

international scene
a draft
perspective

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DRAFT PERSPECTIVE ON THE INTERNATIONAL SCENE

Ian McMahan
NY-ISC

[Note: sections of this document have been adapted from Hal Draper's The Independent Socialist World Outlook (Forum, 1967). The use made of them is, of course, the responsibility of the author.]

THE WORLD TODAY is in the midst of an historical crisis that has lasted for over half a century. Among the symptoms of this crisis have been two bloody world wars, the greatest economic depression in history, countless revolts and revolutions, a "cold war" that has lasted more than twenty years, and the looming possibility of a thermonuclear war. At a time when the progress of technology has made plenty for all a real possibility, the world's billions are haunted by poverty and famine. Spacecraft going to the moon orbit over wooden plows drawn by human beings.

Across the earth two great social systems--capitalism and its younger rival, bureaucratic collectivism--vie for the privilege of dominating and exploiting the peoples of the world. Yet both are faced with another enemy: the class struggle of working-class and socialist movements for freedom from both exploitative systems. Against this enemy, the two world-wide class societies are united in an uneasy embrace. In France during the May 1968 events, the last line of defense of French capitalism was the French Communist Party. In Czechoslovakia the Western bloc promoted Dubcek as an embarrassment to Russia but condemned the "anarchists" and "extremists" who sought to go beyond a liberalized bureaucratic state. In Vietnam the weak forces that represented an alternative to both systems have been suppressed both by the American puppet regime and by the leadership of the National Liberation Front. It is as true in 1969 as in 1848 that "all the powers of the old world have entered into a holy alliance to exorcise this specter," the specter of revolutionary socialism.

The roots of today's crisis lie in the irreversible decline of capitalism as a social system signalled by the outbreak of World War I. When the Bolshevik Party led the working class to state power in Russia in 1917, the event touched off working-class revolts throughout the world. But everywhere these revolts were beaten back. The young Soviet Republic, isolated from the productive forces of the industrialized nations, was overthrown by an internal counterrevolution led by Stalin, a counterrevolution that established a new form of class society, bureaucratic collectivism, and exterminated the entire leadership of the world's first successful socialist revolution. Disoriented by conflicts among its leaders, battered by a worldwide depression, brutally suppressed by the forces of fascism, the working-class movement receded, with its historic tasks, the overthrow of capitalism and the establishment of socialism, undone.

The world today is still paying the cost of that failure. Trapped between capitalism and bureaucratic collectivism, both of which are decaying systems and neither of which can overcome the other without a lapse into barbarism or nuclear annihilation,

the world working class is struggling--now almost blindly, now consciously--toward the only human alternative: revolutionary socialism. Upon the successful outcome of that struggle rests the only hope of humanity.

I. The Crisis of World Capitalism

FOR TWENTY YEARS and more, the press agents of capitalism have been telling the world that the system had solved its problems (except the problem of coping with affluence and leisure). Today, as the international monetary and trade crisis threatens the stability of the economies of the most advanced capitalist nations, as runaway inflation and spiraling taxation destroy the wage gains of the "affluent society", as the little stability capitalism retains is increasingly based on the mass production of mass destruction, it is clear that, far from having solved its problems, capitalism has only raised them to a new level. Two important factors in this process have been a new stage in the collectivization of capitalism within the national economies and the evolution of new forms of imperialism in the decades since World War II.

The Newest Stage of Capitalism

As Marx pointed out, the corporation is a specifically capitalist form of collectivism. It is a social enterprise by which the shareholders collectivize their risks and profits, and it forms an area of planned economy within the boundaries of the unplanned chaos of capitalist production. The increasing concentration of capital into the hands of gigantic corporate monopolies has made these inroads of planning the predominate mode of production. The rise of "conglomerates," huge corporate structures that range across the entire field of capitalist production, reflects the potency of this trend.

By negating, even in a limited fashion, the anarchy of the marketplace, corporate capitalism is able to increase its ability to achieve its goal, the accumulation of more capital. However, this capital, too, must be used. A tiny amount can be splurged on sybaritic corporate headquarters; another tiny amount can be used to "influence public opinion" through grants to foundations and universities; but the vast bulk must be reinvested in such a way that it produces a profit.

This might be done by updating and rationalizing existing productive facilities. This would absorb huge quantities of capital and yield much greater efficiency. However, it would also greatly increase production, which is precisely what the world capitalist economy cannot tolerate. Productive capacity in the advanced countries already far exceeds the ability of the market to absorb production at a profit. To add further capacity would be to court disaster.

Another traditional way to use surplus capital is to export it to areas where it will produce a bigger profit; generally, to the former colonial countries. But as we shall see, the effectiveness of this method has declined to the point where the underde-

veloped countries cannot profitably absorb more than a fraction of the surplus capital produced by the industrial countries, while investment in other advanced countries is a stopgap that only serves to synchronize the onset of crisis.

What is needed, then is a way of investing capital that produces profits but does not aggravate the problem by reproducing capital. In Marx's time this function was filled by what he called Department III of the economy, the production of luxury goods. Since such goods embody social labor, selling them realizes surplus value (loosely, profits); but since they do not re-enter the process of production either as means of production (e.g. machines) or as means of consumption (e.g. food, housing), they do not increase the total amount of capital. This category retains some importance today, as shown by the fantastic speculation in works of art, but it has two disadvantages: first, there is a limit to the amount of capital that can profitably be employed in this way; and second, unless one can compel other countries to use similar proportions of capital in this way, the economy becomes unbalanced and loses its competitive position vis-a-vis other advanced economies.

This is the problem that has given rise to, and sustains, the permanent arms economy: the continuing and increasing production of the means of destruction. The permanent arms economy solves both difficulties of the classic Department III. On the one hand, it is a bottomless pit which can absorb unlimited amounts of capital at a government-guaranteed rate of profit; and on the other hand, it tends to compel the nation's economic rivals, whether they be military allies or opponents, to devote a proportionate amount of capital to the same end, thus stabilizing the position of the economy on the world market. The determination of de Gaulle to build the "force de frappe" and of Nixon to build the ABM system reflects the importance of the permanent arms economy in stabilizing modern capitalism.

However, to the same extent that the permanent arms economy has stabilized modern capitalism, it has also aggravated its internal contradictions. The state intervention represented by the arms budget retards the tendency for the rate of profit to fall, but at the same time the labor embodied in missiles and warheads does not become capital. Stability becomes identical with stagnation, requiring ever-greater amounts of state subsidization, the funds for which must come out of the earnings and living standards of the working class and the middle classes in the form of increased taxation and the inflationary spiral. In this way economic stability creates its own negation, political instability.

At the same time, the permanent arms economy requires a new synthesis of the corporate and state structures, in the form of increasing state regulation and control of the economy in the interests of the corporate monopolies. Just as the corporation collectivizes and bureaucratically plans the activities of its constituent units, so the state collectivizes and plans the activities of the great corporations. Just as the corporation, by col-

lectivizing the role of the individual capitalist, represents a negation of capitalism within its own boundaries, so the interpenetration of corporate and state structures, by collectivizing the role of the individual corporation, raises this negation to a new level. Unless this negation is in turn negated, by the overthrow of the interlocked corporate and state structures and their replacement by a new progressive society, the continued decay of capitalism will increase both the role and the degree of autonomy of the corporate-state bureaucracy. With the disintegration of capitalism, the bureaucracy will have the potential of transforming itself into the organizers and rulers of a new social barbarism.

The Role of Modern Imperialism

The classic analysis of capitalist imperialism was made by Lenin, who stated, briefly, that capitalism was impelled by the falling rate of profit to export capital, a need which led to the carving-up of the world into rival empires and yielded super-profits that could be used to insure social peace in the mother country. At the same time he stated that this analysis applied to the imperialism of 1900, the beginning of the decline of capitalism. Today, in the era of the decay of capitalism, the nature of imperialism has changed.

At the end of World War II, the European imperialist powers, bled white by six years of destruction, were unable to resist effectively the Russian occupation of the European heartland or the long series of national independence struggles throughout their empires. These massive blows, combined with the dependence of Europe on American capital, destroyed the old imperialist system. The European powers were forced to adopt "American-style" imperialism, relying more on economic domination than on direct military and political control.

At the same time, the advantage of manufactured goods in the world market and the advent of the permanent arms economy made investment in the underdeveloped countries somewhat less profitable than investment in advanced countries, while the rise of nationalism and anti-imperialism made such investment less safe as well. The amount of capital going to underdeveloped countries increased, but its proportion of the total capital flow decreased. In this way, one effect of the permanent arms economy is to transfer the tendency to stagnation from the advanced to the underdeveloped economies by starving them of capital.

In Lenin's time, the most common form of economic imperialism was the investment of capital by private individuals, either through stocks and bonds or by way of banks, in colonial enterprises. Since World War II, individual investment abroad has practically disappeared in all the imperialist countries. Foreign investment is carried on either by the state itself or by the corporate monopolies, and often jointly by the two. This concentration of imperialist economic power, which reflects the concentration of capital in the imperialist country, is another way in which the dollar, the pound, and the franc have filled the place left by the

governor-general, the gunboat, and the native troops.

In a sense, then, modern economic imperialism is more efficient than its colonialist predecessor. However, like colonialism, it is riddled with contradictions. First, to the extent that foreign investment has shifted to advanced economies, capitalism has internationalized and synchronized its internal crises. The weakening of any industrial economy is immediately reflected in all others. Second, the stagnation that imperialism imposes on the underdeveloped countries creates its own negation in increasingly strong nationalistic currents that threaten the imperialists with expropriation. Third, and most important, capitalist imperialism does not exist in a vacuum: it faces, all over the world, a rival imperialist system the greatest attraction of which is precisely its opposition to capitalist imperialism.

This systematic inter-imperialist struggle, between capitalism and bureaucratic collectivism, has a number of effects on the shape of capitalist imperialism. First, it tends to increase the dependence of Western Europe on the United States, the only capitalist state with the military power to defend capitalism, counteracting the tendency for the national bourgeoisies of Europe to try to break free of U.S. policies and muting the rivalries among the capitalist imperialist powers. Second, it leads to the U.S. policy of defending capitalism on a world scale, independent of specific imperialist interests. This policy helps explain American capitalism's willingness to get involved in Vietnam in spite of its very minor economic stake in that country. Third, it leads to alliances in the underdeveloped countries with the most reactionary social strata, who are the only elements in these societies who can be counted on to defend capitalism. This in turn leads to more vietnams, since these strata can retain power only with the military support of the imperialist countries.

American imperialism tried, in the Alliance for Progress, its support of anti-Diem forces in Vietnam, etc., to break out of this pattern by allying itself with bourgeois liberal forces in the underdeveloped countries. However, because of its organic links on the one hand to the feudal landowners and on the other to the foreign imperialists, the bourgeoisie in these countries is incapable of carrying out the most basic tasks of the bourgeois revolution, the breaking-up of the latifundias and the protection of local industry through tariff barriers, etc. Only the working class, in democratic alliance with the peasantry, is able to carry out these tasks, and only by transcending the limits of capitalism. Moreover, any attempt by the liberal bourgeoisie to carry out the bourgeois revolution in the era of world imperialism, even if the seriousness of the attempt is dubious as in the Dominican revolt of 1965, opens the prospect of permanent revolution. Such a prospect is, of course, unacceptable to imperialism. This deadlock gives rise to Bonapartism, dictatorship by a semi-autonomous military caste that is able to act against the immediate interests of the landowners, the national bourgeoisie, and even the foreign imperialists (as in Peru), in the interests of the system as a whole.

Many people on the left today, having failed to recognize the differences between the imperialism of 1900 and the imperialism of 1969, hold the theory that the success of national liberation struggles in the underdeveloped countries, by depriving the imperialist powers of their markets, sources of raw materials, and outlets for surplus capital, will cause capitalism to smother in its own fat. This theory is wrong. National liberation and anti-imperialist struggles rain hard blows on capitalism, draining its resources into endless wars and exacerbating its internal contradictions, but they cannot defeat it alone. Excess capital can be "plowed under" in the arms business and raw materials can be synthesized.

Moreover, this theory is usually staged by analogy to the city and the countryside, in which the city is strangled by the country. Such an analogy, by pretending that the colonial peoples "are" the working class and the peoples of the imperialist countries "are" the ruling class, is both misleading and reactionary. It ignores class interests and class antagonisms in both the colonial and the imperialist countries and leads, on the one hand, to support of anti-working class forces in the colonial country, and on the other hand, to the notion that the working class of the imperialist country is part of the imperialist ruling class. Among revolutionaries in the colonial countries, such a notion is understandable, if misguided, as a necessary boost to morale. Among those in the imperialist countries, however, it suggests a fatal lack of self-confidence and an unwillingness to undertake the task of building the revolutionary movement in their own countries.

We have shown that the tendencies in decaying capitalism lead, not to any automatic downfall, but to its potential transformation into a corporate bureaucratic state that would surpass the dreams of Mussolini's pet political theorists. Without decisive intervention by the masses in the capitalist countries themselves, that is the direction of the evolution of capitalism. For this reason, the primary task of revolutionaries in the imperialist countries is to work and organize for the day when the masses of people in their own countries begin to make their own history. To do otherwise is vampirism, living off the blood of other people's struggles.

II. The Nature of Bureaucratic Collectivism

THE RUSSIAN REVOLUTION of November 1917 was one of the great liberating revolutions in history, and the second, after the Paris Commune, to bring the working class temporarily to state power. However, its success was the capture of one fortress in a war. The loss of the war--the defeat of the European revolution of 1918-1923--inevitably meant its downfall. But this downfall did not take the expected form of a military restoration of capitalism. Instead, while the Soviet state was too strong to fall prey to capitalist restoration, it was too weak in its isolation to resist increasing bureaucratic distortions that led, after Lenin's death, to an internal counterrevolution, led by Stalin. In this coun-

terrevolution, layers of the party and state bureaucracy exploited the reactionary moods among the peasantry to destroy all forms of workers' democracy, in the soviets, the party, and the trade unions, and to crush the proletarian-socialist opposition within the party. These layers then used the state power to eliminate the power of its former peasant base. In this way the state power was made autonomous of all previously-existing social classes and the bureaucracy was transformed into a new ruling class exploiting the masses in new, non-capitalist forms.

This new exploitative system is based on the property form of collectivism, state ownership and control of the means of production, and on the property relations of autonomous control of the state by the bureaucracy. Together these define the social system we have referred to as bureaucratic collectivism. Within the system, membership in the ruling class is determined by one's relationship to the centers of political power in the party and state apparatus, ranging from the member of the Central Committee down to the petty bureaucrat, just as the capitalist class ranges from the big banker down to the hole-in-the-wall sweatshop owner.

By its nature this system is one in which politics and economics are fused; that is, political and economic power are wielded by the identical institutions. This contrasts to systems, such as capitalism or classic slavery, in which there is a disjuncture between economic base and political superstructure. Such systems, because of this disjuncture, can exist either under dictatorships or under limited democracy (e.g. bourgeois democracy in the U.S., slave-democracy in ancient Athens). But a system of the fused type cannot, because the introduction of political democracy of any meaningful sort automatically means the dissolution of economic exploitation. Hence the political form of bureaucratic collectivism is necessarily not only dictatorial but totalitarian, that is, intolerant of all independent centers of power in the society; and not only oppressive but terroristic, that is, based on the free use of force not only to enforce the law but also outside of even the regime's own legal restrictions or framework.

While many of the economic categories known to modern industrial capitalism, such as wages, market-mechanisms, and profit-accounting, continue to exist in form under bureaucratic collectivism, they are no longer filled with the same content. In particular, the economy is no longer regulated by the profit motive and the mechanism of the free market, but by a system of planning-from-above. Therefore a basic contradiction of this social system is between the necessity of planning and the necessity of totalitarian control.

Under capitalism, the market mechanism provides automatic feedback, adapting supply to demand or need and adjusting disproportionalities in the process of production. The system of planning-from-above contains no such automatic mechanism, and the need to control initiative from below shuts off the possibility of feed-back. Thus the planned economy becomes the command economy. But even the wisest Central Planning Commission cannot regulate a complex industrial economy by fiat. The inevitable result

is waste on an unprecedented scale and massive disproportionalities in the production of both capital and consumer goods. The disastrous failure of the Great Leap Forward in China was the result of this contradiction, not of a sinister plot by Liu Shao-Chi. If, nonetheless, bureaucratic collectivism has raised the level of production over the course of decades, it is the result not of the "efficiency of a planned economy" but of an intensity of exploitation equalled, if at all, only by that in the dark, Satanic mills of early-19th century England.

Because of the power, prestige, and international influence of the bureaucratic class depends on the productive capacity of the society, the class goal of the bureaucracy is the continual increase in the means of production. In a planned state-owned economy, the only restraint on this increase in the short run is the need to feed, clothe, and house the workers, peasants, and "middle classes." Hence the tendency in Russia and Eastern Europe has been to concentrate the maximum resources in Department I, the production of capital goods, and the bare minimum in Department II, the production of the means of consumption. For the working class, the peasantry, and even the "middle classes," however, the goal of production is not further production, but consumption. This creates a second basic contradiction in bureaucratic collectivism, between the drive by all classes except the bureaucracy to increase the standard of living and the drive by the bureaucracy to keep the standard of living low in order to maximize capital growth.

Another contradiction that helps determine the forms of struggle under bureaucratic collectivism is between the class nature of the bureaucracy and the image of itself that it projects both for itself and for the other classes, between the ideology of communism, and the reality of class oppression. Just as, under capitalism, the ideology of democracy, if taken seriously, leads to revolutionary struggle against capitalism, so the ideology of communism, taken seriously, leads to revolutionary struggle against bureaucratic collectivism. In fact, these struggles for democracy and for communism are aspects of the single worldwide struggle for socialist freedom and socialist democracy.

Because of its fused nature, bureaucratic collectivism is necessarily more rigid than capitalism, but it retains limited flexibility. "Liberalization," by and primarily for the bureaucracy and the "middle classes" is possible, but only within fixed limits dictated by the essential need to maintain a monolithic society. Had the Russians not invaded Czechoslovakia, the liberalization could only have ended, and very quickly, either in the suppression of the popular movement by the Czech bureaucracy or in a popular revolution against the bureaucracy. It was to prevent the possibility of the latter that the Russian tanks moved in.

This implies, and the uprisings in East Berlin (1953), Poland and Hungary (1956) and Czechoslovakia demonstrate, that revolts against a bureaucratic collectivist regime necessarily follow the pattern of permanent revolution. Every open economic struggle must be raised to a political struggle, since the only economic

master is the state, and every democratic struggle must be raised to a socialist struggle, since the victory of democracy in a collectivist state means the socialist transformation of society.

Forces in Bureaucratic Collectivism Today

In addition to its basic internal contradictions, bureaucratic collectivism is wracked internally by two chief forces, nationalism and imperialism. These are parallel to, but not identical to, the tendencies within capitalism of the same name.

Once the bureaucratic collectivist system spread beyond the borders of the Soviet Union and was firmly established in Eastern Europe, the differentiation of the national bureaucracies was inevitable. Significantly, the first open break came from Yugoslavia, the only regime in Central Europe that had come to power independently of the Russian army. The Russians met this break with deep, but frustrated, hostility.

Similarly, foreseeing the dangers to its hegemony over other bureaucratic collectivist states that a second large and powerful bureaucratic collectivist state would present, the Russian bureaucracy tried from the '30s on to block the march to power of the Chinese Communist Party. This obstructionism, which continued in disguised form after the CCP took power, was intended to keep China subservient to Russia but instead helped provoke the current split.

By 1956, the rise of Gomulka in Poland indicated that the Russians were willing to allow a measure of independence to the national bureaucracies, if only to prevent the national struggle from being raised to the level of a struggle against the bureaucracy itself. It is no accident that Czechoslovakia, whose national bureaucracy refrained from stressing the question of national independence but could not control internal dissent, was invaded, while Rumania, whose bureaucracy maintains firm internal control, is able to defy Russia on national and foreign policy questions loudly and with apparent impunity.

In addition to these nationalist conflicts within the ruling class, many of the bureaucratic collectivist regimes face the possibility of self-determination struggles by national minorities within their borders. Some of the minorities within Russia, such as the Ukrainians and Georgians, have a long history of resistance to Great-Russian imperialism. The Slovak national movement played an important, if sometimes dubious, role in the Czechoslovak events of 1968. The Titoist regime this year suppressed the movement of its Albanian national minority. And it appears that Russia and China are each trying to stimulate nationalist sentiments among the other's Mongolian minority.

Russian imperialism shares some of its motives and drives with capitalist imperialism, such as the desire to grab cheap sources of raw materials and "buffer" zones of military-strategic importance. Other motives and drives, however, are specific to bureaucratic collectivism. The power and privileges of the bureau-

cratic class rest on the surplus labor it extracts from the working masses; this creates a drive to maximize the number of workers controlled by the apparatus. At the same time, since bureaucratic privileges are the reward for the ruling class and for aspirants to the ruling class, the state needs a widening base for bureaucratic posts, a need which the expanded state structure of an empire meets.

The economy of Russia as well as of the other bureaucratic collectivist states is still starved for capital. Thus while for capitalism one function of imperialism is the profitable export of excess capital, one of its functions for this period of bureaucratic collectivism is the import of capital. Russian expansion into Eastern Europe at the end of World War II was in part dictated by this need, which was fulfilled by wholesale looting, including the dismantling of entire factories for transportation to Russia. This same need underlies Russia's current economic relations with Eastern Europe and Cuba, and formerly with China.

Among the mechanisms by which capital is extracted is the levy of direct or indirect tribute on the subordinate partner. For example, Russia and Rumania participate in a joint company to exploit Rumanian oil resources but not, needless to say, Russian oil resources. By arbitrary price-setting, Russia is able to buy from her client states at below world market prices and sell at above world market prices, yielding super-profits even above the built-in advantage of exchanging manufactured goods for raw materials.

Both as a result of this tribute and as a deliberate policy, Russian imperialism subordinates the economies of its client states to its own, seriously distorting the subordinate economies. For example, Russian policy demands that the South Balkan countries continue in the role of breadbaskets, at the expense of industrialization. This policy was at the root of Tito's revolt in 1948 and is doubtless an important factor in the current anti-Russian course of the Rumanian bureaucracy. Similarly, Russian trade treaties have forced the Cuban regime to abandon its plans for economic diversification and to return to the one-crop economy.

We have concentrated on Russian imperialism because, as the most advanced bureaucratic collectivist state, Russia displays the trends of the system most clearly. However, just as every advanced capitalist state, from the U.S. to the Netherlands, is subject to the same imperialist drives, but some are more able to act on them, so the roots of bureaucratic collectivist imperialism are inherent in all advanced bureaucratic collectivist states. Thus Yugoslavia, itself the victim of Russian imperialism, has played an imperialist role toward Albania.

China, however, is a somewhat different case. Because the country is locked in the period of primitive accumulation, its imperialism remains more a matter of class choice than of class necessity. The Tibetan land-grab and the present adventures in Mongolia and along the Siberian border reflect the contradictions in Chinese society, but they do not flow inexorably from them. Hence Chinese imperialism is more political than economic; although

it may bring economic benefits, its primary purpose is to divert attention from internal political contradictions rather than to relieve intolerable economic contradictions. It follows from this that the course of Chinese imperialism is less determined than that of Russian imperialism and that it is capable of both irresponsible adventurism and conciliationism beyond that which the Russian system would permit.

The Future of Bureaucratic Collectivism

Classical slavery existed for hundreds of centuries before it collapsed. Feudalism dominated Europe for an entire millenium. Capitalism's heyday lasted three hundred years before the system started to decline, and the period of its death agony may consume another century. Bureaucratic collectivism, after only forty years, has begun to show the symptoms of decay.

These symptoms reflect the insoluble nature of the contradiction in the system between the need for planning and the need for totalitarian control. In Russia, the alternation between "soft" and "hard" lines [in jounales, de-Stalinization and Stalinization] represents two strategies for resolving this contradiction. Under the softs, the bureaucracy tries to stimulate feedback from below, for example by urging workers to report the incompetence of their factory managers to the local party secretary or by putting a new set of bureaucrats to oversee the activities of an older set of bureaucrats. In short, the soft strategy consists of trying to correct bureaucratic distortions by bureaucratic means. When this not only fails but leads to a loosening of control over the masses and stirrings of discontent, the hards take over and try their strategy.

This consists of clamping the lid on dissent and increasing the power of the central planners, and usually includes a more or less harsh campaign of terror against factory managers and workers who fail to meet their quota. This strategy also fails, first, because without feedback the plan introduces increasing disproportionalities into the production process, and second, because the effect of terror in small quantities is to increase corruption at every level. Thefts and diversions of resources spread throughout the economy as lower-level bureaucrats try to find the materials to meet their quotas. Production figures are falsified, introducing another wild factor into the planners' calculations. In large quantities, terror immobilizes initiative altogether, leaving the planners cut off from the economy by a fog of fear. The cumulative effect is economic disorganization, which temporarily discredits the hards and brings the softs back to power with a mandate to try their strategy again.

The newest form of the soft strategy involves the introduction of certain bourgeois devices, such as cost-accounting and an approximation of the market system. These reforms, or "Libermanism," have been interpreted by some, including the Chinese, as leading to capitalist restoration in Russia. This interpretation mistakes form for content. Just as capitalism, in the period of its decay, attempts to resolve its internal contradictions by introducing

forms typical of bureaucratic collectivism, such as the statification and plannification of the economy, but fills them with a capitalist content, the private ownership and control of the means of production, so bureaucratic collectivism attempts to resolve its internal contradictions by introducing bourgeois forms and filling them with a bureaucratic collectivist content, the state ownership and autonomous bureaucratic control of the means of production. But Libermanism, like less sophisticated soft strategies, is doomed to fail because it ultimately leads either to a resurgence of the hards or to attempts by the masses to assert control over the apparatus.

The course of events in China parallels that in Russia but with important differences. The Stalinist counterrevolution in the Soviet Union came to power in a nation that, while backward vis-a-vis the advanced capitalist countries, possessed many untapped natural resources and a small but modern industrial plant. In China, the bureaucratic revolution came to power in a country in which the most intensive agriculture barely sufficed to ward off famine and which had only one province, Manchuria, with any significant industry. The last twenty years in China can be seen as a special case of the law of combined and uneven development: while the economy is still locked in the stage of primitive accumulation, the efforts of the bureaucracy to extract capital from the working masses have accelerated and raised to a new level the basic economic contradiction. Where in Russia the alternation of "hard" and "soft" policies leads to confusion and disorganization, in China the strategy of emphasizing central planning mechanisms in the Great Leap Forward, caused economic chaos and the strategy of increasing feedback from below, in the Cultural Revolution, led to the brink of political collapse. The new emphasis, since the 1969 CCP Congress, on the role of the army and the Party indicates the strength of the centrifugal forces at work in the Chinese economy and the overwhelming need to counteract these forces by strengthening the centers. Thus bureaucratic collectivism in China has telescoped its rise and its decay into a single period, and may well experience the crisis of the system sooner and in a more mature form than Russia itself.

The Nature of the Communist Parties

Among those on the left who dismiss the pretensions of the Communist Parties to be the vanguard of the working class, there are two widespread views on the nature of these parties. [Maoists sometimes view the CPs as fascist agents, but this view need not be dealt with.] The first is that the CPs, especially in the West, have become reformist parties, parallel to the social democracy, and have capitulated to capitalism. The second is that the CPs are essentially political arms of Russian foreign policy and not parties in the traditional sense at all.

There is much to be said for both these views. The program and actions of the French and Italian CPs, the largest in the West, certainly appear reformist, if not capitulationist. Both parties have taken the lead in fighting against revolutionary activity by the masses, at the end of World War II and more recently during

the French crisis. At the same time, the classic flip-flops in line by the CPs in response to the lightest breeze from Moscow certainly demonstrate the subservience of these parties to Russian policy, although the rise of independent bureaucratic collectivist centers, Peking and to a lesser extent Havana, has loosened this dependency to some extent, as demonstrated by the reactions to the Czech invasion among Western CPs.

The reformist view of the CPs, however, cannot deal with one glaring fact: the enduring and bitter hostility of the bourgeoisie to these parties. The ruling class was quick to sense that they had nothing to fear from the social democracy, quicker in fact than most social democrats, and to understand that a strong social democracy was their best protection against revolution. But their class instincts inform them that the CPs, however reformist they may sound and however useful they may be in particular crises, represent a class enemy.

In this, the bourgeois' class instincts are correct. To some extent the Communist Parties represent an arm of Russian foreign policy, but in addition they are the political arm of an embryonic national bureaucratic class. That is, their actions insofar as the bureaucracies of the CPs represent an alternative way of organizing society, are determined by the intention to replace the rule of the capitalist class by the rule of a new bureaucratic class of which they constitute the nucleus. This aspect of the CPs helps explain some of the apparent inconsistencies in their actions. For example, the line of the French CP during May 1968 was doubtless influenced by Russia's desire to maintain its detente with the U.S., but the critical factor was the inability of the CP bureaucracy to control events. Had the revolt deepened and broadened, it could have had only two outcomes: a brutal repression of the left, including the CP bureaucracy; or a proletarian revolution out of the control of the CP bureaucracy. In either case the class interest of the apparatus demanded that it prevent the revolt from reaching such a stage, as indeed it did.

This is not to say that many of the rank and file Communists are not valiant and praiseworthy militants. They are. But just as the Parisian artisans of 1789 fought and died in their own battles, only to establish the rule of their class enemy, the bourgeoisie, so the CP rank and file is fighting in the wrong cause, the cause of the bureaucracy which is an enemy of the working class.

Among traditional Communist Parties their nature as the arm of a new ruling class is disguised somewhat by their continued adherence to a prostituted Marxism. It is more clearly enunciated in the theories of Mao, Guevara, and Debray, which explicitly reject the perspective of proletarian revolution and put forward in its place a revolution based on the peasantry and led by the bureaucracy, against the urban proletariat as well as the bourgeoisie and landowners. These theories give theoretical form to the actual course of the first stage of the Stalinist counterrevolution against the Soviet state. They also stand Marx on his head, using every consideration which he pointed to as showing that the

peasantry cannot take power as a class in its own name as a reason for basing the bureaucratic revolution on the peasantry.

Because these theories touch reality only in the context of an underdeveloped country, Maoism has proved incapable of building a working-class base in any advanced capitalist country. The "orthodox" CPs of France and Italy are still largely based on the working class, but this base is steadily shrinking and reflects the reformist programs and tactics of the CPs rather than their basic opposition to capitalism. In other advanced capitalist countries the Communist Parties are able to grow, or even to survive, only to the extent that they pre-empt the position of revolutionary opposition to capitalism. In this they are immeasurably aided by bourgeois ideology, which ascribes every attempt at basic social change to "the Communists."

If the realities of bureaucratic collectivist society have made theories of bureaucratic collectivism unpalatable to the working class of the advanced countries, however, they have at the same time had a fatal attraction for many students and intellectuals. These elements, while repelled by the brutality and inhumanity of monopoly capitalism, see no social force that is able to transform society in the direction of socialism. The working class, to them, is at the same time a leaden, reactionary mass and an idealized revolutionary abstraction. Thus the only way forward that they see is an elitist revolution followed by an "educational dictatorship" that will prepare the working class for power. What they fail to see is that the only way the working class can prepare itself to exercise state power is through the concrete experience of struggle against its oppressors, through its self-organization and self-emancipation. Elitist theories use concern for workers as an ideology to mask the interests of the elites, interests that are opposed to the interests of the working class.

"Peaceful Coexistence"

A reactionary social system cannot co-exist indefinitely with a progressive social system, if only because the existence of the progressive system intensifies the contradictions within the reactionary system. In such a situation, war, revolution, or counterrevolution is inevitable. But the world crisis of today is not of this sort. Instead, two rival social systems, both of them reactionary, face each other and at the same time face the potentiality of a progressive system.

The three-way nature of the present struggle for the world together with the new technology of mass destruction, modifies the tendencies toward war inherent in any inter-imperialist rivalry by making the outbreak of world war pose the threat of the destruction of society as such or of what is equally abhorrent to a ruling class, the abolition of its class rule. This creates considerable pressures in the direction of detente or "peaceful coexistence," by creating a commonality of class interests between the two alternative ruling classes.

In particular situations the commonality of interests between a capitalist class and a bureaucratic class may be even stronger than the bonds of class interest between the ruling classes of two nations with the same social system. In World War II the threat of Germany's imperialist ambitions led Britain and the U.S. to ally themselves with Stalinist Russia and even to divide the world in an amicable imperialist fashion at the close of the war. Russia's imperialist gains from that war, together with the success of national independence struggles in the capitalist empires, forced the European capitalist states into the protective grasp of the U.S., creating the two great cold war blocs. But the recovery of the European capitalist economies and the rise of national-bureaucratic tendencies in the Russian bloc tended to rupture the unity of the blocs, as demonstrated on the one hand by Gaullism and on the other by Maoism.

In the present period the line-up of nations in a particular crisis cannot be predicted by the nature of their social systems except where the nature of the crisis is a direct conflict between the two social systems. In the border war between India and China, the U.S. and Russia both aided India; both Britain and Russia are aiding the Nigerians against Biafra while Portugal aids Biafra and the U.S. attempts to stay out of the conflict. Even in the direct confrontation of systems in Vietnam, the two great powers have tried to avoid a confrontation with each other. At the height of the bombing of North Vietnam, American pilots had strict orders to avoid Russian ships, and when the North was under the greatest pressure Russia declined to relieve the pressure by, for example, provoking a mini-crisis over Berlin.

Nor is it excluded that the rivalry between Russian and Chinese imperialism could lead to a war in which the capitalist powers would take a passive or active role of support to the side that seemed best to accord with their own interests. At the moment, however, despite the recent border clashes and a good deal of wishful thinking in bourgeois circles, this appears to be a remote possibility.

The possibility of peaceful co-existence does not mean the end of the cold war. These two phenomena are symmetrical reflections of the three-way struggle for the world: peaceful co-existence--of the two class systems against the potential of socialism; cold war--of the two class systems against each other. For this reason, while revolutionary socialists oppose the cold war and fight the cold war policies of both sides, they do not do so in the name of peaceful co-existence. The struggle against war demands, not an imperial peace of the two ruling classes against the oppressed, but the overthrow of the ruling classes by the oppressed.

III. The Underdeveloped Countries

SINCE WORLD WAR II almost every ideological current has placed many of its fondest hopes on the underdeveloped countries of Africa, Asia and Latin America. For the proponents of "people's capitalism," these countries were the stage on which the West would win the battle for the hearts and minds of men. Apologists for Russia

predicted that the economic superiority of bureaucratic collectivism in developing the underdeveloped countries would prove that it was the wave of the future. And a good many radicals hoped that the "positive neutralism" and "agrarian socialism" of such nations as India, Egypt, and Indonesia would somehow restrain the missile-rattling of the two cold-war blocs and by example lead the peoples of the world to socialism.

Events have cast down all these hopes, East, West, and in between. The effect of capitalism on the underdeveloped economies has not been to set off rapid industrialization but to enforce stagnation. Nor has bureaucratic collectivism demonstrated a capacity to do any better. And neither positive neutralism nor agrarian socialism have noticeably moderated the cold war or improved the lot of the masses.

The reason for this universal disappointment is straightforward, if disheartening: there is no solution to the problems of the underdeveloped countries in the context of today's world. Both the capitalist road and the bureaucratic collectivist road lead nowhere. Symptoms of decay, in social systems as in corpses, appear first at the outer extremities, and in the underdeveloped countries the decay of both world imperialist systems is most clearly seen. If one of the criteria for the progressiveness of a social system is its ability to advance the development of the means of production, the plight of the 'Third World' demonstrates the reactionary nature of both systems.

The Capitalist Road

In discussing the features of capitalist imperialism it was noted that one of the effects of the permanent arms economy is to transfer the locus of stagnation inherent in decaying capitalism from the advanced to the underdeveloped economies. The extent of this stagnation can hardly be overdrawn. During the 1950's for example, the growth rates of the most advanced 'Third World' economies, such as Brazil, Argentina, Egypt, and India, were below those of the U.S. and Western Europe, which were not in good health themselves. In many cases, the rate of population increase equals or even outstrips the rate of economic growth, indicating a steady worsening of conditions. Far from "taking off," as some liberal economists pretend, the economies of these countries, in relation both to the world economy and to their own populations, are standing still or losing ground.

The reasons for this are inherent in the laws of capitalist growth. To compete successfully on the world market, an industry must function on the same level of technology and must be served by an infrastructure, power, transportation, etc., of a similar efficiency as its competitors. Today this means that industry must use a big amount of capital in relation to its use of labor, or have a high organic composition of capital. But the underdeveloped countries, almost by definition, are short on capital and long on labor power. This excludes the possibility of competing in manufacturing. The other course open is to take what native capital there is, together with foreign capital, and put it into

the exploitation of natural resources, that is, plantations, mines, oil fields.

This course, however, is not a solution. First, as the level of technology increases, the proportion of the value of manufactured goods that is attributable to raw materials declines. This means that underdeveloped countries must export an increasing volume of raw materials in order to buy the same volume of manufactured goods. Second, the demand for raw materials is relatively stable and unaffected by price changes, which means that a relatively small overproduction will drive the price down a great deal. Third, the production of industrial goods is highly monopolized, a factor that tends to stabilize prices at a high level, but the production of raw materials tends to be divided among many states and producers. All these factors contribute to a tendency for the prices of raw materials to decline relative to the prices of manufactured goods. This is especially true for agricultural products and less so for ore and oil, but in this case the dependence of the national economy on a single product (tin in Bolivia, oil in the Middle East) leaves the country at the mercy of the monopolies in the advanced countries.

The dilemma of the underdeveloped countries, then, is that the preconditions for the development of a modern industrial base do not exist and the only path by which the economy can compete on the world market bleeds the resources of the country and strengthens its ties to foreign imperialism. In a few cases in which native capitalists have tried to break out of the dilemma by taking over imperialist holdings, as in Iran in 1951 or Guatamala in 1954, the response by the CIA was prompt and effective.

The prospects for social change depends upon the relationship among class forces, which is, of course, different from country to country in the Third World. However, there are enough similarities to make it possible to analyse in general terms the dynamic of these societies.

The most important social classes in the underdeveloped countries are the landowners; the native capitalists; the comprador capitalists, or those directly in the pay of foreign imperialism; the petty-bourgeois intelligentsia; the working class; the peasantry; and the lumpen mass, concentrated in the urban slums. Change in the society is the result of the interaction of roles and interests among these classes, with the addition of the military officer caste, which sometimes plays a semi-independent role.

For many purposes, the landowners, native capitalists, and compradors can be treated as a single class. In a semi-agrarian society, much of the capital used by the native bourgeois comes either from the landowners or through the compradors from imperialist sources. The classes are also commonly linked by ties of blood and marriage. However, their class interests are by no means identical. The native capitalist may find himself in unequal competition with foreign capital to which the comprador is tied. The landowner may find his traditional power and privileges threatened by the modernization and rationalization so necessary to the native

capitalist. These class conflicts often provide openings through which the officer caste, drawn from all three upper classes but in some degree independent of their specific interests, can assert itself.

The intelligentsia in the underdeveloped countries is a far more volatile class than its counterpart in the advanced countries. The ideology of the ruling classes puts great emphasis on education as a means to progress, but the stagnation of the economy prevents the bulk of the educated from finding jobs in line with their expectations. Those with marketable skills, such as medicine, the sciences, or engineering, tend to emigrate to advanced countries. The rest stay behind, an indigestible mass of liberal-arts graduates and unpracticed lawyers. Because their hopes have been so disappointed and their futures are so bleak, many of the intellectuals become revolutionary. But because their disappointed hopes were of rising into the ruling classes, their revolutionism tends to be strongly elitist and they are drawn to the more elitist revolutionary theories such as Maoism. The strength of this tendency is inversely proportional to the strength in the particular country of a revolutionary-democratic mass movement, for such movements act as a strong check on elitist notions, while the absence of such a movement leads to a sense of futility and desperation that in turn impels the isolated intellectual toward the elitist-putschist conceptions of a Regis Debray.

The working class of an underdeveloped country, like its industrial sector, is relatively small, but this does not necessarily mean that it is backward; in many cases, quite the opposite. While the industries of the country may be few, they tend to concentrate large numbers of workers in a single plant or locale, as with the mining districts of the Congo or Bolivia, the oil fields of Venezuela or Iran, the docks of Calcutta or Buenos Aires. This coming together and working together of large numbers of workers in the country's centers of political and economic power gives the working class of an underdeveloped country a social weight far out of proportion to its numbers. As a result, the working class is able to make social and economic gains that are beyond the reach of the peasantry. This fact has led some radicals in advanced countries to believe that these workers, who through their own struggles, have reached the borderline of poverty while the peasants remain trapped in its depths, have somehow become part of the ruling classes. This is an absurd and reactionary notion. Only in the course of its own struggles can the working class test the limits of capitalist society and discover that, to preserve and extend the gains it has made, it must burst through those limits.

The peasants of the underdeveloped countries suffer all the limitations Marxists have ascribed to peasants generally: an illiterate, atomized existence, bounded by the borders of a small piece of land, isolated from the centers of power in society, and prevented from developing any consciousness of the broader questions in society. These limitations, combined with almost unimaginable poverty, make of the peasantry a class that is slow to move, but extremely volatile once in motion; capable of astonishing bursts of revolutionary enthusiasm, but incapable of sustained revolutionary activity. The centralization and modernization of agriculture by the big land-

owners puts additional pressure on the peasantry, forcing many to move to the urban slums, many to become wage-laborers on the big estates, and deepening the poverty of those who continue to cling to the land.

A huge urban lumpen population has become a feature of most underdeveloped countries, brought into being by the destruction of the independent peasantry and the inability of industry to grow rapidly. This mass of people, cast by society into the depths of hopelessness, shares many of the class characteristics of the peasantry. Their despair can lead both to apathy and to desperate action, and the conditions of their existence pit them against each other rather than in common struggle against their oppressors. But unlike the peasantry, they are located in the urban centers, giving them a social importance greater than that of the peasantry. In normal times their chief effect is to put the working class on the defensive by forming a huge reserve army of unemployed. In times of social change they, like the peasantry, tend to follow the lead of the most decisive elements of other classes, whether in a quasi-fascist, bureaucratic-collectivist, or revolutionary-democratic direction.

Because a cheap supply of labor is both an attraction for foreign capital and a necessity to native capital, the working class of the underdeveloped countries is under constant pressure from the ruling classes and the state. As long as the working class movement confines itself to reformist and trade-union forms of struggle, the urban mass and the peasantry can be used as weapons against it by the ruling classes. But when the working-class movement adopts a revolutionary perspective, it can enlist these forces, which have nothing to gain from bourgeois rule, under its banner. Hence even to defend the gains it has wrested from capitalism, the working class is pushed in the direction of a revolutionary struggle against capitalism. Because of its minority position in the society, it must attract other oppressed classes to its struggle. Because of its social weight and its experience in collective class action, it alone has the consciousness and cohesiveness to lead such a struggle to victory. For these reasons the perspective of revolutionary socialists in the underdeveloped countries, as in the advanced countries, is one of proletarian revolution.

In those underdeveloped countries that are under the domination of an imperialist power, revolutionary socialists support struggles against the foreign oppressor for self-determination and national liberation, first, because this is a democratic demand whose fulfillment is a precondition for socialism, and second, because the presence of a foreign oppressor tends to mute the class struggle in the oppressed country, locking the society together in opposition to the imperialist. Only when the imperialist is out of the way does the basic class struggle between the working class and its allies and the native bourgeoisie open up, and only this class struggle can lead to socialism.

However, the manner in which socialists support national liberation struggles varies with the nature of the political movement that is leading the struggle. At no point are socialists justified

in subordinating the interests of the working-class and socialist movement to those of representatives of other classes. When, as is usually the case, the national liberation movement is led by such representatives, whether they represent the native bourgeoisie, as in the Indian independence movement, or a bureaucratic collectivist class, as in Vietnam, the socialist approach is to actively support, by military or other means, the national struggle, but to remain in political opposition to those in the movement, including the leadership, who do not represent the interests of the working class.

In armed conflicts that do not have the character of a national liberation struggle against a foreign oppressor, the attitude of revolutionary socialists is determined by a concrete analysis of the class bases and class interests of the opposing sides. Depending on this, the revolutionary movement may lend military support to one or the other side, give critical political support to one side, or intervene in an independent role. The manner in which any of these courses is carried out depends on the relationship of forces in the conflict.

The Bureaucratic Collectivist Road

The predominate mode of social organization in the underdeveloped countries today is capitalism--superimposed upon feudal or even tribal social forms in many cases, but essentially capitalist. The handful of bureaucratic collectivist regimes in the Third World have had to gain power against the opposition of the existing ruling classes and the foreign imperialists, and to do this they have had to base their revolution on the peasantry. These two factors shape from the beginning the development of bureaucratic collectivism in an underdeveloped country.

The first factor, the struggle for power, means that the new regime takes over an economy that has been disorganized and perhaps partially destroyed and that essential middle-class elements, those with technical skills, may have fled. To counteract this, the Chinese CP during its march to power and for a considerable period afterwards offered broad concessions to "patriotic capitalists" and technicians, that is, those who would stay. This "solution" of course brings with it its own problems, since these elements represent a potential threat to the bureaucracy's control that must be dealt with in turn.

The second factor, the dependence of the bureaucracy on the peasants, raises both immediate and long-term problems. The class ambition of the peasant is to have enough land of his own to support his family, and it is precisely on a program of land reform that the bureaucratic collectivist is able to mobilize a mass peasant base. With the seizure of power, he is forced to carry out this program of land to the peasants. However, a system of small private landholdings is a negation of bureaucratic collectivism, first because it gives the peasantry an independent base in the economy and second because this base, the production of food, is the center of Department II, consumption, in an underdeveloped economy. As we have seen, the class goal of the bureaucracy is to develop Department I, the production of capital goods, at the expense of Department II. This

means that agriculture must be brought under the direct control of the state.

The first important crisis in the development of a bureaucratic collectivist state is for this reason the crisis of collectivization of the land. The implementation of this policy arouses widespread resistance, which may reach the level of armed revolt, as in North Vietnam in 1956-7.

Even if the regime successfully weathers the land collectivization crisis, the backward, predominantly peasant, nature of the society creates further problems and multiplies the effect of the contradiction between a planned economy and a totalitarian society. National economic planning, in addition to accurate information from below, requires both a network of effective communications throughout the country and the existence of a class that is able to think in terms of the nation as a whole. Workers are molded by the conditions of their lives into such a class, but peasants as peasants are capable at most of generalizing to the scale of a village economy. Insofar as the role of the working class in a bureaucratic revolution is limited to at most passive support for the "national liberators," the "middle classes" of the new regime--the lower-level administrators, managers, army officers, etc.--tend to be drawn precisely from the ranks of the peasantry. In itself, this would be a fairly minor problem, but when combined with the difficulty of communications in an undeveloped economy, it tends to splinter the society along regional and provincial lines, as each minor bureaucracy goes its own way.

In the absence of the automatic market mechanisms of capitalism, such provincialism leads quickly to grotesque economic problems that reflect the complete breakdown of planning. At this point, to preserve its rule, the bureaucracy must attempt to centralize and strengthen its control over the state and economic apparatus. However, such an attempt, if resisted, widens the fissures in the edifice of bureaucratic control and poses the threat that one of the factions will try to win support from the masses. The outrage of the Chinese CP at the "economism" (i.e. willingness to grant workers higher wages) of some of its dissidents during the Cultural Revolution shows that the bureaucracy is well aware of the danger that any intervention by the masses poses to its class rule.

Even if it survives these crises, a bureaucratic collectivist regime in an underdeveloped country, like its bourgeois counterpart, must face the overwhelming fact that the capital for industrialization must come from somewhere. One cannot build tractors out of mudpies. If the capital is not available from foreign imperialists (or from "fraternal socialist countries" that are themselves capital-starved), it must come from the only other available source: the backs of the peasantry. The only basis for the often-heard claim that bureaucratic collectivism, unlike capitalism, can solve the problems of the underdeveloped countries is that it is better at exploiting the peasants. Given the inherent sources of resistance, waste, and inefficiency in bureaucratic collectivism, this is a doubtful advantage, even to those for whom "exploitation" is an abstract concept of something that happens to other people.

For a Marxist, whose goal is the abolition of exploitation, it is the reverse of an advantage.

Toward a Revolutionary Program

We have stated that there is no solution to the crisis of the underdeveloped countries in the context of today's world. This does not mean, however, that we advise revolutionaries in the underdeveloped countries to sit back and wait for the revolution in the advanced countries. On the contrary, in an era in which the world productive forces are ripe and even over-ripe for a socialist transformation, it is the duty of revolutionary socialists everywhere to organize and struggle for the socialist revolution. At the same time we recognize that such a revolution, if it remains isolated in a single country, cannot retain power indefinitely and must fall prey to counterrevolution, either from foreign imperialism or through its own bureaucratic degeneration. For this reason, the two key-stones of a revolutionary program in such a situation are encouraging the spread of the revolution internationally and fighting a holding action internally.

In the era of the decay of capitalism and bureaucratic collectivism, the success of the socialist revolution in a single country would send shock waves through every society in the world. It might well be followed by other revolutions, and would certainly lead to a massive growth in the revolutionary movements of other countries. Such a development would be at once the best defense and the best hope of survival of the revolutionary regime.

Internally, the success of the revolution would unleash the productive forces of the country, not merely in some abstract economic sense, but in the enthusiasm of the workers and peasants for their state. Since the class goal of the state would be neither production for profit, as in capitalism, nor production for production, as in bureaucratic collectivism, but production for consumption, there would be an immediate, if necessarily limited, rise in living standards of the population. Economic growth would probably be channelled mainly into modernization of agriculture, light industry, and manufacturing directly related to the chief resources of the economy, such as food processing and packing or metal refining.

Politically, the regime would be organized on the basis of the fullest possible democracy and control from below, with special emphasis on controlling the spread of bureaucracy and elitist tendencies. In this way a socialist regime might extend its life from a matter of months to a matter of years. But in an economy of scarcity, someone must divide up the shortages, and that leads back, in Marx's words, to "the old shit." Without massive aid that can only come from a socialist revolution in an advanced industrial country, socialist democracy in an underdeveloped country cannot survive indefinitely.

A revolutionary program for the underdeveloped countries is not a panacea, because the objective situation of these economies permits no panaceas. In the short run it offers the

broad masses of people control over the state and the ability to decide for themselves the direction of the economy. In the long run it holds out only the possibility of full economic, political and social development, dependent on the success of the revolution in other countries. The difference between this and the perspectives of both capitalism and bureaucratic collectivism is that they offer only the continuation of class rule, poverty, misery and exploitation.

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[Note: Section IV, to be added, will include analyses and positions on Vietnam, the Middle East, etc.]