

\$3.00

# THE FUTURE OF SOCIALISM:

# **Third World Perspectives**

# Forward Motion

August, 1990 Vol. 9, No. 3

Editorial Collective Susan Cummings Tom Goodkind Jon Hoffman Lucy Marx Vivien Morris Phil Pardi Charles Sarkis Claire Welles

Associate Editors Peggy Baker Bill Fletcher, Jr.

Design and Layout Linda Roistacher



FORWARD MOTION is a magazine of socialist opinion and advocacy. We say socialist obinion because each FM presents analyses of important organizing work and reviews of political and cultural trends. We say socialist advocacy because FM is dedicated to a new left-wing presence in U.S. politics and to making Marxism an essential component of that presence. We share these purposes with other journals, but we seek for FM a practical vantage point from within the unions, the Black and other freedom struggles, the women's movement, the student, anti-war, and gay liberation movements, and other struggles. We also emphasize building working people's unity as a political force for social change, particularly through challenging the historical pattern of white subremacy and national obpression in the capitalist domination of this country.

# In This Issue...

0

A year ago, we published a supplement on the repression of the democracy movement in China, discussing what the lead article termed: "a major historical milestone in the development of the crisis" of socialism. Milestone it was, but little did we anticipate what was to follow in Eastern Europe and the Soviet Union.

Now it is commonplace to hear that the fate of socialism has been resolved—in Eastern Europe. The Cold War is over, and the U.S. has won—Capitalism triumphant; Socialism obsolete.

We aren't ready to throw in the towel.

It's true that Europe has been the most visible point of conflict between the US and the USSR. So it makes sense that the tearing down of the Berlin Wall is a perfect emblem of the defeat of socialism by capitalism (or as the US media would have it, communism by democracy.) But it would be wrong to tie socialism's fortunes too tightly to the murky social orders imposed on Eastern Europe after World War II. Such Eurocentrism neglects the reality that in this era, revolutionary struggle and liberation movements in the Third World have been and continue to be the world's most fertile ground for socialist commitment and experimentation.

In our last issue, Zairian Marxist Wamba-dia-Wamba commented on the unfolding drama of democracy and capitalist "market despotism" in Eastern Europe. Wamba argued we would need to look equally to the Third World as at the West and the Soviet Union to envision the future of socialism. With this in mind, we decided to focus this issue of FM on reactions among Third World revolutionaries to the recent events in Europe as they see them affecting their own struggles for liberation and socialism.

For years, soviet-style socialism was the socialism many of us loved to hate. But now Third World revolutionaries appear to be reacting to its demise in Eastern Europe with more detachment than most Westerners. For example, even though conditions for democratic self-rule have long been reputed to be more difficult in the Third World than elsewhere, revolutionaries' policies in Third World countries seem relatively more grounded in their own national conditions than in the decades old, deformed Marxist thinking originating in the Soviet Union.

Nelson Mandela's US tour, nearing completion as we go to press, is a perfect example of this. For many, many years, US activists' fight against apartheid had included the demand, among others, for Mandela's freedom. Yet, precisely because of his imprisonment and banning, very few in the US knew much about him or what to expect upon his release. Now, in his addresses and interviews, he shows himself and the South African freedom movement to be independent-minded and visionary. This has been true whether he is fending off demands that the ANC renounce their relations with the Palestine Liberation Organization and the Irish Republican Army or when he talks about the kind of postapartheid democratic economy he and his comrades seek. Mandela's resilience has been refreshing and exhilarating following on the US'

# In This Issue

- Colombia: Drug War's Long Shadow 3 Martin Eder with Antonio Navarro
  - Mexico: On Learning From 9 The Crisis Of Socialism with Rodolfo Armenta
  - On The Fall Of Old Style Socialism 10 with Eraclio Zepeda
- Mozambique: 12 The Dream Destroyed? Or Just On Hold? Loretta J. Williams
  - Eritrea's Independent Revolution 18 with Hagos Ghebrehiwet
    - Is Socialism Dead? 25 Dr. S.J. Noumoff
  - Is Economic Conversion the Answer? 30 Elizabeth Kimbrough
    - U.S. Economy in the 36 Changing World of the 1990s Chip Smith
      - U.S. Health Care Crisis 42 Celia Wcislo
  - In Memory of Clarence Jerome Fitch 48
    - Vietnam Perspective 51 Clarence Fitch
    - Letter to the Editors 54 Jerry Harris

# Forward Motion

August, 1990 Vol. 9, No. 3

FORWARD MOTION is published five times a year by the Center for Democratic Alternatives. A single issue is \$3.00 plus \$.50 postage and handling. A yearly subscription is \$15.00; \$25.00 for sustainers or library/institutional subscriptions. Address all correspondence to Forward Motion, P.O. Box 1884, Jamaica Plain, MA 02130. Please inquire concerning bulk orders and book store rates.

Forward Motion welcomes unsolicited articles, but please enclose a self-addressed stamped envelope with requests for return of originals. We encourage you to submit articles on 5.25 or 3.5" computer diskette in MS-DOS, CP/M or Mac text format.

Second class postage, Boston, MA and additional mailing offices.

# Subscribe to Forward Motion

Issued six times a year.

\$15.00 for 6-issue subscription. \$25.00 for sustainers subscription.

FORWARD MOTION P.O. Box 1884 Jamaica Plain, MA 02130

Name

Address \_

City/St/Zip \_\_\_\_

Printed on Recycled Paper

# In This Issue...

all too successful bullying of Panama and Nicaragua.

Still, with Panama and Nicaragua in mind, it is clear that Third World revolutionaries are not immune to the economic ramifications of the disintegration of the Soviet Bloc. At the most obvious level, virtually everywhere in the Third World material aid from the Soviet bloc is rapidly drying up. Of course, the withdrawal of Soviet aid, in at least a few places, would be cause for great celebration. Eritrean and Afghan liberation fighters, to name two, must be anxiously awaiting the end of Soviet bloc aid to the regimes that oppress them. But, on the whole, however you interpret Soviet motivation (selfless solidarity or imperialist rivalry), Soviet aid has provided many in the Third World with a kind of buffer against the dictates of western capital. Ongoing liberation movements, newly independent, nonaligned and progressive countries are finding themselves more exposed to everything from insidious pressures from the World Bank to the direct manipulations of their economies by the U.S.

It would be easy for the Maoist impulse still in us to admonish that what this confirms is simply the need for self-reliance and full independent-mindedness in waging national liberation struggle. And it's true that those revolutionaries whose strategies counted the most on so-called fraternal aid from the Soviet Union, Eastern Europe or Cuba will be hurting the most. But complete selfsufficiency is not the way of the modern world, especially given the overwhelming strength and global reach of both super-powers.

A world dominated by political contention between two superpowers seems to be giving way. The emerging new world balance appears to be dominated by a wider, more free-wheeling economic competition with Europe, a unified Germany and Japan. Will a more multilateral equilibrium be favorable or unfavorable to Third World independence and socialism? The world appears to have been made freer for capitalist exploitation, and Third World debt casts a long shadow over every initiative at economic and political independence. Still, the strengthening of Europe and Japan could mean that relations with the Third World will be marked more by economic competition and less by direct political and military intervention. For Third World governments and peoples surest of their own independent vision of their future, this could be a favorable factor.

But revolutionaries in the Third World, as elsewhere, will have to deal with the ideological challenge of the market as much as its direct practical encroachments. During the 1980s, leftists worldwide yielded ground to the liberal (pro-market) assertion that capitalism had the right to cure its own crisis. This has extended to the Third World where, despite long-term pillage by international capital, a decade of events leading up to 1989 showed capitalist economies to be relatively more successful organizers of production than centralized planned economies. Successful, at least, in competing internationally, if not at providing steadier growth. Socialists are *Continued on page 35* 

# M-19 Enters the Electoral Struggle

# Colombian Drug War's Long Shadow

# by Martin Eder

**''T**he war on drugs is threatening to turn Colombia into another Beirut...," stated Carlos Pizarro, leader of the M-19 guerilla group, "...and we do not want to be one of the forces contributing to that tendency." With these words the twenty-year-old organization known for its spectacular military operations officially turned in its weapons and signed a peace accord with the government. Carlos Pizarro Leongomez became the M-19's presidential candidate and within a few weeks was catapulted to national prominence. Pizarro, together with the left-wing candidate for the Uni n Patri tica (UP), Bernardo Jaramillo, got close to a million votes in the March 1990 primaries.

Just a few days later Bernardo Jaramillo was assassinated in the airport while surrounded by eighteen body guards. This was the UP's second presidential candidate to be killed. (Pardo Leal was killed during the last election.) Then, on April 26th, Carlos Pizarro was murdered on a jet liner while on the campaign trail. These two slayings followed on the heels of the murder nine months earlier of the Liberal Party candidate Luis Carlos Galan, a populist who was almost assured of winning the presidency. With violence taking two thousand victims a month, "Lebanonization" seems closer than ever.

The murder of Carlos Pizarro stunned the nation and brought a massive outpouring of popular support. One hundred thousand marched as his coffin wound its way through Bogota, stopping at Simon Bolivar's home before being laid to rest alongside other victims of the "dirty war." Colombians expressed outrage and a sense of desperation at the deterioration of their society. If three heavily guarded presidential candidates were not safe, then everyone felt vulnera

Martin Eder lived in Colombia for ten years. He

now lives in San Diego and

is a regular contributor to

Forward Motion.

ble. Even long-time enemies of the M-19 denounced Pizarro's assassination and recognized that Colombia could be on the verge of political chaos. Once again the nation seemed to be brought together to salvage the last vestiges of the democratic process. Unless the drug cartels were destroyed, the only alternatives appeared to be fascist rule, civil war or military dictatorship. For a sizeable sector of the wealthy urban elite, the left is looking more like an ally than an adversary.

#### **Drug Violence Targets the Left**

The newly acquired economic power of the drug cartels has changed the traditional alignment of social forces. Drug traffickers have bought up millions of acres of prime agricultural and grazing lands. In the early 1980s the then small coca growers were able to coexist in the same regions where diverse rebel groups (the FARC, ELN, EPL and M-19) were operating. During the last two decades of armed struggle, the rebel groups had established bases of support among campesinos and the populations of many rural townships. In some cases uneasy alliances existed between drug runners, the rebels and individual campesinos who began to supplement traditional crops with marijuana and coca leaf. But as the drug traffickers became rich and began buying up huge parcels of land, the guerrilla groups and their campesino supporters fighting for land redistribution resisted the new landlords.

By the mid-80's the drug cartels had joined the Colombian armed forces in a war to eradicate the "subversives." The military, using U.S. blueprints, created civilian armed self-defense groups and, together with Israeli agents, trained some of the cartels' troops in counter-insurgency. The connection between army regulars and many of the 150 paramilitary groups that have been responsible for countless massacres remains in place.

Throughout the Colombian countryside, the grim consequences of the drug war have taken their heaviest toll on the left and the popular movements. Guerrilla supporters have been the primary casualties, but progressive activists, journalists, judges as well as the legal opposition parties have become frequent targets. Seven hundred members of the left-led banana workers union have been killed and two hundred grass roots leaders in the town of Barrancabermeja died when the paramilitaries decided to oust the elected leftist from power. "Since the last election the Unión Patriótica has lost 1044 of its trade union, campesino and student leaders including several mayors and elected officials. In all, upwards of 5000 of our members have been assassinated" explained Gustavo Polo, the UP Press Secretary. In the early months of 1990 it is estimated that the leftist UP lost one prominent member per day.

The drug barons' war against the subversives won them support among sectors of the landed aristocracy, business leaders and the armed forces. Their "dirty war" was more effective than the military's twenty-year campaign. With perhaps as many as 20,000 part-time members of paramilitary groups operating, the death squads and their newly organized ultra-right wing MORENA party represent the rise of a fascist authority. It is this new element that both motivated the M-19 to give up its armed struggle and for the state to crack down on the cartels' terrorist apparatus.

## M-19 Turns In Its Weapons

Founded twenty years ago, the M-19, an abbreviation for "Movement of the 19th," takes its name from the April 19th, 1970 fraudulent presidential election vote count. The M-19 was the most nationalist and least ideological of the four main guerrilla groups. It captured the imagination of many disenchanted professionals with its bold action similar to the Tupamaros and the Sandinistas.

However, over the years, the countryside became so bloody that it became increasingly difficult to carry on a guerrilla war. Fighters could retreat into the mountains, but supporters in the small towns and cities paid the consequences. In addition, fighting highly mobile death squads, many of whom moved freely through government checkpoints, was far more difficult than fighting conventional forces.

The terrorist nature of the drug war weakened the M-19's base of support and changed their conception of the primary enemy. "This war is not of our making, drugs are not our problem," insisted Antonio Navarro Wolff, the new presidential candidate for the M-19 following the slaying of Pizarro and the only M-19 commander to



survive the twenty-year history of the organization.

Interviewed in the M-19's campaign headquarters, Navarro at first seemed ill-at-ease, knowing that any stranger could end his life. Navarro lost a leg during the 1985 peace accords between the M-19 and then President Betancour, when a grenade was thrown into a restaurant. He lisps from a shrapnel wound, but he is as articulate as ever. He said, "Drugs are a U.S. problem; few Colombians use cocaine. The war we are enduring is not of our making, but we pay the consequences."

A powerful alliance was formed "between the army, the police, the self-defense groups and the narco-traffickers against the guerrillas..." explains Navarro, "...but such alliances are very difficult to control; they become a Frankenstein. They created a monster, then lost control of it. The monster became autonomous and began to bite the hand of its inventors. The inventors had to decide to eliminate the monster." The monster that began killing rebels and supporters went on to kill businessmen, police, judges and finally even presidential candidates of the ruling Liberal Party.

The murder of presidential front-runner Carlos Galan, more than any other single incident, led President Barco to declare an "all out war on the narco-traffickers." The government's war is seen by many as being incomplete and insincere with much of the newly acquired US military hardware being used against the FARC, ELN, and EPL, that remain in the field. But it has created the potential for a realignment of forces.

Many on the left support a type of united front against fascism. "Being for or against democ-

Antonio Navarro Wolff, second from the right, is the only surviving member of the old leadership of M-19. The others, all of whom died a violent death are, from left to right, 'Boris,' Alvaro Fayad, Carlos Pizarro and Andres Almarales.

racy is the primary dividing line that cuts through Colombian politics," emphasized the UP Press Secretary. "We've got to unite those who are willing to fight the narco-terrorists."

#### M-19 and the 1990 Elections

It was this analysis that brought the M-19 out of the mountains and into the electoral campaign. (Though for others the murder of Pizarro represents the end of the political opening.) Antonio Navarro declared as he accepted the mantle of presidential candidate, "The M-19 will not return to the mountains, but will continue the struggle in the cities. I accept [the candidacy] so that a new movement can consolidate as a powerful alternative to the old and worn-out traditional parties...We have more than followed through [on our commitments] with the government. Now we demand that the government lives up to its side."

Navarro had only thirty days before assuming the candidacy following the shocking assassination of Carlos Pizzaro. As expected, Colombia's Liberal Party candidate, Cesar Gaviria, won the May 27th presidential elections with 47 percent of the vote. What surprised almost everyone was the strong third place finish posted by the M-19, which received 13 percent of the vote despite a multitude of obstacles. The M-19's three-quarters of a million votes represents the left's most impressive electoral showing in Colombia in the past fifty years.

The M-19 beat the former second place party, the Social Conservatives. It carried the only four departmental capitals that the victorious Liberal Party did not. Especially since the Liberal Party did not achieve an absolute majority, there is a strong likelihood that M-19 will be included in some fashion in the new government. The election also saw record levels of voter abstention. The rebels still in the field encouraged voters to stay away. This, together with fear and apathy, accounts for the large numbers of people who did not vote.

## Liberal's Win Changes Little

Gaviria cast himself as the logical successor to Luis Carlos Galan, the Liberal Party's first candidate who was assassinated by the drug cartel at a rally in August of 1989. While Galan was a representative of one of Colombia's two traditional parties, he was also an exceptional orator whose populist message captivated the hopes of many common people. His most uncompromising stand against narco-traffickers, and his support for their extradition to the U.S., led to his murder.

The U.S.-educated Gaviria, on the other hand, fits comfortably within the political center of the ruling Liberal Party, with its close ties to Washington and representing Colombia's civic-minded industrialists. When Gaviria assumes office in August, he is expected to carry out almost all of the policies of President Barco.

 imagine how this extraordinary standard of living can peacefully coexist alongside the falling standard of living among the popular sectors without leading to a social explosion. Cocaine money has managed to drive up prices of everything from housing to food, making subsistence ever more difficult.

In this sense the elections represent very few prospects for change. Those that voted for the Liberal Gaviria or the M-19 did so in the hopes of preventing a catastrophic civil war between the blood-thirsty traffickers and those who wish to maintain at least a semblance of the democratic process.

For the left the results of the 1990 elections are inconclusive. Some on the left point to the surprisingly strong showing of the M-19 as proof that electoral politics can be an avenue, if not even the main tactic, for transforming the country. They point to the need to prevent the cartels and the neo-fascist elements in the military from consolidating power through left-center electoral alliances.

Others on the left, including the remaining rebel organizations—the FARC, ELN, and EPL—point to the assassination of three of the left's most promising presidential candidates and to the thousands of public officials and grass roots leaders of the legal left who have been exterminated. While there still exists some possibility that these guerrilla groups might once again try to sign a peace treaty with the government, the gains of the M-19 and the UP seem far from convincing. In Colombia's terribly complex political situation the left seems destined to remain divided in its strategy. What is clear is that the elections will change very little for the working class and campesinos.

# **Interview with Antonio Navarro**

**Antonio Navarro Wolff** assumed the leadership and the presidential candidacy for M-19 forty-five days after the group called off two decades of guerilla war and one day after the assassination of Carlos Pizarro, M-19's original presidential candidate. In this exclusive interview with Martin Eder, Navarro, the M-19's only surviving commandante, describes the dramatic changes taking place in Colombia and the U.S. role in his country.

ME: Why and how did you become involved in the M-19?

**AN:** From the time I was a university student, I felt the necessity to change this country, especially the manner in which we are led. I joined the M-19 to be at peace with myself. When I had to go to the mountains, I went. I've been with the M-19 for seventeen years and I have done it all, from fighting to negotiating for peace as head of the delegation with the Betancour government. I returned to clandestinity until we negotiated the present process in March. I joined the M-19 because it was a viable process to create change. Now we continue by other methods. We continue to be people who look to structurally change this nation.

#### ME: What is the nature of that structure?

**AN:** Colombia has what we call an oligarchic government that is characterized by three things: The concentration of the economy, political and social exclusion, and violence as a method of resolving political conflicts. We believe that we must change this pattern to create a system that is essentially democratic and participatory, that includes the whole country, all social sectors. We have to do this through pacific methods. The banner of the M-19 is principally the banner of democracy in its broadest sense.

ME: The U.S. and Colombian governments have promoted the notion of a narco/guerilla collaboration. Has the M-19 had ties with the drug cartels?

**AN:** We have *never* cultivated, nor processed, nor charged tax, nor acted as security for drugs. It is just not true that we have had any type of business connections or been protection for the narco-traffickers, neither now, nor in the past, nor ever. I have challenged the US DEA to publicly present even one single concrete case of a tie, even one proof. I am sure that proof does not exist.

On the contrary, there is plenty of evidence of ties between the narco-traffickers and state institutions of all types, political ties with the right wing, with the armed forces and with other guerilla groups.

ME: What economic weight do the drug cartels carry?

**AN:** The economic weight of the cartels is very large. For instance, illegal importations of goods are equal to 75% of all legal imports. This shows the proportionally enormous amount of money moved in the country by the cartels. It is calculated that all the different coca exporters have six billion dollars of annual income, while the total legal exports are only five billion. A lot of the problems arise because the narco-traffickers have economic power but don't have equivalent political power. The most important soccer teams belong to the cartels. Millionaires belong to Rodriguez Gacha. America belongs to Rodriguez Gacha [a drug cartel leader—ed.]

The first two years of the Virgilio Barco administration were a honeymoon with Pablo Escobar [Colombia's most wanted narco—ed.]. Escobar lived in a downtown Medeilin apartment complex, while Rodriguez Gacha lived in Bogota mansions. They brought a lot of money into the country. The Banco de la Republica laundered 1.2 billion dollars annually through a special window, according to the Espectador newspaper. People would arrive with satchels full of dollars and leave with bags of pesos. Period. Nobody was worried about where the dollars came from. This bank laundered more money than any in the world, this Bank of the Republic, a state bank. Now there is war, the relationship is one of confrontation.

ME: To what extent has the ultra-right and the narco-traffickers united to try to smash the popular movements and the rebel groups? AN: The army, of course, had an interest in a counter-insurgency that included the general population, the new rich exporters of cocaine, and buyers of land. For a certain moment, their aims coincided. An alliance like that is unbeatable. They also had something else, the *sicarios*—paid killers.

## **U.S.** War on Drugs

ME: How do you view the US-sponsored war against drugs?

**AN:** I would say that there is one policy inside the U.S. and another outside. To combat cocaine within the U.S. would mean taking a series of repressive measures against the U.S. population. I have read that at least 100 billion dollars are spent annually in the drug business. Meanwhile ten billion are returned to Latin America. That means there are ninety billion dollars left inside the U.S.. Nobody has said who the Pablo Escobar of the U.S. is, but there has to be a Pablo Escobar.

Outside the U.S., the attitude is different. It is a war of military and police action against drugs where the political costs are lower and where it is made to appear [to the US public] as a just cause. Nevertheless, the policy is not homogeneous. The CIA shows other behavior towards Central America. The Iran/Contra affairs revealed that the money for the contras was being used for cocaine exportation. Also, Noriega and even Ambassador Lewis Tambs in Costa Rica served to cover-up cocaine being sent to the U.S..

**ME:** Do you think that there have been relations between the CIA and the narco traffickers?

**AN:** I cannot say for sure. What I can say is that there are clear relations between the CIA and the Colombian military intelligence responsible for a lot of death squad activity. After the invasion of Panama, the pretext of drugs has been used to intervene more openly in Colombia's internal affairs. Even before the Panamanian invasion, there were regular flights between Fort Clayton and Fort Hayward to Tolemaida with North American military personnel aboard. Let us not forget the famous blockade that occurred and is still occurring in Colombia's territorial waters.

ME: U.S. military aid has risen twenty-fold from \$4 million in 1987 to \$76.2 million. How much is being directed at the rebels and popular movement and how much against the narcos?

**AN:** The umbrella of the war against the narcotraffickers has served to cover up completely different uses. When they say narco-terrorism, they are not only referring to car bombs placed by the extraditables but also referring to the activities of the guerilla groups. What good are Black Hawk helicopters in fighting car bombs or fighting Pablo Escobar? Their only application is to transport a platoon of army anti-guerilla troops.

The fighting capacity of the armed forces has improved. They have better equipment, better training, better technical skills. For this we have the Israelis and the North Americans to thank. They know how to win the confidence of the military high command. ■

# Mexican Socialists Speak Out

# On Learning from the Crisis of Socialism

Interview with Rodolfo Armenta

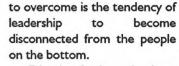
The new phenomena appearing in Eastern Europe, China and the Soviet Union have obviously complicated the theoretical political and perspectives of socialists. But the current situation has antecedents. The primary question is: What led the great socialist experiments (in all their different versions) to end in failure?

In Mexico, as throughout the world, many types of groups call themselves socialist. But there has been a common

problem: The socialist camp, whatever its various brands in China, Cuba, Europe or Russia, have all been dominated by what I would call the negative influences of Stalin. I am by no means a Trotskyist, but we have to admit that almost all the models have been authoritarian, totalitarian in nature.

To begin with, the models have been the sort where only one party really exists. Secondly, they have been regimes where police play a large role in controlling the society. Third, there is a lack of free expression, free thought. There has not been clear political liberty. Fourth, corruption has grown in different spheres. The party ends up monopolizing the corruption because there is no liberty to criticize. I characterize these as Stalinist deviations.

So these models have been built in the name of the working class, but in practice what have been created are political bureaucracies. The bureaucrats get ever wider economic concessions, political and social privileges. The bureaucracies have appropriated for themselves that which belongs to the working class. The most difficult thing



Friends of mine who have gone to Poland, Hungary and Eastern Europe tell me that many people want capitalism. They are voting for the center and right! What greater proof do we need for calling these models a failure? The socialism practiced in these countries was politically "closed" and economically inefficient. Given what they had before, the

changes that are occurring are something positive—for example, the Soviet Union's glasnost (openness) and also perestroika.

The Soviet leadership has had to recognize that the super-centralization of the economy was inefficient and that the workers' initiative had been lost. They couldn't keep putting out low quality products. A Soviet shoe factory was guaranteed of selling its output no matter what its quality. Some shoes were pathetic. The shoes of Mexico were of much higher quality. The Soviet public understands the injustice.

Today the Soviet state does not guarantee the sale of everything that the shoe factory produces. Instead the consumer decides if the shoes should be bought. We Mexicans are sure we do not want a state socialism of the former type. The problem has less to do with the principles of socialism and more to do with the problems of inefficiency and capacity. It is not a question of whether Leninist principles are right or wrong. What is clear is that the party itself weakened civil society. One superpower dominated all aspects of society. We believe that the society should dominate the state. There must be *democratic* decision-making in government, in production decisions, education and ultimately in questions of power.

The people cannot be educated in a paternalistic manner nor preached to. People are educated in the *practice* of exercising power. We insist on self-management. We believe in the workers' ability to control education, culture, the arts and of course what we produce. Marx and Lenin are in trouble because of what happened after their death in China, Cuba, Albania, the Soviet Union and so on. Marx and Lenin are not going to get these countries out of their problems. The people want what socialism proposes—a more just society and a better life. Instead they lost their liberty. In Romania a large part of the population was policing the others. Cuba has a similar situation. Of course, the US makes the problem worse by trying to sabotage the country.

The socialist and people's movements that I work with are less worried about what Marx and Lenin said and instead want to learn from the crisis of socialism. It is in the study of reality that we are theoretically backward. We need to reformulate. We don't want any more single party states, where the party reproduces itself. I for one will not fight for that future. No more dictatorships of the party. The promise of socialism has to be wider democracy, a higher quality of life and power of the people.

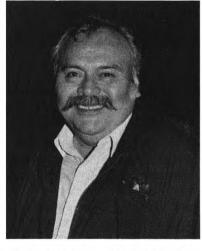
Nothing less will do.

# **On the Fall of Old-Style Socialism**

Interview with Eraclio Zepeda

I was originally in the Mexican Communist Party and the PSUM (The Unified Socialist Party of Mexico). These parties began a process of rectification and transformation long before Gorbachev and the revolts in Eastern Europe. We protested the Soviet Union's invasion of Prague and, later, Afghanistan. (Mexicans by nature hate foreign troops.) Because of this, we were labelled traitors at international gatherings where I was a party delegate.

Earlier, we were against Trotsky's assassination. [Trotsky was killed while in exile in Mexicoed.] Even though he was a thorn in Stalin's side, we didn't agree with making him out to be Lucifer. It's true that Trotskyists have never formed a government to test their theories, but some of their critiques need to be reexamined. For instance, Trotsky was right that trade unions need



to be independent of the ruling party and the state. The experience of Mussolini and the CTM [Mexico's ruling PRI party uses the CTM trade union confederation as an official party affiliate-ed] is ample evidence of the dangers.

Socialists need to take another look at the Stalin era. For example, in the area of economics: who says socialism has to be against small growers and small businesses? Who says collectivization has to be forced? In fact, the spirit of

collectivization runs against the idea of force; "forced collectivization" is a contradiction in terms.

We also need to take another look at Cuba. While Cuba is still a beacon for many in Latin America, it has its problems. The danger with criticizing Cuba now is that we invite a Panamanian scenario, but I don't like the idea of a single

#### party ruling Cuba.

In general, socialists have to acknowledge that traditional Leninist parties have not fared well. The conception of a vanguard party has always been synonymous with the idea that a minority will take power. It presupposes that the party is separated from the people, and so the vanguard ends up thinking itself superior. Also, the party cell structure is a wartime formation and not suited for the type of struggle which we face today. By nature, the cell is isolated, it is too comfortable, it ends up just being a place for likeminded people to meet. And a party where everyone thinks alike is a party which doesn't think. (The idea of vanguardism in the USA seems to me to be particularly absurd.)

We cannot wholly discard the lessons of social democracy because we haven't done better. Socialism without democracy is not socialism. Politically they are one and the same, but socialists have not been good at promoting democracy. Socialism devoid of some capitalism is also a fallacy. Socialism's rewards for hard work must be more than tokens; they must be real and tangible. Socialism is not about dividing poverty equally, it is about dividing and sharing wealth. The problem with social democracy is that it has no morals or ethics that direct it from the grass roots.

Mexico will be the source of new ideas for a socialism without authoritarianism. We know the evils of one party authoritarianism. We used to fight for a single view of reality and said there was only one path for revolutionary change. Now we want to claim all paths.

We need a party with many tendencies united around common goals despite differences of perspective. We need to assure that the majority is taking power, because it has to be the majority that decides in favor of social change. Our train will move slower, but at least we will take all the cars with us.

We celebrate the fall of Eastern Europe. Enough of the socialist models that would drag us into paradise!

**Rodolfo Armenta** is a deputy in the Mexican Congress representing the Partido por la Revolucion Democratica, headed by Cuauhtemoc Cardenas. Armenta was a leading member of the MRP and Mexican Socialist Party.

**Eraclio Zepeda** is a writer and playwright renowned throughout Latin America. He was a leading member of both the Mexican Communist Party and later the Unified Socialist Party of Mexico. He became a deputy in the Mexican Congress representing PSUM. He was a party delegate at many international meetings of Communist and Socialist Parties. He is presently a member of the PRD (Partido por la Revolucion Democratica).

Both interviews were done by Martin Eder in Mexico City.

# Mozambique: The Dream Destroyed, Or Just On Hold?

by Loretta J. Williams

The banners in the May Day parade in Maputo, Mozambique speak for themselves. "Down with starvation wages," reads one. "A drop in the prices of rice, sugar and bread," says another. Indicators of difficulties today in Mozambique. It is now fifteen years into building towards a socialist democracy.

Many in the internationalist community thought Mozambique would be the exemplar extraordinaire of a socially just society. We were attracted to the liberation struggle of the Mozambican people by their clear socialist vision: people's power, food for all, preventive health care, universal education, the implementation of creative social policies by the state. The socialist experiments undertaken in the liberated zones by FRELIMO (the Front for the Liberation of Mozambique) seemed to hold great promise that the Portuguese colonial past of underdevelopment would be triumphantly overcome.

May Day 1990, mixed in with the banners calling for better wages and the "normalization" of life, are other banners praising the FRELIMO government and its President, Joaquim Alberto Chissano. Contradictions? What do these banners reflect? Has the Mozambican vision of improving the living standards of all Mozambicans been destroyed?

#### The Realities of Economic Restructuring

Since January, 1990, wave after wave of strikes have washed over the country. Over 45,000 persons have been involved including teachers and health care workers who led some of the most militant strikes, as well as journalists, railway, textile, glass, food processing, transportation, street-cleaning workers and others. Most strikes have been brief—just a few hours to a few days—with workers demanding back pay, wage increases, upgradings, improved working conditions, greater respect for workers and their safety.

Strikes, technically, are illegal. Yet President Chissano, unlike Violeta Chamorro in Nicaragua, has called most demands "just and honest." No reprisals have been taken against the strikers and Chissano has urged that management and workers resolve their problems "in an atmosphere of respect and mutual trust."

Loretta Williams, a Boston-based sociologist and activist, is National Co-Chair of the Mozambique Support Network.

War-weariness abounds. People struggle with apartheid destabilization and with the economic recovery/austerity program imposed by the International Monetary Fund (IMF) and World Bank (WB). Reductions in wage



and food subsidies have been instituted. Never totally state-controlled and run. Mozambique's mixed economy increasingly moves towards a stronger private sector and a more market-oriented economy under the influence of IMF/WB policies. In addition to the multiplicity of smallscale development aid projects funded by nongovernmental organizations, international industrialists are now joining in a "gold-rush stampede." Currently England and the US top the list of international investors with 26% and 20% respectively of the \$51.2 million of foreign investment. Even apartheid South Africa is exploring major investments in the resource-rich country, where it already is one of the top five foreign investors.

Mozambican leaders try to balance the tremendous needs for development of their country with the neo-imperialist brand of international assistance and international capitalism. International assistance has been both balm and irritant to Mozambique. Non-governmental organizations from all around the globe have contributed enormously to the ongoing rebuilding of FRELIMO soldier with young child.

Mozambique. Yet there have been negative consequences as well. There is growing class stratification in Mozambican society, with a decline in living standards for the many and privilege for the few corrupted by international aid dollars, both private and public. Some non-governmental organizations offer higher salaries and perks to those Mozambicans choosing or induced to work for the *cooperantes* [international workers—ed.] The communal ethic is being pierced. As President Chissano points out, when sacrifice is shared, everyone is motivated; when a handful benefit while others are impoverished, morale is weakened.

Mozambique has benefitted from the contributions of foreign nationals who work in the country as *cooperantes*. Some of these people, however, have not been diligent in transferring skills and responsibility to the indigenous workers. This was openly discussed by government leaders and delegates at the Fifth National Congress in July 1989, which I attended as a representative of the US solidarity organization, the Mozambique Support Network.

President Chissano sees the economic recov-

ery program measures as a necessary tactical move: a pull-back until the proper stage can be reached which will allow socialist development. Skipping stages hasn't worked; but he insists that the retreat will be temporary. We must explore a variety of paths to socialism, he says.

In March 1990, President Chissano visited the U.S. by invitation from President George Bush. Chissano noted that "Mozambique is a young country, only fifteen years old. As we build our country and our democracy, we face difficulties." The strikes? In part they are due to new career and wage scales on the books as per the World Bank model, but no wherewithal to implement them. But there is another factor, too: the ongoing low intensity warfare waged by RENAMO.

## **RENAMO:** Creation of the White Settler States

Apartheid's second front has extracted a humunguous toll upon Mozambique's people and their dreams of consolidating their national unity. RENAMO (*Resistencia Nacional Mocambicana*) is, and has always been, the creature of the white supremacist regimes of southern Africa. In fact, it first emerged with an English name as the Mozambique National Resistance (MNR). (Note the irony of a so-called indigenous "resistance" having an English name!)

Initially it was the creation of white rulers in Rhode. who saw the threat of the end of white settler dominance implicit in the egalitarianism of the liberated zones of Mozambique where FRE-LIMO set up health care delivery systems, literacy brigades and cooperative agricultural enterprises, while fostering transethnic nationalism. When an independent Zimbabwe emerged in 1980, REN-AMO was next subsidized by the white ruling party in South Africa. It is no coincidence that shortly after Mozambique's independence the townships of South Africa erupted. The intensity of the eruptions has varied over time, but the momentum has continued. That momentum, and Mozambique's socialist experiments are labelled by some as the work of "communists." Thus the international network of anti-communist zealots. including U.S. Senator Jesse Helms, has lent its material and ideological support.

RENAMO has been using the international media recently to create the myth that RENAMO is a political organization. Attempts by FRELIMO

to begin peace talks have been delayed by REN-AMO demands that a joint FRELIMO/RENAMO government be established or that dialogue about this occur only in Portugal, not on African soil. In fact, however, RENAMO is a loose grouping of armed bandits interested in destabilizing the existing regime through sabotage (for example, disrupting electricity to the nation's capital) and terrorizing the people as they butcher their way across the country mutilating, kidnapping or killing those in their path. In April, the Ministry of Health released its annual report on terrorism's impact upon health care in Mozambigue. By the end of 1988, RENAMO bandits had destroyed 291 peripheral health posts and health centers and an additional 687 had been looted and/or forced to close. This represents 46% of the primary health care network. The report estimates that "as a result of direct destruction, looting and forced closure of health units, and displacement of people, over two million people had lost access to health care by the end of 1989" (Mozambique News Agency, 4/11/90).

In the fall of 1989, the World Bank recognized the effects of RENAMO's targeting for destruction of the people and infrastructure of Mozambique (400,000 people killed; 1/3 of the population dislocated) and granted Mozambique concessions from the standard Third World restructuring model to include measures for the reconstruction of Mozambique and resettlement of its dislocated and impoverished citizens.

There is nearly universal support by international governments for the elimination of terrorism within Mozambique. The Organization of African Unity (OAU), the European Economic Community (EEC), the Canadian and U.S. governments and the UN all support the ending of the violence. Even apartheid South Africa, the main instigator of destabilization, publicly mouths the correct words.

Yet the fact is that terrorist attacks have been stepped up: the apartheid regime has merely transferred its support from official government forces to private sources, leaving itself the space to deny its involvement. President deKlerk's reception in Europe recently is most appalling. The isolation of the apartheid leader is crumbling. Despite lofty statements by world leaders in praise of Nelson Mandela, apartheid South Africa's pariah status is no more. Yet apartheid remains and Mozambique's vulnerability increases.



## A Cold Wind From The East

Events in Eastern Europe are compounding Mozambique's plight. While a sovereign nation, Mozambique is dependent on foreign aid. Although its donors have been diverse, West and East, the support of the socialist and communist worlds has been the most consistent. They responded rapidly with humanitarian, military and economic assistance both before and after liberation. (The US supported Portugal against FRE-LIMO, you will recall!) Are the changes in central and Eastern Europe affecting Mozambique? Are they a factor in the economic crisis and worker unrest in the country?

Mozambique, already underskilled by the legacy of colonialism, is facing significant fallout from the dismantling of the socialist bloc. Mikhail Gorbachev's perestroika, and his overhauling of the Soviet economic system have had unintended effects. At the Fifth FRELIMO Congress last July, the USSR representative spoke about everyone benefitting from the cooling of international tensions. But that is far from true. Mozambique is not as readily assisted now by its socialist and communist allies: the USSR, Czechoslovakia, Romania, Yugoslavia, the GDR and China. The Soviets, key suppliers of fuel to Mozambique, are retreating from a proactive role. German reunification may make good news copy. But that copy fails to reveal the effect of this change upon countries such as Mozambigue. In July 1990 there were 18,000 Mozambicans learning trades in the

Victims of MNR bandit attacks at Quelimane Hospital, Mozambique

GDR. What will happen to this investment in Mozambique's human capital? The socialist counterweight to international capitalism is eroding.

### **Democracy in Mozambique**

Popular discontent in Mozambique does not, however, mirror that of Eastern Europe, and the context is very different. To the extent that the people see that socialist countries in Eastern Europe can change, then the people of Mozambique expect faster changes in their own country. President Chissano quoted an engineering company employee who said that: "the brain understands" the difficult situation for the government and country, "but the stomach refuses to accept this."

Workers complain that government sponsored organizations fail to transmit adequately information about the country's conditions, its alternative policy options, necessary compromises and strategic next steps and goals. Delegates to the national congress repeatedly called for more and better substantive communication of what is going on at the national levels.

But the leadership of Mozambique is not directly under attack. How different that is from the charges hurled against the leaders of regimes in Central and Eastern Europe. The FRELIMO government is widely praised. There is no contending party or force for different leadership. It is the local authorities who have been singled out Addressing the May Day parade, Chissano reaffirmed that the FRELIMO Party continues to see its main base of support as workers and peasants. The Party "cannot but exhort the workers to fight for their rights," he said. "For this, the workers must be organized and united." While there is "no magic formula to resolve the problems of wages and prices immediately," the struggle continues to build a nonracial democratic society and economy where none will be in want.

as part of the problem, not the solution, and the need for more training and accountability at this level has been noted.

Democratic empowerment of all the people remains a central principle of Mozambican society. At this stage, however, leaders say they can deepen democracy only when all can expect a "normalized" day-to-day experience. The war must end. The content of the oft-repeated dream now is the "normalization" of life, not the utopian "just community" of earlier years.

Public meetings are being held in Mozambique discussing proposed changes in the national constitution: the introduction of direct presidential and parliamentary elections; a limited term for the president; no capital punishment. The proposed revisions establish for the first time the possibility of private land ownership, including the passing on of land to one's children. Up until now, the government has been the sole landlord.

The new draft gives a more measured definition of the social and economic functions of the state, abandoning the idea that the state is capable of solving all social and economic problems. FRELIMO's leading role in the government stems from its role in transforming the armed liberation forces into a national army and its efforts to reclaim the economy from its colonial underdevelopment and backwardness. FRELIMO cannot, however, be all things to all people. Jose Oscar Monteiro, Minister of State Administration and legal scholar says that the proposed changes are a natural evolution: "What we are doing is recognizing some things that we have been doing for some years."

The turnout for the discussions of the draft constitution at the local level thus far have been small, and typically turn into discussion of disparities—the gap between words and reality. Community level discussion and decision-making appear to be less meaningful now to the Mozambican people in the face of seemingly intractable



Education, neglected under Portuguese domination, was a priority for FRELIMO during the liberation struggle and since they have come to power.

conditions of underdevelopment.

#### What Can We Do Here?

I/ A luta continua. The struggle continues against white settler dominance, RENAMO brutality and external dependence. It's a struggle for self-determination. We must tell the story of how the right-wing, whether in South Africa or in the United States, seizes the opportunity to eliminate "communism" in these times of trouble for Mozambique. They want no more Cubas; no troubling alternative model to that of the West; and no alternative economic power to that represented by today's South Africa.

2/ We must keep the faith, being politically astute enough to understand the dilemmas for the FRELIMO government. The FRELIMO leadership has crafted wise strategies in the past. We evidence our own Western blinders when we fail to appreciate the sophistication of analysis and pragmatism of seasoned Mozambican officials. Mozambique must feed its people and try to survive as an economy and a society.

3/ We must let people know that there is no civil war in Mozambique. It is terrorism apartheidstyle. We underestimated the tenacious power of those forced to give up colonial rule. Our public statements must name these realities so that our constituencies can see more clearly the indivisibility of the South African and southern African struggles. Apartheid must go.

4/ We must step up our advocacy for comprehensive sanctions until a one-person, onevote, nonracial democracy is in place in South Africa. A visit by deKlerk's to the U.S. must be condemned and blocked. Those who accept his cosmetic coating of the murder of so many must be held accountable for their actions.

5/We must research and make public the tentacles of support for RENAMO and for low intensity warfare in general. We cannot legitimize by our silence the new mythology of RENAMO as a supposed political party and contender. Their supporters in the US extend their white supremacist activities in southern Africa as well as in US cities and towns.

6/ What more can we do? ANC Deputy President Nelson Mandela has issued a strong call for legal action to be taken against the South African supporters of RENAMO. We can press for legislation prohibiting any support going to RENAMO in South Africa, in Canada, in the US, everywhere. Transformation is in the making in South Africa, but white settler hegemony is deeply entrenched.

7/ We must not be lulled by President Bush's current praise for Chissano's changes in direction. In closing remarks to the press while seeing Chissano off from the Rose Garden, Bush said: "Ours is an opportunity to act, in Mozambique and in all of Africa, helping democracy enrich a continent and your continent enrich the world." While we can applaud the new possibilities of badly needed assistance to a war-weary people, let us be mindful that low intensity conflict is itself a total strategy wedding military, humanitarian, economic and psychological programs while supposedly maintaining clean hands. Will U.S. aid now flow for the first time to the cooperatives in Mozambique which enable genuine empowerment of the 80% rural population? Let us hold President Bush to his words.

## Making A Way Out of No Way

The dreams of economic equality and prosperity for all have yet to be fulfilled in Mozambique. Will the resiliency and ingrained optimism so deeply embedded in the Mozambican culture hold fast through these prolonged hard times? I think so, though clearly the people are less resilient than before. The battering—economic and physical—has taken its toll.

Closer to home, what of international support by progressives for the Mozambican people? Will this support hold fast as well? It would be dismaying and destructive if progressives turned their backs, purist ideals for a socialist society held high. Purists are busy dreaming their own dreams, not those of Mozambique.

The crisis of socialism is real, indeed, as is the changing geopolitical terrain. Now is not the time to give up on Mozambique. National independence is but one step in the elusive liberation struggle. Let us not give in to attempts to make of Mozambique a cautionary tale proving that Africans cannot govern well, nor can they expand the common good. We know otherwise, and we know destabilization. ■

# A luta continua The struggle continues

THE MOZAMBIQUE SUPPORT NETWORK (MSN), founded in 1988, promotes understanding between the peoples of the USA and Mozambique. This citizen action collaborative conducts educational, medical and cultural exchanges, and promotes humanitarian assistance. Multiracial and multicultural in membership, MSN includes teachers and students, physicians and nurses, artists and writers, grassroots organizers and activists—people committed to strengthening awareness of, and connectedness to, Mozambique's efforts to build a democratic non-racial society on the border of the world's last bastion of legislated racism. We believe that there is much that Americans can learn from Mozambique.

Mozambique Support Network 343 S. Dearborn St. Chicago, IL 60604

# Eritrea's Independent Revolution

with Hagos Ghebrehiwet

**BF:** Could you briefly describe the current situation in Eritrea? **HG:** We have reached a turning point in our struggle. We have over 90% of the country under our control. Since we took the port of Masawa in February, battles have been going on around a place called Ginda. The Ethiopian government is trying to recapture Masawa and we are defending that line. There is no way that they will recapture Masawa because they have lost so heavily in previous fights. We think that what they are doing now is just out of desperation.

As soon as we captured Masawa we declared the city to be open for relief supplies to come in, but the Ethiopian regime refused to allow that. They are bombing the city. They have bombed it now up to six times, and they have killed over 100 people. They have got the support of the Soviet Union which they have had since this regime came to power. And there is a new element now: The Israelis are involved and are supporting the Ethiopian regime.

BF: How would you anticipate a victory taking place?

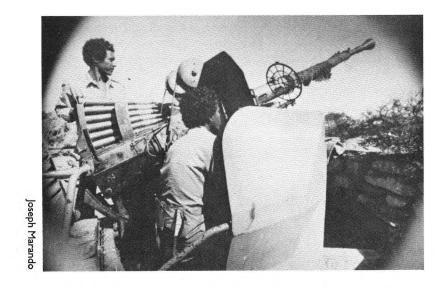
**HG:** Well, militarily speaking, if they didn't have all this aid coming from the Soviet Union and others we could have finished the war a long time ago. Because for us it is a matter of getting freedom. We are fighting in our land and we have a voluntary army. People know what they are doing when they join. But for the Ethiopians, it is a matter of a foreign army coming into our country.

In all these battles the morale of their army is very low. There is now the possibility for us to finish it militarily. But you always want to solve the conflict peacefully and we have been trying to solve it peacefully. We have not been very successful, however, because the regime in Addis Abbaba [the capital of Ethiopia—ed.] does not understand the language of peace. The only language Mengistu [the current leader of Ethiopia—ed.] understands is war.

Hagos Ghebrehiwet is the representative to the United States and Canada for the EPLF and he is also a member of its Central Committee. Bill Fletcher interviewed him for Forward Motion in Washington, D.C.

**BF:** What happened with those highly publicized talks that Jimmy Carter was sponsoring?

**HG:** We were working to finalize the preliminary talks—you know, the talks on talks—on the procedural issues. We had two rounds of talks; one in Atlanta and the other in Nairobi. But the Ethiopian government tried to disrupt those talks. There was a formula we agreed to where each side would choose two observing delegates, and three others would be cho



sen by both sides. It was agreed that the first two would be chosen without any reservation from the other side. But when we chose the UN and the OAU, the Ethiopian government tried to block UN participation. They went to the UN and said they didn't agree the UN should be there. So the talks stopped right there.

**BF:** Do you anticipate the talks getting back off the ground?

**HG:** The Ethiopians have refused to go back to the talks again to try to resolve the obstacles created. They say they have finished preliminary talks; unless we meet for substantive talks, they are not coming back. Well, we're now fighting on the battle field. There is a possibility of them coming back; we don't know. There is major international pressure to get the talks going again. We will see what happens.

**BF:** A few months ago in the US press there was some reference to a relationship or talks between the EPLF and the Tigray People's Liberation Front (TPLF) and some other anti-Dergue forces. Could you say a little about your relationship with these forces?

**HG:** We have good relations with the movements inside Ethiopia, especially the TPLF and the OALF. We coordinate things, we have regular meetings to assess the situation, we even have joint operations in some areas mainly inside Ethiopia with TPLF and with OALF. Our relations are good because we are facing one enemy. Even though we have differences on some issues, we

Most of the EPLF's armaments, including tanks and anti-aircraft guns, have been seized from the Ethiopian army.

are working together against this enemy. **BF:** Do the recent victories that the TPLF has won in Ethiopia combined with your recent victories spell the imminent demise of the Mengistu regime, or do you think they can hold out? **HG:** The days of this regime, led by Mengistu, are numbered. The only thing sustaining this government is the foreign aid it receives. Because of the aid, it will be a question of time, but this regime will go very soon.

## Who Is Supporting Ethiopia?

**BF:** You mentioned earlier that Israel is involved. What is their interest in this?

**HG:** Israeli involvement is recent, now about seven months. The Israelis think the Eritrean struggle is allied with the Arab countries in the area. They say in the final analysis Eritrean independence will be in the interest of the Arabs. Because of this, they have propagated the idea that we are getting arms in from Libya and other places, which is not true. So they say they don't want to see Eritrea independent because it will be allied with the Arabs.

Another issue they talk about is the strategic significance of the area. The only way they could take advantage of that is by allying with the Ethiopian government. This is another consideration for them. The final factor being talked about a lot is the issue of Falashas [Ethiopian Jews—ed.].

So the Israelis are trying to help this regime. So far they are giving them plaster bombs which are being used by the Ethiopian Air Force to bomb civilians in cities and towns, to get the Falashas out of Ethiopia.

**BF:** The Falashas—are they actually persecuted in Ethiopia?

**HG:** Well, all minorities in Ethiopia are persecuted. Ethiopia is a unique place because we have the Amhara minority nationality which is in power, persecuting even the majority. And, of course, other minorities are persecuted, including the Falashas.

**BF:** The Soviet Union has been very actively involved in supporting the Mengistu regime for quite some time. To what do you attribute their continued assistance to the regime, particularly in light of developments around the world?

**HG:** Even now, there is a lot of talk of the Soviet Union trying to withdraw: their agreement goes until 1991 and there is talk that they will not renew it. But what we have seen in practice on the battlefield is that they are aiding the regime and arms are still coming. Maybe it's too expensive for the Soviets, and they might want to change their policy. But we haven't seen that yet. Of course, the area is strategic. They don't support our right to self-determination because we control the Red Sea.

There is a lot of pressure and a lot of things are changing in this world and their support for Ethiopia might change. We don't know. But right now the war is continuing.

**BF:** Is there any pressure on the Soviet Union to withdraw its assistance?

**HG:** As far as we know there is continuous talk between the US and the Soviet Union on this issue. The Soviet Union has been saying that they are putting pressure on the regime to resolve the issue peacefully. But as far as we're concerned all this has been just talk. We haven't seen anything in practice.

**BF:** What about the Cubans? Are they still there? **HG:** The Cubans have withdrawn militarily from Ethiopia. They might have advisors and some other people here, but they don't have military personnel. Still, we haven't heard the Cubans saying that the situation should be resolved peacefully nor have they come out in support of our self-determination. **BF:** One of the things that is very perplexing about the situation is that all of Ethiopia and Eritrea is strategic in a geopolitical sense. But the Soviet Union has an ally right across the straits in South Yemen. Wouldn't they be able to save face by withdrawing from Ethiopia, given their alliances across the straits?

**HG:** They are thinking of controlling of the whole area. In the minds of such big powers, if you have an alliance with South Yemen and then control the other side you'll effectively end up controlling the whole Red Sea. They think in those terms.

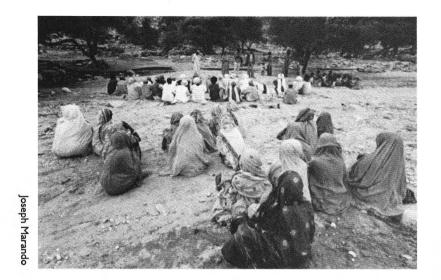
Also things are changing, even in South Yemen. There is a lot of movement toward uniting with North Yemen, where they have democratic elections, and the influence of the South Yemen party will be minimized. [In May, the two Yemens reportedly achieved unity—ed.] So the Soviet Union stands to lose ground in the future, if we look at it in those terms.

But the Soviet's reason for wanting the Horn is to be able to control the southern entrance to the Red Sea.

#### **Democracy And Self-Determination**

BF: Let's turn now to the international situation. The EPLF is well-known for being a very independent political movement. Particularly in that light, how is the EPLF looking at the developments in the Soviet Union and Eastern Europe? What kind of effect are they having on your movement, if any, and what lessons are you drawing from this? HG: Well, of course, it is very difficult to say anything definitive because things are still happening. But, in general, we think something good will come out of all this: something good for all the populations involved. I think the people in the Soviet bloc are going to bring in a system that will be in their own interest. As things settle down, people will figure out what is best for them. They will correct the mistakes made in the past and have a better system. Democracy will be their main issue. We think with a real democratic system you can build what you want to build. People know what they need. In the final analysis, I think these systems will end up correcting what was wrong in the past and the people will be satisfied.

As for ourselves, we always wanted to be independent. We are happy that we were independent in the past and we want to be independent in the future. Our movement has been indepen



dent from the very beginning. For this reason, what is happening in Eastern Europe and the Soviet Union is not affecting us directly. We were not getting any aid from them; we never had clear support for our fight for self-determination. The only exception was in the 1950s when the issue of what to do with former Italian colonies came up in the United Nations. At that time, they were Eritrea, Libya, and Somalia. When Eritrea was singled out to be federated with Ethiopia, the Soviet Union and the others supported our right to selfdetermination. Leaving that aside, we never had any support from these countries. So whatever changes take place there will not affect us.

The question of democracy is the number one issue for us. It has been in the past and it is now as well. We want to make sure that any political force or party coming to power in Eritrea will have the consent of the people. It should have the vote of the people. We want to create a real democratic society where the population will have full say. It's not an easy thing to do, especially in the Third World, in a very backward society, and taking into consideration the interference of foreign powers. Foreign powers, either from the area or other powers, can manipulate the results and corrupt the democratic system.

We are aware of all this, and we know that there are difficulties, but we are working toward a democratic society. We are not only fighting the Ethiopian regime now, but we are creating a new situation in the liberated areas. We have been fighting for thirty years. We captured nearly all Key to the EPLF's success has been its consistent efforts to help the people organize themselves.

the cities in 1977, and we were forced to withdraw because of Soviet intervention. We saw what it means to run cities, even the whole country. And we have drawn our lessons from that experience. We think we can establish a very democratic system in Eritrea. We want to have a multi-party system with a mixed economy. These are our goals. They are clearly stated in our program of 1987.

**BF:** Speculating for a moment: When you succeed in achieving independence, should the current regime in Addis Abbaba collapse, has any thought been given to some sort of federated relationship with Ethiopia?

**HG:** The question here is our right to self-determination. We are always saying that. The Ethiopian government says the entire population wants to be united. In response, in 1981, we gave the Ethiopians a referendum proposal. We said that if this is the case, let us hold a referendum in Eritrea and let the people choose between independence, federation with Ethiopia, or autonomy within Ethiopia. And then we will abide by the results of that vote. They never responded. They don't want to see that, because they know the Eritrean people want independence.

Even if we achieve our goal by military means, we want to have a referendum in Eritrea. We want to make sure, or show, that the Eritrean people want independence. Unless the Eritrean people needed and wanted to have their independence, our struggle wouldn't have gone so far without any support from outside. So it is a question of our right to self-determination, something we cannot compromise. Our people must choose. And then we can talk about forms.

BF: On this issue of democracy: What does democracy mean in the context of the revolutionary transformation of a society, whether it be semi-feudal, capitalist or whatever? You mentioned goals of a mixed economy and multi-party system. Yet democracy in the United States has its own limits. What are the limits of the democracy you seek? What does it look like in practice? HG: Democracy is a very complex issue. The simple explanation of democracy is that it means to govern with the consent of the people, and that people have the right to choose what they want. But democracy is different in different situations. If you talk about right now, we're building a democratic system in the liberated areas where the civilian population lives. We make sure the people elect their leaders on a village, town or zone level. This democracy is different than the democracy within our army because the army is fighting, and it has to follow military discipline. We will have much broader democracy when we are independent.

But making democracy work means making the people know what their interests are. People have to have houses. People have to eat. People have to have health services. People have to have the right to education. People have to have all the other things they need. Of course there is a limit on resources. But the country should give everything that is available to the people. Whatever support we have from the population is derived not from what we preach, but from what people have seen in practice. We have built schools. We have built health clinics. We have distributed land to the farmers. And we gave them the right to elect their own leaders and administer their affairs.

#### BF: Even if they disagree with EPLF?

**HG:** Yes, yes, even if they disagree with the EPLF. Because, in an election people with different views come to power. But what we have seen in practice is that the population is satisfied with what they have seen and the majority of people support EPLF.

BF: What happened to the ELF [Eritrean Libera-

tion Front—another liberation organization once active in the struggle for Eritrean liberation—ed]? Do they have any kind of support? Do you have any relationship with them? And do they have people that get elected in any of these local elections that you're describing?

**HG:** In fact this is a very good example of how people choose. Because ELF has not been actively involved in Eritrea since 1981. What drove ELF out of Eritrea was not mainly the military factor. They lost ground in Eritrea among the population. They didn't have enough support. Even though ELF established the armed struggle in 1961, they never reached out to the population with all the services I was talking about.

People were able to choose who stands for their interest, especially the peasants, who are not educated (I'm talking about formal education) but who know practical things very clearly. You cannot convince such people by just talking. You have to show them what you are talking about. This was, in fact, where ELF lost the fight to win the people. Now they don't have anybody inside Eritrea. Many ELF members joined EPLF. There was a unity congress in 1987 where the majority faction of the ELF joined the EPLF. And many people who used to be ELF sympathizers inside Eritrea have been working with EPLF.

**BF:** What position, if any, did you take on the crack-down in China last year in Tienanmen?

**HG:** Well, because we are fighting and the issue is complex, we don't take positions on different issues internationally. This doesn't mean we don't follow and look at all the situations that are going on, but there is no official position on that or on anything that is happening. All we do is just learn and follow the situation and gain experience about what to do in our own situation.

But in general we don't support any crushing of people's movements. We think such situations should be settled politically. This is our general policy.

#### **Building New Societies**

**BF:** In other parts of Africa there have been various experiments with revolutionary transformation. There have been movements which have tried to transform from the bottom up, and there have been state-proclaimed socialist governments. There are countries as different as Mozambique,



the People's Republic of the Congo, Benin, Angola and Guinea-Bissau. Yet in the recent past, Mozambique and its Frelimo Party dropped adherence to Marxism-Leninism, and I believe that Benin did as well. How does the EPLF look at these experiments in Africa and the changes going on?

**HG**: One thing I want to clarify about EPLF: EPLF was never Marxist-Leninist. It was never a party. It is a front where people from different political persuasions are united to work for independence and create a democratic government. There are a lot of differences from the countries you mention. One thing is we didn't come to power early. The length of our struggle gave us a lot of chance to learn from our experience and the experience of others.

Also, while it's good to talk about ideal things, you have to work first to change reality. And you change reality, especially in backward countries, over a long time. Step by step, you make people conscious of what can be done to change their present situation. If you have illiterate people, you have to educate them first. You have to work for their basic needs and that takes a lot of effort and time. But in many cases in the Third World what you heard was talk about big ideals without having the basic things in place. I think that situation leads to failure later on.

This doesn't just apply to third world countries; it applies to other countries as well. The situation in Eastern Europe and the Soviet Union shows clearly that things were not handled right. This mainly had to do with the ruling parties' relations with the population. You have to have the Self-reliance has been a hallmark of the Eritrean struggle from the start.

support of the population. You have to understand that whatever you are doing is for them. If you don't have that point of view, you'll end up having fights inside the country which will hold up everything you want to do, as in the case of Mozambique.

**BF:** Looking at Mozambique for a second, I believe that they began their armed struggle around the same time that your armed struggle began in the very early 1960s. When Frelimo was formed it was a front, but then within a couple of years of taking power they transformed themselves into a political party. Would you see, after independence, EPLF becoming a party, or do you see political parties developing out of the EPLF?

**HG:** No, EPLF is not going to transform into a party. EPLF's mandate is to finish this war and to establish a democratic government. After that, parties will definitely emerge and people in EPLF will go into different parties. So it will not be EPLF transformed into one party, but different parties coming from within EPLF.

What we are making sure of right now is that people understand and live the ideals we are fighting for. We think people understand and support the basic idea of a democratic system with a multi-party presence. But later on, after independence, issues are going to be different. And then people will have the right to have their own ideas and try to gain the support of the population.

**BF:** Is socialism part of the program of the EPLF? **HG:** No, it's not part of the EPLF program although some people within EPLF may want to have socialism. When we say we want a multiparty system, we mean one that will be open to everybody. People who think we should have a socialist system in Eritrea will form their party, and if they get support from the population they can come to power. What we want to make sure is that a real democracy is established in Eritrea. your successes and in light of the setbacks in places like Mozambique and the Congo? **HG:** I think a lot can be learned from us because

we have been out there struggling and building for a long time, and we have tried to learn from the failures or mistakes of different governments and countries. But the main advice we give to others is to be self-reliant and to learn from others' experience but adapt it to your own situation.

## **Eritrea and the Crisis of Old Models**

**BF:** What led the EPLF to these views about the revolutionary transformation, which are unique in

BF: I don't know whether you're going to want to answer this question because you said socialism

We don't want the aid of anybody who plans to come and tell us what to do. That would be abandoning everything we have sacrificed for.

a lot of ways. Certainly this has nothing in common with the Soviet model, which was adopted by a number of countries in Africa.

**HG:** What helped us was that we relied on ourselves. We have been self-reliant for two reasons. First, we believed in self-reliance, but also we were not getting any aid because of the complexity of the issues. That pushed us more toward continuing on the path of self-reliance.

This doesn't mean we don't need aid from other sources or other countries. This country has been at war for so long, there is a lot to be done and we need help. The question of aid will be solved differently once we get our independence. But we will not take any help with strings attached. We don't want the aid of anybody who plans to come and tell us what to do. That would be abandoning everything we have sacrificed for.

We say we shouldn't adopt any model in this world. We can learn from all experiences, but we are a society of our own, different from every other. There are similarities between third world countries but each country's situation is unique. The problem with looking here and there for models is that you may try to adopt a model that doesn't work in your reality. So, in general, our view is: Don't copy others but learn from their experience and see how it can work in your own reality. And we try to learn from everybody; we don't limit ourselves to any particular country.

**BF:** Having said that, what can other African revolutionaries learn from your experience in light of is not an objective of the EPLF. But one of the debates—it's an historic debate but it's arisen again—is whether or not socialism can be built in technologically backward countries, given not only their technological backwardness, but the whole problem of outside interference. Where do you come down on this issue?

**HG:** It is not the aim of the EPLF to establish a socialist system. But I can give you my own view. What I think was wrong in many countries and movements had to do with exactly that point: trying to transform a backward society into an advanced society in a very few years—establishing big factories, etc. It's not realistic.

At the same time, you don't have to adopt a capitalist system simply because you don't have the base there for socialism. Even if a country like ours wanted to have a capitalist system, you couldn't have it. It's not realistic. Can a third world country be like the United States simply because it wants to be like the United States? It's just not possible. So I don't think it's a question of whether you choose to be a socialist country. Or a capitalist country.

What I think we'll have to do in the Third World is first work to change our backward societies to meet the population's basic needs. If we can reach a stage where at least everybody is fed and educated and has health services, then we can go on from there.

BF: Thanks.

# Is Socialism Dead?

# by Dr. S.J. Noumoff

The euphoria currently gripping North America and Western Europe over changes taking place in the socialist countries verges on the demented, and borders on a kind of systemic narcissism. In the language of the former Reagan administration, the "Evil Empire" is crumbling; in the language of the liberals, political pluralism has risen like a phoenix; while in the language of the multi-national corporations, a vast new market has opened up. From Bush to Thatcher to Kohl to Mitterand, capitalism has been declared triumphant, and uniquely congruent with democracy.

The evidence marshalled in defence of this perspective centers on two propositions: first, that fundamental change was on the agenda in the overwhelming majority of socialist countries; and second, that the direction of the change necessary to solve the problems of existing socialist societies—whether in its Chinese "open door" variety, or its Soviet glasnost/perestroika equivalent—had to be towards the advanced capitalist experience.

These propositions have direct implications for the Third World. It is argued that the socialist countries can no longer claim systemic superiority. Economically, they are resorting to the market mechanism, while politically, street demonstrations are dominated by demands for political change. Therefore these societies can no longer be held up as a competing model of development to that of the capitalist system. Consequently, the Third World should abandon seeking nourishment from this system which has lost its legitimacy. (Benin's abandonment of Marxism-Leninism as the guiding ideology on December 8, 1989 is indicative of this process.) Third World countries should find their place within the new international division of labor and view South Korea, Taiwan and Singapore as models to emulate.

What is the actual situation? Every present socialist society, with the exception of the German Democratic Republic and the Czechoslovak Socialist Republic, inherited backward economic and corresponding social systems. They were the product of the cataclysmic violence of war and revolution and developed within the context of an intensely hostile capitalist-dominated global system.

The challenge of survival was met at that time, as was that of preventing the armed overthrow of the state. However, the legacy from the past and the burden of survival, combined with the inflexibility of an overly centralized bureaucracy and an overly concentrated political structure proved to be inadequate to the needs of socialism beyond the period of

Dr. Noumoff is a professor

at McGill University in

Montreal and is a long-

time observer of third

ments, particularly in Asia.

move-

world liberation

gaining and consolidating power. The recent recognition of these circumstances in China, the USSR and other socialist countries is welcome and overdue.

There are, however, two deeply troubling aspects to the direction of the remedies. The first is the impact of these changes on the socialist states themselves, and reciprocally on the capitalist states; while the second is the impact of these changes on the Third World.

The socialist states face very real problems. The list that follows is not by any means comprehensive, but merely indicative. In the economic arena, the problems include poor allocation of resources, lagging agriculture, bureaucratic man-

The introduction

of capitalist forms

will have consequences

at variance with

the economic, political

and social objectives

of socialism

and result in

the re-emergence

of classes,

or not.

industrial agement, stagnancy, a work ethic inconsistent with the level of material accumulation, and an underdeveloped consumer sector. In the political arena the list would appropriated include privilege by members of the party and state structures, a lack of openness in arriving at decisions, the dogmatic imposition of old solutions to every new problem. excessively narrow boundaries of debate. institutional inadequate checks on abuses of power the one-sided and application of democraticcentralism. In the social arena the list would include corruption, nepotism, the

erosion of legitimacy, and the employment of Marxism as if it were a sterile eternal catechism.

From what source should we seek guidance in finding solutions to these problems? The choices are twofold. The first option is the general direction taken to date in the USSR, Central and Eastern Europe and China before June of this year. The main features of this option are: The introduction of a market mechanism; expansion of private property; employment of capitalist management techniques; the use of profit and loss as the measure of efficiency for a productive unit; accepting comparative advantage as the guiding principle for internal regional allocations and determining one's place in the international division of labor; promotion of the export sector to repay capitalist loan and investment capital; and decentralization of decision-making.

The theoretical underpinning of this option is that advanced capitalist society has developed technical solutions to problems of production which can be integrated, with minimum dislocation, into socialist society. Among these solutions are some which are capitalist in nature to be used for a limited period of time. The socio-economic and political consequences associated with these capitalist phenomena are supposed to be held in check while the economic forces increase both production and accumulation. At some later date,

it is assumed, they can be re-socialized.

The political expression of this economic strategy is a new variant of the United Front. The Communist Party will abandon its leading role, nominally share power and responsibility, but ultimately reassert itself with renewed legitimacy, given the political and organizational inexperience and the fragmentation of other members of the Front. Party renewal will ultimately evolve from these processes. whether this is the intent

The second option also acknowledges the problems of the existing socialist societies, but looks to the socialist tradition for the

answers. Implicit in this option is the view that the introduction of capitalist forms will have consequences at variance with the economic, political and social objectives of socialism and result in the re-emergence of classes, whether this is the intent or not.

The main features of this option would include: recognition of the interdependence of economic, political and social policy; the rescaling of the size of the collective unit to be more in line with mutually responsible production; the introduction of a wage system which more effectively combines the individual and collective contribution to the productive process; the introduction

of the concept of coordination in tandem with decentralization; the encouragement and protection of wider parameters of democratic debate internal to the party and greater transparency of decision-making and administration; the careful selection of the scientific from the systemically dependent components of the capitalist system; the rigorous examination of the adaptations made by the global capitalist system; the realignment of ideological work away from dogma and more towards creative scientific work; and the elevation of the role of socialist culture to a more meaningful place in society.

As part of this enterprise of rediscovery, three immediate questions must be thoroughly analyzed: First, why has the market mechanism been

The material level

of the advanced

market societies

is fundamentally

based on

external plunder and

internal exploitation,

and not on

the inherent superiority

of the market system.

so appealing? Second, why have so many citizens in some socialist countries departed for the capitalist world? And, third, why is the multi-party system seen as the remedy to the abuses of power? Answers to these questions cannot but generate some basic answers. Among them should be the recognition of the role that exploitation of the Third World has played and continues to play in the material wealth of capitalist society.

The long-held assumption that capitalism had reached the limits of its expansion has been clearly

demonstrated to be less than accurate. The high material level of three-quarters of the population in the advanced capitalist countries is without question. The internal distribution of wealth, albeit uneven, is sufficient to satisfy the perceived needs of the majority. Contradictions in the system remain and sharpen, evidenced by the dramatic increase in the number of "soup kitchens" in New York City from 1980-1989, as well as the fact that while U.S. wages increased in this period by 49%, the cost of living increased by 64%. But these contradictions have not been sufficient to actually threaten the system.

The resources to maintain the capitalist system in its stable form originated in two eras and from two sources. The colonial era provided the initial capital, combining direct foreign plunder with the internal profit derived from wage labor. This was followed by the era of nominal independence for the former colonies, with profit increasingly extracted indirectly from the Third World which, again, combined with internally generated surplus. In essence, the earlier period provided the material conditions for establishing and expanding global dominance, while the latter era has been one of consolidation and integration.

Phrased somewhat more directly, the material level of the advanced market societies is fundamentally based on external plunder and internal exploitation, and not on the inherent superiority of the market system. The belief that the market

> can be introduced in the absence of these concomitant features and the same results achieved is illusory. Thus, the appeal of the market in some socialist countries, is based on a critically incomplete analysis of the origins of capitalist wealth. Once this is understood, adaptation of the scientific components of the capitalist experience can be made.

> The migration of people from socialist countries to capitalist ones is partially, but not exclusively, grounded in this illusion. Of equal, if not greater, importance in explaining this

phenomenon, however, is the unintended consequence of open door-glasnost-perestroika policies which have blurred the distinction between capitalism and socialism.

The process to date has looked something like this: the socialist states, in the main, have recognized the need for fundamental change based on an honest assessment of mistakes and unanswered requirements of their societies. The majority of the party and state leadership concluded that the remedy could most rapidly be sought by the "quick fix" of capitalism, albeit under various names intended to obscure the ideological roots of these policies. A popular skepticism, already deep as a result of the chasm between party/state

26

pronouncements and the exigencies of daily life, interprets these moves as an admission of capitalism's superiority. If capitalism must be employed to fix socialism, so the logic goes, why should an individual who has the opportunity not migrate to enjoy its fruit now rather than fifty years from now? In the absence of belief in the superiority of a socialist society, it is perfectly rational to seek the material rewards equivalent to one's market value.

The case of Germany with its one people, two states characteristics, simply accelerates the process. Those less able or willing to migrate have more recently chosen to internalize their belief in capitalism's superiority by vying for leadership,

Socialism is

neither the sharing

of poverty nor

the limitation of freedom.

It is rather

a system devoted to

the elimination of

the impediments to

human equality,

a claim capitalism

cannot make.

and likely privilege, in its domestic expression. Migration to capitalist countries and its internal variant are both derived from the belief that the leadership has come to employ capitalist solutions and by so doing has implicitly rejected its own belief in socialism.

It should come as no surprise that those forces which have come to reject socialism should seek political expression. In addition, there are likely to be calls for competing socialist parties, contending for power with alternative socialist agendas in a manner similar to the dominant political parties in

capitalist countries whose loyalty to capitalism is undaunted, but who differ as to how best preserve it.

The impact of this redirection of socialism on the capitalist world can be summed up as follows. First, socialism is declared to be archaic and defeated as a social system and capitalism is able to portray itself as the sole systemic choice. Socialistinspired struggles are undermined by widespread assumptions that they are destined to fail. Second, new market opportunities are opened up for exploitation, the globalization process is expanded and consolidated, and the capitalist countries are able to consolidate their hegemonic position in the international division of labor through their control of "intellectual property." Third, competition among the poor states intensifies as they accept whatever terms are offered in order not be excluded from the seemingly victorious system, now the only act in town. In sum, we are witnessing the capitalists' jubilant declarations of absolute victory, protestations to the contrary by socialists notwithstanding. In their gloating, however, the capitalists greatly underestimate the risks of their policy. The new capitalists could even become something of a Praetorian Guard, setting terms from within where they failed to impose them from without.

The most devastating consequences of this entire process will be, however, on the Third World, irrespective of the differences which exist among the societies loosely grouped in this category. What follows are just some of them.

> (1) The political and economic space between the two competing systems of capitalism and socialism, which had provided some room for maneuvering and maintaining some kind of relative independence has dramatically shrunk.

(2) Resources previously available for aid projects and concessional trade have been refocused to meet the

internal resource deficit of the socialist countries. What trade continues is market-driven and likely to result in increased debt on top of what is owed to the capitalist countries.

(3) Third World countries will experience increased vulnerability to the pressures of the World Bank and the International Monetary Fund towards "privatization" and the undermining of the cooperative and state sectors. In the name of economic restructuring, the International Monetary Fund and World Bank will pressure Third World governments to reduce, to the limited extent they exist, state expenditures that provide an economic and social safety net to their citizens in the forms of food subsidies, access to health services, etc. The local capital market will be either drawn out or will flee.

(4) We will witness the selective passing on of the decreasingly profitable aspects of the manufacturing process to some Third World countries, while the advanced capitalist countries retain the increasingly profitable, knowledge-intensive processes upon which this manufacturing is based.

This passing down of second-hand technology creates even greater dependence than was true in an earlier stage. The Brazilian "miracle" of twenty-five years ago followed by the debt crisis, suggests that dependent industrialization merely creates the conditions for greater exploitation. Currently the dependence of South Korea's auto giant, Hyundai, on Japan for 80-85% of each automobile might also be instructive. Once locked into a role within this kind of division of labor it is extremely difficult, if not impossible, to extricate oneself from it.

(5) Trade-led growth, the natural result of the above processes, will accentuate the debt, as new generations of technology are acquired on borrowed monies to protect previously made commitments to specialized production. What is locally produced will decreasingly be locally consumed, be it beef in Costa Rica, fish in Malaysia or prawns in the Philippines. The overall debt/export ratio for all of the Third World in 1987 was 158%.

(6) The income gap between the rich and the poor states, projected to rise to 11-1 in a decade, is likely to accelerate, while the income distribution internal to many Third World states shows signs of further polarizing.

(7) The encouragement of rapacious individualism will entrench a predatory elite, the results of which will be further misery for the overwhelming majority.

The ultimate tragedy is that the Third World

will henceforth be dealt with without restraint.

## Where Do We Go From Here?

With the infant mortality rate above 10% for 29% of the global population; with 100 million children between 6-11 years of age out of school; with the number of slum dwellers projected to rise to 2 billion by the year 2000 from the current figure of 1 billion; with severe malnutrition effecting 885 million by the turn of the century; with 40% of the forests in the Third World destroyed, and with new high demand products containing virtually no raw materials, where are we to turn?

We must begin with a comprehensive survey of the economic, political and social shortcomings of socialism to date, with both courage and absolute honesty. The principle expressed by Gramsci is no less significant today than when first uttered: "To tell the truth is revolutionary."

Ideological invective does not confront the needs of economic change and political democratization. Socialism is neither the sharing of poverty nor the limitation of freedom. It is rather a system devoted to the elimination of the impediments to human equality, a claim capitalism cannot make. Taking stock of the objective situation is the prerequisite to the process of beginning to identify the alternative solutions. By their very argument, those who argue that this taking stock undermines socialist legitimacy and unity contribute to the undermining process.

We must look with new vision and new insights to the system which rejects human inequality as some ontological state, and which affirms that the individual good can only be realized as part of a wider community, and that community must be measured against the condition of the most deprived member. Failure to recognize this and invest the hard labor to bringing it about at this conjuncture of our history will result in a confrontation in Europe of enormous magnitude and an impoverishment of the Third World far beyond the present level. The debate over socialist renewal must continue.

# Is Economic Conversion the Answer?

# by Elizabeth Kimbrough

On May 2, 1990, a three-hour national radio talk show organized by the National Commission on Economic Conversion and Disarmament focused on "What to do with Pentagon billions now that the Cold War is over." Moderated by Studs Terkel and connecting over seventy cities in a "town meeting" format, union leaders, public officials, peace and community activists and ordinary citizens made proposals about how best to use the "peace dividend" from expected cutbacks in military spending. Not surprisingly, Jesse Jackson contended that a paltry "6 or 8 percent return," which the dividend idea suggests, was woefully short of what's required to rescue inner cities, reinvigorate local economies and public services, and reverse environmental decline. The peace agenda, said Jackson, will require a big chunk of "principal, not just a dividend."

Speakers and callers from Tucson to Burlington displayed a kind of insistent exuberance throughout the program, as if for one evening the sacrosanct airwaves had been liberated for a freewheeling critique of American foreign policy, bloated military budgets and the devastation brought on by Reagan-Bush fiscal policies. The National Town Meeting offered a forum for left-leaning officials and activists (with occasional corporate voices included for "balance") to hammer home a theme now resonant in the American body politic—the Cold War is over, let's rebuild our economy and address problems at home.

## **Conversion And The U.S. Economy**

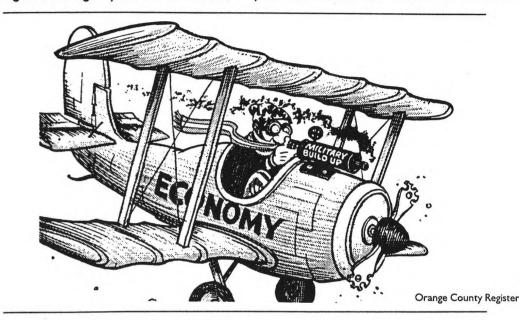
The collapse of the Berlin Wall and Mikhail Gorbachev's unilateral initiatives for disarmament and a market economy in the Soviet Union are calling into question the rationale for a \$300 billion U.S. defense budget. Nonetheless, the Bush Administration continues to give first priority to expanding American military muscle to defeat the Soviet Union by insisting on weapons for nuclear war-fighting, such as the \$70 billion Stealth bomber and the \$5 billion Star Wars program. Other costly nuclear weapons systems still on track include more air and sea-launched cruise missiles, rail and land-based ballistic missiles, Trident submarines and Trident II, among others.

Elizabeth Kimbrough often writes and teaches about issues dealing with militarism and the economy. The Administration rejects curbs on nuclear testing for at least a decade and probably longer. Despite suggestions that a peace dividend might follow from force reductions in Europe, Gen. Colin Powell, Chairman of the Joint Chiefs of Staff, still called for "heavy force capabilities" to

defeat the Soviet Union in a major war in Europe. In other words, in spite of superpower detente, the Pentagon remains committed to military superiority through nuclear and conventional weapons and troop strength.

Such intransigence masks an intense political debate being waged within foreign policy circles over the size and shape of the military budget. Given the historic changes in the East and the continuing federal budgetary constraints at home, ing infusions of military contracts to sustain jobs and regional economies. Economic conversion proposes that military plants, research facilities and bases be redesigned to manufacture products to be sold in the civilian economy. Technical ingenuity and some amount of worker retraining would be required to transform military factories into competitive private enterprises.

Politically, conversion attracts the support of peace activists who favor a reduction of the arms



cutbacks in U.S. military spending are inevitable. Pending treaty agreements between the superpowers on force structures and weapons systems have already prompted the U.S. and the Soviet Union to sell off some weapons and equipment to third-world nations.

While negotiated agreements between the superpowers are to be welcomed, dramatic cutbacks in weapons systems could have devastating economic repercussions on workers and communities whose vitality is linked to Pentagon procurement. The prospect of a shutdown at the General Dynamics Electric Boat facility in Groton, Connecticut, for example, which employs over 20,000 workers on the Trident submarines, illustrates the scale of potential regional dislocations that would ensue from sharp reductions in nuclear weapons systems.

Economic conversion was originally conceived as a way out of this dilemma. The idea behind conversion is that workers and communities need not become "Pentagon junkies," tied to continurace and those sections of labor who see some form of industrial planning as crucial to the restoration of manufacturing jobs which even the massive Reagan build-up has not been able to sustain.

Adding to the momentum for conversion is the fact that the Soviet Union has moved forward with conversion as a way to replenish their stalled economy and reduce their own deficit, which is approximately twice the size of that in the U.S. Soviet officials have enthusiastically described conversion efforts now underway to produce consumer goods at military factories and shipyards. For example, plants in the Urals formerly producing SS-20 medium range missiles are now constructing heat-resistant storage containers. Leonid Vid, deputy chairman of GOSPLAN, the Soviet planning agency, recently boasted that the trucks which used to carry missiles will instead transport casks of cooled beer, juice and milk. Missile launchers are being reoriented for use as launching systems for commercial communications satellites, a joint venture coordinated with a firm in Houston .

While the national security apparatus resists the notion of conversion, events such as German reunification, the collapse of the Warsaw Pact, and the general demilitarization of Europe mean that military strength as a barometer of world power has become less credible. The crisis of the savings and loan bailout [itself apparently in part a Cold War casualty of CIA money laundering—ed.] and the burgeoning federal deficit insure that costs for the arms race will be under intense political pressure.

Because countless factories and communities

This is what might be called a market-oriented or reformist approach to conversion.

Although most proposals do not directly contest capitalist relations, they must contend with a strongly entrenched and fiercely defended ideological premise of capitalism which asserts "no government interference in the market." In whatever guise and circumstances, conversion smacks of economic planning and raises issues about government involvement in corporate decision-making about production and control of jobs and investments.

Fighting for conversion means taking on these objections with a clear focus on what the stakes

The idea behind conversion is that workers and communities need not become "Pentagon junkies," tied to continuing infusions of military contracts to sustain jobs and regional economies.

have become economically dependent on weapons manufacturing, the idea that economic conversion might be a way to reduce military expenditures and ease the transition to a commercial economy is gaining mainstream interest. A long-time conversion activist heading conversion programs around the country recently commented: "I feel like the Maytag repairman. They're finally calling!"

Seymour Melman, who heads the National Commission on Economic Conversion (which sponsored the radio town meeting) is the most energetic and well-known critic of the U.S. military economy. Melman and his colleagues advance conversion as the solution to the decline of American industry from its premier position in the international economy. As Melman put it recently in the New York Times, "the 6 to 7 percent of gross national product spent on the military each year has had a set of current and cumulative effects that weigh heavily on the competence of the [U.S.] industrial system as a whole."

This approach to conversion thus proposes that Congress take the lead by passing legislation to convert military plants to civilian production. Capitalist ownership of such facilities is not challenged; instead, this perspective envisions a resurgence of U.S. manufacturing, rising Phoenix-like out of the ashes of defunct armament factories. are. Conversion involves public intervention in the economy and implicitly raises issues about the social impacts inherent in economic decision-making. All the more reason to evaluate the leading conversion analysis and how it relates to a left perspective and strategy. Simply put, the choice is between conversion based on top-down policies hammered out in Washington among experts and defense policy elites and a more grass-roots organizing approach which intentionally challenges capitalist prerogatives.

#### The Military Economy

From a left perspective, there are dangers in the analysis advanced by Melman et al. regarding the military economy. They maintain that an immense military-industrial complex has managed to appropriate \$8.2 trillion between 1947 and 1989 (in 1982 dollars). As a result, they say, a formerly well-oiled, efficient capitalist economy that was working to almost everyone's benefit was undermined and ruined. In what they see as an essentially pluralist system of competing interests, one interest—based in the Pentagon but with tentacles extending to Congress and thousands of contractors, communities and workers—dominates all others.

In this view, an out-of-control form of state

socialism is strangling the U.S. economy and choking its vitality. If not brought under control, the military economy will bring about even greater destruction of the nation's civilian economy and infrastructure. The reformist perspective claims that the collapse of the Soviet bloc has undermined American fears of communism and reduced support for the parasitical military economy. Now, they argue, is the time to insure the resurgence of a more competitive American capitalism through the process of conversion.

While this analysis contains important insights about the interconnections within the military-industrial complex, it obscures a central fact. The military economy is not irrational. Rather, it is a profoundly rational approach on the part of the American ruling class and its cohorts to maintain and defend their class power and interests. U.S. capitalism is, after all, an imperialist capitalism with an inherent drive to dominate and exploit around some modicum of retrenchment may develop, mostly out of budgetary considerations, the military-industrial complex will continue to serve its central purpose as the indispensable source of enforcement for policies of subjugation and exploitation in the Third World and even extensions into the heartland of the former enemy. A lower military budget, even if combined with the reuse of military plants for commercial production, will not alter the intentions, character or structure of American capitalism.

A second role that the military-industrial complex plays in the context of U.S. capitalism has to do with the financing of profits with taxpayer funds for the benefit of the owning class. Military spending brings about the benefits of active government intervention into the economy in a way acceptable to capitalist interests, that is, in a manner that in no way threatens the basic prerogatives of capital to determine the wealth and jobsproducing investments in the economy. The mili-

While some modicum of retrenchment may develop, mostly out of budgetary considerations, the military-industrial complex will continue to serve its central purpose as the indispensable source of enforcement for policies of subjugation and exploitation in the Third World and even extensions into the heartland of the former enemy.

the world. The governmental apparatus of the national security state has always had a prevailing concern for protecting the U.S. sphere of influence in order to maximize military and economic advantages. Indeed, the central question being debated now within the national security state regarding reductions in military expenditures is not whether to continue to expand the exercise of U.S. global power and global reach, but how.

The fragmentation of the rival Soviet bloc offers huge opportunities for American capital to intensify exploitation in previously "off-limit" regions while it continues to subjugate the subordinate countries of the Western hemisphere. Fourfifths of the current \$300 billion military structure is already earmarked for conventional forces and aimed at maintaining the U.S. as the undisputed leader of the Atlantic and Pacific alliances.

With a new relationship emerging with the Soviets, the military services are vying over which will lead future assaults on the Third World. While tary economy confines the economic involvement of the state to areas which neither interfere with the unrestricted international flow of capital nor compete with any other domestic industries. "Do-nothing" products like nuclear weapons are not in competition with other commercial sectors; rather, they generate profits at the expense of low and medium income people, and that is precisely the point!

Advocates of new budget priorities who favor transferring Pentagon billions to public housing or public education face entrenched political constraints stemming from the threat that such investments would pose to the profitability and stability of certain arenas of capitalism. Building public housing instead of Stealth bombers, for example, would create a furor among real estate interests: these public investments would pose an unacceptable challenge to the real estate industry, which tirelessly maintains that the speculative market represents the only way to adequately

#### provide housing.

To sum up, for all their critiques of the destructiveness of the military-industrial complex and its impact on the domestic economy, most mainstream conversion advocates reject a class analysis. They accept the basic legitimacy of capitalist democracy and the existence of a certifiable American interest shared by all. The Pentagon and its minions, rather than being seen as representative of ruling class interests, are viewed as rogue elephants, trampling the otherwise beneficial and rational operations of capitalism. This perspective favors converting military plants and bases to restore the predominance of the U.S. economy in a period of intense international competition.

A class analysis rejects the concept of an American interest, recognizing instead that different classes within the United States have different and conflicting interests. Foreign policy initiatives designed to benefit the ruling class are not in the and economic aggression ousted the Sandinistas without the controversy and political fall-out of a Marine invasion. In short, imperialist ambitions can be realized even as methods and costs are altered.

#### **A Left Perspective On Conversion**

Given this analysis, what constitutes a left perspective on economic conversion? In my view, left strategy for conversion should take into account three points.

First, peace and other progressive groups must unite to press for even larger cuts in the military budget and oppose intervention in the Third World. Recently, Defense Secretary Richard Cheney expressed willingness to consider a 25 percent cut in military spending over the next decade. By contrast, Congressman Ron Dellums and the Black Caucus are calling for an immediate 50% cut. Our role is to push hard for

Advocates of new budget priorities who favor transferring Pentagon billions to public housing or public education face entrenched political constraints stemming from the threat that such investments would pose to the profitability and stability of certain arenas of capitalism.

best interests of most working people. Successive U.S. administrations have effectively masked the class interests inherent in foreign policy decisions beneath an ideological cloak of fear. They have argued for the necessity of containing the spread of a predatory and ruthless communism headquartered in the Soviet Union. But the pivotal issue being debated now in ruling class circles regarding the restructuring of American military capabilities has to do with how to preserve and extend American hegemony and the economic benefits which derive from it.

Ruling class insiders like former Defense Secretary Robert McNamara and Lawrence J. Korb, Reagan's former Assistant Secretary for Defense, are in favor of a full 50% reduction in U.S. military expenditures. The "lessons of Nicaragua" are just now being fully appreciated. It can be argued that deep cuts in military expenditures can be made and the same objectives achieved. They no doubt reason that a combination of mercenary forces such initiatives as the Dellums bill, especially at a time when advocates of military spending are on the defensive.

All cuts in the military budget related to arms construction should include demands for plant and community-based conversion planning which join the interests of the peace and labor movements, and potentially the involvement of environmentalists, in common cause. Attempts to establish these kinds of coalitions have often foundered on class, sexual and racial divisions. Nevertheless, such formations are the grassroots building blocks of a powerful Rainbow Coalition and, in spite of the obstacles, deserve organizing attention and funding.

Second, the centrality of labor's role and that of other local groups with a stake in the nature of local production must be maintained or conversion will easily be accommodated to corporate interests. The reformist approach to conversion gives priority to the passage of national legislation. While important, this reform, like all reforms, can have progressive results or it can serve to demobilize progressive forces. The Weiss Bill for economic conversion contains many important provisions that can advance the cause of decentralized economic democracy. For example, conversion legislation as currently proposed in HR. 101 would mandate the establishment of alternative use committees at defense factories, giving workers a hand in crafting plans for civilian products. But this provision could be easily bargained away in congressional conference committees where business prerogatives traditionally hold sway.

The Left needs to advocate for the full participation of labor in planning for conversion. If private capital refuses to cede a measure of decisionmaking to workers, government sponsorship of production should be raised as a credible demand.

Third, economic conversion is a useful tool for a left strategy because it raises the crucial notion of who controls the economy, what products are produced, and why. The most radical aspect of economic conversion has to do with its demand that alternative products to military weaponry be "socially useful." The idea has never occurred to

# Continued from p. 2 ... In This Issue

certainly not going to prove legitimacy based on economic success in the Third World, and we desperately need to review democratic economic organization from Third World perspectives as well as the those of the developed countries.

Still, despite the euphoria and the gloating about Eastern Europe, it's as obvious as ever that capitalism still can't distribute goods with any kind of equality, fairness or sense of social justice, whether within a single society or between nations in the world. This leaves us with a potential majority constituency for radical change. These are the issues that revolutionaries will be grappling with worldwide, a glimpse of which we aim to provide in this issue through the perspectives of Colombian, Mexican, Mozambican and Eritrean revolutionaries.

Three other articles on U.S. economic policy issues might appear to be a world apart from our main theme. But they fill in a complementary picmost people in the U.S. that production could have some purpose other than profit-making.

Local conversion struggles would do well to imitate the initiatives associated with the Lucas Plan designed by the workers at England's largest defense corporation. The Lucas workers insisted that the factories and workers of the Lucas corporate empire could be put to work producing a range of socially useful products from kidney dialysis machines to safe energy generators. Indeed, they developed and built prototypes to prove it! Thanks to their efforts, which were never implemented but which inspired conversion work around the world, most visions of economic conversion continue to emphasize this idea of social utility.

Pressing for demands such as these may not beat swords into plowshares in the short run, but in the long run they can unite people's interests and provide realistic visions about what possibilities are actually within reach. Struggles at the grassroots for economic conversion can be a vital component of a much larger progressive coalition for change, one that unites for the power to make some of these possibilities a reality in our lifetime.

ture for the United States. Our look at the military conversion movement makes the telling point that the current range of debate around conversion generally leaves the Pentagon wide latitude to concentrate its destructive attention on the Third World. "When History Repeats Itself" examines the U.S. health care crisis. U.S. labor's uphill fight for a decent health care policy illustrates the shaky position of the U.S. working class and U.S. standard of living in the emerging world economy. A third article explores the general question of US economic prospects in a new, multi-polar world.

Finally, we remember friend and brother Clarence Fitch who died last May. We reprint a tribute and fund-raiding appeal by VVAW (Vietnam Veterans Against the War) as well as an article Clarence wrote about his experiences as a Black GI in Vietnam. Whether or not you had the pleasure of knowing Clarence, we hope you will be able to make a contribution to the Youth Education Fund being set up in his memory. ■ U.S. Economy In the Changing World of the 1990s

# by Chip Smith

It's 1990: an appropriate time to evaluate the U.S. economy's strengths and weaknesses as we move into the last decade of the century.

Ten years ago, many Marxist observers saw the U.S. economy as in long term crisis—a "big mess." Imperialist chickens were coming home to roost in the form of parasitism (deindustrialization and the switch to services) and stagflation (persistent inflation combined with stagnation in production).

By the mid-'80s our sense of the underlying transitions of the economy was clearer. Based on advances in communications and information processing, globalization of the economy was seen as rationalizing the mess. Capitalism's flexibility was being demonstrated once again. Worldwide corporate restructuring accompanied Reagan's right-wing political, legal and ideological baggage, tied together by a thread of resurgent racism.

Now at the completion of the decade, *Business Week* glows over investor gains during the "roaring '80s" and economists worry about a "labor shortage." Meanwhile our cities are bankrupt, our youth are victims of drugs, poor education, and high unemployment or nowhere jobs, and people work longer hours for less pay just to keep up. The question is, how long can this kind of "rationality" hold itself together?

In this article, we will review the record of the 1980s and then see what scenarios we might expect in the years ahead. We'll finish by touching on the deeper forces at work shaping today's world.

#### The 1980s: Policy and Consequences

During the 1980s, economic changes in the U.S. took place within a policy regime called Reaganomics. The Federal Reserve Bank (the Fed), deregulation, and debt were central to developments during this time. Though named after Reagan, the policy direction was actually set under Carter—another example of bourgeois unity around core decisions.

Chip Smith is a graduate student at Temple University and is an economics instructor. **Reaganomics:** By the late '70s finance capital was fed up with the entrenched inflation of the Carter years. The only way Carter could appease his ruling class critics was to put a "banker's man," Paul Volcker, in as head of the Federal Reserve in August 1979. That October, Volcker sharply restricted the growth of the money supply and then held to narrow money growth guidelines until mid-1982. This policy was devastat ingly effective. High interest rates squeezed inflation out of the economy, but the cost was the worst recession since the 1930s. (A side effect of these high interest rates—instituted mainly for domestic reasons—was the Third World debt crisis. When Uncle Sam sneezes, the poor get blown away.)

Meanwhile, Reagan's supply-side rhetoric was a cover for huge tax giveaways to the rich combined with a broad attack on wages and working conditions of the majority. His free market ideology paved the way for increased centralization in trucking, airlines, and banking. "Balance the budget" translated into the largest structural deficits ever. Still, economic growth—that one-dimensional fetish of economic analysts—continued steadily upward since the depths of the 1982 recession. How should we evaluate this unprecedented "success"?

**Government debt and the trade deficit:** During the 1930s depression, John Maynard Keynes pointed to government spending as a way to stimulate the economy: run a budget deficit and "prime the pump." Reaganomics implemented this advice with a vengeance. Huge government deficits from 1982 to 1986 managed to pull us out of the recession, but at a cost. Wages were kept down by deregulating industry, breaking PATCO, and stacking the National Labor Relations Board against unions. In this climate, concession bargaining became the norm.

Also, mounting government debt required financing. With policies keeping U.S. interest rates higher than in other countries, foreign investment funds were tapped. Cash flowed into the U.S., but the high rates discouraged real, productive investment. Then the flow of foreign money into the U.S. boosted the value of the dollar. This in turn priced our export industries out of overseas markets, and many folded. Spending on imports increased dramatically. The result: our trade balance hit record lows and the U.S. went from being the largest creditor to the largest debtor country in the world.

The dollar value was finally brought down in mid-decade. By then, only so much of the exportoriented industry could be revitalized. New investment helped drive the economy from 1986 to 1989, but a combination of inflation fears and lack of domestic production have kept the trade deficit around \$100 billion. The excess dollars we pay out flow back into the U.S. as foreign investors buy up assets here: stocks and bonds, CBS and the Rockefeller Center, Honda and Nissan non-union plants in the countryside.

Private debt, productivity, and savings: Along with the pile-up of government debt during the '80s were huge build-ups of consumer and business debt as well. Dropping real wages caused families to send more members into the workforce and to increase borrowing so as to maintain living standards. For corporations, high real interest rates made long-term investment risky. Many corporations opted for sure-fire short-term gains: investment in sweat-shops overseas, buying into successful foreign firms (Ford owns 25% of Mazda), and mergers financed by mountains of debt.

Corporate raiders have used junk-bond financing to buy out stockholders with borrowed funds. Interest rates are kept high and the bidding drives up stock prices—so "everybody" wins. Then pension plans are raided and lower profit centers are closed. Corporate restructuring proceeds apace and workers lose out. No real investment occurs here either.

The problem is that over-indebtedness can lead to collapse in a spiral of bankruptcies. Private debt, unlike the government kind, eventually comes due. Another problem is the lack of longterm investment—in people, plant and equipment, infrastructure. Productivity is undermined, leading to lowered living standards.

But who gets blamed for these developments? The U.S. people! We're said to be lazy and living beyond our means. The reality is that the majority of us are scrambling just to keep up, saving less and borrowing more in the process. (Besides, the whole culture is geared toward immediate gratification from commodities, and who keeps us on that treadmill?)

Meanwhile, cash-rich stockholders, the beneficiaries of some recent merger, spend it all on a second or third Mercedes. Pension funds receive fewer corporate contributions since stock values are up, and these potential savings are then paid out as dividends and spent. Corporate savings are running half the rate of twenty years ago. And above all, it's not we who decide to chase short-term profits while dismantling industry. Yet both Democrats and Republicans are united in lamenting our profligate ways. Summing up the Reagan years: Now in 1990, what do we have to show for the eight years of Reagan's expansion? Sink-or-swim free market policies leave us with price gouging, anti-union oligopolies, impoverished cities, voucher programs that give the stamp of approval to unequal education, disinvestment in infrastructure and environmental degradation. Mountains of debt make the economy susceptible to a severe recession once a downturn occurs. The collapse of the junk-bond market, for example, is beginning what might be a snowball of bankruptcies. And the Federal Reserve Bank keeps its attention focused on fighting inflation, seeing recession as the lesser evil despite its human toll and the flimsy safety net.

The social consequences only get passing mention in economic discussion. We have increasing income and wealth inequality: the first time ever the gap has widened during an expansion. Lifeexpectancy for African-Americans is decreasing. Housing and job markets keep youth at home longer, while many thousands live on the streets, and home-ownership is now just a dream for most. Despair turns into drug dependency and violence—against self, children, spouse, neighbors, strangers.

On the positive side there are more jobs. Unemployment has been a little above five percent for several years now. (Forgotten is the fact that in the early '70s, 5% looked high to people. Now economists consider 5% natural or even unnaturally low, a sign of tight labor markets and a labor shortage.) Compared to Europe, the U.S. economy during the '80s has been a "great American job machine."

Yet here too there is a strong downside. New jobs are mostly low-wage service jobs with no future. Opportunities often require relocation, destroying community roots and solidarity. Moreover, whatever the numbers of new jobs overall, inner-city and Black youth unemployment rates in particular are at crisis levels.

Of course, increasing inequality has its upscale end as well, and the ranks of yuppiedom have been reinforced by the non-policies of politically-astute Reagan-Bush cohorts. Racism does the rest: Jackson's program is ignored and Dukakis and mainstream Dems run scared.

## The 1990s: Looking Ahead

Two extreme scenarios frame the possibilities

#### for the '90s:

Scenario #1: Crisis. Attempts to close the federal budget deficit and increase domestic savings succeed in depressing total demand and throwing the economy into recession. The Fed's preoccupation with achieving zero inflation by keeping interest rates up contributes to the decline. The country's debt burden makes the recession deep and prolonged. The trade balance improves—the silver lining to the story—but our shutdown is rapidly transferred to other industrial countries due to the high level of interdependence among our economies.

The Second World countries, then, can not be expected to help pull us out of our downward spiral. And the banks' insistence on their pound of flesh means Third World countries are in no position to help either. A prolonged period of capital devaluation, debt restructuring and vulture-like gobbling of the spoils ensues. Eventually, reorganized capitalism emerges once again to do battle and claim that history and class-struggle have ended.

Scenario #2: Expansion. The social revolution in Eastern Europe releases sufficient opportunities for investment such that our economy is able to resolve its over-indebtedness. At home the disinvestment of the '80s opens the way to a surge of investment in infrastructure. Cost cutting in industry and government has left the worst behind us, so a rationalized, leaner economy is poised for the upswing of the next long wave of expansion. Reduced military spending means more funds are available for research and development and for turning our high-tech edge into new products that maintain our comparative advantage into the next century.

In this environment of solid growth, the Third World shrugs off its debt burden, the U.S. budget and trade accounts can be balanced, and interest rates are lowered without the threat of inflation. By the year 2000 the contradiction-wracked economy of 1990 is only a distant memory.

Two very different scenarios indeed! The apparently accidental impact of developments in Europe, both those in Eastern Europe and the economic integration scheduled for 1992, should not be underestimated, however. A significant part of the difference between the Carter and Reagan years centered on the so-called accident of OPEC. The stagflation of the '70s owed in part to OPEC's strength; the Reagan recovery likewise tied to its decline.

One constant running through both scenarios will be the relentless drive of the accumulation process. Capital unfettered by borders, time or distance, will flow wherever money can be made regardless of the consequences. Meanwhile people yearning for community and a human existence will remain frustrated in their goals. Cities, regions, and countries are played off against each other by the class that monopolizes the means of production. And with their playing field expanding, ruling class options for enforcing compliance expand as well. Even in the best of times, dependency and insecurity will haunt people.

What to expect: What, then, are we most likely to see in the 1990s. Scenarios #1 and #2 are extreme cases and, as such, are not very likely though both are possible. Large trade deficits will probably continue and with them the increasing dependency of our economy on the whims of foreign investors. One capitalist is about the same as another, so no basic difference is involved here. But surplus will be pumped out of the U.S. economy for generations to come, just as our capitalists long sucked the blood of workers around the world. Lowered living standards are a likely consequence, especially if capitalists here continue their low-wage, anti-union strategy as a way to improve competitiveness in world markets.

Led by Greenspan at the Fed, the developing corporate consensus is for zero-inflation. This means that a recession looks like a real possibility. How deep or prolonged it turns out to be depends on the handling of the debt burden and whether Europe provides the shot-in-the-arm expected. The free-market euphoria in Eastern Europe and China is likely to take a while to come down to earth. In that sense capital is going to gain strength in coming years regardless of the state of the domestic economy—and that bodes ill for the rest of us. In time, of course, this strength will turn back on itself. But this future certainty is small comfort for people being destroyed today.

Most likely, then, is a continued muddling through. Not much help here for the concerns of the majority of people. Also, not much to grab hold of for a Left waiting for that big collapse to happen someday. In the 1990s as in the '80s we'll probably be dealing with a capitalism that satisfies enough people to keep itself afloat. That doesn't mean people won't be hurt. But the revolutionary movement we build will have to unite widely disparate forces hurt in thousands of different ways by a remote accumulation process.

People see their immediate problems clearly enough, and often know that there's something bigger going on. But the inner logic of the system remains elusive, out of view. Various scapegoats are seized on; and the cycle of struggle, system adaptation, and dependency continues. Our job is to get a handle on this inner logic and make it visible to people—without counting on, or even really expecting, a general collapse to make things absolutely clear to everyone.

**Program:** In the short run we shouldn't be too concerned with the large government budget deficits. State and local budgets are in surplus, and, as a percentage of GNP, the national debt has been declining since 1986. Cutting the deficit to zero now might well tip us into recession as the government spending stimulus is reduced.

Increased taxes on the rich, spending on education and retraining, federal money for the cities, restraints on capital flight and a democratically implemented industrial policy—all the good things we liked about Jesse Jackson's program in 1988 still make the most sense as a popular, short-term economic program. In the long run, only the social control of accumulation will make possible a truly humane existence for our people.

## Accumulation on a World Scale

We've looked at U.S. economic policies of the past ten years and their impact on people's lives. What if we focus on the accumulation process itself and the development of the productive forces underlying it? New computer technology has made possible dramatic changes in communications and information-processing. Innovations such as containerization and super-tankers, more efficient light-weight parts and products, and lower fuel costs have reduced the costs of transport.

Manufacturing is increasingly freed up to locate independent of market, materials or management. Command and control functions become concentrated in large cities of industrialized countries; manufacturing is relegated to the hinterland—depressed rural areas and other lowwage regions, at home and overseas. Our cities become service centers, with a few high paid jobs for the corporate elite but most earning not much more than minimum wage.

Deindustrialization and global restructuring: As accumulation proceeds on a world scale, manufacturing jobs dry up at home in urban areas. What are the social costs of this transformation? We already can see the lowered living standards resulting from the shift from manufacturing to services during the past two decades. Lower rates of productivity increase translate into lower real wages for workers. And so far, service jobs have been much less open to increases in productivity than are those in manufacturing.

Innovation is closely related to production. Our comparative advantage in trade with other countries has centered on the development of new products and getting prototypes into production. As manufacturing disappears, the basis for product innovation goes with it. Also, the shift to services includes many producer services like plant construction, maintenance and repair of equipment, programming for computer driven machinery. Finally, small contractors are an important source of jobs. But when plants move out, the small contractors that feed into them lose their source of livelihood.

Thus qualitative and quantitative development of the productive forces, in the form of increased international competition, has forced a global restructuring of industry at the expense of working people around the world. Living standards drop here. Workers in Brazil or Korea gain jobs at sweat-shop wages with miserable working conditions. And they too face the insecurity of job loss if relocation to, say, China promises more profits.

Who's in control: Throughout the '80s finance capital has been clearly in the driver's seat for all to see. The Fed, the International Monetary Fund and World Bank have carried out the bankers' program—squeezing out inflation here, forcing Third World debtor countries to cut subsidies on necessities and open up to outside investment, and even sacrificing our manufacturing export sector during the early '80s to hold down prices.

Overseas, debtor countries' living standards have dropped precipitously. At home, capital

flows result in regional and urban uneven development. Banks handle the financing of leveraged buy-outs while investment stagnates. They are central to the urban and regional growth coalitions that power the beggar-thy-neighbor game of tax abatements and land giveaways. Banks redline the cities and profit from gentrification.

Sectoral crises: But accumulation does not occur without crises. Increasing investments tend to lower the profit rate. Capitalists bail out by shifting production, developing new commodities, socializing costs, disinvesting in favor of speculative short-term gains. The result is overaccumulation on a world scale—in steel for example, and Pittsburgh closes down; or autos, and Detroit becomes a ghost town. Capital is then devalued and renewal on a new "post-industrial" basis follows —if you're lucky, as Boston was compared to Detroit.

But, then, even the winners are losers: wage scales are lower, unionization is reduced, taxes and the cost-of-living go up. Through it all, insecurity remains. Silicon valley booms, then production is shifted overseas. The Southwest gains from the oil price rise, then goes down the tubes as domestic production is cut back in favor of imports. (We're still feeling the shock waves of the oil bust in the form of the Savings and Loan bailout.)

Sectoral crises and a dependent, mobile labor force accommodate the blind surges of accumulation. After a time, as capital opts either to flow to more lucrative ventures or to consolidate locally, working class families laboriously adjust their lives to the alien swings of the business cycle. The people take the weight; capital takes the money and runs.

**Stock-market crash:** Shifting from investment in plant and equipment to fictitious capital is no crisis-free solution, either. The stock market crash of October 1987 and the 200 point scare in October 1989 are evidence that real value is generated elsewhere.

Though taking their toll on Wall Street brokerage houses, the only lasting effect of the stock price drops has been a new lender-of-last-resort role for the Fed in these crises. By insisting that member banks provide loans to cover margin losses and then providing the needed reserves to do so, the Fed helped prevent financial disaster. In the months following, it eased up on the money supply to counter the demand-drop from investors and thereby limited further damage to the economy.

The top 5% of earners saw their incomes rise by 50% during the '80s. They were in a position to absorb easily their portfolio losses. No 1929type crash this time around. Nevertheless, the potential for a broad crisis set off by a drop in the value of paper capital keeps investors jittery.

**Crises on a world scale:** The accumulation process is shot through with contradictions. Devaluation, rerouting of investment, spatial and sectoral juggling that sacrifices parts for the whole—this has been the pattern of the '80s and likely will continue. Whether such crises coalesce into a major collapse is impossible to predict, but the opening of Eastern Europe and the economic unity of Europe in 1992 suggest that such a general collapse is unlikely in the years ahead.

The shape of imperialism is changing. The bipolar world of the two superpowers based on political as well as economic strength seems to be evolving into a tri-polar, economically based structure centered on the U.S., Japan and a united Europe. These countries' economies are inter-connected and their capital flows freely throughout the world, not being constrained by outright colonial spheres of influence. How inter-imperialist rivalry will manifest itself in these conditions is unclear. Getting a handle on these new conditions is an important theoretical task for the 1990s.

Dependent development is occurring throughout the world as the motor of accumulation pushes to the most remote corners. While growth raises average living standards, it deforms local production by orienting it to the world market. And the rising average splits into poles of increasing wealth for the elite and grinding poverty for the majority. As the debt crisis drains a country of assets and de facto sovereignty, the value of "growth" for the mass of the world's population is small indeed. Finally, for every development "miracle" like Taiwan there are five countries in Africa to weigh in on imperialism's debit side.

Capitalism's inhumane logic of accumulation drives on, destroying rain forests, poisoning rivers and the air, polluting the earth with nuclear and toxic wastes. Inter-imperialist rivalry and war, the human toll of Third World dependency, or a general collapse from an accumulation crisis may give way eventually to an overriding contradiction with nature itself. The bourgeoisie takes note only when danger strikes close to home. Recall that public sanitation in the 1800s occurred only after major epidemics convinced the wealthy that their lives too were endangered by the wretched living conditions of the urban poor. Let's hope society gains control of the engine of accumulation before some truly monstrous natural consequence of anarchic production threatens humanity's very survival on earth.

In the meantime imperialists seem either to ignore environmental problems (acid rain) or pursue temporary solutions at the expense of the Third World (banning chloroflourocarbons, exporting toxic wastes). Capitalism must be made to pay for its social costs—until its irrationality yields to a human-oriented production system consciously integrated with nature.

This report has discussed the current economic situation from the perspective of economic policy and its contradictions here in the U.S. and then in terms of the accumulation process on a world scale. Glaringly absent from all this is any mention of the people's struggles and their impact on the flow of history. We have looked at one aspect of reality; and in doing so the flow of economic and technologic forces may come to seem external, objective, out of our reach and influence.

Other articles about prospects for the 1990s will have to set things right: discussion of the *political* part of *political* economy, focusing on the mass movements we're involved in, analyzing problems of theory and organization required in our struggle. Also, the people of Eastern Europe and China are something of a corrective in a different way. They remind us that the people do in fact make history—contrary to the picture drawn here of a largely reactive response by people in the U.S. and elsewhere to the ruling class offensive of the past ten years.

While recognizing its partial nature, my hope is that this overview will help in seeing a little more clearly the economic factors at work in the world around us. A deeper understanding of the consequences of profit-driven accumulation can help keep us and the movements we're a part of united on the long-term strategic importance of socializing the production process. Socialism is a necessary step on the road to human liberation.

# When History Repeats Itself

# **U.S. Health Care Crisis**

by Celia Wcislo

It is fast becoming clear that the current health care crisis in the US is, as much as for anyone, a crisis for organized labor. As the cost of health insurance skyrockets beyond what management will cover, labor finds itself desperately trying to hold the line against the erosion of what is arguably its most attractive union benefit.

Consider these facts:

\* In 1989, health benefits were a major issue for 78% of all striking workers. This in comparison with 18% only three years earlier.

\* Contract settlement data for 1989 reported major health benefit changes in 60% of health care settlements. (You can be sure most of these were not in the interests of labor.)

\* The most prominent recent national strikes—those of the Nynex workers and the Pittston miners—pivoted around maintaining employment-based health insurance benefits paid by the employer.

#### **Employers Shift the Cost to Workers**

What is happening is obvious: across industry lines, management has decided to stop footing the cost of health care.

This trend began in the 1980s when, as health care costs in America escalated, businesses began to target insurance coverage as a key element in American industry's lack of competitiveness in the foreign market. They pointed to the spiraling inflation of medical costs. To some degree, the statistics back this claim: Medical costs have doubled and tripled yearly relative to wage increases. Insurance rates have been increasing by an average of 20-25% a year while wages continue to increase in the range of 2-5%. A worker with an annual salary of \$30,000, and with family Blue Cross Blue Shield insurance paid by the employer could expect his or her insurance costs to be 20% of his or her salary.

Celia Wcislo is president of SEIU Local 285, representing clerical workers and nurses in Massachusetts. Her 'Prospects for Labor: Old Visions/New Visions' FM feature (January, 1987) is still available. In the early 1980s, employers' strategy was to focus on efforts to contain medical costs. Cost containment meant that benefit programs were changed, second surgical opinions were necessary, copayments were required, and incentives were given to shorten hospital stays and to encourage outpatient services. For a few years these efforts slowed the rate of growth of hospital charges, but by the beginning of the 1990s, medical costs have again shot up to double-digit inflation.

Management has now given up on the cost containment ideas of the 1980s and is directly and aggressively aiming to shift the cost of health care **Changes in Health Insurance Cost Sharing Since 1987** 

Type of Change	Percentage Reporting
hare of Monthly Premium Increased	43%
Paying Part of Premium for First Time	25%
Deductible Increased	32%
Amount Increased for Each Service <sup>a</sup>	42%
Family Coverage Increased <sup>b</sup>	41%

Source, EBRI, Public Attitudes on Health Insurance Provision (Washington, DC: EBRI/The Gallup Organization, Inc., August 1989)

<sup>a</sup> Service refers to each time the respondent receives health care covered by insurance, such as a visit to the doctor.

<sup>b</sup> Family coverage is considered to be provided under respondent's insurance plan.

onto the backs of its workers. Through deductibles, copayments, through capping the money it will contribute to benefits, management has tried to close the door on health insurance costs. Despite the valiant efforts and inspiring victories of the Nynex and Pittston strikers, the trend has been that employer by employer, industry by industry, labor has begun to loose the fight to hold onto fully paid health insurance.

Given this situation, it is crucial that organized labor do more than simply try to hold the line. If labor wants to influence the outcome of the current health care crisis at the national level, one place to start might be by reviewing its own role in contributing to the highly regressive health care system now in place in the United States. Largely because of labor's failure to take the lead in the early debates about health care financing, a national solution to health care coverage never was developed. Instead, business interests dominated the debate, creating a patchwork of private health coverage.

## Where Did Our Health Insurance Come From?

In the early 1900s, as the cost of hospital care escalated, the first forms of private health insurance developed to help middle class patients pay for care. Businesses, the American Medical Association and insurance companies all had vested interests in assuring that hospital payment remain under private control; they naturally encouraged such enterprises as Blue Cross's pre-paid group hospital plans that reimbursed fees-for-services. Benevolent societies were left to provide care for the poor. As Paul Starr describes in *The Transformation of American Medicine*: "...instead of an insurance system founded originally to relieve the economic problems of workers...an insurance system developed under the control of the hospitals and doctors..." (p. 331).

Unfortunately, the labor movement colluded with the employers and offered no real alternative to this private, piecemeal and regressive approach to hospital care. Starting in the 1920s, under Samuel Gompers, the American Federation of Labor generally refused to advocate for any broad political or legislative solutions to workers' problems. Gompers opposed not only unemployment insurance and the minimum wage, but also a national health policy. He feared that universal protection would undermine the incentive for workers to join unions. He was convinced that such benefits were both the most important reason for organizing unions and the best lure for the workers to join them. His vision of a thriving union movement was one that could continue to win its members "more."

Gompers based his position on his experience in introducing sickness and death benefits as a young leader of the cigarmakers of New York when in one year he was able to increase his tle for unemployment insurance and social security. But in the 1940s as the threat of war swept the country and anti-Communist hysteria flourished, labor backed off on support for broad health insurance reform. Only the CIO called for

"Firms are very anxious to shift costs as much as they are to change behavior, because they are under the gun, there's no doubt about it...Cost sharing is going to be the near-term battleground."—Jerry J. Jasinowski, President, National Association of Manufacturers

membership 100 times because of those benefits. He translated his experience into a political ideology that infects the labor movement to this day.

Starr describes the early development of health insurance this way:

Channeling health insurance through employment helped satisfy many interests simultaneously. As a fringe benefit, health insurance benefitted the employer as well as the worker, solved problems in marketing of private insurance, gave the providers protection against a government program, and offered the unions an alternative to national health insurance and a means of demonstrating concern for their members...The health insurance system was set up in a highly regressive fashion: first, because it was based on employment; second, because of the practices of community and experience rating (that meant low-risk patients paid less; high-risk patients paid more); and third, because of the favorable tax treatment of private insurance (The Internal Revenue Code 1954 confirmed that employers' contributions to health benefit plans were tax exempt.)

-Starr, Transformation of Amer. Medicine p. 333

As economic hard times began, the A.F. of L., under Gompers' leadership, hoped to break the cycle of union membership decline by making the workers' well-being "so inseparable from the union as to make it a direct and decided loss to them to sever their connection.. The unions desired to develop their own system of protection against all the vicissitudes of life as a means of gaining recruits" (Starr, p. 249). As Gompers put it: "I know of no better means than to make our unions beneficial and benevolent as well as protective."

Throughout the 1920s, the labor movement remained divided and unable to put its full support behind social legislation of any kind. Finally the catastrophic circumstances of the Depression forced organized labor to rethink its view of social welfare programs and jump to the lead in the bata system of health cooperatives, and it alone acknowledged that even this was no substitute for a national health program.

Instead of focusing on a national health plan, organized labor concentrated, during the 1940s and 1950s, on carving out its own role in bargaining over its members' health insurance. The Wagner Act of 1935 gave unions the right to negotiate over "conditions of work," but not until 1948 did the Supreme Court clarify that health benefits could be legally considered a condition of work. This meant that from 1935 to 1948 most benefit programs were run by and for management. As of 1946, only 600,000 workers were covered by union-negotiated benefit plans. That year, the CIO decided to make benefit programs a priority, even though they were not yet a legal subject of bargaining, and ten unions organized health and welfare funds. Then in 1948, with the legal mandate of the Supreme Court, the major industrial unions launched a campaign to negotiate over health care. From 1948 to 1950, the number of workers covered by health plans jumped from 2.7 to 7 million. By 1954, 12 million workers with 17 million dependents were covered. However, the Taft-Hartley act of 1947 limited union control of these health plans by requiring that health and welfare plans funded by employer contribution be governed by tripartite boards, not exclusively by the union.

During the late 1940s and early 1950s, the union movement diverged over what kind of policies to encourage for their members. Business unions tended to favor the indemnity plans. (They viewed insurance as one more benefit to hold out to individual union members.) Progressive unions supported service-benefits and prepaid plans (forerunners of today's HMOs). They saw their role as fighting to provide comprehensive health care and improve community health services. Through HMOs they believed they could have more direct say over what types of services were provided.

One of the few unions to ever fight not just for benefits and coverage but for control of health care was the United Mine Workers of America. The recent Pittston battle can be seen as a continuation of their fight to provide and design their own health benefit system. On April I, 1946, John Lewis led a seven week strike over control of the health and welfare fund which eventually forced Truman to seize the mines to prevent a national economic crisis. The resulting agreement effectively meant that control of

the health and welfare fund was turned over to the UMWA. While technically set up under a tripartite board as demanded by the Taft-Hartley, two of the three trustees were loyal to the UMWA. With two more strikes in 1948 and 1949 (because the employers refused to contribute to the fund), the fund was fully funded and operational. John Lewis saw this issue as so important that he was willing to exchange the miners' right to strike over mechanization of the mines for large wage increases and the full funding of the health and welfare fund.

By broadly developing group practice programs and a system of community clinics, the UMWA gained significant control over the health delivery system in mining communities and took the lead among American unions in providing a vision of what health care should be. The determination of the miners in 1989 came partly from this tradition and pride in a health system they had fought for and designed for their community.

This growing working class demand for control of health care began to frighten the hospital and professional lobbies of the fifties. HMOs such

## Three Types of Medical Insurance

a) Indemnity Insurance: Typical private insurance where the individual policy owner (not the medical institution) is paid for costs incurred. Requires out-of-pocket payments by the patient. Not all costs are covered.

b) Service-Benefits: Fees for services are charged and paid by the insurer to the medical provider. There is unlimited liability and more direct control by the hospitals. The insurer acts as an intermediary between hospital and patient. (BC/BS is a typical service-benefit provider.)

c) Direct Benefits: Prepaid insurance with regular premiums. These plans place high emphasis on cost control since profits can only be made by keeping costs below premium levels. (Health Maintenance Organizations are typical direct benefit providers.)

as Kaiser of California (the largest HMO in the US) actually made policy decisions that demanded two insurers would have to be offered by every employer for Kaiser to participate. They proposed this strategy to undermine the bargaining power of unions with any particular employer, so that the control the UMWA won would not spread across the country.

# **Health Care Today**

Today, we are living with the results of a privately financed health care system in which only some of the employed receive coverage while the poor, the unemployed or marginally employed do not. Those who are employed are being forced to pay a higher

percentage of the cost. And the system of experience rating means that the cost of BC/BS is being pushed up, as more and more healthy people transfer to HMOs or less expensive plans. By shifting costs, by linking access to insurance with employment, by making the least healthy pay the most, by encouraging competition between insurance vendors, we have created a system that is regressive and one that is in crisis.

Going into the 1990's, the United States has the dubious honor of being, along with South Africa, one of the only two industrialized nations without some sort of national health insurance program or national health system. In other words, the costs of providing a healthy workforce, or reproducing a workforce, has been socialized in all but two major countries. This means that US employers are required to foot the cost of health care (and often pass that bill on to customers through higher prices), while most other industrialized nations have taken the cost of health care out of the marketplace.

The escalating costs and the growing militancy of workers in defending their benefits have led a

number U.S. of corporations to actually call for the socialization of the cost of medicine in the US! They are advocating National Health Insurance, or rather the shifting of costs of health care from the business community to the taxpayer. Their hope is to socialize the expense of reproducing the labor force much as the costs of building a transportation (roads) were system socialized at the beginning of this century. By refusing

By shifting costs, by linking access to insurance with employment, by making the least healthy pay the most, by encouraging competition between insurance vendors, we have created a system that is regressive and one that is in crisis.

to continue to pay health benefits, American corporations are precipitating the crisis.

Yet, ironically, seventy years after Gompers first inculcated the union movement with his narrow vision, the labor movement is still being led down the path of "more benefits" through collective bargaining. When the AFL-CIO analyzed "The Changing Status of Workers and Their Unions" in 1985, one of the main conclusions it drew was that unions must focus on such things as expanding benefit programs, marketing VISA cards, establishing associate members programs that offer travel benefits (but not collective bargaining), in order to attract and keep members in organized labor's ranks. They did not advocate increased militancy nor class politics; they did not have a vision of a leftward ideological shift that would question who runs this society and who profits from production. They again advocated an ideology of "more"-from credit cards to health benefits-as the solution to labor's dwindling ranks.

But the flaws in the labor solutions of the 1920s are now quite glaring. The benefits, the "more" that was so valiantly fought for by labor in the 1920s to 1940s, are being taken back. The fundamental weakness of the strategy of winning benefits through collective bargaining is clear: it is a strategy that can only protect workers in industries where unions dominate the labor markets and in industries which can afford to provide it. It doesn't protect those workers who are unorganized or under-organized. It doesn't protect workers in industries that are marginal. And it can't protect workers when the markets they compete in become international. The AFL-CIO

recognizes that health care is in crisis. They recognize that the current system of private insurers have failed. But in their traditional programatic fashion, they stop short of advocating a system such as Canada's. [Canada has had a form of national health care for some years—ed.] Even Service Employees International Union (SEIU), one of the most progressive

on the issue of health care, falls far short of a call for socialized, nationalized medicine.

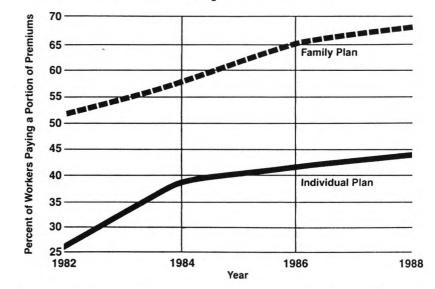
The most effective way to control both the spiraling cost of health care and assure the quality of that care is through a single financing mechanism. Maintaining the current multiple financing approach makes sense only if accompanied by changes to fund universal health coverage, to establish provider fees, all-payer systems or other approaches to increase the market power of buyers and to provide overall expenditure targets as well as to institute uniform standards of appropriate care.

-from SEIU's "Grassroots Health Care Campaign"

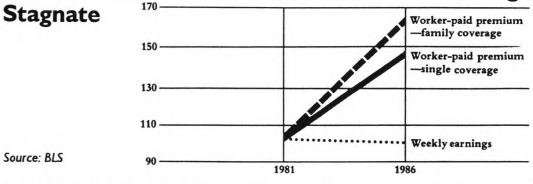
This is the current strategy that the AFL-CIO is following. It falls short of asserting that a lasting solution can only come when the system is a one payor system (such as the government) to spread the costs of the unhealthy and uninsured across a larger pool, or when the system of medical care delivery is socialized and funded through the tax system. They will not call for the solution of Canada because they are afraid that the "body politic" will not accept any solution that even approaches a nationalized solution. They are too wedded to the path they have historically cut for us.

Perhaps even more to the point, many unions are resistant to losing control over their own unions' health and welfare funds. They have financed their national headquarters, their operating budgets and administrative costs with the cash flow from health and welfare funds. And so their immediate self-interest makes them resistant to truly viable long-term solutions to the health crisis. It is a sad state of affairs when the union leaderships' fear of loosing their rent makes them hesitant to support national health legislation.

# **More Workers Pay Premiums**



# **Worker-Paid Premiums Rise While Real Earnings**



Even SEIU, while spear-heading the drive within the AFL-CIO to develop some national solutions, finds itself unable to come out publicly for dramatic solutions because of the reluctance of other national labor organizations. Recently, the Oil, Chemical and Atomic Workers International made a break with the AFL-CIO's strategy and began to advocate a Canadian-style alternative.

The debate is not concluded, but in fact, just beginning. If labor withdraws from the debate, if it fails to provide a vision that makes health care a right for all working people in this country, then we are doomed to repeat the mistakes of our past. Business and insurance interests will set the agenda. Health care changes will limit costs but will also limit access and availability. The business community's interest in "socializing" the costs of health care will merely mean that the costs will be placed on the backs of American workers.

The union vision must look across the broad landscape of the American worker, unionized and non-unionized alike, and advocate a health care system that provides access to all. A one payor system is part of the solution. A national health plan is part of the solution. A system autonomous from employment is part of the solution. And the right of all people to quality health care is part of the solution. American "competitiveness" with other industrialized countries cannot be judged solely in terms of trade balances and pricing. Labor must be willing to advocate a vision that looks to competitiveness over the quality of life of working people across national lines. The US should provide no less than every other industrialized country does. Labor should fight to lift the US worker's expectation about health care to the level of the rest of the industrialized world!

# In Memory of Clarence Jerome Fitch

On May 7, we suffered the loss of a strong fighter and beautiful brother. After a long illness, Clarence Fitch passed away. He was 42 years old.

Clarence was born in New York City, and his family moved to Jersey City when he was young. While in high school, he joined the civil rights movement and participated in the historic 1963 March On Washington.

In 1966, he enlisted in the Marine Corps, where he was promised training in communications. He was taught how to operate a field radio and shipped to Vietnam, where he served with the Marine Rifle Company near the DMZ. After being wounded twice, he was taken out of the field and assigned to Graves Registration, where he had to sort and identify the bodies of dead Gl's for shipment home.

During his tour in Vietnam, he began to question and oppose the war and racism he encountered in the military. Martin Luther King's speech against the war had a major impact on his thinking, and he often said that the ongoing rap sessions among black servicemen were the source of his political education and awareness.

Clarence came back to the U.S. an E-5 Sergeant, with two Purple Hearts, jump-wings and a Good Conduct medal, only to face harassment for wanting to wear his hair in an Afro. He soon became involved in GI organizing efforts and joined several anti-war demonstrations while still on active duty. In 1969, he was busted for possession of marijuana, court-martialed and thrown out with a general discharge, just four months prior to the end of his term of enlistment.

He returned to Jersey City and went to work for the Postal Service. But his memories of the war and his treatment by the Marine Corps continued to haunt him. He tried to numb the pain and forget the past with drugs, but that turned out to be a dead-end street. After a long struggle to overcome addiction, he turned his life around. He became active in Narcotics Anonymous and constantly helped others to escape from active addiction through N.A., his studies at Essex County College and his work as a substance abuse counsellor.

In 1978, he joined Vietnam Veterans Against the War. He served as East Coast coordinator for several years. He was instrumental in starting a program of sending veterans into the high schools to talk to students about war and the military. He was constantly telling young people not to be impressed by the recruiters' "promises" but instead to search for alternatives to fulfill their hopes and plans for a better future.

In 1986, he travelled to Nicaragua on a national VVAW delegation and worked actively to end the U.S.-sponsored war in Central America. He was a constant fighter for freedom for southern Africa and represented VVAW in the N.J. Anti-Apartheid Coalition. In 1989, he went in Panama in the Veterans' Fact Finding Delegation and strongly opposed the American invasion of that country, which took place a few months later.

For a number of years, he was a shop steward and active member of the American Postal Workers' Union, and during that time was involved in many struggles for workers' rights and union democracy.

He was a co-chair of the Fannie Lou Hamer branch of the Rainbow Coalition and worked on Jesse Jackson's presidential campaigns, as well as organizing in the community to make the Rainbow a strong grass roots movement.

He was also a member of Black Veterans for Social Justice and Veterans for Peace.

Clarence was also a warm and loving family man. He is survived by his wife, Elena, his daughter, Kawan, his stepchildren, Jonah, Fleeta and Angelica, and by his mother, Corine Fitch, and four sisters, Mona, Angela, Marcella, and Anita.

Clarence was an outspoken opponent of racism and militarism. Last year he led a movement to stop a ROTC program from being initiated at the M.L. King High School in New York City because he felt such a program was an insult to the teachings and memory of Dr. King. He always insisted on making the connections between racism and our government's foreign and domestic policies and actions. He never let people forget the disproportionately high cost that blacks paid in Vietnam.

He was a proud Afro-American freedom fighter. Clarence's death was caused by AIDS. His drug addiction was a result of the hell he suffered in Vietnam. Clarence wasn't killed on a battlefield, but he died because of that war. The names of over 58,000 Americans who died are inscribed on the Wall in Washington, D.C. Since coming home, thousands have died and continue to die from cancers caused by Agent Orange. More veterans have died from suicides, drug overdoses and alcoholism than died in combat. Now still more are dying from the AIDS epidemic. None of these names are on the Wall, but they should be. They are all casualties of the war.

But Clarence was not just a victim. He learned to take his experiences and use them for something positive. He believed in life. That's why he was always reaching out to the next generation. That's why he was always there when someone needed help. That's why he had faith in people and believed that together we can make this country and world a better place. That's why he stood for peace and for justice.

Clarence Fitch is gone, and he will be greatly missed. But his spirit will be with us forever.

# Rest In Peace, Brother We Will Keep On Keeping On Honor The Dead Fight For The Living

Anyone wishing to make a donation in Clarence's memory may do so to the Clarence Fitch Youth Education Fund c/o: VVAW, PO Box 7053, Jersey City, NY 07307. Mention you read about the Fund in *Forward Motion*.

We are reprinting below an article by Clarence that was included in the book, From Camelot to Kent State: the Sixties Experience in the Words of Those Who Lived It, edited by Joan Morrison and Robert K Morrison; Times Books, 1987.

# Vietnam: Seeing the War For What It Was

# by Clarence Fitch

We weren't living in no vacuum in Vietnam. There was a certain growing black consciousness that was happening in the States, and also over there in Vietnam. People was aware of what was going on. One of the characteristics of this war was that people didn't come over there together. People just had tours of duty, and so every day somebody was going home and you had somebody coming from home, bringing information. And guys that would leave Vietnam would send stuff back. You know, "Okay, send us all the *Ebonys* and *Jets* and black publications you can get your hands on." Like I sent stuff when I got back to guys I left over there.

The militancy really grew after Martin Luther King got killed in '68. It made black people really angry. You remember the riots after Dr. King's death was some of the fiercest, and the brothers took that up in Vietnam. People changed after that. People were saying it doesn't pay to be nonviolent and benevolent. There were a lot of staff NCOs, the type of so-called Negro that would be telling you to be patient, just do your job, pull yourself up by the bootstraps. So we called them Uncle Toms and that was that. People were saying, "I'm black and I'm proud. I'm not going to be no Uncle Tom."

There was a whole Black Power thing. There was Black Power salutes and handshakes and Afros and beads. It was a whole atmosphere. All that was a way of showing our comraderie, like brothers really hanging together. When a new brother came into the unit, we used to really reach out to the guy, show him the ropes and tell him what's happening. It was like a togetherness that I ain't seen since.

I think people really listened to Martin Luther King. We didn't hear his speech about Vietnam until much later, but somehow or another we got a copy of the speech, and we was really impressed. He talked about how blacks were dying in Vietnam at a greater rate, and he was the first person we really ever heard say that, even though it was something we knew.

We saw what was going on. I was there for the Tet Offensive of '68, and I was at this aid station. The place was always getting hit, and I got wounded there. It was like ten miles from the DMZ. I saw a lot of blood and a lot of death, and we would be humping stretchers for all the casualties from all the units operating in the area.

It would still be more Caucasian bodies coming back than black bodies, but what Dr. King said was that blacks was at the time ten percent of the population and thirty percent of the KIAs [killed in action—ed.]. It was like more white guys was in the rear with the easy jobs. They were driving trucks and working in the PX and shit like this, and we're out there in the bush, and that's why we was dying. A lot of the line companies over there were mostly black. There were white grunts, too, assigned to infantry units, but there was a lot of black grunts.

And then, as jobs became available in the rear, they would pull people back for jobs like company driver, stuff like that. You know, after so much time in the field, they pull you back to rear-area jobs. And we wasn't getting pulled that easy to the rear. Black guys were staying their whole tour in the field. You just looked around you and said, "Well, they're just using us as cannon fodder."

We saw it for what it was, and we didn't want to participate in it no more. People just didn't feel like it was their war. There wasn't no real ideological theory we had. It was very basic. We were just getting screwed.

A lot of blacks fought valiantly at points, but a lot of them didn't see the sense in dying in this war. It was more honorable to go to jail. People were refusing to go to the field anymore, just refusing and getting locked up. This was a hell of a thing to do, because brig time didn't count on your tour in Vietnam. They called it "bad time." You did your six months in jail, and then you still had to serve your time in the field. But guys did it. Guys were sitting in the Marine brig for long periods of time. I guess they were hoping the war would just end while they're sitting in jail.

The form the militancy took most often was brothers just saying, "We're not going back in the bush. It would be, like, instead of going out two klicks [kilometers] on patrol, you'd say, "Hey, I'm going to stay back. It's dark. We're squatting right here, and we don't want no contact."

There were people that would go so far as to hurt themselves enough to get out of going into the bush. I seen people shoot themselves in the arm or the foot or the legs to get one of those Stateside wounds. I seen people fake injuries. I had this friend of mine, a brother from Birmingham, Alabama, he broke his ankle three different times to stay in the rear. Every time they took the cast off, he would get a hammer and whack it again, and it would swell up, and they'd put another cast on it. He'd be in the rear playing cards for another month or two, and then they would months and really know what's going on—to show them until they get the ropes. But you get these guys that want to come over with school book tactics, and they might want to do something that's detrimental to the company. Then you are talking about people's lives. Well, hey, the first firefight you get in, somebody takes him out. "Killed in action."

I seen one fragging incident up close: a new lieutenant, fresh out of Quantico. He was an asshole, very gung-ho. He would run patrols and set up ambushes, and he wasn't very careful. He took a lot of chances, and people didn't like it. They were trying to take him out, but they didn't get the right kind of firefight that they could fire on him.

One night we were stationed on this bridge to keep Charlie from blowing the bridge up, and I was on radio, monitoring communications. About four or five in the morning, just before dawn, I seen this brother come out with this hand grenade, and he said, "Hey, Fitch, don't say nothing, man." The lieutenant's bunker was maybe ten yards from the bridge, and this guy

# We saw it for what it was, and we didn't want to participate in it no more. People just didn't feel like it was their war.

take the cast off, and he couldn't walk. He would play it right out to the max.

The powers that be knew it, but they couldn't prove it. He caught a lot of flak. They would call him a traitor and all this crap. And he said, "Well, fuck it. I'm not going out there." And that's the way it went down until his rotation date. It wasn't like World War II, where you stayed for the duration. You did have a date, and the thing was to survive until that date and that's what people did. The other brothers supported him. We didn't put him down or ridicule him. We respected him. We knew we was dying at a higher rate, so we felt very much justified not to add to this fucking figure.

There were fragging incidents for the same reason. It didn't happen every day, but after a while it got to be an unwritten rule. A lot of times you get these boot-camp second lieutenants, just out of Quantico, the officer training school, no field experience, and they just give them a platoon. The smart ones would come over and take suggestions, use their NCOs and squad leaders guys that have been in the bush six, seven, eight went over, pulled the pin on the grenade, held it for a couple of seconds, and rolled it into the bunker. I said, "Oh, shit. I don't want to see this."

Then I heard *boom*, and the lieutenant came staggering out of the bunker. They got a medevac helicopter and medevacked him out of there. He was hurt pretty bad, but he survived it. Went back to the States, I guess.

One guy that was murdered in my unit was an NCO. This guy was one of those uneducated rednecks, been in the Marine Corps for fifteen years. When we were in the rear area, he would always be in charge of the shit-burning detail. They have these outhouses with fifty-five-gallon drums of kerosene underneath the toilet seat, and then every couple days, they pull the drums out, put them on a cart or truck, take them outside the compound, and throw a match to them. The drums would really stink, because all this shit is burning. It's a nasty fucking job, and every time, this sergeant would assign blacks. He used to say, "You, you and you pull the shit-burning detail," He always chose blacks. He's dead now for that shit. He got drunk, somebody beat him up, and he

died two days later. It wasn't no life-threatening situation, but people dealt with it.

I saw a lot of craziness there. In retrospect, the reason I think so much of it happened was that everyone was just living a violent way of life. It was a world where everyone carried a gun and had access to all the ammunition they wanted. There would be fights between Gls that might begin over a card game, and one guy would just pull out a rifle and slap in a magazine and say, "I'm going to lock and load on you." I think this must be the way it was in the Wild West when everyone carried a gun.

I left Vietnam in January, '69, came home, and got stationed in Camp Lejeune, North Carolina. It was all Vietnam vets there, and people just wasn't into that Stateside regimentation no more. People were tired of the whole military scene. There was a lot of discipline problems. It was pretty hard to keep up haircut regulations in Vietnam, and some brothers hadn't had haircuts in a year. When we returned, they wanted you to get a military haircut. I think Marine Corps regulations said your hair can't be longer than three inches. For a white guy, if his hair is longer than three inches, it looks like a lot of hair. Very seldom does an Afro go higher than three inches, but they still wanted to make us get a haircut. So it was a lot of struggle around the Afros.

After going through Vietnam, people just weren't taking the same old bullshit. There were a lot of racial incidents out in town, Marines on liberty, and then there were incidents on the base. There was a whole struggle around music on the juke boxes. There'd be all the countryand-western songs and white pop songs and maybe one black song, and these guys weren't going to take it. So they'd turn out the club.

It was a pretty nasty time between blacks and whites. Blacks tended to stick together in groups, and there were whites going the other extreme. There were Ku Klux Klan chapters. I was glad I was getting out, because things really got bad. Any small disagreements would be blown out of proportion. I remember these rednecks started a fight because a black guy was dancing with a white girl. Then other guys jumped in, and somebody got stabbed and killed. There were riots.

The media got ahold of it, and I remember the Commandant of the Marine Corps getting on television and making this big announcement that Marines would be able to wear Afro haircuts, that there would be more black music on the jukebox in the enlisted clubs.

But they were still disciplining the shit out of people, and a lot of black people got really hurt. People got in a lot of trouble, trouble that they're probably going to have to live with the rest of their lives. The facts show that blacks got bad discharges—dishonorable or bad conduct or undesirable—that are proportionately higher than white Gls. Guys were getting kicked out of the service left and right and not really caring, because when you're young you tend to live for the day. Since then all that bad paper is coming back to haunt people, because now, if the employer knows, it can hurt you.

I got busted for marijuana, and they recommended me for undesirable discharge. They endorsed it as undesirable at every command level, except when it got to Marine Corps headquarters in Washington, they upgraded me to a general discharge under honorable conditions for reasons of unfitness.

It could have been a lot worse, but it really pissed me off. I was short—I only had about six months to do. I had never been busted before. I was an E-5 sergeant. I had two Purple Hearts. I had jump wings. I had a Good Conduct Medal for three years of good conduct. Why fucking do this?

They gave me ten days to check out. They cleaned out my locked, took my dress uniforms. I had two MPs escort me to the gate and hand me my papers, and I left. I got the certificate, and I said, "I will never tell anybody that I got a general discharge." I tore up the discharge paper in little pieces of paper on the bus, and stuck it down the side of the seat, and I said, "That's the end of that." It was like they fucked me for the last time.■

# Letter to the Editors

#### Dear FM,

Events in the Soviet Union and Eastern Europe have propelled a major reevaluation of socialism and Leninism. FM has begun to give voice to this debate with excellent articles by Manning Marable and Wamba-dia-Wamba. While there are many fine and valid points in both articles, I think socialists should be more careful in their headlong rush into the "post-Leninist" era.

The rejection of Leninism is focused primarily on the party and the dictatorship of the proletariat. But only a narrow or dogmatic reading of Lenin can equate the body of his political and theoretical contributions to these issues. Furthermore the current critical analysis of the party and socialist state restrict Lenin's ideas to their most limited Stalinist interpretation. Let's take a closer look at Lenin's body of work before we assign him to the dustbin of history.

1. Imperialism, the Highest Stage of Capitalism: Lenin extended our understanding of imperialism as a world-wide system of domination, driven by the same capitalist economic laws articulated by Marx. This is the starting point for a modern interpretation of imperialism. Lenin may not have written fully on all aspects of imperialist rule, others have added to our knowledge of cultural domination, military pre-emption and political hegemony—but all of these issues are best understood when starting with Lenin's base line economic analysis.

2. The National and Colonial Questions: Lenin led Marxists to see the vital relationship of colonialized people to socialist revolution. He was the first to articulate to the western working class that their most important allies were the oppressed people of the Third World, expanding the demand for self-determination to include oppressed nations suffering under the yoke of imperialism. It was this understanding which helped to introduce Marxism to the Third World, and developed young nationalist leaders such as Ho Chi Minh into Marxist-Leninists.

It is interesting to note that we rarely hear an analysis of imperialism coming from the ranks of the Eastern European or Soviet democratic revolutionaries. It is as if America and Europe became rich isolated inside their national economies. But without the tremendous benefits of imperialist exploitation the "free market" could never have developed to its present state, or maintained itself. But what are the chances of Poland becoming an imperialist power? Rather their future as a cheap source of labor for western imperialism is the free market Polish workers will come to know best. No wonder our free market revolutionaries want to move into a "post-Leninist" period. What a wonderful world it would be to have capitalist democracy without imperialist exploitation. Unfortunately, they are selling Karl Kautsky's dream to cover reality's nightmare.

3. State and Revolution: Lenin gives us a radical and democratic vision of socialist power, power based on the full participation of the people in the economic and political process. His analysis of the State as an oppressive apparatus of class rule not only serves as a critic of capitalism, but as a warning to the socialist project. For Lenin, the Dictatorship of the Proletariat meant an "immense expansion of democracy, which for the first time becomes democracy for the poor, democracy for the people, and not democracy for the moneybags ... " (State and Revolution, page 105). Dictatorship was never equated with the rule of the Party, but with "a series of restrictions on the freedom of the oppressors, the exploiters, and capitalists" (Ibid). Neither did the dictatorship mean a narrow over-centralization of the economy. As Lenin showed us during the New Economic Policy, he maintained a flexible economic strategy. But does the use of "dictatorship" lead us to emphasize repression over democracy? I think the problem goes deeper than our use of language and conceptualization. But we must acknowledge that language has rationalized the use of state terrorism and practice which contradicts socialist aims.

4. Left-Wing Communism, An Infantile Disorder: It's true that a narrow reading of Lenin can lead to a dogmatic interpretation of how the State functions—that there is no room for struggle and that dictatorship makes bourgeois democracy meaningless. But one needs only a little familiarity with Leninist tactics to understand he clearly advocated using capitalist democracy to the fullest extent possible. He never saw socialists limiting themselves to their strategic program, but instead saw them making use of every arena of possible struggle. Since Lenin's death, capitalist democracy has expanded due to the continuing struggle of workers, women, and minorities. In fact, it is these forces which represent the best and most broad-based use of democracy. This has developed a broader field of political struggle than in Lenin's time and even greater possibilities within the State. But Lenin was careful to define different democratic content and use in different social systems. That effort is something today's left needs to examine and expand. Particularly so if we hope to explain the limitations of free market democracy and develop socialism.

5. The Party: I still believe we need a revolutionary political party, based theoretically on Marxism, rooted in the multi-national working class, whose strategic aim is to replace capitalism with socialism. Without an organized political expression, without a party, how can people hope to challenge and change the system? But does a revolutionary party mean one party? No, and I don't think Lenin ever insisted on a one-party state. In fact, political debate was pretty freewheeling inside and outside the Bolshevik Party during Lenin's lifetime. Does a Marxist party means an all-knowing party? No, even Lenin adopted much of the program of the Socialist Revolutionaries on the question of the peasantry. Does a party need dedicated and disciplined members? Well, capitalism certainly has its cadres, many armed to the teeth. But discipline doesn't mean the dictatorship of the chairman or leadership. Lenin often lost votes inside the Bolshevik Party, and even during periods of illegality, discussions were freer than when holding state power under Stalin. So I still maintain the need for a party, but its function must be democratic, broad and serious.

The post-Leninist attacks on the party attempt to fit Lenin in a Stalinist straightjacket. Yes, a narrow and dogmatic reading of Lenin can lead to Stalinism. Nor is Stalin's rise totally free of Bolshevik traditions set during Lenin's time. But the problems of Stalinism were mainly products of the historic limitations faced by the Soviet Union after Lenin's death. Historic context must be the backdrop for any meaningful analysis, including of Lenin. Lenin's party was built to combat the Czar, his analysis of the state was based mainly on his experience in Russia and Germany. So socialists must be careful not to see America as Lenin saw Europe in 1917.

Party structure must reflect the democratic victories won over the past 70 years. Throughout American history the struggle to expand democracy has been a key demand of the people. Even the writing of the Constitution reflects this in the debates of bourgeois elitists such as John Adams and Alexander Hamilton, with populists such as Thomas Paine and Patrick Henry. Bourgeois democracy was always limited to white male property owners, and that is still the definition given to it by Reagan and Bush. The expansion of voting rights, civil rights and labor rights all have resulted from the struggle against bourgeois democracy. This contradictory phenomena is a key aspect of American history. Both democracies have existed side-by-side, but with bourgeois democracy always in a dominant position. Cultural hegemony is maintained by this exact tension. The struggle to expand people's democracy is not a battle to humanize capitalism, but transform it to socialism. While democracy challenges bourgeois right, it is the job of socialists to develop its revolutionary content. Not only must we understand this theoretically, but socialist organization must reflect this structurally.

# 11

Since the post-Leninist analysis is closely tied to changes in countries of "real existing socialism," we need to look at these societies. Marxists from the new communist movement of the 1960s have long maintained that the USSR is not socialist. I think recent events have borne out our analysis. In fact, for socialism to advance historically the Soviet-East European system has to be deconstructed. Given this, socialist revolutionaries should not be fearful or depressed by current events.

First we must be clear: we are not witnessing the destruction of socialism, but a system of oppression and exploitation, and that is a good thing. Mao called it state bureaucratic capitalism, others define it as statist. I think the latter definition offer the best understanding of the Soviet historical process.

Statist systems are defined as socio-political formations, where domination of the state through a political process has led to the development of a ruling class which exercises economic control. This is different from capitalism, which is a socio-economic system in which domination of capital through an economic process has led to the development of a ruling class which exercises political control.

Both systems exploit labor, but use different structures and have a different historical process. Marx saw historical development along a single line from slavery, to feudalism, to capitalism and eventually communism. But he also noted the "Asiatic" force of development: that of strongly centralized state monarchies, in which local regions were administered by state appointed officials. The local population was not only taxed, but forced to labor on state works such as roads and irrigation. In fact, the "Asiatic" mode is better described as centralized statist despotism or an agrarian statist system. This system was widespread, not only in Asian countries such as China, but worldwide from the Inca Empire in South America to the Ottoman, Persian and Egyptian Empires in the Middle East, and Russia itself

What we therefore see is a parallel historical

development alongside feudalism, where modern statist systems are developing not from a feudal past but from centralized statist despotism. This modern statist system not only exists in the USSR, but throughout much of the Third World in different forms. It exists in some self-described socialist countries such as Syria, and in other self-described capitalist countries such as Mexico. Many are one-party states. But in some, parties compete to gain dominance of the state apparatus through democratic forms. Gorbachev's program of a liberalized statist society may be a political advance, but certainly it is not a Marxist program for socialist transformation.

We can best see the different development of feudalism by looking a England. There King John was forced to sign the Magna Carta, recognizing the power of local lords and restricting the power of a centralized state monarchy. Of course wealth was a central question and the Magna Carta forced the king to seek approval of the Lords in order to raise taxes. The Magna Carta lead to the development of Parliament and the House of Lords, and later with the development of capitalism, to the House of Commons. Along similar lines we also see this in the French "estates."

Capitalism was able to develop in Europe partly because this arrangement encouraged local autonomy and entrepreneurship. Local economic initiative was not inhibited by a centralized state bureaucracy, and new economic relationships and the freedom of trade met with less resistance. This can also be related to the development of democratic forms, and why capitalist democracy is so closely tied to property rights. Capitalism developed in Europe because revolutions break out in the weakest link, and feudalism was more weakly organized than agrarian statism. Eventually the powerful but more static statist despotisms were overtaken by dynamic and quickly expanding capitalism.

As capitalism developed into the world system of imperialism, it tried to recreate its socio-economic system on a vast scale. But imperialism also made use of the political structures it found in the Third World. Local elites both collaborated and resisted, but their political and economic structures never totally disappeared. In the struggle for independence, Third World forces turned to the state to protect and expand national development. The reasons are not only because the market was dominated by foreign capital, but that historically Third World nations developed through centralized statist systems. And often aspects of these systems still existed under imperial rule. Socialist revolution offered a different mode of development, and still does. Stalin was dealing with much more than Bolshevik history. Perhaps many of today's problems in the USSR are not simply a weakness of the Leninist tradition, but have deeper historical roots. After all, statist systems always had greater control over civil society and took greater responsibility over the individual. But socialism must be more than centralization of the state and economic base, it must infuse the relations of production with democracy and thus break with the traditions of statist rule.

What is disturbing to those of us who have opposed the degradation of "socialism" inside the Soviet bloc, is that the present revolution has failed to develop a democratic socialist alternative. But at this historical juncture, how could it? The statist ruling class defined itself as socialist to maintain legitimacy, using inherited socialist rhetoric as an ideological cover for their own corruption. Cultural hegemony, and the cynical manipulation of political symbols is certainly nothing new to capitalism either. Contra "freedom fighters" are but the most recent obnoxious example. Since the rejection of "communism" is understood by the masses as the rejection of their statist oppression, a socialist alternative obviously is having a hard time attracting a big following. Today the cry for the "free market" is not only a desire for economic abundance, but for also a free market of individual expression in civil society.

But the future is unwritten. Already Polish workers are staging strikes against "their" government. High expectations combined with five or ten years of experience in the free market might produce a radically different view of democracy. At that point where do people go? As Wamba-dia-Wamba poses, "Beyond democracy —what?" Perhaps there will be a turn to nationalist authoritarian rule. It certainly seems that economic frustrations and ethnic chauvinism is pushing in that direction. But there are other experiences rooted in social equality and political solidarity pointing towards democratic socialism.

With these new challenges socialist revolutionaries need to develop new theory. And because Marxist concepts have been so compromised by statist propaganda, even new language must be found to express our ideology. But valid concepts, including those of Lenin, should not be jettisoned in the guise of new theory. Our tasks are not easy. But the coming years should prove exciting, full of struggle and historic possibilities.

—Jerry Harris



Subscribe to Forward Motion Box 1884, Jamaica Plain MA 02130 Subscriptions: \$15 for six issues; \$25 for a sustainers sub.

Back issues available for \$4.00 (including postage)

May 1990	The Cost of Drugs
	Also: Nicaragua Elections Commentary
March 1990	1990: Commemorate Malcolm X
	Also: Manning Marable on American Socialism from Below
December 1989	Labor 1989: New Tactics Born of Desperate Circumstances
September 1989	Women Fighting For Our Lives
	Also: China: Reform and Crisis

Complete back list now available! Please write for free copy.

# **Bookstores That Carry Forward Motion**

**Shakespeare And Co** 2499 Telegraph Ave Berkeley, CA 94704

Booklink 99 7th Ave. Brooklyn, NY 11215

**Reading International** 47 Brattle St Cambridge, MA 02138

Internationalist Books

408 W. Rosemary Street Chapel Hill, NC 27514

Undercover Book Source 115 East Blvd Charlotte, NC

New World Resource Center 1476 W Irving Park Rd Chicago, IL

**2 Ist Century Books** 607 E Muddy Waters Dr

Heartland Cafe 7000 N Glenwood Ave Chicago, IL

**Guild Books** 2456 N Lincoln Chicago, IL

Chicago, IL

Women & Children First 1967 N Halsted Chicago, IL **Duttenhofers** 214 West McMillan St Cincinnati, OH 45219

> Radical Information Project 2412 East Colfax Denver, CO 80206

**Prairie Lights** 15 S. Dubuque Iowa City, IA 52270

Red Book 92 Green St Jamaica Plain, MA 02130

Rainbow Country 1002 N. Highway 101 Leucaida CA

**People's Bookstore** 458 W. Gilman St. Madison, WI 53703

Peoples Books and Crafts 1808 N Farwell Ave Milwaukee, WI 53202

Walden Pond 3316 Grand Ave Oakland, CA 94610

Wooden Shoe 112 S. 20th St. Philadelphia, PA 19103

House of Our Own Bookstore 3920 Spruce St Philadelphia, PA 19104 Fourth Ave Smoke Shop 832 S.W. 4th Ave Portland, OR 97204

Freedom Books 135 East Martin St Raleigh, NC 27601

AFRAM Farmer's Bazaar Annex 215 7th Ave & K St. San Diego CA 92021

Flores Magon Bookstore Centro Aztlan 2803 B Street San Diego, CA 92102

**Modern Times** 968 Valencia St San Francisco, CA 94110

**Left Bank Books** 92 Pike St Seattle, WA 98101

**Bulldog News** 4208 University Way NE Seattle, WA 98105

Red & Black Books 430 15th Ave Seattle, WA 98112

**Common Concerns** 1347 Connecticut Ave NW Washington, DC 20036

15 S. D 138 lowa C boks Red Bo treet 92 Gree