begin to understand its pitfalls, this development also opens up the road to a new revolutionary socialist movement. Workers begin to see the need to eliminate exploitation once and for all. They begin to see that, if the promises of capitalism are ever going to be met, capitalism itself must be done away with.

### **Workers need socialism**

The bourgeoisie's plans to "solve" the East Asian crisis are actually very superficial. The major imperialist powers, working through the IMF and other international institutions, are calling for a new mix of government regulations combined with deregulation of some markets to try and overcome the crisis. And some of these measures may produce some results. New regulations on financial markets may end some of the grosser forms of cronyism and corruption, and may help stabilize things. But this will only be temporary, until the next crisis of capitalism breaks out. And it will come at the expense of the working class. The workers will be forced to pay — through unemployment, lowered wages, intensified labor, tax hikes — for the structural adjustments needed to salvage the capitalists. Examples from Latin America, Africa, etc. show that IMF bailouts sometimes do work in the sense that the stock markets do sometimes rebound and capitalist profit-grubbing enjoys a comeback. But the same examples also show the workers ground down even farther to feather the capitalists' nests.

For the working class, surviving in a capitalist economy is like sailing on the *Titanic*. The class differences are obvious, and we know we're getting a raw deal. But so long as the ship is sailing the bourgeois "experts" tell us not to worry, progress is being made and eventually we'll all arrive in a better land for everyone. And so we keep sailing along — until the iceberg hits. And then, lo and behold, there aren't enough lifeboats for everyone. The first-class passengers (the bourgeois) get bailed

out while the workers get locked in, beaten, shot at and sent to the bottom.

We need a revolutionary alternative. The bourgeois experts with their phony promises about the glories of free enterprise have been proven wrong once again. History has not ended; in fact it has barely begun. The only way for workers to have a guaranteed future is for the workers themselves to take control of social production, end the cronyism and corruption connected to capitalist economics and build a planned economy that benefits everyone. This is the main lesson of the crash in East Asia.

But who will build such a society? The ruling classes and governments in East Asia are only concerned with propping up capitalism, so workers cannot look to them for help. And the revisionist, so-called "communist" states of China, North Korea, Vietnam and Laos are no better. These countries are actually state-capitalist regimes with their own peculiar forms of government and economic structures, but workers there too are stuck with exploitation and class control. And today, for the most part, the revisionist regimes are rushing to embrace free-market capitalism as practiced in Hong Kong, Taiwan and Singapore. So the workers cannot look to the revisionist regimes as a model either.

The main lesson of this crisis is that the workers can only depend on their own struggle, if they are not to be continually thrown back into abject misery and overwork. Capitalist development in East Asia has provided the forces for a new socialist movement there — the millions and millions of proletarians being pulled into the cycle of capitalist production. When these workers come to realize that capitalism means nothing but continual crisis — and the revisionist regimes too have nothing to do with genuine socialism — this will shake up the revolutionary movement around the world. □



# ***On the Acteal massacre in Chiapas:*** **Down with the dirty war against the peasant movement in Mexico!**

On December 22, in the Mexican state of Chiapas, a paramilitary gang went into the village of Acteal in the municipality of Chenalho and, for over four hours, murdered in cold blood as many people as they could. Using AK-47 assault rifles with dum-dum shells and other weapons, they chased down and killed 45 Tzotzil Indians, mostly women and children, and wounded dozens more. They focused on refugees from other villages who were seeking sanctuary in Acteal. This is an atrocity just as horrendous as the massacres, now in the news, of villages in Algeria. Local Mexican police and government officials, notified of the murders as they took place, refused to go to the aid of the people in Acteal.

This is not an isolated crime. Ever since the indigenous peasants in Chiapas rose up in the Zapatista rebellion on Jan. 1, 1994, the PRI-led government of Mexico has responded with brutality. The PRI, the so-called Party of the Institutionalized Revolution, has led Mexico with an iron hand for decades on end. Despite its "revolutionary" name, it has aimed at building a bourgeois Mexico and has come down with a heavy hand on worker and peasant militants who have stood up for their own rights. Although the government agreed to a ceasefire with the EZLN and eventually signed the San Andres agreement last year, it has refused to implement it, recoiling from the self-government for indigenous areas which it had promised. One of the government's responses to the peasant rebellion was to foster paramilitary gangs in Chiapas to terrorize and disintegrate the EZLN's peasant base. Indeed, the magazine *Proceso* has just released the text of a military document from October 1994 describing the strategy of utilizing such gangs to eliminate the EZLN's social base. Even when the government has talked about reforms and sat down to negotiate with the EZLN, it continued to foster the gangs behind the scenes.

Since the Acteal massacre, the repression in Chiapas has continued. The national PRI government of President Zedillo has increased army activity in Chiapas under the pretext of preserving order. Troops have been sent to harass the villages known as most sympathetic to the EZLN. Sometime they come with hooded informers who are asked to point out village leaders, and they have searched for EZLN supporters and supplies. Instead of disarming the paramilitary gangs and punishing the army and PRI officials who armed the gangs, the government has sought to disarm the peasants threatened by the gangs. 5,000 more troops have been sent to Chiapas, reinforcing the 35,000 troops already there, and there is the danger that the army will go on a full-scale offensive against the peasants.

At the same time, more and more information is coming out about the involvement of high officials in the Acteal massacre.

This is causing a government crisis. The governor of Chiapas and the federal minister of the interior have already resigned. Charges have already been laid against certain policemen and there is the possibility that high officials may also be arrested. No matter how hard Zedillo's government attempts to portray the Acteal massacre as simply a local peasant squabble, the scandal around Acteal is threatening to expose the dirty war in Chiapas.

Jan. 12 was an the international day of protest against the dirty war in Chiapas, with demonstrations in Spain, Italy, Switzerland, the U.S., etc. as well as in Mexico City and elsewhere around Mexico. In Chiapas, it was business as usual as the Mexican police leveled their guns and fired at protesters in Ocosingo, killing one woman, Guadalupe Mendez Lopez, and wounding her two-year-old daughter and another person. This has widened the scandal and resulted in further investigations of the police. Meanwhile the federal government has also used the occasion to reinforce the military presence in Chiapas, in the name of taking over from the police.

## **The dirty war in Chiapas**

Both local and national officials of PRI have portrayed the massacre in Acteal as simply internecine feuds among the Tzotzil Indians over land, religion, or local grievances. In fact, the Acteal massacre was organized and protected by PRI and government officials.

Local officials knew what was going on during the massacre and sat on their hands. Even investigators from the Mexican government's own National Human Rights Commission (CNDH) hold that police knew what was going on and did nothing: At police checkpoint only 1.5 miles from Acteal, the gunfire should have been clearly audible, and escaping villagers told the police what was happening. Within an hour of the start of the massacre, Catholic priests had also notified the state police about gunfire in Acteal and called the office of the PRI governor of the state, Julio Cesar Ruiz Ferro, but neither the state police nor Ruiz Ferro did anything. The PRI mayor of Chenalho, Jacinto Arias Cruz, knew what was going on, but did nothing. In fact, he has been indicted for having supplied the weapons for the massacre and helping organize it. And it is now known that local police actually captured the murderers hours after the massacre, but released them with their weapons after finding out that they were a PRI death squad.

For that matter, the paramilitary gang had announced the massacre before hand, and the local authorities had been informed. One opposition legislator had called the office of the

state governor three times on Dec. 21 to warn him of the imminent massacre, but he refused to take the calls. And no wonder. Ruiz Ferro justifies the paramilitary gangs as a legitimate response to the EZLN, saying that "It is hard to 'sterilize' a situation like this, and say there are arms on one side but there can't be any weapons on the other." For Ruiz Ferro, it isn't enough that there are 35,000 army troops and innumerable state police swarming over Chiapas, but there must be death squads too or else the conflict isn't fair. To ensure that these squads have weapons, his administration financed them, supposedly for the purpose of "development". The day before the massacre, the newspaper *La Jornada* had published the text of such an agreement from July 1997, in which the PRI-administration of Chiapas promised 4,600,000 pesos to the paramilitary group "Peace and Justice".

These groups are organized in order to disrupt the base of the Zapatista movement, and to force peasants to flee. Attacks of various sorts have been carried on for a long time now, not only by "Peace and Justice", which attempted to murder Bishop Samuel Ruiz, but by groups with names like "Red Mask", which is the one that attacked Acteal, "Revolutionary Anti-Zapatista Insurgent Movement", "Armed Forces of the People", and "Throat Slitters". The attack on Acteal was an attempt to further terrorize the peasants and create more refugees. Since then, even more peasants have left their villages to flee the paramilitary gangs or the military.

### The Zedillo government and the massacre

The PRI administration of President Zedillo has taken a hypocritical attitude to the massacre. Zedillo has declared that it was "a cruel, absurd and unacceptable criminal act" and made some conciliatory gestures, while he has stepped up the military repression of Chiapas and tried to shield the dirty war from exposure. Nevertheless, the exposures of government officials have continued, with the CNDH saying that "The sum total of [irregularities] by state officials—in the days leading up to the massacre and the day itself—leads one to presume if not their direct participation, then their knowledge and complicity of the armed group's actions."<sup>1</sup>

Zedillo has sought to stop the escalating exposure of PRI by sacrificing some pawns and, perhaps, settling some scores within the PRI, but he refuses to admit the relation of the massacre to government policy. He has taken the investigation out of the hands of the state PRI administration of Chiapas which would simply have covered everything up, and put it in the hands of federal investigators. Arrests were made of the 46 gunmen, the mayor of Chenalho, the commander of a Chiapas state police detachment situated near Chenalho, and a number of other policemen, but the higher officials responsible for organizing and financing the death squads have still been untouched. A local police commander has testified that he was ordered to let PRI members carry illegal weapons, but no state

officials have yet been named. Only continued mass pressure will ensure that the investigation proceeds.

So as of yet, the higher officials at most resign. Governor Ruiz Ferro has been replaced with another PRI politician. Roberto Albores Guillen, who supposedly is more conciliatory towards the peasants. But Ruiz has not been charged with anything. The interior secretary of Mexico (responsible for the government security forces) was Emilio Chuayffet, who had been denounced by many for complicity in the Acteal massacre. He has resigned, supposedly for "family reasons", but he was not charged with anything.

Most important, Zedillo is not only shielding the higher officials and concealing the dirty war responsible for the Acteal massacre, but is continuing it. When the new interior secretary, Francisco Labastida Ochoa, took office, he immediately repeatedly the tired old lie that the Acteal massacre was just a matter of local disputes. He said that he would have the military seize the weapons on all sides of the conflict. In effect, he announced that, to solve the problem of massacres of pro-Zapatista peasants, he would seek to disarm the Zapatistas. This Labastida called seeking a "decisive peace", by which he apparently understands the decisive elimination of opposition to the Mexican government. Since then, Labastida has issued a "clarification" that he is not attempting to disarm the EZLN, provided it stays in its zones. But apparently the army doesn't hear too well, for it has continued operations in the EZLN areas.

### The military squeeze

Naturally, using the military as a cure for massacres is like having the fox guard the chicken coop. The military was implicated in the Acteal massacre. Moreover, a month before the massacre, the military itself raided Acteal. Two truckloads of soldiers entered, harassed the inhabitants, and said they were searching for arms. After one man was harassed, peasant women confronted the soldiers, who eventually beat them. The soldiers only left after ransacking various peasants' homes.

Now Labastida and Zedillo claim that extending this military action as far as possible is the cure for massacres. Following this strategy, Zedillo has beefed up the military in Chiapas. While the army has sought to appear as the even-handed supplier of aid to the peasants, it has pushed into various pro-Zapatista villages and sought to seize EZLN leaders and supplies. It has moved provocatively even into villages like La Realidad and Morelia, which are not only EZLN strongholds but were among the villages that hosted the EZLN's first Intercontinental Conference for Humanity and Against Neoliberalism; these villages may well have been special targets for symbolic reasons. The army has seized and displayed, not just arms, but uniforms, books and whatever it could supposedly find in EZLN storage areas, and it has proudly displayed its booty for reporters.

The military has been met by peasant resistance. Many villagers have indignantly refused to accept aid from the military. In Xoyep, which is located in the municipality of Chenalho, and has the second largest number of refugees of all place in Chiapas, 200 indigenous peasants confronted the

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<sup>1</sup>Quoted in "Chiapas Officials Abetted Mexico Massacre: Report" by David Luhnnow, Reuters, 17 Jan. 1998.



soldiers for six hours. In many other villages, indigenous peasant women demanded the soldiers go. Such scenes were repeated in village after village. The military has found little cooperation with its demands

Thus the army is still waging the dirty war against the peasants. Moreover, the more a military solution is sought in Chiapas, the more the role of the army in Mexican politics is enhanced. Some bourgeois politicians are also looking to the armed forces as a way to fight the high level of crime in Mexico City. This is not due to any sterling record of the military in this matter; in fact, the military has been linked to the torture and disappearance of civilians whom it regards as suspects. Furthermore, the Zedillo administration has given the Mexican army policy-making and policing functions with regard to the anti-drug war, and the U.S. military has stepped up its cooperation with the Mexican military in the name of fighting drugs. The military role is being enhanced, even though the military is just as involved in drug corruption as any other sector of the PRI government: indeed, several Mexican army generals have been arrested for protecting major drug lords. But under the banner of the anti-drug war, the Mexican military has received American helicopters and training, and these special units have found their way into other operations, such as those in Chiapas. The strengthening of the military at a time of political turbulence presents a danger in its own right.

### How can this happen during "democratization"?

How can such things be happening when Mexico is supposed to be in a process of democratization? When the PRI lost its majority in the lower house of the national legislature in the elections of July 6 last year, the media in the U.S. trumpeted that the long dictatorial rule of PRI was over and now things would be fine. But in *Communist Voice*, it was pointed out that, in fact, these elections "left the PRI with a good deal of power, including the Presidency of Mexico, [the majority in] the Senate, and almost a majority in the lower house. They also left PRI in control of the army and with a gigantic administrative and police network in place." As well, although the elections were relatively clean in Mexico City and some other areas, this was not the case everywhere. PRI was keeping up "the military pressure on rebellious peasants" in the southern states of Mexico. It was pointed out that "It is unlikely that PRI will exit gracefully from power; it's even possible that part of PRI will rebel. . . . But in any case, there will be a period of struggle against PRI's repressive apparatus, and even bloody episodes are a possibility."<sup>2</sup> Acteal was one such episode.

Thus, although the July 6 elections showed that the PRI system was breaking up, this breakup was only just beginning. Moreover, what was taking place was not a revolution, as many

on the left had hoped for, but simply a liberalization of the political regime. Unless the masses fight for their own social demands, the bourgeoisie will insist that the masses pull in their belts and sacrifice out of gratitude for seeing a system of one-party bourgeois rule replaced by a system of rule by several bourgeois parties.

A common misconception is that democratization, or at least true democratization, means the rule of the working people and satisfaction of their demands. But democratization, important as it is, does not overthrow the capitalist system but only provides a broader sphere for the class struggle. This too is revealed by the continuation of the dirty war in Chiapas even after the July 6 elections.

What does the current liberalization like? As one Mexican group put it:

"And then one speaks of democratic transition. Yes, there is freedom to adjust to extreme hunger, to unemployment, to delinquency, ill health and lack of opportunities for the children and youth. There is freedom to agree with the neoliberal model of underdevelopment and economic exploitation. There is freedom to manifest disagreement but without threatening either the security of the system or the continuation of the neoliberal model in our country."<sup>3</sup>

That is precisely what the bourgeoisie has in mind: there will be squabbles in parliament and over government posts, but the workers and peasants will have but one real freedom—to starve for the benefit of the capitalists. So it is the task of militant workers and activists to utilize the political crisis to organize against the crushing exploitation of the bourgeoisie. They must utilize the political freedoms that will come with the increasing cracks in the PRI regime in order to organize a class struggle and build up independent class organization. This is the only way to ensure, on one hand, that PRI's dictatorial apparatus is truly smashed and, on the other hand, to frustrate the bourgeois plans to step up the exploitation of the masses in the name of democracy.

If the PRI is allowed to crush peasant opposition in Chiapas and other southern states, this will encourage the bourgeoisie to treat any other rebellious working people in the same way. Much of the old PRI apparatus of suppression would then simply be transferred to a more general bourgeois control. Thus it is important to oppose the massacre at Acteal and the dirty war in Chiapas not only as justice for the local peasants, but in the interests of the working people of all Mexico. So long as the blood of the indigenous peasants stains Mexican politics, a precedent will exist for crushing anyone else who rises in the interests of the oppressed. □

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<sup>3</sup>From the Communique of Dec. 25 denouncing the Acteal massacre by the Popular Revolutionary Army.

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<sup>2</sup>"As PRI totters: Mexico in transition", *Communist Voice*, Oct. 25, 1997, pp. 11,12.

# ***About the new National Union of Workers: The slow breakup of PRI's corporative unionism in Mexico***

**By Joseph Green**

The PRI (Party of the Institutionalized Revolution) has ruled Mexico not just by manipulating elections, but by establishing a system of co-optation and control. Special attention was paid to subordinating mass organizations to the state and the party. Through corrupt deals, strong-arm tactics, heavy-handed state regulation, and even outright murder of militants and recalcitrant leaders, the PRI subordinated almost all of the Mexican trade union movement to itself.

Today, as PRI's rule totters, its domination over the unions is beginning to loosen. Some small unions, such as those in FAT (Authentic Labor Front), have been independent of PRI for some time, and there are now more breakaways from the PRI unions. The struggle of the bus drivers of Route 100, Mexico City (whose union is SUTAU—Ruta 100) helped inspire the formation in 1995 of the May 1st Inter-Union Coordinating Committee. Most recently, on November 28, 1997, the UNT (National Union of Workers) was founded, claiming to represent at least 1.5 million workers in 200 workers' unions and peasant organizations. This is the largest breakaway from the PRI unions yet.

Unions with a truly independent class stand would be of tremendous value to the Mexican working class. They would help the working class ensure that its demands wouldn't be bulldozed over in this period of political crisis in Mexico.

But the UNT itself is dominated by union leaders with a long tradition of PRI-style unionism. There is the danger that the old PRI unionism will be not be replaced by truly independent unionism but by a new, somewhat slicker reformism. Moreover, so far, the PRI's domination of Mexican unions is only beginning to crack. The overwhelming majority of unions are still affiliated to the PRI.

## **PRI unionism**

On the surface, Mexico appears to have a good deal of union activity. According to the International Labor Organization, about 20% of the world's workers are in unions, and only 14.2% of those in the U.S., while 42.8% of Mexican workers are in unions. But what type of unions are these? Almost all are tied to PRI, and they serve to pacify the workers. Many, perhaps most, unionized workers are covered by what are called "protection contracts": the protection being referred to is for the employer, not the worker. The employers pay off the union leaders, who in turn protect the company from any organizing among the workers, just like a Mafia

protection racket. Many workers are in "ghost" unions, where they never see a union official or even know they are in a union.

In some PRI unions the workers do have certain benefits guaranteed them by their contract. Nevertheless, the rank-and-file have little or no say about who their union officials are or what the union's policies are. The PRI, the company, and the union leaders make sweetheart deals among themselves.

The PRI works through a variety of unions and union associations, which are grouped in CT (the Congress of Labor). The largest member of CT is CTM (the Confederation of Mexican Labor), but there is also CROC (Revolutionary Confederation of Workers and Peasants), CROM (the Regional Confederation of Mexican Workers), a few smaller federations, and some industrial unions that are directly affiliated to CT rather than one of its constituent federations. There has been a proliferation of PRI unions for historical reasons, as the PRI and its predecessors bought off or bludgeoned into submission one union federation after another. But their continued existence serves the function of splitting up the workers in an industry into several different unions. Moreover, not only did these unions affiliate to PRI, but, until recently, workers in these unions were usually automatically enrolled in PRI or even forced to do support work for PRI. It was only in December 1990, with PRI and the unions in crisis, that they alleged that the affiliation of individual workers to PRI would now be voluntary.

Mexican labor law is another way in which the PRI ties the workers hand and foot. The government can refuse to register, or recognize the existence, of an independent union. It can refuse to allow that union to represent the workers at a particular workplace. It can, and often does, declare strikes non-existent or illegal. It has a multitude of restrictions on unions in general and on unions in particular occupations, and there is pretty free use of the military and police to squash struggles. Much of this may remind the American reader of the National Labor Relations Board, the Taft-Hartley Act, the Landrum-Griffin Act, and other laws hemming in union activity and seeking to blot out militancy. But this legal system has been applied with even more severity in Mexico because PRI could have the courts and government do whatever it wished.

## **The struggle at Han Young**

An example of what Mexican workers are up against can be seen in the ongoing struggle at the Han Young auto parts plant in Tijuana, which is a feeder plant for Hyundai Precision's



nearby tractor-trailer plant. This is an important struggle because it is an attempt to bring independent unions to the *maquiladora* plants. These are foreign-owned plants given special privileges by the Mexican government in order to attract foreign investment; in particular, the Mexican government colludes with the owners to keep wages down. The workers have either no unions or PRI unions which help control the workers.

The workers at Han Young are upset over unsafe working conditions and low wages, and over Hyundai's efforts to take over their barrio and convert it into an industrial park. Supposedly represented by CROC, the workers never saw anyone from CROC set foot in their plant. In 1996 workers at Han Young and other Hyundai-associated factories began a struggle. Eventually Han Young workers went on strike for two days, demanding that the bosses negotiate with their representatives and not CROC. Although Han Young management said they agreed, they proceeded to hire an anti-union consultant and stepped up pressure on the workers. They fired eight strike leaders and otherwise harassed the workers.

It was hard for the Han Young workers to get the Mexican labor boards to schedule a representation election. CROC and the company sought to prevent it. When the Tijuana head of the National Conciliation and Arbitration Board (JNCA), Antonio Ortiz, set the election process in motion, he was forced out of his post by the Governor of Baja California, Hector Teran Teran. A new official, Carlos Perez Astorga, regarded as even more partial to the maquiladoras, was installed.

Nevertheless, on Oct. 6 last year, the election was finally held. As is typical in Mexican union elections, there was no secret ballot, but Han Young workers had to publicly declare which union they supported, CROC or the independent union STIMAHCS (Metal, Steel and Allied Workers Union, associated with FAT). CROC lost badly. But the labor board reopened the election a bit later in the day to let in a new group of "Han Young workers", including Han Young supervisors and people who had never been seen at Han Young before and who had a hard time remembering the very name "Han Young". Nevertheless, even with this group voting, the final result was 55 for STIMAHCS and 32 for CROC.

But the rejoicing at this result was premature. The Mexican government refused to certify STIMAHCS as the bargaining agent at Han Young. There was of course various challenges to the voting to be decided on: STIMAHCS challenged 25 votes and CROC 2. But no matter how the labor board decided on this issue, it wouldn't change that CROC lost. Meanwhile various observers who had attended the election were harassed by the Mexican government, which wants the workers to have to declare their choice in public but the labor board to be able to manipulate the results in private. Finally, on November 10, the JNCA labor board denied recognition to STIMAHCS, on the ground that the makers of auto-parts were supposedly not metal workers and hence not eligible for membership in STIMAHCS. Meanwhile Han Young fired more pro-STIMAHCS workers.

The workers and their supporters waged a campaign against this blatant denial of their choice. They obtained, on December

13, an agreement from both Han Young and Hyundai to recognize an independent union (not necessarily STIMAHCS), reinstate fired workers with full back pay, raise wages 30%, and re-establish a health and safety commission. They also obtained a written agreement from the Baja Calif state government to recognize a new independent union within 30 days (so that even if STIMAHCS was bound up in legal red tape, the workers could flee PRI unionism to the new union).<sup>1</sup> A second election was held on December 16. Despite both threats and 1,000-peso bribes offered by Han Young management, the workers again voted CROC out and STIMAHCS in. Finally, it appeared that all bases had been covered.

However, the Han Young bosses reneged on the deal, and appeared on December 19 before the labor board to ask that a PRI union from CTM be recognized anyway as the bargaining agent. On December 22, when an agreement was to be signed between the independent union and Han Young management at the labor board, management didn't appear. So the struggle was still on.

It took until Jan. 14 this year for the local labor board to accept STIMAHCS as the legitimate union at Han Young (and Han Young management has still not signed).<sup>2</sup> This required pressure on the Baja California government from the Mexican federal government, which was embarrassed by the international campaign being waged around Han Young and was faced with a legal action under a labor side-agreement to NAFTA. Meanwhile the fired workers appear to have been reinstated, at least for the time being, although Han Young management is still conspiring with the CTM against STIMAHCS. If the workers now succeed in making gains at Han Young, it will be an important precedent for other maquiladora plants.

### The split in the PRI unions

The gauntlet faced by the Han Young workers shows what faces workers who defy the "corporatist" deals between labor board, government, and capitalists. But splits are developing in this cozy system of management-union-government coopera-

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<sup>1</sup>The Byzantine nature of the labor laws can be seen in that Han Young workers and STIMAHCS supporters felt it necessary to organize this new industrial union, the October 6 Union of Industry and Commerce (named after the date when STIMAHCS won a certification election at Han Young). They believe that having it will facilitate voting out the PRI unions even when the labor board balks on recognizing STIMAHCS.

<sup>2</sup>What happened on Jan. 14 was that the labor board signed an agreement with STIMAHCS giving STIMAHCS sole bargaining power at Han Young. However, Han Young management has not yet signed over the old union contract to STIMAHCS. (Mexican law provides that when a new union is recognized, it takes over the old contract and then bargains for changes in it.) Han Young is still conspiring with CTM against STIMAHCS..

tion. The new National Union of Workers originates in large part from a recent split in the PRI unions. The head of the UNT is Francisco Hernandez Juarez, head of the Mexican Telephone Workers Union (STRM). He began as a leftist, coming to lead STRM in 1976 as part of a revolt against the former PRI hacks in favor of a more democratic and militant union. But eventually he was co-opted by CT and PRI. Indeed, he was CT's president in 1987. He became the leader of the "new unionism", which accepted the neo-liberal turn in PRI's economic policies, advocated labor-management cooperation, and accepted privatization of the telephone company and the productivity drive ("flexibility"). Working with Mexican President Carlos Salinas de Gortari, he formed a new union grouping, FESEBES (the Federation of Unions of Firms of Public Goods and Services), but it didn't grow as he had hoped.

More recently, as the economic crisis deepened and PRI's trouble mounted, he has looked in another direction (and brought FESEBES along with him). He was a leading figure in the formation on Sept. 4, 1995 of the union grouping called *El Foro* (the Forum—Unions Face the Nation). This group displayed some dissatisfaction with the policies of CT and CTM, and raised such issues as unemployment, democracy in Mexico, and the modernization of the unions. Composed mostly of CT unions, along with some independent unions, it indicated a crack in the structure of PRI unionism, but it was organized by the old PRI-affiliated leaders and did not indicate any basic change in the structure of the unions involved.

As the crisis in Mexico and in the unions deepened, the plan arose to found a new union federation, including the *Foro* unions, the more left-wing May First Inter-Union Coordinator, and other independent groups. This is the origin of the UNT. However, along the way some splits developed. The *Foro* group itself divided over the idea, and a number of major unions, including the largest ones in *El Foro*, decided to stay out. The May First group also decided to stay out, holding that the new federation wasn't really independent of PRI or committed to fighting the employers; some May First leaders accused Hernandez Juarez of wanting to be another "Fidel Velasquez"—the recently deceased *charro* (labor hack) of all *charros*, who led the CTM for many decades. There may also have been disagreements over the relation of the union center to the political movement and to community activist groups.<sup>3</sup>

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<sup>3</sup>The May First Inter-Union Coordinator is a coalition of unions, caucuses, community activist groups, peasant leagues, and political organizations. It is not directly connected to any one party, but the PRD has a good deal of influence in it. Its formation was related both to the SUTAU-100 busdrivers struggle and to the official PRI unions canceling their usual May Day march and rally, at least in Mexico City, for 1995. What a demonstration of the crisis in PRI unionism! The May First coalition held the May Day march and rally in Mexico City instead. May 1st was no longer a demonstration of the unity of official labor and PRI, but resounded with slogans against neo-liberalism and PRI's policies. And so it was in 1996

## The new union federation — the National Union of Workers

But, encouraged no doubt both by the death of Fidel Velasquez and by the PRI's setbacks in the July 6 election, the UNT was founded in November. It contains part of the *Foro* group, the independent unions of FAT, several peasant organizations, and some other unions. Claiming to embrace 1.5 million working people, it is the largest independent union federation in Mexico, but the PRI-affiliated unions still embrace the vast majority of workers. For example, FAT's STIMAHCS is one of the few significant unions of industrial workers within the UNT.

The largest unions in the UNT are

- \* the 350,000 social security and national health system workers of SNTSS;

- \* 100,000 university workers including 23,000 in STUNAM, the Union of Workers at the National Autonomous University of Mexico;

- \* and 35,000 telephones workers in STRM.

The UNT has three presidents, one from each of the three largest unions inside it. They are

- \* Francisco Hernandez Juarez, still the head of STRM, who is also still a member of PRI.

- \* Antonio Rosado Garcia, head of the SNTSS, and also still a member of PRI.

- \* Agustin Rodriguez Fuentes, head of STUNAM, who sympathizes with the reformist PRD (Party of the Democratic Revolution).

It had been reported at one time that the *Foro* unions and the May First group differed over whether peasant groups should be allowed in a workers' federation, with the *Foro* leaders opposed. However, five peasant unions have joined the UNT, apparently including both unions of rural proletarians (such as day laborers) and general peasant organizations. They are UNTA (the National Union of Agricultural Workers), CCC (the Cardenist Peasant Federation), UNORCA (the National Union of Autonomous Peasant Regional Organizations), CODUC (the Coalition of Democratic Rural and Urban Organizations), and UGOCP (the Workers', Peasants', and People's General Union).

The formal structure of UNT may be more democratic than the traditional PRI-style structures of the CT and CTM, and it may talk of internal union democracy. However, there is no indication that the internal structure of the *Foro* unions that joined the UNT has changed. Yet the activation of the mass of workers at the base is the fundamental task if there is to be an upsurge of struggle in Mexico. The UNT program is reported to call for many of the popular reforms demanded by others, but none of this can be achieved without the mass struggle.

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<sup>3</sup>(...continued)

and 1997 as well, but now both the May First coalition and the separate grouping of *El Foro* unions held their own marches and rallies in Mexico City, while the CTM hoarsely threatened any unions who took part.



## The UNT's alignments

A militant trade union movement has to do more than simply separate from PRI; it has to develop an independent class stand from that of the bourgeoisie. How far the UNT is from this can be seen even in its attitude to PRI. The UNT apparently doesn't denounce PRI, since two of its presidents are PRI members, but simply drops its affiliation to PRI. (Its program does call for ending the corporative system, and changing the relationship between the state, political parties, and the unions.) Hernandez Jaurez apparently advocates a unionism that ignores political issues and demands except those directly related to economic demands. It is true that his loyalty isn't necessarily to PRI; he has recently flirted not just with Zedillo, but with the right-wing PAN as well. And he has led FESEBES into an agreement for labor-management cooperation with the employers' association COPARMEX. No doubt these things are what inspire the denunciations of him as a self-seeking careerist.

There are also supporters of the reformist PRD in the UNT. For example, FAT is informally allied with the PRD, as is one of the UNT presidents.

The UNT has been welcomed by the AFL-CIO and other pro-capitalist unions from the U.S. and Canada, which sent representatives to its founding Congress. The American pro-capitalist union leaderships aren't in favor of class struggle, but wish to see the breakup of the utterly servile PRI unionism in order to establish a more subtle alliance with the bourgeoisie. We have reported many times in this journal on how the AFL-CIO officialdom has squashed strikes and other struggles in the U.S., from the Detroit newspaper strike to the Staley struggle in Chicago. A break with PRI unionism that goes into AFL-CIO unionism will simply replace one chain on the workers' militancy with a somewhat longer one.

As of now, there is hardly any force in the UNT that sees the problem with reformism or the American class collaborationist unions. FAT, for example, which has a clearer stand towards PRI than Hernandez Juarez, is not only backing the PRD but also has an organizing alliance with the United Electrical, Radio and Machine Workers of America (UE, which is more active than the AFL-CIO but has a similar policy). Indeed, the AFL-CIO itself is building bridges to FAT. There would of course be nothing wrong with attempting united front work with respect to these American unions, but there is no indication that FAT has any idea of the limitations of these unions. However important it is to have international labor solidarity, workers cannot afford to forget that the UE and AFL-CIO leaderships only support those unions that stay within narrow limits and will turn on mass struggles that take on the full spirit of the class struggle.

## Labor law reform

The dangers of a new reformism also appear in the debate on labor law reform in Mexico. At this time, just about everyone wants some change in the Mexican labor laws. Those who want to break free of PRI tutelage want an end to the

imposition of PRI unions and to government smashing of economic struggles, but the employers also want a change. They want the freedom to freely hire part-time and temporary workers. They want more flexibility to push workers into productivity schemes, and even the Mexican labor code—as favorable to the employers as it is—restricts this. Also they want to be free to dispense with unions altogether and not have to buy "protection contracts". Thus "everyone" agrees that change is needed, but the devil is in the details.

The danger is that a moderate change, which eliminates the rigid state control of unions but fosters American-style pro-capitalist unions, will be presented to the masses as a worthy goal. Even Dan La Botz—who writes a newsletter about the Mexican labor movement jointly with FAT and UE, and glories in the cooperation between the AFL-CIO and the UNT—worries on occasion about what reformism might bring. He writes that the UNT and other unions, the right-wing PAN, the reformist PRD, and others might end up with a joint labor law reform that

"converge(s) around two dominant ideas: unions independent of the state, and granting employers greater flexibility in the use of the workforce. This might well produce a law which would end the state's tutelage over the unions, but at the same time promote greater cooperation between labor and management to increase productivity and competitiveness. Will state-dominated unions be replaced not by company unions exactly, but by a kind of employer-friendly neocorporatism?

At the moment, that's the way it looks."

So while he dreams of pushing the UNT to the left, he nevertheless worries that Zedillo and Hernandez Juarez might come to an agreement, with the UNT functioning as the labor federation most in tune with this "neocorporatism".<sup>4</sup>

## Prospects

As the breakup of PRI unionism proceeds, there will be many attempts to have the workers stop short at class-collaborationist or "neocorporatist" solutions. The formation of the UNT is significant not just because it shows that the old PRI "corporativist" unionism is beginning to break up, but because in its present form, it confines the workers' discontent within mild, reformist limits. Whether the UNT will have much influence isn't clear yet, because it is not clear whether it will succeed in leading any major struggles or will fade away. But whatever the fate of the UNT, it shows that the struggle for independent unionism is not over when unions break from direct subordination to the state and the PRI. Instead there will be a struggle between the trend of real proletarian independence and attempts to build up a reformist ideology that may not be

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<sup>4</sup>*Mexican Labor News and Analysis*, October 16, 1997, Vol. II, No. 19, "Analysis: Has the Time Arrived for Labor Law Reform?"

# *Closing their eyes to the obvious in their 'Revolution from Above':* **Kotz and Weir deny the economic collapse of Soviet state-capitalism** **( part one)**

**By Joseph Green**

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The world-wide collapse of the state-capitalist regimes that called themselves "communist" demonstrated their inner corruption. The Soviet and Eastern European regimes weren't overthrown by foreign invasions, but were cast off by their own people. The division of the most powerful countries of the world into two great blocs, that of Western capitalism and that rallied around the supposed "communist" regimes, has ended with the collapse of the supposed "communist" bloc. Only a few of these regimes are left today, and all of them are either in crisis (such as North Korea) or rapidly adopting market capitalist forms (such as China, Cuba and Vietnam).

Is this the collapse of Marxism and socialism as the Western bourgeoisie crows? This is one of the key issues confronting revolutionary activists today. If these regimes were really communist regimes, then their collapse is the death of Marxism. But we have always held that these regimes were simply state-capitalist regimes parading under a red flag. We have shown that economically they were nothing but a bureaucratic variant of capitalism, and that ideologically they had distorted Marxism beyond recognition. The collapse of these regimes is thus the collapse of revisionism. It shows that the workers' movement must reorganize on an anti-revisionist basis, repudiating the ideology and practices that led to the building and then collapse of state-capitalist regimes.

But, surprising as it may seem, there are many who think it is revolutionary to close their eyes to the lessons of the collapse of these regimes. The revisionist regimes may be dying, but this hasn't resulted in an automatic collapse of

revisionist and reformist ideas around the world. Not only former followers of these regimes, but many reformists around the world deny the reality of the collapse of the state-capitalist regimes. For example, they cling all the harder to Cuba as a model of socialism even as Castro implements one Western capitalist method after another, and fail to realize that it is quite possible to oppose U.S. savagery against Cuba without defending Castroism. And they try to prove that the fallen regimes really weren't so bad.

One of the more interesting examples of this is the book *Revolution from above: the demise of the Soviet system*, which appeared last year. It is written by David Kotz, a professor of economics, and Fred Weir, a left-wing Canadian journalist working in Russia. They deny that the economic evolution of the state-capitalist regimes led to their collapse on the grounds that these countries had grown economically for many years and had higher living standards than previously. They also oppose any "interpretation of the Soviet demise [which] stresses the role of popular opposition to the system from below" (p. 3)<sup>1</sup> on the grounds, not of what the masses actually did in the streets or of what they supported, but on the basis of strained interpretations of one poll and one referendum in 1991. Instead they hold that Soviet state-capitalism collapsed because one fine morning the bulk of the "Soviet communist elite" decided to give up an otherwise flourishing system in order to seek their fortunes in market capitalism (p. 6), while the masses of the people supposedly still wanted something like the old economic system. To prove that the workers weren't rejecting socialism, they don't show that the Soviet Union wasn't socialist, but downplay the deep mass hatred for the old system.

During the overthrow of state-capitalism in the Soviet Union and Eastern Europe, the working class did not succeed in developing a revolutionary trend opposed to both free-market and state-bureaucratic capitalism. Power has always passed to another capitalist elite, generally composed in large part of people from the old elite, and conservative ideologies have dominated the struggle. In this sense, one might talk of "revolutions from above". But if "revolution from above" is taken to mean that an elite brought down these systems against the will of the masses, this is a lie. These regimes usually fell to the applause of the working people, who demonstrated and fought against them. The masses won't, however, get anything but

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<sup>1</sup> All page references in the text are, unless otherwise specified, to Kotz and Weir, *Revolution from Above*, London and New York: Routledge, 1997.



kicks and economic austerity from the new regimes until they organize a class struggle in their own defense. The sooner they are clear that the old regimes were not just oppressive but had nothing to do with socialism, the easier it will be for them to recognize the exploitative nature of the new regimes and organize an effective mass struggle against them.

### **Supporting the state-capitalist regimes in order to support reformism**

Yet a number of Trotskyist and revisionist activists say that defense of present state-capitalist regimes and laying flowers at the memory of past ones is a radical step. It supposedly goes beyond capitalist reformism and shows a desire for revolutionary change. But Kotz and Weir's book demonstrates the opposite. They don't defend the fallen Soviet regime out of the desire to see revolution. Instead, they defend it with the motive of defending the reformist and even "centrist" forces around the world that accept a market economy, but want some more state regulation. They regard the main struggle in the world as being between those in favor of some sort of state regulation and those in favor of "unfettered free-market capitalism". They end up portraying the struggle between reformists and conservatives as being essentially the battle between socialism and capitalism.

They spell out their support for the trends advocating a state-regulated market economy in their book's last chapter "Lessons for the future of socialism":

"Western advocates of unfettered free-market economies seized upon the Soviet demise as proof that, not only was Soviet-style socialism not a viable alternative to capitalism, but any form of state intervention in the economy had now been shown to be a path to economic ruin. With renewed vigor they have attacked state regulation of market activity, state provision of public services, and public-welfare programs. All these are characterized as 'socialistic' threats to the dynamism of unfettered free-market capitalism.

"The widespread belief that the Soviet demise has demonstrated the perils of state intervention in the economy has left the defenders of such intervention very much on the defensive. It also appears that . . . the propertied classes in the West have been less inclined to tolerate welfare-state programs.

"However, the conclusion that the Soviet demise demonstrated the economic non-viability of socialism rests on the untenable view that the Soviet economy collapsed due to its internal contradictions." (pp. 225-6)

It is true that the Western bourgeoisie has taken the collapse of the state-capitalist countries as proof of free-market economics, and it is implementing many conservative and "neo-liberal" policies. The main reason, however, for success of this bourgeois offensive today is the disorganization of the working class today and the bankruptcy of various political trends which

claim to speak in the name of the working class. But instead of showing the extent of the crisis in the workers movement, Kotz and Weir want to prop up the "traditional" political trends that have led the workers to the present catastrophe. They see their book as supporting

"the traditional supporters of an active, interventionist role for the state in a capitalist economy—trade unions, centrist and social-democratic political parties, poor people's organizations, environmental movements, and so forth [who] have continued to battle against the free-market advocates." (p. 226)

Kotz and Weir don't describe the struggle of different trends in the trade unions and political parties and poor people's organizations and environmental movements. They don't tell the workers that it makes a difference which trend is influential in the unions and what politics the different parties and organizations stands for, nor do they call for a revolutionary trend to be built. Instead they simply lament the crisis which has overcome the reformist trends. They don't describe how the centrist, social-democratic and reformist trends have undermined and disorganized the working class, fought against the class struggle in favor of accommodation with the bourgeoisie, and persecuted and expelled any real radicals. For example, the AFL-CIO leadership is certainly among those whom Kotz and Weir regard as supporters of some government regulation. Yet the AFL-CIO leaders were strikebreakers against the Staley struggle in Chicago; called off militant action in the Detroit newspaper strike, leading to its defeat; and continue to pour money into support for capitalist politicians at elections. The AFL-CIO's path of capitulation to the demands of the bourgeoisie won't be changed by providing it with better arguments for state regulation. Instead the development of a real struggle against the bourgeoisie requires an intense struggle to break through the stranglehold of the AFL-CIO leaders; it will go hand and hand with building up real unions and an independent political struggle that are very different from the "traditional" models of the social-democratic and centrist forces.

With respect to Russia too, Kotz and Weir can't see beyond "traditional" forces. They think that it is possible that there might be "a return to a socialist direction" if Zyuganov's "Communist Party of the Russian Federation" (CPRF) returned to power. Although Zyuganov's party adheres to the traditions of the old state-capitalist "Communist" Party, they see it as a genuine socialist party. They have little difference with "the published program and public statements" of the leaders of the CPRF, and regard them as a socialist program—their only worry is if the CPRF would really implement it. So all they have to offer the Soviet workers as the reaction to the misery brought them by the market economy is a return to the old traditions which were rejected in the past. They look not to the future, but to the fostering of a "nostalgic" attitude to the old system which, they claim, people "did not like very much when they had it but now sorely miss". (p. 221)

So Kotz and Weir's defense of the old Soviet system does not indicate any revolutionary spirit at all. It just shows their attachment to the reformist ideology that capitalism can be

tamed through some state regulation, and an inability to imagine that the workers will ever rise in struggle and develop truly revolutionary parties.

### State socialism

Kotz and Weir declare themselves on the side of those who seek "an active, interventionist role for the state in a capitalist economy". They see this state intervention, if it is extensive enough, as constituting socialism. This is their theoretical reasoning for seeing the old Soviet Union as socialist.

Thus Kotz and Weir don't defend the old Soviet regime out of love for its political institutions. They admit that it was "a repressive one that denied the Soviet population basic civil and political rights and freedoms" and that "it was not possible for the Soviet people to have much say in the determination of state policies." (p. 28) They admit that the Soviet Union under Stalin and his successors was not a workers' state and

"neither the working class nor the Soviet people as a whole had sovereignty in the Soviet system. Power resided at the top of the party-state bureaucracy. From the formulation of the economic plan to the operation of an individual enterprise, the workers lacked the power to make economic decisions about how the system would operate." (p. 26)

They argue that this system had "a superficial resemblance to capitalism" in that workers were paid a wage and had no power over any decision whatsoever. However, the role of the working class is only a minor feature for them. The main thing is that there is no "competition among independent owners of capital to make sales in the market". (p. 26) Actually, as we shall see later on, there was competition among Soviet enterprises and executives. But since these Soviet executives were managing state industry, not private industry, Kotz and Weir overlook the competition among them. This is the typical argument of revisionist apologists that so long as a state-capitalist regime doesn't have all the forms of Western capitalism, it's supposedly not capitalist.

Kotz and Weir argue that:

"The most useful way to understand the Soviet system is as a mixed system, with significant socialist elements, but with non-socialist elements as well. The term 'state socialism' seems to best capture this concept, since the role and nature of the state represented the most important non-socialist feature of the Soviet system." (p. 26)

They also describe say that the "most neutral and accurate label" for the Soviet system is perhaps state socialism, because this term

"suggests the economic institutions of public ownership and economic planning that are usually associated with socialism, combined with the extreme centralization of economic and political power in an authoritarian state that characterized the Soviet system." (p. 2)

So let's see. The Soviet Union was socialist except for a few minor defects:

- a) it was ruled by an elite,
- b) the masses has no say in anything.

Or to put it another way. For Kotz and Weir, the Soviet Union was socialist because of the existence of state ownership, *even though* "the role and nature of the state represented the most important non-socialist feature of the Soviet system." Brilliant, no? One might think that if the state was non-socialist, if it was the tool of an a "party-state elite" to exploit the workers, then state ownership wouldn't be socialism at all, but just another form of exploitation. But no. For Kotz and Weir, there is magic in the state, any state, so long as it can provide economic growth and implement a few social welfare measures.

It is important to note that, for Kotz and Weir, "state socialism" is a variety of socialism. Marx and Engels, on the contrary, regarded "state socialism" as a variety of capitalism. The influence of Marxism undoubtedly had much to do with why a century ago, at its Berlin Congress of 1892, when the German Social-Democratic Party was revolutionary (and not the reformist handmaiden of capitalism it became during and after World War I), it condemned the idea that the state running industry constituted any sort of socialism, unless the state itself was a workers' state. But since then social-democracy and similar trends supported by Kotz and Weir have reconciled with capitalism, and they regard state ownership as a socialist element even in a capitalist economy.

### An elite which is supposedly not a ruling class

While Kotz and Weir say that Soviet "state socialism" has various socialist and non-socialist features, they insist that overall it is socialist, and they want to cite its record of economic growth as due to socialism. They write that "The socialist institutions of the Soviet system made it a very different system from its main rival, modern capitalism." (p. 31).

Along these lines, they insist that there wasn't any Soviet ruling class, only an elite. The thesis of their book is that this elite was able to change the very fabric of Soviet society and tear down the supposed socialist system against the desire of the masses to uphold socialism, yet they insist that this elite can't be called a ruling class. Why? Apparently because the Soviet ruling class didn't carry out its exploitation in exactly the same way as the ruling class in Western capitalism. They write in explanation only that "we do not consider the ruling party-state elite of the Soviet system to be a ruling class in the traditional sense." (p. 31, footnote 58) They admit that this elite determined everything that went on, both on the economic and political level and that it reaped the fruits of revisionist society, but yet it wasn't a "traditional" ruling class. It's the same circular argument that occurs over and over in their analysis. To prove that the Soviet economy wasn't a variant of capitalism, they first assume that modern capitalism must be a carbon copy of what "traditionally" exists in Western Europe and the U.S. They then demonstrate that Soviet capitalism differed in some ways from Western capitalism, and conclude that there-

fore it wasn't capitalism and therefore the elite isn't a ruling class. However, this conclusion only follows because they assumed at the start that capitalism can't come in different forms.

To make their circular arguments appear more reasonable, they close their eyes to many features of Soviet society. For example, they say that the Soviet Union is socialist because of "the extensive array of public services provided for the population". They admit that some capitalist countries also have an array of public services. But, they say, in those countries "capitalist-financed conservative parties, aided by the pressures coming from international competition, continually press for the dismantling or reduction of social programs. **No such challenge to social benefits ever arose in the Soviet system, and the programs did not suffer the cutbacks** which they have periodically encountered in capitalist welfare states." (p. 27, emphasis added)

No cutbacks ever occurred in Soviet social programs? That's an astonishing assertion for authors who claim that their book is based on the observation of Soviet reality. Whether it is health care, education, or housing, Soviet public services for the masses have gone through extensive up and downs, but Weir seems to have missed this. They are content with statistics like "...By the 1980s the Soviet Union had more doctors and hospital beds per capita than the United States." (38) But Kotz and Weir don't give figures on the Soviet lifespan or explain why it was lower, not just than the American lifespan, but than that of almost any other European country, whether Western European or a member of the Soviet bloc. It fit, instead, somewhere in the range of Latin American lifespans. Moreover, the Soviet lifespan dropped in some of the years that Kotz and Weir present as years of rising prosperity for the masses. Infant mortality, too, was another troubling area for the Soviet Union. It was not only higher than American infant mortality, but it rose between 1970 and 1974 and then the Soviet Union stopped publishing figures. All this suggests cutbacks in some key areas of Soviet living conditions even *prior* to the economic stagnation that began in 1975. If Kotz and Weir had examined not just the number of doctors and hospital beds, but the fact that the Soviet health system was starved of resources, they might have started to understand some of the realities of the Soviet system.

Only in passing do Kotz and Weir barely mention the zigzags of Soviet policy. They briefly remark that Stalin revived "conservative cultural norms" and "earlier legislation favoring workers, women, and national minorities were repealed or ignored." (p.25) But for some reason, they don't consider these things as cutbacks, even though they concern economic matters as well as political ones. Moreover they create the impression that these cutbacks were solved with the rise in living standards after World War II. Yet, as a minor aside, they will briefly admit that, after the mid-1970s, "there was a growing sense of alienation and aimlessness", "corruption and cynicism spread throughout the institutions of Soviet society" and "alcoholism was on the rise". But they don't

understand where these problems came from; they pretend that these trends only started after the mid-70s; and they don't stop to wonder if it might show that their picture of the happy life and growing prosperity of the Soviet masses is seriously one-sided. They certainly don't consider whether these were symptoms of a class-divided society, and in line with this, they don't study the differences in conditions faced by the different sections of Soviet society. Perhaps it's natural that, since they don't believe that they were different classes in Soviet society, they don't bother to study the class differences.

## The elite and the defense of the old system

Moreover, Kotz and Weir insist that the old Soviet elite wasn't defending the old system. They write at the beginning of chapter 7 of their book that:

"According to the received wisdom, during 1989-91 the democratic majority in the Soviet Union defeated the party-state elite. . . . On one side was the old elite, fighting to maintain its privileges by trying to save the system upon which those privileges were based. On the other side was the majority of the people who, having come to loathe the old system, threw their support to the political opposition, led by Boris Yeltsin. The opposition won the elections and stared down the tanks of the old regime, finally achieving their goal at the end of 1991. . . . The party-state elite had resisted and finally had lost." (p. 109)

Of course, the majority of people did loathe the old regime; the opposition did stare down its tanks; the opposition was unfortunately led by bourgeois politicians like Yeltsin; and the decisive defeat of the old system was achieved by the end of 1991. (The extreme free-market "shock therapy" in Russia began in January 1992. Its devastating results on the livelihood of the Russian people and even on industrial production gave rise to massive discontent and dramatic events, including Yeltsin sending his own tanks to attack parliament, but these events only concerned the exact shape and policies of the market capitalist regime that was being built. The old regime was not going to be restored, even if parliament had defeated Yeltsin rather than Yeltsin defeating parliament. Perhaps some parliamentarians might have called their proposals "democratic socialism", but this wouldn't have changed their capitalist nature.)

So what do Kotz and Weir object to in the supposed "received wisdom"? It is that the "party-state elite resisted". But if the diehards of the old ruling class weren't resisting, then who did in 1989-91?

True, the elite was united on market reform, but this was not something new that began in 1987. The official policy of Soviet revisionism for decades had been to seek market reform, and Gorbachev's aim was to accelerate this. So in the crisis during Gorbachev's rule, from 1985 to 1991, they divided: not on socialism versus capitalism, but on how far to go and on whether to preserve the old economic and political apparatus of



state capitalism. The diehards fought for maintaining their privileges and the old state-capitalist setup right up to the end, and the masses hated the diehards. The workers' misfortune was that they were unable to constitute a revolutionary trend independent of the free-market trend.

But Kotz and Weir imply that no one resisted the breakup of the old system. They claim that the "extremely rapid, and relatively peaceful, character of the process" proves the lack of resistance (p. 7). This is a remarkably complacent description of a turbulent process which blew apart the Soviet Union and left Russia destabilized even now, more than a decade after Gorbachev's reforms marked the beginning of the end for Soviet state-capitalism.

Moreover Kotz and Weir concrete observations contradict their own theories when, at the end of the chapter 7, they remark that the majority of the party-state elite didn't jump ship until after 1991. They write that a shift started in the Soviet party-state elite in 1987, but that "most members of the elite did not personally make this shift during 1987-1991". (p. 128) This would mean that the bulk of the Soviet bourgeoisie didn't abandon the old institutions until after the system had been irreversibly defeated.

Kotz and Weir seek to obscure the resistance put up by the old apparatus by relying on the fact that so many leaders of the new system, such as Yeltsin and many businesspeople, came from the old Soviet bourgeoisie. As the old system broke up, more and more members of the old Soviet bourgeoisie sought to make their fortune by becoming political or economic figures in the new system. All this is true and deserves to be stressed in order to get a clear picture of what the old Soviet bourgeoisie was. But it doesn't prove that the diehards of the old system didn't resist its breakup.<sup>2</sup> What the moving over of the state-

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<sup>2</sup>Kotz and Weir make it sound like the entire elite just moved over and constituted the new private elite, but the facts they provide tell a different story. For example, they refer to a study of "the top 100 Russian businessmen" in 1992-1993. But if one examines carefully the figures they cite from this study, they show that at most about a third of these people came from the top executives of the old regime. (pp. 117-124)

Almost two-fifths of these private businessmen, 38, definitely came from way outside the old elite, ranging from criminals to scientists. That leaves 62 of them that Kotz and Weir claim are from the elite. But only 37 of these 62 are former state-capitalist industrialists or bankers. It is among these 37 that one would presumably find the phenomenon of leading executives in the state sector simply moving over to being leading executives in the private sector. (Unfortunately, although they give some interesting individual examples, Kotz and Weir don't give figures on how many of these executives were really high up.) Another 25 individuals are labeled as from the elite, but it is doubtful whether they were part of the elite as defined by Kotz and Weir earlier in the book, when they talk of about 100,000 people constituting this elite. (p.31) Eight are from "elite" families, which undoubtedly gave them great contacts, but the

capitalist bourgeoisie to private business does show, however, is that the change in the Soviet Union wasn't from socialism to capitalism, as Kotz and Weir say, but from one form of capitalism to another. This is why a good part of old state bourgeoisie found it relatively easy to find places in the new bourgeoisie. This shows that revisionist state-capitalism generates powerful forces of private capitalism from within itself. Private capitalism spring from the very pores of the old state-capitalist economy, something which Kotz and Weir deny.

But Kotz and Weir's insistence that the entire Soviet elite abandoned the old system, if factually inaccurate, nevertheless reveals where their attention centered. They are upset that the diehards of the old ruling class proved so weak in the decisive years of 1985-91. Ironically, since Kotz and Weir center their attack on the evils of a "revolution from above", they seemed to have pinned all their hopes on the favorable outcome of a "reform from above". Insofar as their book has any hero, it is Mikhail Gorbachev, who attempted to reform state-capitalism by using its own apparatus. Kotz and Weir praise Gorbachev as a sincere socialist whose market reforms appeared in the late 80s to them to "be giving birth to the world's first democratic socialist system". (pp. ix, 4) Kotz and Weir speak in the name of masses against the elite, but really they are simply disappointed with the elite for having deserted Gorbachev. Their book is in part an apology for a man who was the most elite politician of all, the last head of the "Communist" Party of

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<sup>2</sup>(...continued)

fact that they are listed as children of the elite rather than under their own accomplishments makes one wonder how far up they really were. And 17 came from the Komsomol, a major organization numbering in the millions. Perhaps few of these 17 came simply from the rank-and-file of the Komsomol, but insufficient information is given concerning them.

So it looks like at most a third of the 100 richest businessmen came from top state-capitalist executives; almost two-fifths from totally outside the elite; another quarter came from people who may have had connections but weren't particularly high up themselves; and the remainder were at best peripheral to the elite. This still shows that the old Soviet bourgeoisie and Soviet professionals (which is a far broader category than the ruling elite) generated much of the new private bourgeoisie from within themselves, but it also suggests that the breakup of the state-capitalist system resulted in a massive reshuffling of who was on the very top and who wasn't. This suggests an economic base to the sharp antagonisms and struggles within the Soviet bourgeoisie.

Moreover, the picture of a changing elite is reinforced if one considers that the question is not just how many of the top 100 businessmen came from the elite, but what percentage of the former top 100 elite turned into the top businessmen. Kotz and Weir don't give any statistics on this. But the richest businesspeople of 1992-3 would mostly be among those who started their private business careers by the end of the 1980s, although Kotz and Weir report that the majority of the elite hadn't yet shifted to private business until after 1991.

the Soviet Union, despite the fact that Gorbachev is now arguably the politician with the least support of any among the masses. He is so unpopular these days that, although Pizza Hut recently signed him up for ads, they are making sure to circulate these ads only outside Russia—Gorbachev may be popular in the West, but an endorsement by Gorbachev would be the kiss of death for pizza in Russia.

## **State capitalism generates private capitalism from within itself**

### **The economic crisis of state-capitalism**

One of the reasons that Kotz and Weir are so determined to prove that the collapse of the Soviet Union was just a plot by the elite is to deny the economic problems of state-capitalism. As we have seen, they deny that "the Soviet economy collapsed due to its internal contradictions." (p. 226)

Actually, they don't think any social change in any social system whatsoever can be explained by the internal contradictions of the economy. In their view, such a materialist explanation of class struggle and historical change

"assumes that an economy can suddenly become 'unworkable,' at which point a social revolution to replace it with an alternative economic system becomes inevitable. Such a theory is often called a 'mechanistic' one, since it draws inspiration from the realm of mechanical devices. An automobile engine can at some well-defined point become unworkable and cease functioning, leaving the hapless owner with no alternative but to replace it with a new engine or even an entirely new automobile.

"However, the same cannot be said of an economic system. Economic systems, whether socialist, capitalist, or another variety, do not suddenly become unworkable due to their own internally generated problems. An economic system may work well in its own economic terms at certain times, meeting the expectations which it generates among the population. Such performance tends, of course, to contribute to social and political stability. At only times it may not work so well, producing dissatisfaction. . . .

"All economic systems have powerful institutions that tend to preserve them in hard times, even in time of severe economic crisis. Whether economic crisis leads to reform or revolution is no simple question. During the 1930s many radical critics of American capitalism fervently believed that the 'unworkability' of the system had been amply demonstrated, yet no revolution took place. . . .

"No purely speculative analysis can tell us in advance whether an economic system can, or cannot, be reformed under a given set of

circumstances. Most economic systems are surprisingly adaptive." (pp. 73-74)

Based on the reasoning, Kotz and Weir claim that anyone who notices that economic stagnation and internal contradictions undermined the Soviet Union must really be claiming that the system became absolutely unworkable, like an automobile with a blown engine that simply can't go another mile under any conditions whatsoever. For them, to say that the Soviet economy fell due to its internal contradictions means that there is a certain figure, say a contraction of x% of the gross domestic product over y years, that means an automatic revolution. This is an absurd parody of the materialist view concerning the importance of the economic base.

Kotz and Weir think that Marxist materialism is refuted by the simple observation that most social systems are "surprisingly adaptive". No doubt this observation is true. But it is Kotz and Weir who are guilty of forgetting this point when, in discussing the crisis of Soviet state-capitalism, they deny that the old elite was trying desperately to be "surprisingly adaptive" and save the old system. The state-capitalist system didn't simply surrender, but tried to save itself, and until 1992 many people in the Soviet Union were worried that it would succeed.

But while the relationship between history and economics isn't mechanical, it is still the economic system which creates the conflicting classes in a society. This doesn't mean that one can mechanically translate x% of growth or y% of contraction to this or that political event. Nor does it mean that every crisis necessarily deepens into a revolutionary crisis, or that every revolutionary crisis inevitably leads to revolution. Long before Kotz and Weir, Marx and Lenin—who believed strongly in the ultimate economic basis for politics and revolution—had strongly opposed the idea that a revolutionary situation automatically led to revolution.

But in the name of opposing mechanical ideas, Kotz and Weir denounce the idea that there was any profound economic basis to the Soviet political crisis of 1985-1991. Any analysis of the class struggle and the politics of a class society that ignores the internal economic contradictions of that society is inevitably narrow and superficial. So it is not surprising that Kotz and Weir put forward the most superficial theory of all—the old elite just gave up and decided to abandon the state-capitalist system. Moreover, according to Kotz and Weir, this decision had nothing to do with the crisis of the Soviet economy, but occurred because the elite just happened to notice in 1985-91 something they had overlooked before—that the Western bourgeoisie was so wealthy—and their mouths began to water. Presumably, if they had noticed this in 1975 or 1965 or 1955, they would have overthrown the state-capitalist system back then. But supposedly it wasn't until 1985, due to the new freedom under Gorbachev's policy of "glasnost" or openness, that they really began to travel abroad in sufficient numbers. This fairytale is what scholars are reduced to when they deny the role of the economic base in politics. This is the old style of history which reduced it to a chronicle of the doings and sayings of kings and presidents and CEOs.

## The great Soviet stagnation

Besides their general argument against "mechanical" views of politics, Kotz and Weir also argue that the collapse of the Soviet Union had nothing to do with economic contradictions because the economy had grown so much. They stress over and over that the Soviet economy achieved remarkable growth between 1928 and 1975. Most of their material is not new, but they do have an interesting discussion of the changes during the late 80s and the 90s in Western views of the Soviet economy. There is a tendency to declare that the Soviet economy was really only a small fraction of what it had seemed to be. A major part of this debate centers on the CIA's assessments of the Soviet Union, which are held by some to be vastly overestimated, while Kotz and Weir argue in favor of the CIA's claims. They point out that many of the economic methods used to downgrade the size of the Soviet economy would also produce lower estimates of Western economies, if, say, applied to estimating German or American growth. (pp. 38-40)

However, even Kotz and Weir admit that "the performance of the Soviet economy dramatically deteriorated after 1975", and that no one knew how to overcome this. Still, they don't think that this was a real crisis. In their view, it only gave rise to a "sense of crisis". (p.34)

But how couldn't it be a crisis when they themselves admit that the economic methods used in the Soviet Union "appeared to have reached the end of their ability to provide rapid economic progress" and, moreover, "all of the long-standing problems of the Soviet system appeared more serious"? (p. 53) What good is it to boast of previous economic growth if one admits that the system had reached an impasse? Kotz and Weir don't see this impasse as relevant to the Soviet collapse. It's just that the economy felt apart when Gorbachev tried to reform it (although Kotz and Weir argue that it wasn't their hero Gorbachev's fault); it finally began to shrink; just about no one thought the status quo was tolerable; even Kotz and Weir believe that the old methods used in the Soviet economy had lost their effectiveness; but don't blame the Soviet collapse on internal economic problems!

Moreover, Kotz and Weir have no real idea of what could have been done to overcome the Soviet stagnation. They call for democracy; they rail against centralism; and they suggest that some methods have to be found, they know not what, to "forestall the development of a privileged and dominant elite". But what precisely is to be done? How are all these good intentions to be achieved? They don't know.

True, they think the answer is "democratic socialism", but they don't know what "democratic socialism" really is. At the end of their book they can only say that "The best way to design a socialist economy that is decentralized and non-hierarchical is a controversial matter. There are two main schools of thought on this among Western socialists." One is "market socialism", which is simply the marketplace with some government regulation, and the other is "democratic, or participatory planning", which in their description might well be just another variant of market socialism. Indeed, they say that "it is difficult to imagine how a large-scale, interdependent

economic system could possibly function fully satisfactorily without some elements of both public regulation and market forces. A future democratic socialism would have to incorporate both kinds of institutions." (pp. 229-231) In short, they haven't gotten beyond the market socialist ideas of the old Soviet elite or of their hero, Gorbachev.

But if they can't really say what "democratic socialism" is, then what argument can they give in favor of it? They admit that they have few answers to this question, and that their view "leaves many questions unanswered. Would a democratic socialist system be economically workable? . . . Could it match and surpass the rival system of capitalism?" (pp. 231-2) So what can they say to advocate a system that, for all they know, is unworkable?

Their answer is to cling to the record of Soviet economic growth in 1928-1975. So they can't admit that the Soviet economy was state-capitalism, nor can they admit that the Soviet economy's internal problems gave rise to its collapse. Nor can they look too closely at what happened to the masses in this period. Instead they insist that the Soviet Union was socialist, albeit state socialist, and they claim its growth as a proof of socialism.

As a result, Kotz and Weir's book is full of crying contradictions: much of their book is devoted to rationalizing away the significance of economic and political facts that are mentioned, if only in passing, in their own account of events. Their theories about why the Soviet Union collapsed keep contradicting their description of how this collapse took place. This is why anything they say on one page is likely to be contradicted on another.

## The anarchy behind Soviet planning

Thus Kotz and Weir not only refuse to admit the existence of a crisis in the Soviet economy, but they overlook the deeply rooted problems of the Soviet economy that led to this crisis. This can be seen in their discussion of planning. In their view, it's simple: since there were state ministries, the economy must really have run according to overall planning, it had overcome the anarchy of production, and "there was scope for kinds of cooperation not found under capitalism, such as the sharing of information about technologies and organizational techniques." (p. 27) This is in accord with their view that the issue in the world today is simply more or less state-regulation.

But a serious study of the Soviet economic system shows that it was not able to overcome the anarchy of production. This was not just a matter of some errors in planning or a few bad apples among the administrators. There was in-fighting between and among Soviet enterprises and among Soviet ministries that resembled the competition among Western businesses, although it manifested itself in somewhat different forms. Like his Western counterpart, the Soviet executive had his "bottom line", and he (it generally was a "he") ran the economy according to what benefited him and his enterprise, and let the rest be damned. He did this to enrich himself, and moreover, he had to do this to survive at all. He was assigned plans and goals that were often based on fanciful figures, and in turn he provided



fanciful figures to the ministries. He could not necessarily obtain all the necessary raw materials and tools to carry out his plan, so he developed his own informal networks of suppliers and he hoarded goods, however much they might be needed by other enterprises. He maximized the fulfillment of certain numerical goals of his plan, even when he knew that he was producing goods that were shoddy or not exactly what was needed. Nor were the overbloated ministries in Moscow what they appeared to be. Instead of being virtuous representatives of the general good, seeking to rein in the centrifugal tendencies of the enterprises, they competed among themselves, covered up for the enterprises under their control, and were pulled in various direction by the different special interests that managed to get represented in their staff. Kotz and Weir's description of the idyllic cooperation of Soviet enterprises is sheer fantasy.

This is discussed in detail in an article in last year's *Communist Voice*.<sup>3</sup> This competition and anarchy are used to demonstrate that the Soviet ruling elite were in fact a ruling class. Soviet state-capitalism may have lacked a stock market and had other differences with Western capitalism, but the Soviet bourgeois did seek to enrich himself and his own circle. The economy was not run according to the general interests of the population, and not even simply according to the overall interests of the Soviet bourgeoisie, but according to the multitude of conflicting private and small-group interests among the Soviet ruling class.

Despite their repeated pose as people who are debunking the conventional views, Kotz and Weir ignore the anarchy of production in the Soviet economy and accept the conventional idea that the issue was mainly overcentralism. They also accept the conventional solution, which is the use of market forces. They don't look more deeply into the Soviet economy to see what the class forces were and how this affected whether planning was effective or not. Such an examination shows that the key problem is which class is in control. It's not that the Moscow ministries weren't overgrown and bloated and they didn't interfere in everything: they did. It's that their role, and the cure for it, can only be understood if one understands the class structure in Soviet society and the nature of the state. In the Soviet Union, the workers were only a passive factor of production, while the system was run by and for the new bourgeoisie. Thus, whatever the goals of the Soviet planner—whether increasing the amount of production or improving quality or innovating—he was forced to rely on providing incentives to the managers. The planner would set the indices in the state plan for an enterprise in a way to reward the manager for doing the right thing, and was constantly amazed when the manager would frustrate this plan by finding ways to maximize his gain according to this or that incentive while

ignoring the overall needs of the economy.

In a truly socialist system, the centralism looks different because it is based on a different class reality. When the working class really runs the economy, the goals and their implementation depend on the consciousness and initiative of the workers. It is only on the basis of the workers' ability to build class-wide political and economic organizations that are truly linked to the masses, their class consciousness that allows them to take overall decisions about the entire economy, their vigilance at each workplace to ensure the fulfillment of these decisions, and their local initiative that a fully effective central planning can be built up. In these conditions the overall figures of a plan can become a reality, and it isn't necessary for the central apparatus to become overbloated and oppressive in a constant struggle to frustrate local centrifugal forces. Thus, a truly planned economy must be a socially-planned economy, a planning by and for the working masses.

Kotz and Weir don't realize there is a connection between whether central planning can really run an economy and the class structure of society. For them, state regulation is a good feature of Soviet society, and that the workers weren't involved in decisions was a bad feature, but it was only another feature of the system, no more important than any other. Kotz and Weir may make a value judgement about involving the workers in decisions and favor "democratic socialism", but they don't see the relation of the workers' role to the economic structure of society.

So they see the problems in Soviet planning from a technical angle (it was overcentralized), rather than from the class angle (there was a bureaucratic bourgeoisie that exploited the masses, and the party, the trade unions, and the factory management all sat on the workers rather than being instruments of the workers). They don't realize that Soviet state planning only provided a facade under which different private interests inside the Soviet ruling class clashed, and that the problems of Soviet planning were connected to the class struggle in Soviet society. Instead they echo the analysis of bourgeois economists and market advocates about overcentralism, and they become skeptical of centralism in itself. Ultimately, their prescriptions for how to reform the Soviet economy are just variants of those of Gorbachev. This is why they close their eyes to the fiasco of Gorbachev's market socialism by assuring themselves that the Soviet elite as a whole never really gave Gorbachev's plan a fair chance.

### The elite

The anarchy in the Soviet economy as well as their own search for personal advantage led the Soviet bourgeoisie to a constant preoccupation with market reforms. The evolution of the Soviet elite, and its very creation, was just as much a product of the Soviet state-capitalist system as was wheat and cars and guns. Yet a central theme of Kotz and Weir's book is that the decisions of the elite and the evolution of the economy are two entirely separate things. They believe that if they can attribute, rightly or wrongly, certain historical events to decisions by the elite, they have thereby shown that these events

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<sup>3</sup> See "Did the Soviet economy run like a single workshop?" in the article "The anarchy of production beneath the veneer of Soviet revisionist planning", which is part 2 of the series "State capitalism, Leninism, and the transition to socialism" (*Communist Voice* vol. 3, #1, March 1, 1997).

have nothing to do with the "internal contradictions" of the economy. Hence they don't recognize the class struggle in the old Soviet Union, its relation to the fundamental features of the economy, and its role in the political decisions that have been taken.

This key viewpoint of Kotz and Weir is that of an enlightened government bureaucrat who believes that correct state regulation can solve any problem. It doesn't strike this bureaucrat that the limits of this regulation as well as the very possibility of implementing it are connected to deeper economic factors and to the class struggle. Instead, the bureaucrat sees the problem as simply ensuring that the state has the wisdom to create good regulations and the power to enforce them. For Kotz and Weir, "democratic socialism" gives the wisdom needed to conceive the right regulations, and defeating neo-liberalism will provide the power needed to implement and enforce them. The idea of organizing the proletariat for a class struggle on its own behalf is remarkably foreign to their book.

### Contradictory tendencies under capitalism

But when one looks at the economic factors that Kotz and Weir brush aside, one sees that the forces corroding Soviet state-capitalism grew up within state-capitalism itself. The anarchy of production, the contradiction between the working masses and the Soviet elite, the development of this elite and its preoccupation with market reform, and the great Soviet stagnation were precisely manifestations of the internal contradictions of state-capitalism. The collapse of the Soviet Union thus illustrates the strong economic forces for private capitalism that grow up within the bosom of state-capitalism. This is not just a peculiarity of the Soviet Union or even of revisionist regimes. The South Korean state, for example, has been particularly interventionist on economic matters, and it sought to foster and strengthen the *chaebols*, or Korean monopolies. But the very growth of these monopolies has led to pressure for the relaxation of Korean state tutelage, as the *chaebols* wanted access to credit and other resources beyond what the state could provide and the section of the Korean bourgeoisie outside the *chaebols* resented their monopolization of state resources. The IMF is ruthlessly utilizing the Asian financial crisis to insist on a much more immediate and drastic restructuring of the Korean economy, but a certain amount of restructuring was in the works anyway.

Overall, present-day capitalism is seeing the growth and predominance of large-scale production and monopoly. But this doesn't proceed by the monopolies growing larger and larger in a straight line until a single monopoly firm takes over the whole world. In general, modern capitalism harbors tendencies both towards monopoly and state monopoly and towards their breakup. In one situation or another, at one time or another, one or the other tendency will dominate. But the breakup of one monopoly system creates the grounds for the growth of another. The breakup of revisionist state-capitalism because of its internal decay shows one tendency, but it creates the basis for reintegrating the enterprises that arise from the breakup of revisionist monopoly into new and more effective private

monopolies. Meanwhile in the western economies, small firms are being continually generated in large numbers, while similarly large numbers of them are continually being wiped out, others struggle on but are subordinated to the big firms, and a lucky few grow large themselves.

For the bourgeois economists, the free-market is the very antithesis of monopoly; free-market reforms are supposed to have nothing whatsoever to do with monopoly. But Marxism notes that the freer the market, the faster it gives rise to giant firms and, eventually, to monopoly. The free market does not simply grow calmly, but goes through booms and devastating crashes, periods of growth and depression, and these cycles are one of the factors helping to wipe out the weak firms and push towards monopolization. The present period of neo-liberal freeing of world markets from local regulation and protection is creating the field on which bigger and bigger monopolies can develop. For example, the agribusiness giant ADM boasts of being the "supermarket to the world", which is too close to the truth for comfort, while even the distribution of popular music is being standardized and monopolized on a world scale.

Moreover, this tendency to monopoly also leads towards state-monopoly. The dominant bourgeoisie is today pressing for neo-liberal reforms and downsizing of the state sector all over the world, but it is doing so in part through utilizing world institutions to create compulsory trading rules. There are attempts to build regional blocs, from a united Europe to large trade zones, and to strengthen world capitalist institutions. What policy the bourgeoisie implements in these regional and world mechanisms has changed over time and may change again. At one time state regulation and the fostering of the state sector for various purposes, such as laying the basis for new industries in developing states, was fashionable among large sections of the world bourgeoisie and in the world economic institutions. The bourgeoisie may find these tools of use in the future as well, when it is faced with repeated economic crises like the current crisis in East Asia. It may take a few catastrophes before the bourgeoisie decides to act, but the environmental challenges, depressions, and other global economic issues facing the world in the 21st century may result in attempts at strict global regulation as well as great clashes among rival economic blocs.

But it is wrong to dress up the capitalist trends to monopoly as socialism. The growth of large production does show the increasing feasibility of social control of all production and is thus a powerful argument for socialism, but capitalist monopoly remains capitalism. Instead of downplaying the crimes of large monopolies and state-monopolies, the militant proletariat should denounce these crimes and use them to prove that the massive forces of modern production must be taken over by society as a whole. With respect to the collapse of revisionism, the task of revolutionary socialism is thus to expose the state-capitalist nature of revisionist economy, and not to foster nostalgia for the supposed good old days of revisionist tyranny. This is the only way to encourage the development of a new proletarian movement for socialist revolution. □

# What happened to the big Canadian strikes?

In the closing months of last year, Canadian working people were stirring. The teachers strike on the province of Ontario was the largest teachers strike in North America ever, while the postal workers went out on a national strike. Despite the solid unity of the strikers, both strikes had disappointing ends: they were called off by the union leaders under government pressure. In both cases, the union leaders said they weren't really ending the struggle, but just changing its form. In both cases, the struggle has since fizzled out.

These strikes hold a serious lesson for workers everywhere. They show that we need not just militancy, but to build an independent workers' movement that is free from the reformism of the pro-capitalist labor leaders. We reprint below articles from *Detroit Workers Voice* supporting these strikes, and an additional article discussing how the postal strike ended.

## Canadian postal workers go on strike

From the Nov. 23, 1997 issue (#17) of *Detroit Workers' Voice*:

45,000 Canadian postal workers launched a strike on November 19, shutting down the postal system. The efforts of the management of Canada Post to drive down postal workers is something we U.S. postal workers are only too familiar with. Canada Post is trying to eliminate jobs, replace career jobs with part-time jobs (casuals), lengthen letter carrier routes, and drive down wages and benefits. Here our union leaders tell us that nothing can be done to protect ourselves against postal management except to utilize a grievance procedure that is a joke and accept contracts decided by arbitrators who couldn't care less about our steadily declining conditions. The Canadian postal strike shows that another way is possible. It shows that workers have the potential to take powerful actions against postal management. If we want decent contracts, then we must prepare for such mass actions. If we want to be able to fight back effectively on the daily crimes of postal management, we must begin to band together for all sorts of collective actions.

While the rank-and-file postal workers in Canada have dug in for a serious fight, the leaders of the Canadian Union of Postal Workers (CUPW) are trying to reach a dirty back-room deal with management. They are indicating that if the Canadian government passes "back-to-work" legislation, they will most likely capitulate to it and end the strike they called. Canadian government officials have already threatened that such legislation is imminent. Meanwhile, CUPW negotiators have been busy trimming their demands. They have slashed their original modest wage demands. As well, they are willing to let

an arbitrator decide the fate of letter carrier routes which plays into management's hands. It is far from clear that Canadian postal management will accept these concessions. Seeing the wavering of the union officials, they are pressing for complete surrender.

So while the Canadian postal workers have shown their potential might, they also face a very difficult situation. In the U.S., postal workers have no right to strike while in Canada they do. Yet the "right-to-strike" in Canada does not prevent the government from eliminating this right with legislation if the strike is effective. Such is the lack of democratic rights for workers in capitalist democracies such as the U.S. and Canada where the governmental institutions are in the hands of the wealthy corporations. As well, Canadian and U.S. postal workers see their struggles undermined by their so-called labor leaders. The fate of the Canadian postal strike will be in jeopardy unless the rank-and-file can make its will felt and avoid being railroaded into a poor settlement by the CUPW bureaucrats.

Postal and other workers in the U.S. should take to heart the lessons of the strike. The Canadian strike gives us a glimpse of what our own potential power could be. It shows that another way exists besides just "taking it" or trusting our fate to the rotten grievance procedure and callous arbitrators. We have the possibility of taking our fate into our own hands. Our weapon is that of collective action. To utilize this weapon means we must begin to build links among the rank-and-file and not depend on the frightened union officials.

Solidarity with the Canadian postal workers!

Get organized to resist the attacks of the USPS! □



# Government ban and union bureaucrats end Canadian postal workers' strike

By Mark, Detroit

Since the above article appeared in *Detroit Workers, Voice*, the strike, which began on November 19, has ended. Here we will update the reader on subsequent events.

While the *DWV* article supported the motion toward struggle of the rank-and-file postal employees, it warned that the fate of the strike would rest on whether the postal workers were able to defy the government's "back-to-work" legislation which was being threatened. Likewise, the postal workers would have to be on guard against the leaders of the Canadian Postal Workers Union (CUPW) who were giving indications of abandoning the struggle.

On December 2, the Liberal government of Jean Chretien pushed through anti-strike legislation. This action revealed the capitalist class nature of the Canadian government which grants postal workers the right to strike but then takes it away whenever the workers' actions begin to become effective. (Of course in the U.S. no such hypocrisy exists as postal strikes are simply banned!) Strike-breaking legislation was similarly passed in the postal strikes of 1991, 1987 and 1978. Canadian law provides for huge fines of \$1,000 per day to each worker that defies anti-strike laws, \$50,000 per day for union leaders that do so, and \$100,000 per day for the union overall. Such are the wonders of Canadian "democracy."

The strike-breaking bill also imposed a miserly wage settlement of a bit over 5% over three years. This was *less* than the wage package offered by Canada Post in negotiations! Meanwhile, other major issues will be settled by an arbitrator within three months. Through such arbitration, the government will almost certainly make headway in their attempt to slash jobs, lengthen letter carrier routes and otherwise ruin working conditions.

While Canada Post is officially supposed to be non-profit, in fact it has made sizable profits. Government officials want to squeeze even more profits from Canada Post at the expense of the workers and poorer service for the ordinary customers. Indeed, government officials have been openly trying to impose high-profit targets. CUPW union officials have correctly noted that imposing these profit targets may hasten privatization as they would make the postal service a tempting buy for private investors. (In the U.S., postal management and the postal unions perpetrate the hoax that profitability of the post office is the best way to insure against privatization.) Indeed, during the strike, bulk mailers and certain other capitalist interests were screaming for privatization, or at least a complete ban on postal strikes. This does not necessarily mean that Canada Post is soon to be entirely privatized. But piecemeal privatization of postal services has been occurring around the world.

The strike breaking of the Liberal government was whole-

heartedly supported by the right-wing Reform and Conservative parties. The allegedly "socialist" New Democratic Party and the bourgeois nationalist Bloc Quebecois posed as sympathetic to the postal workers. But when and where they rule, both these forces carry out a pro-capitalist agenda. For instance, the NDP government that ruled in Ontario a couple of years ago attacked the working conditions of teachers and began dismantling the social safety net. As regards Chretien's present assault on postal workers, the NDP and Bloc Quebecois voted against the back-to-work legislation. But they also agreed to expedite the passage of the bill by agreeing to let the legislature meet around the clock if necessary. Indeed, NDP members argued that they could not support the legislation because the strike had not yet created a serious national emergency. Thus, the NDP was providing a rationale for breaking the strike while debating the exact moment to do so. How pro-worker!

While the bourgeois parties plotted against the postal workers, the CUPW leaders issued a lot of militant-sounding rhetoric. Prior to the passing of the "back-to-work" legislation, they promised a massive campaign of civil disobedience against it. The CUPW bureaucrats promised this would paralyze commerce in various ways such as tying up streets and airports. In fact, the CUPW officials only organized a few scattered protests with little effect. But even had a larger civil disobedience campaign been organized, the CUPW leadership's attempt to substitute this for militant strike action was treachery.

When the anti-strike bill passed, the CUPW bureaucrats dutifully obeyed. Having given up the powerful weapon of the strike, the bureaucrats continued to try to look militant. They promised resistance would continue once the postal workers returned to work. For instance, they said that for a time postal workers would process mail without postage. This tactic might serve as a symbolic expression that would appeal to the average citizen. But beyond the symbolism, there wasn't much chance that many people would risk not having their mail delivered. As well, it appears that workers were not really organized to carry out this threat in a collective way. Nor does it appear that other forms of "in-house" mass resistance have developed very far.

The undermining of struggle by the CUPW leadership is nothing new. In 1991, for instance, they ditched the idea of a nation-wide strike in favor of one-day rotating strikes where the bulk of the postal system could carry on as usual. In the present struggle, the turn from striking to a few scattered civil disobedience actions marks a further abandonment of serious means of struggle.

The anti-strike bill and the capitulation to it by the CUPW leaders has been a heavy blow to the hopes of the postal workers. They may well get saddled with odious new work conditions. But these deteriorating conditions will continue to fill the workers with anger and thoughts of resistance. What is key is that the rank-and-file must begin to organize itself

independent of the trade union bureaucrats. The Canadian postal workers have seen how much potential power they have when they strike. Now they face the task of building a militant trend that is organized to defy government strikebreaking. This

will take time, but the small skirmishes that are bound to break out in the upcoming period will provide opportunities for work toward this end. □

## Massive two-week teachers' strike in Ontario, Canada

From the Nov. 23, 1997 issue (#17) of *Detroit Workers' Voice*:

On October 27th, 126,000 teachers in Ontario, Canada launched a two-week strike against the provincial government's assault on education and the teachers' collective bargaining rights. The conservative Harris government is pushing these attacks through legislation called Bill 160. This strike action was a resounding reply to this bill and began the largest teachers' strike in the history of North America. The strike effectively shut down the primary and secondary school system for some 2.1 million students. Janitors, secretaries and teachers' assistants refused to cross picket lines.

Today, however, the strike is over as the provisions of Bill 160 go ahead. What happened? Did the strike fail because it was beaten down by government police actions? No. Did the rank-and-file grow weary of the strike and was unable to continue? No. The strike was killed by the weak-kneed leaderships of the five striking unions. On November 6, as a rally of 15,000 teachers and their supporters demonstrated the rank-and-file enthusiasm to fight the bill, the leaders of three of the five protesting unions announced they were ending their protest and returning to work. The other two unions quickly followed suit. What makes this betrayal by the union leadership especially galling is that the Harris government had just failed to get a court injunction to force an end to the strike. Had the injunction been granted, the success of the struggle would have depended on defying it. But as it turns out, the union bureaucrats surrendered voluntarily. What a disgrace!

The capitulation of three of the union leaderships is a clear indication of the meek nature of the trade union officialdom in Canada whose overall class collaborationist stand is similar to that of the labor traitors of "our" AFL-CIO officials. Many teachers expressed outrage at the stand of their so-called labor leaders. Unfortunately, they were unable to organize themselves to overcome this betrayal. The task of building fighting organizations independent of the union bureaucrats is a pressing task for teachers and workers on both sides of the border.

### Canadian workers are stirring

While the workers in Ontario generally remain under the sway of the labor bureaucrats, they have nevertheless begun to stir. The Harris government, and the wealthy capitalists it

represents, are in the midst of a big offensive to drive down the working class as a whole, making it easier for employers to smash strikes and fatten their profits. While Canadian workers suffer double-digit unemployment, Harris is gutting social programs at every chance. This is the heart of the Harris "Common Sense Revolution."

But the workers in Ontario have a different idea of what common sense is than the fat-cat business interests and their government stooges. There have been a series of major worker actions against the Harris government's program in recent months. Only ten days before the teachers walked out, workers shut down some 200 workplaces for one day in protest in Windsor and its suburbs including the city transit system, the "Big 3" auto plants, and the casinos. Teachers also joined this action and the school system in Windsor and surrounding Essex county was shut down that day. As well, the mass protests of workers has recently forced the Harris government to back off its efforts to impose anti-strike legislation on the public sector workers.

### Bill 160

The teachers' strike was a just response to Bill 160. The bill would restructure school financing so that the government can continue slashing the already-thin education budget, this time lopping off another seven percent. By the government's own conservative estimates, the new budget cuts aim at reducing the number of teachers by 7,500. The bill would also help increase the percentage of non-certified teachers and non-union employees. Another provision would eliminate part of the preparation time used by teachers for class preparations, counseling students, etc. As well, the teachers' current rights to fight for better teaching and learning conditions would be replaced by government decrees on these matters. The Harris government pretends that its decrees will provide more uniform conditions among schools. For example, it claims to want a smaller uniform class size and chides teachers for allegedly bargaining for larger classes. Actually, teachers have been fighting for smaller classes while it's the Harris budget cuts that have led to larger class sizes. The government budget-cutting shows that they are aiming to lower educational conditions, not improve them. Meanwhile, the Harris regime has floated the idea of moving to a voucher system in education which would result in wholesale inequalities between rich and poor schools.

## Class solidarity

The situation faced by the workers in Ontario looks very familiar to workers in the U.S. We too are faced with an employer's offensive to drive down our living standards and working conditions. We too see the government slashing the social safety net and using its courts and cops to put down resistance to their plans. In the U.S., the war on the workers is not merely a Republican plot, but a bipartisan effort as the Democrats. Likewise in Ontario, the allegedly "pro-labor" New Democratic Party which preceded the Harris conservatives took up the conservative social budget axe with a vengeance.

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The large workers actions that have hit Ontario in response provide a glimpse of the potential power that the workers have. Workers don't have to be passive victims ground up by big business and their political representatives. But in order to really be able to fight, the rank-and-file is faced with the task of organizing itself as a force that can operate independently of the trade union misleaders. The task of reorganizing our class as an independent fighting force is going to be protracted. But even small steps in this direction today are what is needed to pave the way for the mighty class organizations of the future. □

## Management intimidation campaign at Highland Park post office

Since the following article appeared in the Nov. 23, 1997 issue (#17) of *Detroit Workers' Voice*, the letter carrier involved defeated the unjust disciplinary charges. However, the overall intimidation campaign at the post office continues.

All across the country, postal management is piling up the workload on letter carriers. DPS automation has been ruining carriers with huge workload increases on their own routes and requirements to carry parts of other routes (splits) most every day. It's no exaggeration to say that a carrier's workload has doubled in the last couple of years. In order to increase workloads, management invents new "standards" every day. In so doing, they constantly violate any rules and regulations. When carriers try to work at a pace that will preserve their health and safety, management "writes them up" with disciplinary charges and threatens to fire them. With these threats, and with no effective union protection, a number of carriers are working through their breaks and lunch period to avoid being disciplined.

Recently, *Detroit Workers' Voice* has received some news from Highland Park station that illustrates management's rampage against letter carriers. Management recently issued a disciplinary measure equivalent to a two-week suspension (NTOL 3) because a letter carrier, Rick Broza, could not carry a route plus an hour's work off another route within the normal 8-hour day. Management has declared that the next time this happens, the letter carrier will be fired.

Making these charges especially outrageous is the fact that the full route that the carrier worked that day was not his own route, but one he was completely unfamiliar with. It is virtually

impossible for a carrier to make standard time on a route they are unfamiliar with. Indeed, when a carrier is permanently assigned to a new route, management allows up to 30 days for the carrier to meet the standards of the route. In this case, the carrier was only substituting on a new route for that day. Yet, he was "written up" for "failure to follow instructions."

Actually at no time did the carrier disobey instructions. In fact in the charges filed against the carrier, management admits that the carrier obeyed every directive given by management. When the supervisor (C. Matthews) who issued the disciplinary measure was questioned about this, all she could reply was that she was upset that the carrier was not able to perform as well on a route he never carried as on the route he normally carries. In other words, the problem was not really disobeying orders, but unreasonable management expectations about what a letter carrier's work load should be.

Management's unfair attack on letter carrier Broza is aimed at intimidating all letter carriers at the station. Very often, workloads or poor weather conditions force letter carriers to phone back to the station and ask for permission to go into overtime. If the disciplinary measure against Broza is upheld, any carrier requesting extra time would face the threat of being punished. Likewise any carrier assigned to a new route would be threatened.

The disciplinary charges against Broza are just a small part of the management reign of terror. Letter carriers must band together to resist. Other who receive this leaflet should find ways to express their disgust with postal management's harassment of letter carriers. □



# Correspondence:

## Debating planning in a revolutionary society

Below we carry excerpts from the e-mail correspondence between João Paulo Monteiro, a frequent contributor to the Portuguese journal *Política Operária*, and Joseph Green, editor of *Communist Voice*. This exchange has touched on many important issues of interest to those who seek to achieve a classless, communist society.

The excerpts we have chosen here revolve around the question of whether having the entire population plan and direct production requires having an administrative apparatus to direct production. Joseph Green holds that it does and that this position was also the view of Marx, Engels and Lenin. On the other hand, J.P. Monteiro holds that *any* administrative body is necessarily repressive and leads to the development of class divisions, capitalism, and a state. Thus, in theory at least, he thinks that communism must involve not merely the end of class-based structures, but all formal economic organization and authority. In regard to these matters, J.P. Monteiro's views, in our opinion, tend to reflect certain semi-anarchist influences.

Among the other points covered in this exchange on the future society, but mentioned only in passing or not at all in the excerpts below, are the following issues:

- what is the economic basis of the future revolutionary society?
- what are the lessons of the bankruptcy of the revisionist societies such as the former Soviet Union, China and Cuba?
- what distinguishes a society which is in transition towards socialism from one building bureaucratic state-capitalism?
- what does Marxism have to say about the issue of authority and revolution?

We hope to carry more of this discussion in the future. Although we don't agree with comrade Monteiro on some important issues, we feel the exchange has been valuable and hope to see it continue. For those who wish to see more of J.P.'s views, he has established his own web site a <http://www.geocities.com/CapitolHill/6446/>

In accordance with Internet form, the participants in the e-mail correspondence indicate that they are quoting each other by putting a "greater than" sign (>) in the left-hand margin.

***"In my view (and this is where our views diverge) no separate administrative apparatus will be needed to regulate the economy."***

(Monteiro to Green, Aug. 30, 1997)

. . . I don't think you have fully understood my picture of the transitional society. First, I must stress that this is a purely conjectural sketch. It has happened nowhere, as yet. And it is dependent on high levels of productivity and a certain amount of affluence.

In my view, the dictatorship of the proletariat imposes a work week FOR ALL. Let's say, a 20 hour week. Nobody works 40 hours anymore. Everybody works 20 hours, for a wage. With that wage, people can purchase goods that are still produced and distributed through mercantile mechanisms. However, since people have lots of free time they start (under the guidance and control of the workers' power) engaging in free communitary work. The product of this work is distributed freely.

Let's suppose I work on a computer factory. On my free time, I cultivate oranges just for fun. You will have to spent part of your wage to purchase my computers but you can have my oranges for free. Or you will have the choice of buying oranges still produced on a mercantile basis, if they look better. The dictatorship of the proletariat will supervise all this process. It will direct the resources from one sector to another.

It will repress efforts of the capitalist class to enlarge the reach of the mercantile relations or recover political power. A certain amount of competition exists then, between a capitalist and a communist sector. The dictatorship of the proletariat will see to it that it develops on the right direction. Private capitalism is only tolerated where and as long as it is necessary to provide certain goods.

As productivity levels rise, work for wages begins to shrink. Say, after 50 years, we can impose a 15 hour week FOR ALL. Maybe we can now put a end to all private capitalists, placing all means of production under social ownership. Maybe we can reinforce social control of all units of production. We are all proletarians now, as wage workers, and SIMULTANEOUSLY, we are all communist producers. Since we have still more free time, more goods can now be produced and distributed entirely free of the circuits of capital. At the end of the process, say in 100 years, ALL PRODUCTION is communist. No distinction of classes subsists. The state withers away. In my view (and this is where our views diverge) no separate administrative apparatus will be needed to regulate the economy. There is no economy. This is the part where instant electronic communication enters, balancing the offer and demand of goods. The allocation of productive resources is automatically channeled to where people freely place their demands most. In this sense, it is kind of "anarchic". However, remember, this is not capitalist offer and demand. There is no market and the law of value was

abolished. This is entirely free production and distribution. It just means that society will self-regulate itself. It will produce and consume according to its free will. . . .

Planning is an indispensable tool during the transitional period. Market mechanisms will function in it too, in the progressively shrinking interstices left to it. But I have problems accepting a separate body of planners in a full communist society. For as much democratic control is exercised over it, a tendency will always be present for it to constitute itself into a new oligarchy. And the danger exists that this body of planners will build pressure for de facto appropriation of the means of production.

I know you mean to say that ALL OF SOCIETY will do this planning, so there is no separate body of planners at all. But I see no way this can be done, unless through (electronic) instant democracy mechanisms. Since we are talking of the allocation of resources (or the mere "administration of things") can I assume that your view is not that distant from mine after all? . . .

***"Marxism says that it isn't the existence of the administrative apparatus itself that creates oppression, but the division of society into classes."***

(Green to Monteiro, Sept. 11, 1997)

. . . The question of planning in the future, fully communist society seems to be one of these issues in which we are trying to figure out what each other means. You have certain questions about what I mean by planning by all of society, while I don't understand how planning can be done simply through instant electronic communication.

To begin with, you say "I know you mean to say that ALL OF SOCIETY will do this planning, so there is no separate body of planners at all. But I see no way this can be done, unless through (electronic) instant democracy mechanisms."

Actually, I think there will be some type of administrative apparatus. Will they be "separate bodies"? Yes and no. They will NOT be separate bodies in the sense that they are not alienated from society as a whole; they are not separate from and above society; there will not be a separate class of people that serves on them and rules over the excluded people; and they will be linked to actual practice. But they ARE separate bodies in the sense that they actually exist as an administrative apparatus, as actual bodies.

Marx and Engels held that large-scale production requires a certain labor of supervision; and it also requires a certain direct authority. They weren't shy to point out that whether it is factory production or sailing a ship, there has to be such an authority. They distinguished in principle between the repressive nature of such authority in today's society, and the supervision necessitated by large-scale production.

Individual production appears to do away with all authority; the individual works alone and no one tells him/her directly

what to do. The individual does what he/she wants; offers his/her product to others; and buys consumer goods and means of production as needed. But the result is that the individual producer is a slave to the market in capitalist society, which orders about and exploits the individual producer as surely as any factory boss or political tyrant. Historically, small producers that are self-sufficient might not care about the market, but they are still slaves to natural forces that cannot be vanquished by individual effort alone or to feudalists and other reactionaries who can overpower people working on their own. Only large-scale production creates the possibility that workers can be freed from such slavery; but large-scale production is inevitably coordinated production, coordinated effort.

The key question of communism, on which it rises or falls, is whether such coordination can be achieved without oppression. The capitalists say no, and thus communism is unrealistic and utopian. Marx and Engels said yes—if the means of production are social property, if the class division in society is eliminated, the coordination and administration of production can lose their political character and become an administration "of things" and not an oppression of people. Marxism says that it isn't the existence of the administrative apparatus itself that creates oppression, but the division of society into classes. The anarchists say no—anything but direct democracy is oppressive, and they don't realize that they are thereby enchaining the masses to the marketplace.

Your conception is that coordination can be accomplished instead by instant democracy through electronic mechanisms. I don't understand how this can be done, or how you picture this.

For example, in the material appended to your earlier letter, you had talked of "offer and demand" being placed into contact. I can understand how this takes place in a marketplace between buyers and sellers. This method is suitable to establishing a marketplace connection between a multitude of small producers. But I don't understand how "offer and demand" can actually run the entire production of a classless society or provide conscious planning. Electronic communication can allow a rapid counting of people's preferences in consumer goods, for different colors and style of their clothes, for different foods, etc. It will thus continue to have a certain use in future society. But how it can plan what type of water conservation programs to use? Whether certain methods of production are relatively harmful and should be replaced? What the patterns of land use should be? What global action should be taken to prevent global warming or the destruction of the ozone layer or the overfishing of the world's oceans? These are tasks that are not only necessary but also excite many people and arouse their enthusiasm. Can you give me a more concrete picture of how these things might be accomplished by the methods you envision? I know I am asking you to do a lot of work, even if thinking about future society is a labor of love. But could you imagine such a typical economic problem in the future society and describe to me how it might be settled in your conception?

Let me try to describe the problem in another way. Suppose one is dealing with a network of railroads and other public

transportation. Instant electronic communication helps in seeing which trains will be crowded or need extra sleeping cars. But how can one decide by balancing offer and demand whether the rail network should be set up, or a road network, or air links instead? The capitalists decide this by offer and demand, because a picture of the changing tides of offer and demand allow them to guess what will be profitable. This is the marketplace solution. But when there is no money, and no stock, how do offer and demand determine these things? . . .

It seems to me that the issue of separate bodies is related to the issue of direct democracy vs. representative democracy. Once the number of people involved becomes big enough, direct democracy becomes all but impossible. However, when I talk about planning being done by society as a whole, I don't just mean that planning bodies are selected by society. And I don't agree with Ben that central planning means a single planning body decides every detail, which is then enforced by appointed agents that go to every enterprise and say "do it exactly this way". At every level, the people involved must have their own consciousness and initiative (as well as having their share in contributing to the overall decisions); they will take a myriad of decisions on their own; but the local decisions will be within the overall plans.

This is not just rhetoric. Examples of the connection of central planning to local initiative can be seen in modern society. In a socialist revolution, the workers seize factories, military strongholds, etc. from the bourgeoisie. They must display the maximum initiative to do this. They can't accomplish this if they are waiting for orders on every single detail. But if the revolution is to be successful, the workers' committees at each factory and in each military stronghold must direct their efforts according to a common plan. The revolutionary maturity of the working class is shown by whether it can develop such a centralism, which doesn't suppress the working class but allows it to release so much mass initiative that the bourgeoisie is astonished.

Thus I don't believe the problem of linking planning to the whole society (or preventing an oligarchy) is solved simply by the formal fact that the representatives are chosen democratically. The heart of the question of the transition period centers, in essence, on how to increase the ability of the working class to actually carry out this planning. Thus in the articles on the Leninist theory of transition, I have pointed to Lenin's emphasis on the need to establish nationwide accounting and control, and on the need to actually check and verify whether the masses really have accomplished this. In his view, this could not be established simply by a decree or a formal method, but required a whole class struggle to accomplish. . . .

**"And how will this 'administrative apparatus' restrict itself to the 'administration of things'? . . . Isn't this a State?"**

(Monteiro to Green, Sept. 21, 1997)

. . . .

- > *Actually, I think there will be some type of*
- > *administrative apparatus. Will they be "separate bodies"?*
- > *Yes and no. They will NOT be separate bodies in the*
- > *sense that they are not alienated from society as a whole;*
- > *they are not separate from and above society;*
- > *there will not be a separate class of people that*
- > *serves on them and rules over the excluded people;*
- > *and they will be linked to actual practice. But*
- > *they ARE separate bodies in the sense that they*
- > *actually exist as an administrative apparatus,*
- > *as actual bodies.*

I have many problems with this. It breaks the perfect symmetry of our vision, and so far this is the best guaranty we have. It also runs against some of the most established features of communist society: the abolition of social division of labor and of the distinction between mental and manual labor. A separate administrative body will create its own "separate" science and methods of direction. There will be "separate" academies for it. This means common people will be alienated from important aspects of the decision of their lives. It's a matter of time and we will end up falling back into a class society. . . .

- > *Only large-scale production creates the possibility*
- > *that workers can be freed from such slavery; but*
- > *large-scale production is inevitably coordinated*
- > *production, coordinated effort. The key question of*
- > *communism, on which it rises or falls, is whether*
- > *such coordination can be achieved without oppression.*
- > *The capitalists say no, and thus communism is*
- > *unrealistic and utopian. Marx and Engels said yes*
- > *—if the means of production are social property,*
- > *if the class division in society is eliminated,*
- > *the coordination and administration of production*
- > *can lose their political character and become*
- > *an administration "of things" and not an oppression*
- > *of people. Marxism says that it isn't the existence*
- > *of the administrative apparatus itself that creates*
- > *oppression, but the division of society into classes.*
- > *The anarchists say no—anything but direct democracy*
- > *is oppressive, and they don't realize that they are*
- > *thereby enchaining the masses to the marketplace.*

After reading this, I have the impression that your anti-revisionism hasn't gone quite deep enough yet. With this, we could easily find ourselves in the same old revisionist shit-hole again. You go from the social "property" of the means of production to the elimination of class division. This is exactly the Stalinist approach.

But the class division of society is not a function of the

property of the means of production. It's rather the other way around. A certain class division in society (product of certain RELATIONS OF PRODUCTION) creates this form of appropriation of the means of production. Property is a mere juridical (bourgeois) concept. If we are to move away from capitalism, we cannot just proceed by expropriating the bourgeoisie and keep an eye on the enemy within (two line struggle). We must transform the relations of production. And this can only come about when the forces of production are mature enough for it.

Sure enough, large-scale production is coordinated effort. But how will this effort be coordinated? If we coordinated it by traditional bossing methods (through a separate body of planners), we haven't moved away an inch from the capitalist relations of production. The correspondent appropriation patterns will follow soon enough. You can scream and shout and make a thousand and one "cultural revolutions". This will come about inevitably.

And how will this "administrative apparatus" restrict itself to the "administration of things"? What do you (or rather Engels) mean by that? Will "things" just start moving around upon hearing the voice of the administrative apparatus? Doesn't it need to command people to do this and that work, after all? It's decisions (however democratic and participatory), aren't they enforceable? Doesn't it need a repressive apparatus to ensure obedience then? Isn't this a State? So there you have it: a State in your "classless" society. This paradox stems from a flawed approach to the transition, that is, we are still stuck on the revisionist marshes. . . .

- > For example, in the material appended to your earlier
- > letter, you had talked of "offer and demand" being
- > placed into contact. I can understand how this takes
- > place in a marketplace between buyers and sellers.
- > This method is suitable to establishing a
- > marketplace connection between a multitude of
- > small producers. But I don't understand how
- > "offer and demand" can actually run the entire
- > production of a classless society or provide
- > conscious planning.

The general idea (don't ask me for too many details) is: available at home, on your monitor (integrated TV, net, video-phone, etc.) you'll have a detailed report of all of society's needs and demands, as expressed by all comrade citizens. You can input your own demands on the system through your own home terminal. The system will then analyze the available resources and tell people where does society have excess capacity for the demands registered, and where it is running short of them. As people are nurtured with cooperative values, they will tend to shift their occupations away from where they are not wanted anymore to where they are most needed. As people are highly educated and productive activity is simple (it constitutes mostly on supervising and improving automated chains of production), changing occupation is free, simple and easy to do. There are no material rewards for it. People will just tend to act that way out of desire to be useful. A new

equilibrium is thus reached. It's the invisible hand, communist style. "Conscious planning" is the result of all this....

The system will tell you, where and why we are beginning to have problems and how to solve them. This "system" is, of course, not just a communication medium like today's Internet. It is a highly complex and powerful information treatment device. The data from all observation posts (on earth, submarine, satellite, etc.) is fed to the system, like in today's "intelligent houses". It will be instantly available to everyone. The experts, or any informed people, will read this data and make their analysis. The arguments will be fought over and over again.

Conclusions will be easier to reach than today, not only because the instruments will be more precise but (above all) because the experts won't be corrupted by capitalist interests. When we have a fairly clear picture of the alternatives at play, the subject is posed to a universal vote. . . .

- > It seems to me that the issue of separate bodies is
- > related to the issue of direct democracy vs.
- > representative democracy. Once the number of
- > people involved becomes big enough, direct
- > democracy becomes all but impossible.

I think you're wrong here. We will have soon enough the technical means to make direct democracy an everyday habit for all. Of course, to put them to use, we will first have to chase the bourgeoisie from power. After that, the problem I see is another one. Will everybody have the time and the patience to study and vote in conscience all the problems that are constantly requiring decision? This is the real problem. Even with very limited and free work schedules, people's attention span and capacity for treating information are limited. I can imagine a kind of democratic stress. People are interested and motivated, but there is simply no way they can participate in all the important decisions.

They'll want to have some fun too. Many of the smaller problems will probably have to be decided by the minority of those who took interest on it at the time. The problem is then to find a way of filtering the information and the problems that are indeed essential for people's lives. This will, of course, be done by the individuals themselves. I may choose to be aware of all local problems, or of all global environmental questions, and so on. A good level of education will ensure that people WILL BE INTERESTED in the really essential problems. There will be nothing like present day mass alienation. Everybody will have a fair chance to participate in every decisions who may have some impact on their lives. However, since they cannot possibly participate in absolutely all of them, their lives are likely to be somehow affected by decisions made without their participation. This is not a perfect world after all.

- > However, when I talk about planning being done
- > by society as a whole, I don't just mean that planning
- > bodies are selected by society. And I don't agree with
- > Ben that central planning means a single planning
- > body decides every detail, which is then enforced



> *by appointed agents that go to every enterprise and*  
 > *say "do it exactly this way". At every level, the*  
 > *people involved must have their own consciousness*  
 > *and initiative (as well as having their share in*  
 > *contributing to the overall decisions); they will take*  
 > *a myriad of decisions on their own; but the local*  
 > *decisions will be within the overall plans.*

Look Joseph, you're just stating a big mountain full of your best intentions here. Nobody doubts them. But this road has been tried before and it never worked. There's nothing new here. We have had some of the best and most gifted communists leaders of this century following this track, followed by a wave of tremendous popular enthusiasm and emulation. And they all failed. What makes you think it will work now? Because now we have studied revisionism and we are prepared to face it when it comes? Because we're going to try harder? The fact, however, is that when you embark on this road, you are already defeated. You're assuming that there will always be directors and directed. The first will decide the allocation the productive resources (including human labor), and the seconds will obey and cooperate all the way, filling the little details (like the workers on Toyotist "quality circles"). But this is the essence of class society, on its nucleus. This is the essence of the capitalist relations of production. As long as we follow this road, THE CAPITALIST PRIVATE APPROPRIATION OF THE MEANS OF PRODUCTION WILL ALWAYS STRIVE TO REAPPEAR AT THE SURFACE. The capitalist relations of production will be enveloped in a institutional overcoat that doesn't suits them. That's why state-capitalism is unstable. It works, somehow, but it doesn't work as good as plain capitalism. When they realize it, all "communist" leaders (however heroic and honest) become revisionists pure and simple. They will typically start taking measures such as: freedom of action for enterprises, then a little market, then privatization pure and simple. . . .

***"You try in theory to avoid organization. . . . But each time you consider a concrete problem, you seem to add another layer of organization to your future society in order to deal with it."***

(Green to Monteiro, Sept. 30, 1997)

. . . On one issue at least, we are perhaps not quite so far apart as you might think. I wrote that Marx and Engels said that if the means of production are social property, if the class division in society is eliminated, the coordination and administration of production can lose their political character. You replied that

> "After reading this, I have the impression that your  
 > anti-revisionism hasn't gone quite deep enough yet. . . .  
 > You go from the social 'property' of the means of  
 > production to the elimination of the class division.  
 > This is exactly the Stalinist approach."

I was at first mystified when I read this as to why you thought I had the Stalinist approach on this issue. But after pondering the passage in context, I think you believe that what I meant was that state ownership eliminates the class divisions in society. But I distinguish sharply in the various articles I have written on the transition to socialism between *social* ownership and control of the means of production on one hand, and *state* ownership on the other.

Marx and Engels held that, after the working class seizes power, it at first transforms the means of production into state property. It does this as a step towards having the society as a whole run production. Thus nationalization of the economy is an inevitable part of the transitional period, but this doesn't mean that any nationalization is therefore a step towards socialism. It is only such a step when it is carried out by a proletarian government and moreover, only when it serves to increase the actual ability of the working class to take control of production. This is one of the major themes of my series of articles entitled "State capitalism, Leninism, and the transition to socialism" in CV.

For example, the second article in this series (in vol. 3, #1 of CV) address the distinction between nationalization and social control of production with respect to the experience of the Stalinist economy. It raises the issue of whether the revisionist Soviet Union had achieved social control of production. Certainly it had nationalized industry, but did this mean that it had social control of production? If the Soviet Union achieved the social control of production and yet there wasn't socialism but a repressive state capitalist order, this would mean that Marxism is wrong. . . .

My article, however, shows that no such social control was achieved in the Soviet economy. It is not just that the Stalinist state-capitalist system was run by a new bourgeois class instead of by society as a whole, although that is a very important issue. But more than that, it was not simply run according to the general interests of the new bourgeoisie as a class. Instead the various private or sectoral interests of the new bourgeoisie competed. The fractured nature of the Soviet control of production could be seen in the way the enterprises and ministries worked. . . . I think this article dealt with a key theoretical issue with regard to the structure of revisionist economies, which helps explain why they are unstable, and whether Marxism is verified or refuted by their experience.

\* \* \* \* \*

Another issue of interest is that of direct democracy. You disagree in theory with my views on this question, but when you try to sketch out the future society in practice, we get a bit closer together. Some of the practical problems you consider are similar to those which I have also been thinking about over the years . . .

In your description, you take note of the fact that the "system" or "information treatment device" can't alone solve problems. There must be "experts, or any informed people" who "read this data and make their analysis". This is the administrative apparatus, or organizational structure, or whatever. It doesn't matter what name you give to it, you have in fact given a structure to this society. The computers don't really make

much difference except to allow faster collection of data and faster discussion of it. If the computers could replace the panel of experts, they would make a big difference to the issue. But the computers can't replace the need for human intervention and human judgment. Only if you could eliminate the need for the experts or for the intervention of informed people (i.e. people having more information about the subject or more interest in it, than the mass of people), could you get closer to direct democracy.

Perhaps your idea is that these panels of experts or informed people differ from an administrative apparatus in that there could be both formal and informal panels, there can be competing panels, anyone who is especially informed can enter the panel, etc. etc. But all this is similar to my idea of an administrative apparatus. Anything you can describe for your panels can be duplicated in my idea of an administrative apparatus, because it is simply a question of a different name for the same concept. . . .

The point is that you recognize that, while people can switch from one occupation to another, at any one time there are some people who are informed on electrical generation, others who are informed about chemicals, and still others who are doctors, etc. The fact that there are no class barriers to switching occupations doesn't mean that everyone does everything at the same time. Hence your talk of "informed people".

You assume in your description that the "experts won't be corrupted by capitalist interests". This is true, but it is an issue which you inadvertently pass over too quickly. Why can't they be corrupted? The computers don't ensure this. Nor does direct democracy.

Well, in classless society, when there is no money; no differences in standard of living; no private property in the means of production; there can be no corruption by specifically capitalist interests, since there are no capitalist interests left in society. This does not require "cultural revolutions" in the classless society but follows from the economic structure of classless society. This doesn't mean that the experts can't make mistakes, be pig-headed, become arrogant, try to build cliques with other experts, disparage new-comers who challenge them, or even be corrupted in some other way, but it removes the overriding source of corruption and the overriding source of oppression that prevent any system of safeguards from having a chance of being effective. But this is just as true in my picture of society as yours; moreover, I lay stress on the economic factors that underlie whether the panel of experts can be corrupted and whether there will be countervailing forces that help keep them in line. (That is, I lay stress on the social control of production.)

But back to direct democracy. You take up a number of other concrete problems that the "system" will face. It seems to me that the more you take up these problems, the more direct democracy vanishes. . . .

The issue you raise of "democratic stress" is indeed very important. But filtering the information, deciding what is major and what is minor, and so forth, is not a mere technical function. It is not automatic. Whoever does this is really

making major decisions. So long as this isn't done by everyone (which would go against the whole idea of filtering and which is impossible if you consider the millions and millions of economic decisions that have to be made each year), it is being done by some form of organization. People might vote on what kind of organization would do the filtering or whether mistakes had been made in the filtering, but then they are voting on the type of organization to be used and on its performance, rather than deciding all the issues by direct democracy.

Another problem arises with the issue of environmental poisoning. You write:

> *This is a very unfortunate example. I would say that*  
 > *people who have the exclusive or a disproportionate*  
 > *share of the burden on any decision being made must*  
 > *have veto power over it. In this example, the*  
 > *Bangladeshis would have to vote for their own poisoning.*

Actually, I think this is a typical problem which will confront future society. And it is likely to be the type of decision that is discussed widely. In order to deal with it, you introduce the idea that certain decisions should be made particularly by those concerned. This introduces a lot more complexity into your picture of future society.

For one thing, who decides that the Bangladeshis have veto power on this? First there has to be an analysis that this problem of poisoning exists, and that it is a special concern of the Bangladeshis. Somehow it has to be decided that the Bangladeshis should have a veto power. So it turns out that your future society has a system of voting on various levels. This requires a way of deciding between the claims of the different levels (the entire world versus regional voting), and between different regions and areas. Indeed, in practice a chemical that is poisonous in one area may have some benefit in another. For example, DDT poisons the environment but eradicates mosquitoes. Moreover, DDT sprayed in one area can affect the food chain in very distant areas. Are the people concerned simply the poisoned Bangladeshis or the people in other areas who might benefit from the poison, at least temporarily?

One ends up with a complex system to decide the claims of different areas. And yet, this system of deciding issues is irrelevant, unless it is assumed that the decisions will have some binding effect. If every binding decision requires a state and a repressive apparatus to enforce it (which I *don't* agree will be the case in classless society), then so does the decision to enforce the Bangladeshi veto on all relevant factories and enterprises. Moreover, such decisions as those to ban DDT because it is poisoning various areas, have to be enforced on health organizations and pesticide producers hundreds or even thousands of miles away.

The point I am raising is this. You try in theory to avoid organization and simply have each individual relating to an almost invisible information network which functions automatically without human intervention. But each time you consider a concrete problem, you seem to add another layer of organization to your future society in order to deal with it. In

theory, you want to have an "invisible hand". In practice, you end up with the need for *conscious human intervention* (and this requires organization) to solve one serious problem after another. . . .

The need for coordination and an administrative apparatus in the future society is something referred to by Marx and Engels; it springs from the very nature of large-scale production. They did distinguish between the state and repressive

authority on one hand and that type of authority that would exist in a future society on the other. This means, by the way, that they differed from the anarchists not just in their way of getting to the future society, but in their picture of it as well. The anarchists tend towards the view of a glorified society of individual producers; the Marxists, to a giant co-operative society based on large-scale production but liberated from its capitalist chains. . . . □

## Correspondence:

### Dependency theory—where did it go wrong?

The following discussion about dependency theory (and briefly, postmodernism) is excerpted from an exchange of letters between *Communist Voice* and an activist who had been around the late Marxist-Leninist Party. CV had carried the articles "The twilight of dependency theory" and "Dependency theory and the fight against imperialism (parts 1 and 2)" by Joseph Green in its issues of Aug. 10 and Oct. 25, 1997. The latter issue also contained the article "Postmodernist philosophy is old subjectivist wine in new bottles" by Tim Hall.

From B, Oakland, Nov. 13, 1997:  
To Joseph Green  
Nov. 11, 1997  
Re: several things

I wrote down some of my thoughts on part one of your article on dependency theory. I've since only briefly read part deux. But I'm particularly interested in the exchange that came up in one of your Mexico articles regarding development, where you were attacked for wanting, what was it, big for big sake? Now this is the postmodern question as it inevitably arises. Not like that empty and insulting article on postmodernism in the recent journal.

Dependency Theory is in large part a theory of development in the third world. One of its strengths is its recognition that from the beginning, capitalism developed as a multinational system, that the development of manufacturing in England and a re-enservitude in Poland were linked and in fact part of the same phenomenon. It recognized that this core-peripheral development had different features in the core than in the periphery, where the disadvantages of the relationship were evident in both the economic and political realms. Dependency Theory therefore spends its time on the question, "how can we have a development in the periphery that more resembles that at the core?" Or a more charitable account, if the core-periphery link is broken, can we have development in the periphery that has some or all of the elements that we identified as desirable in the core?

Like Marxism, Dependency Theory was an activist project that didn't just analyze. But in becoming political actors and advisors, there was an irony, that the best way for a country to be more like the metropolis was to actually join the ranks of exploiting countries, at least on a regional level. I think the

strategies of Dependency Theory jump from that approach (develop into a core country), to flirting with different kinds of supposedly cooperative trade groupings like the "socialist" block (develop in an alternative world market), to outright prettifying the imperialist system by putting forth fantasies of more equitable north-south relations, mainly through the goodwill of or pressure on the imperialist powers (develop through reforming imperialism). It jumps among these strategies depending on the size and economic strengths and potentials of the particular country. With the lack of a real alternative market, it was unfortunately the latter strategy that was left for the majority of smaller third world countries, which was no strategy at all.

In contemplating development in the Soviet Union, Lenin advocated a kind of de-linking. He sought advantageous trade with the imperialist countries (it was western embargos which from time to time forced all that "self-reliance.") But he didn't want steel or grain, for example, from state-run concerns to compete price-wise with imports in a domestic free market. For the large USSR de-linked as such, accumulation leading to industrialization even with limited foreign trade was still possible. But for a small country like Albania, even without an embargo, the possibilities for industrialization are deemed bleak by both Marxists and Dependency Theorists given the demands of capital formation in industry, unless they can amalgamate with other nations through either a multinational state or some kind of alternate cooperative world market.

While industrialization for a small country may be difficult or impossible in those conditions, development of other kinds that could arise out of redistribution of wealth and redirection of labor, such as health care, education, fulfilling basic needs and the growth of democratic institutions, was certainly possible. But this would require a good deal more circumscription of the "rights" of the national bourgeoisie than the

Dependency Theorists by and large were willing to embrace. (In fact, it usually entails a civil war.) This kind of development, which it praises and over-estimates in the metropolis, is undervalued by Dependency Theory in the third world and doomed by its reliance on the national bourgeoisie.

My sense in reading Dependency Theory work was not that they characterize development in the third world as not "real" development but that they critique that development, to point out that it builds a society that is structured differently from that at the core and that this building is a process that will continue, never leading to a society like that in the core. In that sense they point out to those who would call third world countries "developing" countries that it was not development as advertised, but the development of underdevelopment.

On this issue, up to 1980 or so, Dependency Theory agreed, I think, with Marxism. During the 60's and 70's we pointed again and again to the systemic inequities in the so-called north-south trade, to the continuing of the bloodsucking economic relations of colonialism in the newly independent countries, and to the role of the comprador class in economics and politics. This was a large part of the content of our anti-imperialist work, that the U.S. wasn't aiding countries to develop, but deforming their economies to suit the imperialist dominated world market and assigning them to a persistently disadvantaged position.

In this sense, I think we also had "stagnationist" views. We saw the plantation agriculture for export, the low processed raw material production, the sweatshop labor intensive low-tech manufacturing and felt that imperialism had every intention of maintaining these conditions in the third world. I didn't predict the startling growth of capitalism, neither did Marxism rule it out, though it did elucidate the forces tending to retard economic growth in the third world. The same can be said for Dependency Theory.

The theory of core-periphery development does not preclude industrialization. What tasks get relegated to the periphery change over time according to a complex of different factors, as do what tasks the periphery opts on its own to undertake and can successfully sustain. That some high-tech manufacturing should be exported to the third world would be explained by a shift in the interest at the core to other more profitable and monopolizable pursuits. That some country may have undergone development, succeeding in reaching some of the goals Dependency Theory seeks is a bit more problematic, but in their mere partial realization and their exceptionality they continue to bear witness to some functionality in the Dependency Theory model. The world is still divided into rich and poor countries.

Was there something systematic and managed by the imperialist countries that made third world development stagnate in the first 20 or 30 years after independence? How has this changed? You seem to say: one, all actual development is real development; two, peripheral development is real development because capitalism always develops unevenly; three, therefore claiming some special mechanism was at work holding back the third world amounted to having illusions in what development in the first world was really like. But what

then was colonialism, if not a special mechanism with more content than just "capitalism develops unevenly?" And what was the early post-colonial period? We used to count the contradiction between the imperialist countries and the former colonies as one of the four main contradictions driving history in the 70's. Much of the content was a struggle for the ascendance of the national bourgeoisies in these countries and the uprooting of the systemic market relations and politically created economic parameters favorable to the imperialist countries. The world may be approaching "capitalism develops unevenly", and there may be historical as well as old and new systemic elements dictating "the world is still divided into rich and poor countries", but the Dependency Theorists attack on the propaganda that there was a unblocked path for third world development in the post-colonial period was valid. And the evolution towards the present reality was due in part to the continued struggle and toil of the people in the third world, the playing out of that fourth contradiction.

That being said, the recent surge of growth may mean that core-periphery development as a theory no longer gives a very complete picture of the present day world. It may be having the same problems coping with the changes that we're having updating our theoretical grasp of imperialism in the 90's. It may also be true that the forces around to sort it out are depleted in both camps. To what extent has development evolved from the core-periphery model? Isn't this one question we're all asking? Growth without development (or as you put it, "Being an industrial producer . . . is no guarantee of prosperity") is an attempt to maintain that third world growth still fits within the peripheral framework. But there are some important new developments in the world contributing to the new shape of third world development. First, there is a huge glut of capital seeking investment opportunities that has focused in overseas markets increasingly since the 70's. There has been an explosion in the technology of investing, new instruments offering vastly reduced barriers for investors. There's been a big explosion in the technology of information and capital transfer. Together they have facilitated the rapid movement of huge amounts of capital and changed the principal form of capital transfer from north to south. This switch from governmental to private investing has helped to increase the wealth and power of a broader section of the local bourgeoisie in a group of NDC's [newly-developing countries—CV], creating more billionaires and millionaires and generally allowing for greater internal development and a seemingly more internally directed involvement in the international market.

(There may also be this element, that it just takes some time for a bourgeoisie newly involved in the international market to mature, to undergo a step-wise development and slow but persistent accumulation eventually leading to more core-like pursuits and the potential to attract and absorb capital when it becomes available.)

These huge ebbs and flows from the capital markets create booms where big social changes can be noted. In Thailand, I felt there was a major shift in the culture, corresponding to the rise of two groups in particular, a real urban upper middle class and a large section of workers with some serious money to



spend (particularly in the construction trades but also urban white collar). It seemed to me that these groups reached a critical mass at some point that transformed the country from rural rich-government/military-poor farmers-urban laborers to a place where a media driven culture revolves around a middle class consciousness, and one not focused on the metropolis. During the current bust, reports of architects working for \$10 a day and the like are surfacing, but I think the cultural changes are not easily reversed.

Dependency Theory's main project is coming up with plans for a more core-like development in the third world. These plans have several common-features. There is some kind of partial withdrawal from the status quo of international trade that favors imperialism. There is some kind of protectionism to shield local industry, maybe even price controls. There is an attempt at primitive accumulation of capital, though a kinder and gentler sort, steeped in nationalism and voluntarism, most probably under some sort of radical democratic rule. There is a desire for a favorable scale from which to accumulate the capital, and so an [pre]occupation with multinational and multiethnic states, pan-anythingism, non-aligned movement, OPEC, etc. The overall goal is some kind of independent development which they either believe to exist at the core or at least believe to be possible in the third world, with a market driven by domestic demand, supplied by a national bourgeoisie and with a greatly expanded petty bourgeois sector.

While Dependency Theory was putting this forward in the 70's, our work had many similarities. We praised Albania for not building the typical third world type economy, but one which would resemble a core country, with heavy and basic industry. They were making sacrifices for the five-year plans (accumulation). They were refusing to enter unequal trade relations, and we were stressing the importance of the socialist camp in promoting development through equal exchange. When we thought China was socialist we also praised them for taking up many of the features of Dependency Theory's program for development. The main difference was we thought that accumulation led by the proletariat, under some kind of transition to socialism, was a more realistic path to development and would be less painful to the working classes. (You point out that it didn't occur to Dependency Theory that "the central question was how to organize the working masses separately from the national bourgeoisie . . ." in the post-independence period, and that's true.) Their idea was alliance with the bourgeoisie. Either way the industrialization scheme was quite similar (de-link, accumulate, seek alternative world market) and equally questionable for a small country. What kind of Stalinist alliance of classes and strata actually led the Albanian experiment, I don't know. But it didn't live up to the bill of being less painful for the working masses. Whether it was more successful as a development strategy, whether it gave rise to some pro-people development in healthcare and other basic need areas, I also don't know.

Alternately, the large countries China and the Soviet Union have to be considered the big success stories for Dependency Theory. Both countries de-linked, built their economies to serve the internal needs, accumulated big time to become fully

industrialized. And it did it with a "progressive" coalition if you will that made some big time concessions to the working class while resisting the comprador inclinations of the bourgeoisie. During the recent discussions around the 50th anniversary of Indian independence, comparisons were being made between India and China. One point raised was that the "success" (in their minds) of current Chinese development rested on the groundwork laid in the first twenty years of the Chinese revolution, namely, thorough uprooting of feudal forces in the country, de-linking from the imperialist world economy and forced accumulation (low consumption). India hadn't had the benefit of a "popular" front government capable of rallying the working people and subduing certain tendencies of the bourgeoisie, while opening the way for a big expansion of capitalism.

Dependency Theory seems to represent the aspirations of third world petty bourgeois during the early post-independence period. Educated youth faced a paucity of choices, and they longed for the kind of influence and prestige plus opportunity enjoyed by their counterparts in the west. At the same time they felt empathy for their impoverished countrymen, and sought to alleviate some of the worst penury that tended to cramp their enjoyment of their privileged position. They hated imperialism, yet admired the metropolis. They needed the masses as a force to counter the bourgeoisie, but feared them, and always tended to default to advising those in power. But Mao really did wield the masses in the way the Dependency Theory folks fantasized about. I guess they didn't like the fact that civil war proved to be the most effective way of forging the "progressive" alliance! It was their fear of the masses and their slavishness to the national bourgeoisie that prevented them from recognizing their own program as implemented in China. They may put a "socialist gloss" on their bourgeois led "national and popular" coalitions, but when democratic revolutionaries put a "communist" gloss on Dependency Theory's own program, its treatment of the national bourgeoisie clearly puts it outside the realm of the activity of the Dependency Theorists.

The new growth in part based on super-conductive international capital changes the equation for the third world petty bourgeois. Some growth of a core-like class structure and an increasingly internally driven market during the boom times in the NDC's render obsolete the old riddles of the educated third world youth in the 60's and 70's. The impulse to harness the working people to counter the compradors and force a de-linking gives way. New issues such as dealing with a newly large and active proletariat and the re-improvement of the petty bourgeoisie during the bust cycles create conditions for a restatement of the political role of the petty bourgeoisie in the NDC's. The questions of development Dependency Theory sought to answer in the 60's and 70's have changed for the NDC's and potential NDC's. Even the so-called least developed countries are asking different questions as they negotiate with many regional and international players for a piece of the capital flow. For middle and small countries, the whole issue of Nicaragua is an important example. The choice seems to be: attract capital by accepting an IMF austerity program, literally pledging the continued impoverishment of the people. Create an

anti-union and anti-human rights environment. And compete with other countries to attain some industrial development and the significant trickle down that comes with it. Get some growth in the proletariat, at the expense of further deterioration of the subsistence economy, the culture and the ecosystem. Then remain a poor country. Or, you can with difficulty set back the bourgeoisie, meet basic needs, educate and care for the health of the people, support and build on the subsistence economy and see what capital you can attract. More likely you will face capital flight, embargo, invasion, and years of extreme cultural pressure to capitulate. Then hang on to be a very poor country, but one with a shot at a rich quality of life.

I think your article has many strengths. You note Dependency Theory's failure, "they don't see the need to assess the

growth of the working class, the class differences developing among the peasantry, or most other class relations in order to judge the prospects and nature of the ongoing struggles in the country." But what single development could have the impact of the creation of a large proletarian force? It changes everything. Their failure is connected with their misreading of the source of many of the things they esteem in the metropolis. It's not broad alliances, but class struggle that brought about the safety net and certain democratic rights.

You sum this point up in what I think is a good guideline for our work in assessing imperialism, not "to aim simply at the repeated proof that the third world is really peripheral," but rather "seeking to assess the impact of the changing conditions on revolutionary strategy."

## Reply on dependency theory and postmodernism

From Joseph Green, Nov. 20, 1997  
To B, Oakland

On the recent CV, I'm sorry that the article on postmodernism left you with such a negative impression. For me, this article was one of those that changed the way I perceived other writings. I had been reading various books on imperialism, and I had noted that, aside from the question of the content of the analysis they were giving, there were various annoying and absurd ways of talking that appeared. I had assumed that such quirks were just another example of the anti-Marxist nature of the academic Marxists and paid little attention to these turns of phrase. After I read the first draft of Tim's article and saw his characterization of various of the theses of postmodernism, I realized that I had come across not the chance aberrations of individual authors but a deeply-rooted and fashionable philosophical trend. I then paid more attention to it and saw that the catchwords and methods of arguing that Tim had pointed out came up almost everywhere. You referred to Sarah's parodying of the Marxist theory of large-scale production as an essential part of the economic base of socialism; she confused this with the size of individual enterprises and presented it as simply giantism or being big for the sake of being big. You pointed to this as one of the ways in which postmodernism comes up practically, which is true enough. But there are also philosophical tenets of postmodernism, and that's what Tim is dealing with.

On dependency theory, I think the crucial issue is that it gives a wrong picture of imperialism in what is to a large extent a post-colonial world. You seem to think that I don't see any "special mechanism" of imperialism beyond free competition in the market. In fact, I fought against the demoralized wing of the MLP [Marxist-Leninist Party] and its view that imperialism vanishes with the liberation of the colonies (although they might grant that there was a temporary neo-colonial period for various countries). They overlooked the economic changes that occur under colonialism and held instead that colonialism was simply ripping off a country by political means and that independence

means the sole sway of the free-market. I took up their challenge to show that current world relations weren't simply market relations but that there still were political mechanisms of domination, answering this prior to the Fourth Congress of the MLP in a letter to Manny, in the debate at the Fourth Congress itself, in the article "Some Notes on Theoretical Issues" in the pre-Fifth Congress debate, and in subsequent articles, as well as pointing to the continued importance of monopoly in world capitalist economy. I pointed out that relations of domination and subordination exist among independent countries (as well as among the remaining colonies and their masters), that imperialism has developed world political agencies that set a number of rules for world trade and economic life, that military force has had a major role in the post-World War II world, etc. The CV has itself carried a number of articles about imperialism in the current world.

My approach differed from that of Jim and the other anti-dependency theorists of the liquidationist majority and also from that of the dependency theorists, in that I didn't start by making analogies to colonialism but by asking, "what are the major features of the world today?" I showed that a concrete examination of the world showed that imperialism exists and showed that Marxism is still relevant and the best theory for analyzing the world. In my recent articles on dependency theory, I continued this approach. I start by asking what are some of the features of world imperialism today, and I show that dependency theory is unable to deal with them.

### The world system:

Dependency theory prides itself on being a description of capitalism as a "world-system", as you noted. But in fact, it completely misunderstands the nature of modern capitalism as a world system:

- \* to this day, it doesn't understand that the state-capitalist regimes are capitalist. How can dependency theory provide an adequate understanding of post-World War II capitalism as a world system if it doesn't understand that the revisionist bloc of countries was part of that world system?

- \* it misunderstands the role of the Third World bour-

geoisies, often ending up as an advisor to the bourgeoisie. This goes to the extent that it has paid little attention to the development of big power strivings among the stronger of the "peripheral" bourgeoisies, even when this has been expressed in militarist form and caused bloody tragedies. How can dependency theory provide an adequate analysis of the role of imperialism in the capitalist world-system if it doesn't understand the process whereby various weaker powers strive to become regional power-brokers or even recognize the imperialism of such major powers as Russia and China?

- \* it doesn't understand the process of capitalist development that swept the newly-independent countries. For example, it regards the spread of capitalist relations in agriculture and the breakup of the old peasant economy as simply the result of bad political decisions or imperialist domination. It denied the spread of industrialization in the Third World until it was obvious to everyone, and then it downplayed its significance. How can dependency theory be said to analysis the capitalist world system if it doesn't even recognize many of the main processes of capitalist economics?

- \* it downplays the role of the proletarian organization needed if there is to be a serious challenge to capitalism and imperialism. It has no understanding of the role of the proletariat as a world-wide class and the basis for any solid socialist movement. It writes off the proletariat in the "core" countries and sees the proletariat in the dependent countries as only one of several sections of the "popular masses", without any special role in the revolutionary movement. How can dependency theory provide an adequate theory of how to fight the capitalist world-system if it has little concern with the proletarian class struggle and the tasks of proletarian reorganization that face the workers today?

- \* it identifies "real" capitalist development with an increase of the prosperity of the masses, rather than with their devastation. Doesn't this mean that dependency theory has never really cut the umbilical cord that links it to bourgeois "development theory" and to the theorizing of such groups as the UN Economic Commission for Latin America (ECLA)?

#### **"Real" development:**

Dependency theory prides itself on its view of the economic difficulties facing the periphery, yet it has failed to grasp the evolution of peripheral economies. Its slogans of "growth without development" or "the development of underdevelopment" negate the growth of capitalist relations in the newly-independent countries.

You write that dependency theory does in fact envision development and industrialization in the periphery. But you also write that "the recent surge of growth may mean that core-periphery development as a theory no longer gives a very complete picture of the present-day world." You think that dependency theory did better in describing the world in the period when "third world development stagnate[d] in the first 20 or 30 years after independence". These comments indicate that dependency theory loses its relevance in the face of development and industrialization. As soon as this development extends so far that no one can completely deny it, you see

dependency theory going into crisis.

However, I think that your description of third-world stagnation for several decades after World War II is wrong. During the period after independence, there were important changes in the class structure and the economies of these countries, such as:

- \* the local bourgeoisie developed dramatically, in some countries through the development of a state bourgeoisie;

- \* there was a spread of capitalist relations in agriculture and the disintegration of the old peasant agriculture;

- \* there was generally a growth of the size of the economies of these countries. The first few decades after World War II, when a wave of countries become independent, was generally a period of growth, both on a world scale and in most of the Third World. Then a series of world economic crises began in the 70s, and there was the oil crisis, the various debt crises, the so-called "lost decade" of the 80s for Latin America, the squeezing of Africa, the problem of stagnation in various G-7 countries, etc.

The existence of important changes doesn't mean that the masses of these countries became prosperous. The split between rich and poor has grown deeper, both between rich and poor countries and among the classes inside Third World countries. The high expectations of what independence would look like weren't fulfilled. This is in accord with Marxism, which isn't dismayed by this fact, but holds that one of the great virtues of the independence struggle is that it is needed to show the masses that it is not simply political domination, but an economic system, that is oppressing them.

Thus Third World poverty has been connected not just with the lack of development, but with development itself. For example, the spread of capitalist relations in agriculture tends to devastate the masses. The CV article "Imperialism and Papua New Guinea" (vol. 2, #2) showed how it was precisely several decades of the development of capitalism in Papua New Guinea that turned part of the people into a "surplus population". (Although the PNG is a poor country with a low material standard of living, up into the 1970s it lacked the widespread hunger and destitution that is noticeable in many Third World countries and that later appeared in PNG itself.)

Oddly enough, both the anti-dependency theorists of the demoralized wing of the MLP and dependency theory identify colonialism simply with stagnation. Yet Marxism, while vehemently condemning colonial crimes, stressed the changes in the class structure that occur in colonies, in dependent countries, etc. It is precisely its recognition of these changes that allowed Marxism-Leninism to formulate effective strategy for the national liberation movement and for the organization of the proletariat in the midst of the anti-colonial struggle. Those theories which ignore these changes can no more provide a basis for struggle against imperialism than English romantic poets, despite the beauty of their protest against the destitution of the English proletariat during industrialization, could provide any idea of what should be done about it. Any theory like dependency theory which ignores these changes or grossly mistakes the economic and political conditions facing the working masses, is no support for the struggle against these

conditions.

### **Delinking:**

You suggest that "delinking" is similar to Marxist conceptions and compare it to Lenin's views. But Marxism-Leninism lays stress on the internal class relations of a country. For scientific socialism, building socialism, or embarking on the transition towards socialism, meant first and foremost transforming these class relations, having the working class develop social control of the economy, etc. The old MLP and its predecessors, whatever mistakes they make in judging the actual situation in various countries like Albania, proceeded from the view that the internal class relations were the key issue. All the agitation was directed in this way. For Marxism-Leninism, the monopoly of foreign trade and other measures of "delinking" are simply a corollary of internal changes, designed to protect a break with the capitalist market that is produced internally. Dependency theory, however, judges whether a country is progressive or not by how "delinked" it is, and proposes "delinking" to protect local capitalism. This is quite different from Marxism and instead is another link between dependency theory and such views as those of ECLA.

The views of Marxism, with respect to protectionism ("delinking") and free trade in capitalist countries, are neither those of neo-liberalism or dependency theory. Marx, for example, pointed out that protectionism, when successful, gives a spur to the development of the large-scale industry of a capitalist country and thus ultimately links it more tightly to the world market than ever. Such a dialectical conception of the results of "delinking" is foreign to dependency theory. Samir Amin, for example, holds that "delinking" a capitalist economy will push it towards socialism. Dependency theory, when it sees protectionism or "delinking" leading to an increased integration in the world market, blames this on bad political choices or on comprador tendencies in the local bourgeoisie, and fails to see the economic logic in it.

### **The local bourgeoisie:**

You justly criticize dependency theory for its relation to the local bourgeoisie, but I don't think you grasp the source of its surrender to that bourgeoisie. You refer to the dependency theorists recoiling from the most radical steps against the local bourgeoisie. Actually, dependency theorists don't necessarily recoil from steps against the old bourgeoisie; the radical dependency theorists embrace Maoism, Castroism, etc. They end up in positions of support for the local bourgeoisie because their analysis of world capitalism is wrong: they can't recognize the bourgeoisie in the new bourgeoisie of state-capitalist countries; they can't recognize the bourgeois-democratic character of national liberation, of land reform, etc.; they fail to concentrate on encouraging the organization of the proletariat; etc.

For example:

\* Samir Amin still carries a torch for Maoism. He always wanted to see radical revolutions around the world, yet he ended up an adviser to one bourgeois regime after another.

\* Che Guevara, whose theoretical views came close to

dependency theory, stood for guerrilla revolutions throughout Latin America and died trying to bring one about in Bolivia, yet he praised Lazaro Cardenas, the founder of the PRI system in Mexico (which is finally tottering now). He also had illusions about the bourgeois regimes in the newly-independent regimes in Asia and Africa. (See the section "Illusions in third world bourgeois development" in "Che, the armed struggle, and revolutionary politics" in CV, vol. 3, #3.)

### **The struggle against comprador tendencies in the big powers:**

The very way that dependency theory cheers on the struggle against "comprador tendencies" in the bourgeoisie, rather than emphasizing the building of an independent movement of the masses, tends to bring it close to the bourgeoisie. For example, the dependency theorists take China, Russia etc. as proof of their system. You write that these countries developed

"with a 'progressive' coalition if you will that made some big time concessions to the working class while resisting the comprador inclinations of the bourgeoisies."

But in the revisionist regimes, there was not a progressive coalition, but the smashing of independent activity by the proletariat, and massive discontent with these regimes. (Nor did the original revolutions in Russia and China resist the comprador inclinations of the old governments and ruling classes; they overthrew them. This is a very different thing. As the revolutions died and state-capitalist regimes were consolidated, a new bourgeoisie developed.) But your description of the internal situation is an accurate description of how dependency theory views these countries. For them, progressive activity consists of resisting "comprador inclinations" of the ruling circles.

Whatever dependency theorists think they are doing, this often amounts to cheering on the imperial inclinations of the new and old bourgeoisie in these countries. Actually, Samir Amin is at least somewhat conscious of this. In my last article on dependency theory, I showed how Amin even sighs after the empires of the past. He's nostalgic for the Austro-Hungarian empire—yet the Austro-Hungarian empire was one of the major European imperialist powers of its time. He raises his fist in support of "the Russian empire" and "the Soviet empire"—yet Russian imperialism has been one of the major forces of the 20th century. When it came to his hopes for keeping "the Soviet empire" together, he laments the lack of sufficient "big power nationalism" in the Soviet ruling class and chides the "popular classes" for not being sufficiently chauvinist and for having no concern "for the satisfactions a country with the rank of theirs could command". Isn't this an appeal by Amin for class collaborationist unity on the basis of the spoils of imperialism? Don't his complaints about the "rejection of patriotism" among the Russian masses show that they didn't view their activities as opposing "comprador tendencies", but as fighting for their rights or interests, although unfortunately they were quite confused and disoriented about how to do this?

And consider China. Just as Tsarist Russia was an imperialist power in the early 20th century despite its economic



backwardness, China too is already an imperialist power. It will be one of the "great powers" of the 21st century To describe the tasks of a progressive Chinese coalition as resisting the comprador tendencies of the Chinese bourgeoisie not only ignores this reality, but has little to do with the actual class struggle in China.

#### **Jargon or struggle:**

The dependency theorists can repeat "world system", "world system", "world system", as long as they wish, but it takes more than a phrase to actually understand the workings of world capitalism. To have replaced the words imperialism by "core", dependent country by "periphery", the world market by "world system", and protectionism and state regulation by "delinking", is hardly much of an advance. To put much emphasis on such vague terms actually obscures world events, and hinders the struggle against the world bourgeoisie and

imperialism.

Well, that's why I believe that opposing dependency theory is one of the things necessary in order to clear the way for a Marxist analysis of contemporary world capitalism. It isn't just a question of different predictions about exactly how fast development is or isn't taking place. It's a question of whether the world is analyzed from the point of view of the opposing classes in the world or from the point of view of idealizing "development" provided that it is "real", "delinked" development.

So much for now. I wish you well in your workplace agitation and await your further comments on our theoretical views.

Comradely regards,  
Joseph

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## **The National Union of Workers and the slow breakup of PRI unionism**

### **Continued from page 14**

a slave to a particular bourgeois party, but will be prey to the ideology of cooperating with the bourgeoisie in general.

How fast and how thoroughly the workers break out of PRI unionism will be one of the central points of Mexican politics. It will have a major effect on whether the workers can obtain some benefits from Mexican democratization and support other working people. It will effect whether the workers come forward as the center of a new revolutionary movement, or whether oppositional activity is dominated by other classes. It is thus important not only to advocate a break from PRI, but to fight for unions that really fight the bourgeoisie. It also requires building up a workers' revolutionary party, for only a party can provide a consistent orientation to political and economic struggles. It simply won't happen that the economic struggle or unions in themselves will give rise to a consistently revolutionary and militant workers' movement.

To break up the old unionism requires, of course, not only clarity on the class trends in Mexico, but a high level of

struggle. Last year, the strike wave necessary to stop the employers' offensive on a national scale and to destroy the old style of unionism hadn't yet broken out. In fact, the number of strikes had dropped steeply from past years, and was at one of the lowest levels ever. The most dramatic section of labor activity seemed to be that of teachers strikes, mainly centered on the CNTE (National Teachers Coordinating Committee), which is a caucus inside the teachers union, the SNTE. But whatever the level of struggle, it is important for activist workers to distinguish between the different political and social trends vying for influence among them. This helps ensure that the struggles of today are used to prepare for the next upsurge, and are not being led into the trap of a new class collaborationism. All the institutions of Mexico are changing, while the workers are facing the never-ending demands of the bourgeoisie for more concessions. This is a time when the workers' political and economic organizations need to be radically recast as well, both in Mexico and elsewhere around the world, so that the forms which have proved bankrupt in the past can be replaced with real organizations of class struggle. □

# Struggle

## A magazine of proletarian revolutionary literature

*Struggle* is an anti-establishment, revolutionary literary journal oriented to the working-class struggle. We seek to reach "disgruntled" workers, dissatisfied youth and all the oppressed and abused and inspire them to fight the rich capitalist rulers of the U.S. and the planet.

*Struggle* is open to a variety of artistic and literary forms and anti-establishment political and cultural views. We look for works with artistic power which rebel against some element of the capitalist power structure or against the system itself.

*Some of the contents of the current Fall-Winter 1997 double issue (Vol. 13, Nos. 3-4):*

- Editorial:* "New Black Writing and Other Topics"
- Fiction:* "The Last Sunset"  
"Trade Me"  
"Yiddishkeit Memories, 1921"
- Poetry:* "Dead I Be" and "Code Zero"  
"too long, too strong (for Geronimo ji Jaga)"  
"Dialogue: Rags and Sticks"  
"D.C. SOciety"  
"I Had a Dream Last Night" and "Hands"  
"inside"  
"prison empire"  
"Dream of the Establishment"  
"Imagery?"  
"Marxism, in 32 words . . . in 25 words"
- Article:* "Lightnin' Hopkins and the Black Struggle"
- Art:* Cartoons

*Struggle's* editor is Tim Hall, an activist and Marxist-Leninist since the 1960's. *Struggle* is a non-profit magazine, produced and distributed by the voluntary labor of a very few people. *Struggle* welcomes poems, songs, short stories, short plays, line drawings. Manuscripts will be returned if accompanied by a self-addressed, stamped envelope. It pays its contributors in copies.

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