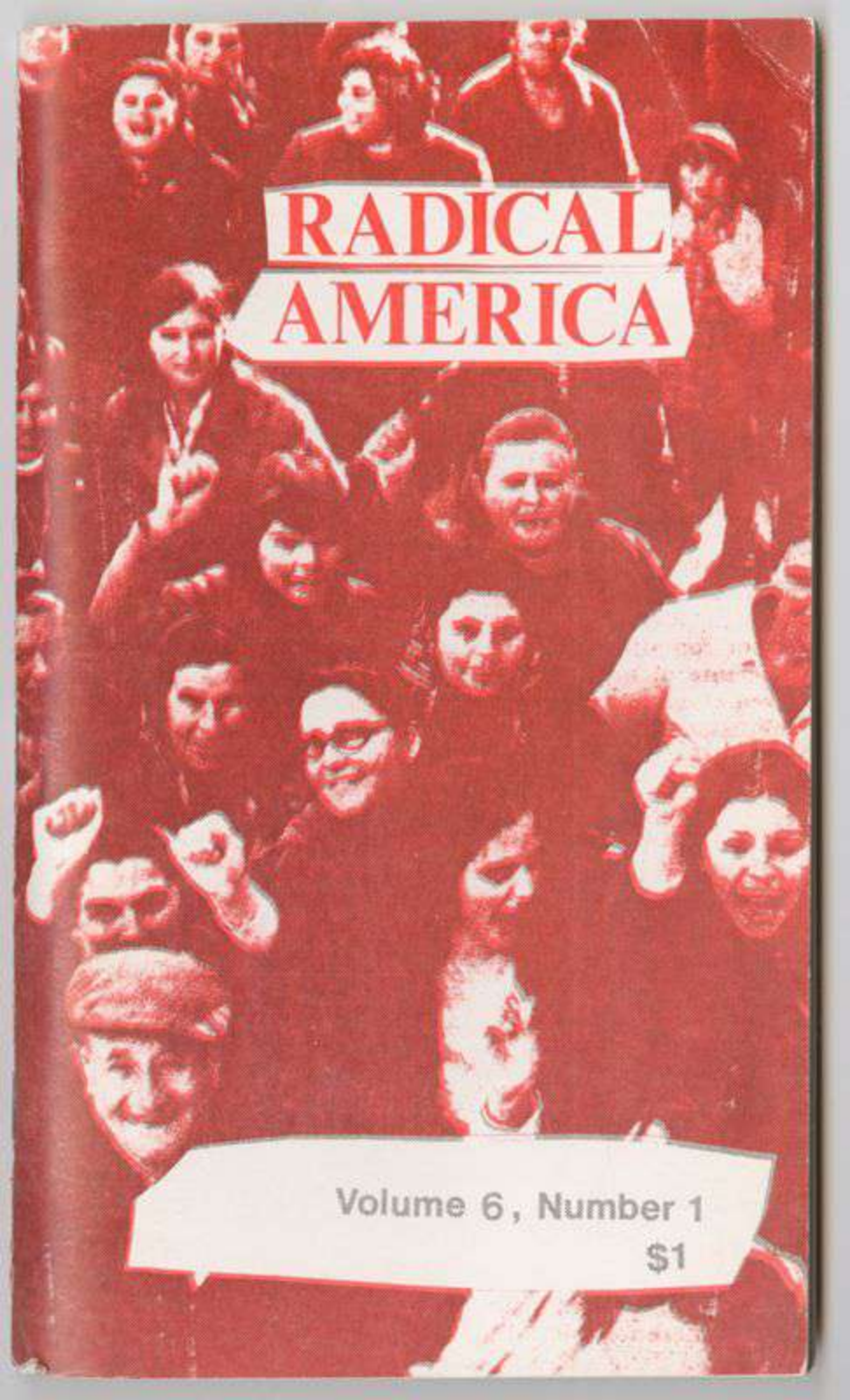




RADICAL AMERICA

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Editors for this issue: Frank Brodhead, Paul Buhle, Ellen DuBois, James Goodman, Michael Hirsch, Allen Hunter, James Kaplan, Mark Levitan, Mario Montano, James O'Brien. Associate Editors: Edith Altbach, Jackie DiSalvo, David Garson, Martin Glaberman, Ann Gordon, John Heckman, Richard Howard, Roger Keeran, Mark Naison, Paul Piccone, Brian Peterson, Paul Richards, Michael Schulman, Martha Sonnenberg

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Views of the Economic Crisis

The American imperial economy is in crisis. This recognition, despite the good-times eyewash of the Nixon news department, has become universal. The liberals make electoral hay out of Republican failings; but, notably, none of the Democratic presidents-to-be have as yet dared propose any alternative. That which is breaking down under the Republicans is precisely the same old "new economics" trumpeted as the capitalist panacea by the Democrats. The application of inflation as remedy to recession, and recession as remedy to inflation, has won belatedly bi-partisan support just in time for the whole mechanism to collapse into recession plus inflation. Promises of repair are greeted by the widest cynicism; the wisest among the politicians refrain from any positive suggestions for fear of falling into the ever-widening "credibility gap". The capitalist economic analysts today can risk to write only recriminations.

On the Left, long-ignored arguments are finally being heard. An economy dependent upon imperialist expansion, unfettered state subsidy, and labor passivity under accelerating exploitation can be nothing but unstable when all prerequisites of growth are in crisis. Various writers highlight different aspects of the decay.

Ackerman and MacEwan here develop a concrete application of Baran and Sweezy's model of capitalist crisis in the face of intra-imperialist defeat. The resistance to American imperialism in the Third World both blocks further expansion and over-burdens the current overhead expenses of the present empire. The short-circuit flows from the colonies back into the imperial metropolis. This is one side of the international level of the crisis.

The above model is the necessary complement to another

widely-followed analysis, that of Mandel arguing the relative inter-imperialist decline of US capitalism in the face of its European and Japanese rivals. Ignored or disputed by American Leftists filled with the chauvinist myopia of their capitalist rulers, the NEP publicly concedes the point. Devaluation of the dollar and with it the devaluation of outstanding dollar debts, the relative increase in dollar costs for further overseas capital expansion, the growing difficulty of financing such acquisition through the simple export of paper dollars in the yearly payments deficit: all signal the future difficulties of US capitalism in maintaining dominance over the rival capitalisms financed by the deutschmark or yen. And financial retreat is only one component of weakness, matched by declining competitiveness in trade and long-term slowing of domestic expansion.

The advancing crisis of domestic accumulation, re-investment, and expansion is the focus of Mattick's article. The long semi-boom since World War II generally cushioned, with ever-full demand, the most obsolete productive apparatus in the economy from the threat of closure by recession. The most vulnerable industries — aeronautics, railroads, textiles — have been helped more directly by outright government subsidy and special tariff protection. But as low-productivity plants grew ever less competitive and posed an ever-increasing drag on the economy as a whole, average rates of return on capital and private re-investment both had a tendency to fall. Eschewing the choice of forced rationalization through recession, the Democrats during the Sixties chose instead an accelerating rate of government deficits to create state demand to compensate for the decelerating rate of private expansion. This accelerated the inflation — particularly as unemployment steadily shrank. The stream of deficit spending from the early Sixties merely to defend re-investment levels was joined by a second stream of deficit spending from the late Sixties to finance war without extra taxation. The inflation shot out of control. But even Nixon's slightest counter-cyclical effort to control inflation threatened the already weakening re-investment rate: recession joined inflation. Today both

advance stubbornly. The crisis offers no visible exit.

The different models vary in their predictions depending on where they locate the central origin of crisis in American capitalism. But the international and the domestic cannot be divorced, much less counterposed: a complete analysis dovetails the two. It is striking how tightly the empirical investigations of Ackerman and MacEwan complement the theoretical outline by Mattick. When Mattick speaks of the inter-connected decline of profits, re-investment, and productivity gains, Ackerman and MacEwan analyze the specific timing of declining US profit levels from 1966. When Mattick discusses the growing reliance on inflation to offset threatening depression, Ackerman and MacEwan follow the thread of rising state deficits throughout the history of the interventionary gamble in Vietnam. Both the international and the domestic tend in the same direction: toward deepening of difficulty for American capitalism to deliver even modest levels of steady growth.

As the capitalists seem to promise the United States only permanent stagnation for the visible future, the crisis has necessarily expanded from an economic failure internal to their class into a political crisis of open clash with the working class. The capitalists hope for the working class to bear the costs of a long-term austerity program eliminating uncompetitive industry. But against a wave of rising working class militancy — only partially checked by recession — more than the discipline of speed-up, layoff, and strikebreaking by the individual corporation is necessary. By the New Economic Policy of direct state intervention an industry-by-industry militancy can be overpowered. But a political attack against a class as a whole generates response at its own level. Initially a defensive class solidarity can be expected, protecting particular strikes against state witch-hunting. More importantly, in the long run, the class struggle shaping every economic decision becomes politically explicit. Economics ceases to be simply competition among capitalists. Henceforth economic analysis can begin only with the balance of forces in the class struggle.

Nixon's "New" Economic Policy

Paul Mattick

Economic theory is one thing, and economic policy is something else. However, economic theory can always be adapted to changing circumstances. The practical economist need not be at a loss, or, rather, since there are various economic theories, one can be replaced by another that fits the altered situation better. The changing economic scene in the United States and in the world at large was thus accompanied by a return to the depression theory, which had fallen into disregard during the long spell of apparent prosperity. The so-called macro-economics of social aggregates triumphed once more over the micro-economics of the market place. Nixon declared himself a Keynesian, ready to bring, at least, conscious order into the "self-regulating" market mechanism, which did not live up to its reputation. Aside from such obvious charlatans as Milton Friedman, however, the economic court jesters had known all along that the mixed economy was here to stay and could no longer function except through increasing government manipulation.

The whole apparent prosperity since 1950 was such only because the market demand was maintained and enlarged by the continuous growth of government-created "demand". This non-profitable part of total social production required monetary inflation in order to shift its expense from capital to the population at large. Nonetheless, even under these conditions, and due to the extraordinary increase in the

productivity of labor, it proved possible to have the semblance of a real prosperity, with rising profits, rising wages, and a rising government debt. Full employment, it was now said, implies inflation; one cannot have the one without suffering the other. Why this should be was never made clear, because bourgeois economic theory does not differentiate between profitable and non-profitable production.

Confidence in this newly discovered mechanism of continuous prosperity by means of continuous inflation was slowly eroded by the process itself. Demand and production fell off despite increasing government budgets, occasioned by the war in Vietnam and the general expenses of imperialism. There arose a situation in which steady inflation was accompanied by growing unemployment, indicating that the profitability of capital was not such as to warrant its further rapid expansion. But full employment requires an accelerating profitable accumulation of capital. How to bring this about is the sole concern of all economic policy.

Profits, on which accumulation depends, are that part of total production which falls to the capitalists. The greater it is, relative to wages, the better the chances for a progressive capitalistic development. The expenses of non-profitable production, as exemplified by the larger part of government-induced demand, diminish the profits available to capital. To have a faster rate of capital expansion thus implies the reduction of wages relative to profits, as well as a reduction of government expenditures. This can be brought about by either inflationary or deflationary means. Each has its shortcomings and its advantages, but the adoption of one or the other is seldom a question of choice.

Inflation, as determined by government monetary policy, implies that prices rise faster than wages, thus raising profits. Without this effect, it would be entirely senseless. Deflation implies the outright fall of wages relative to profits. Usually, deflation was not resorted to as conscious policy, but was an expression of the business cycle, which surprised the capitalists no less than it hurt the workers.

To get out of a depression by inflationary means was the

content of Keynesian theory. It was seen as a short-run measure leading to a new upturn of business activity and to the restoration of price stability.

The short-run measure became, however, long-run and therewith self-defeating. Although full employment was somehow kept up, it was so only by the perpetuation of the inflationary process and by the steady enlargement of the non-profitable government sector of production vis-a-vis the profitable private sector. Inflation has been "explained" as a vicious circle — wherein wages push up prices and prices, again, wages — due to the fact of full employment. By allowing unemployment to grow, this inflationary spiral was supposed to end.

Unemployment grew, however, not only because of some unemployment-producing cutbacks in government expenditures, but also for the more general reason of declining capital investments. It was the latter, far more than the quite limited ability on the part of the government to cut expenses, that accounted for the rise of unemployment which, at the end of 1971, exceeded, in official terms, six per cent of the working population. What had come about was not a mere maladjustment between supply and demand, whereby the latter drives prices up, but a real depression, such as the "new economics" had proclaimed was a thing of the past.

Despite all of the "built-in stabilizers", the economists' "gamesmanship", and their "fine-tuning" of the economy, the inherent crisis mechanism of capital production asserted itself and brought about a situation which ended the "trade-in" of inflation for full employment by producing unemployment with inflation. The inability to handle this new situation at first found expression in the pre-Keynesian hope that things would settle themselves by letting them drift, that the presumed "equilibrium mechanism" of the market relations would lead, at some cost, to a new stability, harmonizing wages, profits, and prices. This was the "old Nixon" looking with favor upon the laissez-faire fantasies of Milton Friedman.

Of course, to have both unemployment and inflation is a doubly effective way of raising profits relative to wages. Yet, too much unemployment and too much inflation are dangerous paths which may disrupt the social fabric nationally as well as internationally. It would be particularly perturbing to the Nixon Administration, soon to find itself in an election contest. Thus the laissez-faire interlude was quickly discarded in favor of Keynesian policies far more radical than those envisioned by their originator. Friedman was, so to speak, displaced by Samuelson, who welcomed Nixon to "the club" but advised him that "Rhetoric cannot itself bring new jobs. This takes fiscal spending, bigger budget deficits," (1)—therefore more inflation. However, Samuelson does not really suggest full employment by way of more inflation, but only some reduction of unemployment by allowing for a reasonable rate of inflation; that is, he suggests continuation of the policy which has just failed.

The government economists tried to dramatize their new policies by giving them a sense of urgency. There was Phase One, designed as an emergency measure to freeze wages and prices so as to halt the inflationary trend. The Second Phase is to be of more permanent nature, sprouting a systematic incomes policy through direct administrative measures, as had once been the ideal of the late British Labor Government. Whereas Keynes had been content with monetary and fiscal means, Nixon adds to them measures which had hitherto been considered "socialistic" and therefore taboo. However, even though Nixon has been congratulated by the Labor Party's Mr. Wilson for finding the right solution to the capitalist dilemma, the program failed to disturb American capital.

Still, coming from Nixon, this program appears as astonishing as his scheduled trip to China. In Samuelson's view, it is a reversal on the order of Lenin's turnaround at the introduction of his New Economic Policy in 1921. In any case, it takes the wind out of the sails of the Democratic Party by annexing part of its demagoguery. Galbraith found himself plagiarized but could not very well denounce what he himself proposes. But, as the spokesman of the First

National City Bank remarked, "You can lead an incomes policy to water, but you cannot make it drink." (2) The bourgeoisie is not worried, not because incomes policies have nowhere succeeded, but because, to the degree to which they have been successful, they have been a boon to the capitalists. Nixon knows, if not theoretically then certainly instinctively, that capital depends on profit and on increasing profits in order to thrive. Any incomes policy — whatever its specific character — must be subordinated to the profit requirements of capital accumulation.

The legal foundation of the incomes policy is the Economic Stabilization Act of 1970, which is to be extended into 1973. It authorizes the President to issue and enforce regulations on prices, wages, and rent in order to control inflation. It may also come to include interests and dividends, but, thus far, according to Nixon, "This has not been necessary because of the continued success of the current program of voluntary restraint." (3) A whole bureaucratic apparatus has been established to determine what wages and what prices may rise, or remain the same, and to find means to enforce these decisions. Taking the endeavor for a moment seriously, it is of course clear that it is far more difficult to control the myriad of prices than to control the relatively few wage agreements, and that the control of the latter will be far more rigorous than the control of prices. But this is precisely the point; if one can STOP wages from rising, one can SLOW DOWN the rise of prices. Combined with a continuing increase in productivity, not reflected in price changes but reflected in quantities of commodities produced and sold, wage and price stabilization is one way of raising the profitability of capital. To be sure, there exists also a Productivity Commission which, however, will be concerning itself not so much with wage increases based on productivity gains as "with the contributions of productivity to the economic stabilization program." (4) It is the latter, not productivity itself, which will be the touchstone for further wage increases.

If capital has nothing to fear from Nixon's innovations because "incomes policy has initially tended to divert

income away from labor" (5), it has found the somewhat reluctant support of the trade unions. Asking, for appearance's sake, for a non-government body to regulate wages, they were thus rewarded and are now part of the machinery which tries to reduce the rate of inflation at the expense of labor. This did not, of course, prevent Mr. Meany from raising his yearly salary from \$70,000 to \$90,000 despite the wage freeze. However, the unions' participation in the "anti-inflation" program is only logical, for their very existence and well-being depend on an expanding capitalism and thus on the restoration of its necessary profitability. To work in this direction has now been made easier, as it is no longer the industrial corporations which confront the unions, but the government. It is assumed that the workers will be less inclined to go on strike against the government than against private enterprise.

The reduction of the inflation rate by way of differential price controls, while raising the profitability of capital, will not by itself suffice to bring about an economic climate generating enough optimistic expectation to insure Nixon's re-election. Production must be increased and, at least for a time, unemployment must be reduced. This requires the improvement of the profitability of American capital both at home and in international trade. The government's new budget policy is geared to this end. It is based on a larger deficit, caused mainly by revenue deductions due to tax cuts and accelerated depreciation allowances, which are supposed to stimulate private business. Instead of increasing government spending outright, Nixon attempts to enliven the economy through the expansion of private capital.

In this manner the deficit is expected to rise to around \$28 billion, exceeding that of 1971 by \$5 billion. To make the deficit more appealing, the economists invented the concept of "full-employment budget", that is, a budget which under these imaginary conditions has set itself a ceiling with respect to deficit financing. However, the government is not committed to honor its budget projections. If the stimulation of private business should not lead to the hoped-for upturn, new money can be injected into the

economy to create an artificial upswing through direct government spending. And perhaps, though it is doubtful, the combination of both the tax presents to private business and greater government expenditures may do the trick of creating a temporary pseudo-prosperity impressive enough to keep Nixon in the White House.

This would mean, of course, that the general trend of economic expansion by way of government deficit financing, which implies the erosion of private capital and the market economy, had reasserted itself in spite of Nixon's avowed determination to call a halt to it. It should be clear by now, however, that it is far too risky to allow the old business cycle to run its course, for it would involve depressions of such severity as to put the system itself in question. On the other hand, always to give in to the trend is no solution either, but only a slower road toward eventual destruction. The bourgeoisie has neither theory nor practice to deal with this situation. All it can do is to vacillate between inflation and deflation, between more or less government intervention, in an awkward reaction to changing conditions beyond its control.

At this time, under the guise of "anti-inflation", it is once more government intervention and inflation which has been elected to arrest the business decline in the empty hope that "stimulation" will lead to real performances. But deficit financing is only a form of deferred taxation, and unless there should be a world-wide capital expansion of hitherto unknown proportions, or unless the public debt is being repudiated and capital, to that amount, expropriated, the current deficits will only increase taxation at some future date. In any case, it is not by monetary and fiscal means, nor by legislation, that capitalism can reach a rate of expansion guaranteeing full employment and general satisfaction, but only through actual production of enough surplus value, or profits, to allow for the further capitalization of the already existing mass of capital. Government policies are not so many ways to lead to such a state of affairs, but an expression of actually existing difficulties in the way of a progressive capital accumulation.

Nixon's desperate attempt to reverse a disappointing business trend was not, and could not be, restricted to the United States. In violation of existing international agreements he surprised the world last year with the suspension of the dollar's gold convertibility and an (albeit shortlived) ten per cent import surcharge in order to overcome a persistent payment deficit and force a realignment of exchange rates that would improve America's competitive position in international trade. With this, the monetary system, as established in 1944 in Bretton Woods, came to an end, and — at this writing — no new one has yet been devised to take its place.

International competition operates economically, politically, and militarily. Among its various economic means are not only those provided by productivity differentials, but also government measures, such as tariff regulations and the use of money as an instrument of competition. To bring some order and constancy into international transactions, international agreements are made. Prior to Bretton Woods, the impenetrable monetary jungle was to be overcome through the establishment of the dollar standard with a fixed relationship to gold. The value of other major currencies was determined by fixed parities to the dollar. The dollar was a reserve asset, and as such convertible into its gold equivalent. With the exception of America, all countries had been impoverished by the war. There was a great demand for dollars, and the so-called "dollar gap" hampered the restoration of international trade for many years. But in time this changed again, and, where there had not been enough dollars, there are now too many.

The reversal came about through the revival of the war-torn nations, but was largely fostered by American expenditures connected with the Korean War, the cold war in general, and finally the war in Indochina. There was a great amount of American capital investments in Europe, and though the American balance of trade remained favorable until 1971, it did not offset the outflow of dollars due to capital exports and government expenditures. With the balance of trade also turning unfavorable, and with no feasible

way to halt the export of capital and to reduce the expense of imperialism, the consistently negative payments balance began to upset international economic relations by forcing American inflation upon other nations. But the increasing imbalance also implied that the growing quantity of dollars held by other nations made their convertibility into gold quite illusory, which was bound to bring about the dollar's devaluation in terms of gold, or the elimination of the gold-exchange mechanism.

Nixon did not, at first, devalue the dollar in terms of gold, nor did he choose to honor the gold-exchange agreement "down to the last bar of gold"; but he cut the dollar loose from gold altogether. Based on gold, the dollar appears as commodity money, the symbol of a real asset, with a definite value, either in terms of production costs or in such terms as modified by supply and demand. Within the national frame money has long since ceased being commodity money but by necessity remains nonetheless acceptable. If the world were one nation, with one government, this could conceivably be repeated on a world-wide scale. But this is a world of competitive capitalistic nation states, all partaking with more or less success in the exploitation of the world's population. There arise imbalances in trade and payments relations, which may never average themselves out in the course of time, and therefore require a universally acceptable and stable asset to realize temporary or permanent advantages. Without a gold backing, however, the dollar is just a claim on American resources which, if not immediately satisfied, may, in the course of further inflation, dwindle down to nothing. This also holds true for the dollar reserves of other nations.

The dollar inflation, while functioning as an instrument of American imperialism and American capital exports, also aided the rapid capital development of the European nations. Money goes where profits and interests are highest, and they were higher in the expanding European economies than in the relatively stagnating United States. Thus America's unfavorable payments balance was one aspect of

the European prosperity, but it was also a reason for future difficulties, which, however, were largely ignored until they became acute. It was assumed, of course, that the flow of money would not remain one-sided, and that repatriation of profits from foreign investments would compensate for the further outflow of capital and restore the payment balance. But even though the last few years have witnessed a large flow of European capital to the United States, and though profits have been repatriated, the American payments balance has remained unfavorable.

Monetary depreciation, being world-wide and proceeding in Europe and Japan even more rapidly than in the United States, there was no way for America to gain trade advantages by inflationary means. At the same time productivity, by increasing in the extra-American capitalist nations, restored their competitive ability vis-a-vis the United States. American tariffs found their counterpart in the tariff policies of the European Economic Community, and a situation arose in which American imports began to exceed exports. With all this, the monetary arrangements, as established in 1944 and at one time implying advantages to the United States, became disadvantageous. To alter this situation, Nixon tries to force a new and more advantageous alignment of currency parities upon the reluctant competitor nations in order to improve the United States' world trade position.

Other nations were to raise the value of their currencies relative to the dollar, which simply means that, for them, imports become cheaper and exports dearer, thus changing the terms of trade in favor of the United States. That these nations found this more or less acceptable is shown in their recognizing that their own foreign trade is even more indispensable to the functioning of their economies than holds true for the United States, where foreign trade plays a relatively lesser part, considering the economy as a whole. If America could not sell, it would also lose the ability to buy, which, in view of its enormous share of the world's economy, would be even more disastrous for other nations than for the United States. With this condition given, the

stage was set for international bargaining for shares of the available profits. Nations will accept some losses in order to avoid greater ones. This objective advantage was utilized by Nixon to force other nations to partake in the attempted reduction of the payments deficit by providing America through political means what she could apparently no longer reach by way of economic competition. Yet, what is taking place here is simply a redivision, not an enlargement, of the existing profitable trade, and the gain for one side implies a loss for the other.

At this writing, the problems stirred up by Nixon's "New Economic Policy" are a long way from being resolved. The so-called Group of 10, that is, the dominant capitalist nations, have agreed on a realignment of the par values of their currencies and on wider variations of exchange rates around the new parities. While they are newly fixed, there is a greater flexibility regarding alterations of exchange rates. The United States reduced the value of the dollar in terms of gold by a few percentages, and lifted the 10 per cent import surcharge as her contribution to the international compromise. The new situation constitutes a devaluation of the dollar in terms of other currencies by about 12 per cent. The "gold window" remains closed for the time being, and there is talk of demonetizing gold altogether in favor of the imaginary "gold" backing of Special Drawing Rights (SDRs), which had been invented to minimize the gold losses of the United States and gain time for straightening out imbalances in the payments system.

The agreement, however tenuous, needs to be justified in terms of economic theory, and because, at this stage of the game, America is obviously profiting from it, it is asserted that "historical experience contradicts the belief that variations in exchange rates and uncertainty in the exchange markets are obstacles to foreign trade. Never have the exchange rates of major currencies been more uncertain than in the period from 1967 to 1969, and...yet, the growth of foreign trade surpassed all previous records in these very years....No doubt, many traders lost business in these years, but their losses were more than offset by gains

made by other traders. We hear always the complaints of the losers, while the cheers of the gainers remain inaudible." (6)

This Olympian attitude, looking beyond gains and losses to behold the progress of trade as a whole, will not impress the losers nor prevent them from trying to reach the ranks of the inaudible. It means sharper competition, if not in monetary terms then by more direct economic and political means. Contrary to appearances, the money aspect is actually the least important of the capitalist economy; it merely brings to light all the difficulties that underlie its market relations. There would be no monetary problems, or, for that matter, marketing problems of the kind presently experienced, if the capitalist economy would function in the way it could be functioning effectively — that is, by an accelerating capital expansion. Although profits are realized by way of trade, they are not produced by it. The increase in trade, as noted by Machlup, may even imply an increase in production, and yet neither the one nor the other may be large or profitable enough to assure prosperous conditions with full employment. Obviously, the fact that one part of the capitalist world stagnates, while another still expands, indicates that the world economy as a whole is not accumulating fast enough to allow a general capitalist prosperity, and for this reason causes all kinds of imbalances, including that of the payments system.

"The world monetary crisis," it has aptly been said, "is basically about what economic, military, and political role the United States should play in the world, and what part of this the other industrialized countries of the world should finance." (7) But it is more than that, for although the various Western nations may realize that their own destiny depends on the economic viability of the United States, they may not be able to make the concessions demanded of them. Even now it is insisted that America should end its balance of payments deficit through its own efforts, and not simply through the mechanical effects of devaluation — that is, that American capital exports, rather than the trading surpluses

of other nations, should be curtailed. But export of capital and mounting expenditures on the part of the American government are not policies that can be exchanged with others of a less detrimental nature, but are inescapable necessities of the capitalist system at its present state of over-accumulation relative to its profitability. Since the other industrialized countries are under the sway of the same imperatives, the possibilities for finding political solutions to the arising economic frictions between the various capitalist powers are quite limited. The current "solution" of the world monetary crisis can only be a makeshift arrangement, bound to fall apart as the economic crisis intensifies.

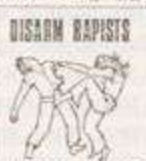
This crisis is of a world-wide nature even though it grips some nations sooner than others and with varying severity. The slowdown of capital expansion is becoming an international phenomenon implying falling profit rates and growing unemployment everywhere. Profits have been declining in Japan throughout 1971, and as regards Western Europe, according to the Organization of European Co-operation and Development, "a profit squeeze of unprecedented severity" may reduce capital expenditures below the 1970 level. With all this contraction, the terms of trade turned even further against the less developed countries and the expanding crisis embraces the world as a whole. Under these conditions all countries, following the example of the United States, will be forced to safeguard their own specific needs before considering the overall requirements of the capitalist world economy, even though it does constitute an interdependent entity. The same fiscal and monetary stimulations which prop up the American economy will serve to "stabilize" the economies of Japan and Western Europe, thus hastening the inflationary trend and disrupting the international economic relations still further.

No real solution for either the domestic or the international crisis can be found by monetary or fiscal means. Although a crisis may be postponed in this fashion, it will be so only at the cost of even greater difficulties at a later time. However one cannot stop inflation by way of inflation,

which is the unavoidable result of governmental counter-cyclical interventions in the economy. This being so, the desired payments equilibrium cannot be reached. Only in so far as Nixon's "new" economic policies succeed in raising profits and depressing wages, and only to that degree, will the present crisis be alleviated. But that is a policy as old as capitalism itself.

FOOTNOTES

- (1) Paul Samuelson on Nixonomics, Metro, Boston, December 17, 1971.
- (2) Monthly Economic Letter, September 1971.
- (3) The President's Program for the Second Phase of Wage-Price Controls, Washington, D.C., October 7, 1971.
- (4) Ibid.
- (5) Monthly Economic Letter, September 1971.
- (6) Fritz Machlup in the New York Times, December 26, 1971.
- (7) C.H. Farnsworth in the New York Times, September 16, 1971.

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INFLATION, RECESSION AND CRISIS, or Would You Buy a New Car from This Man?

Frank Ackerman and Arthur McEwan

Since Nixon announced his new economic program, the American Left has been searching for an effective reply. In its reaction to the program and the underlying economic crisis, the Left has not yet escaped some of its most familiar failings.

On the one hand, many radicals cling to an image of cataclysmic economic breakdown as the natural route to revolution: "Is this IT?" was a common question for a few days after Nixon's August 15 announcement of the new policies. On the other hand, since this never is IT, most of the Left settles down to an essentially reformist position, in this case repeating the attacks made by labor bureaucrats and liberal muckrakers on the pro-business bias of the Nixon program.

A strategy is needed which breaks out of reformism and waiting for the apocalypse. Similarly, an analysis is needed which goes beyond denunciation of the Nixon program's short-run bias while avoiding the mirage of an "inevitable" collapse of capitalism. This article presents such an analysis. We hope it will help others to elaborate new strategies for the radical movement.

We are not denying that Nixon's program is a tremendous boon to big business at the expense of workers. We believe, however, that the focus on this point has obscured other important aspects of the program and the situation that brought it about. To understand the Nixon program, one must keep in mind a simple fact — one which our President

has taken to dwelling upon in his recent news conferences — namely that capitalism is based on production for profit. To get the economy out of stagnation, to increase production and employment, Nixon must stimulate profits. If this means a benefit to business while important social needs remain unmet, so be it.

In different circumstances — the early 1940s or 1960s, for example — measures that stimulate profits may also be immediately beneficial to workers; but regardless of the immediate effect on workers, capitalism can only be made to grow by providing profitable opportunities for expansion.

Economic policies of a capitalist government are aimed at maintaining the stability or "smooth functioning" of the system. That is, the government works to protect and extend the operation of fundamental institutions of the system — the labor and capital markets and private ownership and control of the means of production. It is primarily through the workings of these institutions that exploitation takes place and power is exercised in capitalist society. By insuring the smooth functioning of these institutions, rather than by favoritism to particular groups or by corruption, the state guarantees expansion of opportunities for profit.

Nixon's new policies, as well as the more traditional economic policies that were used throughout the Kennedy-Johnson era, are a good illustration of the government insuring profits through stabilization of the economy. The switch to new kinds of policies, involving considerable political risk, is evidence that the changed economic and political situation has rendered the traditional policies far less effective than they were in the early 1960s.

An understanding of the current crisis and Nixon's program requires an analysis of the economic changes which led to the present situation. In Section 1 we trace the development of the economy and of government policy over the past decade. Initially, the particular circumstances of the early 1960s allowed the success of traditional policies. But the escalation of the Vietnam War forced the economy into several years of full employment and serious inflation.

Contrary to common belief, the inflation did not mean that capitalists gained at the expense of workers. When inflation is accompanied by increased employment, the poorest groups in society—blacks, families headed by women, and the like—may gain more through employment than they lose through inflation. In fact, the low unemployment levels of the late 1960s placed labor in an advantageous position in wage struggles; profits fell while total wages increased. This situation, clearly unacceptable to capitalist interests, led to a slowdown of business activity. In an unsuccessful attempt to end inflation, government policies precipitated the 1970-71 recession.

In Section 2 we discuss the international aspects of the current crisis. Again the Vietnam War plays a particularly significant role. A decline in the US trade position and a rise in US government spending abroad on "costs of empire"—both resulting from escalation of the war—were central factors in bringing about the balance of payments crisis. Short-term capital movements affected the timing of the crisis, but are not the underlying cause.

New trade agreements and changes in the international monetary system reflect the decline, though not the elimination, of US predominance in the "Free World". But radicals should avoid exaggerating the extent of competition among capitalist nations, and certainly should not expect a return to anything like the situation before World War I.

In Section 3 we examine the motivation and future prospects of the Nixon program. There were no major alternatives open to Nixon; waiting for inflation to subside without direct controls would have been politically impossible as well as economically difficult. The situation which required direct controls will be recurrent if not permanent. Thus direct controls will be around for some time to come. Furthermore, while there is some reason for skepticism, the controls are likely to have their intended effect: in the absence of serious political opposition, the Nixon program could succeed in short-run stabilization of the economy.

In Section 4, we conclude by considering the implications of the economic crisis for the radical movement. The im-

portance of the war, and of the war's unpopularity, in disrupting the economy should emphasize the continuing significance of anti-war actions. The political effects of the international crisis, however, are not unambiguously positive for the Left. Foreign competition with American industry could easily provide the basis for a revival of popular chauvinism.

Finally we consider the effects of the Nixon program on the organized labor movement and the consequent opportunities for radical action. We emphasize the organized labor movement not because it is a uniquely important part of the working class, but rather because its position is most drastically changed under the new policies. Traditionally, most struggles of American unions have been channeled into narrow wage struggles through the promise of ever-higher wage settlements. Wage-price controls upset this pattern of labor relations; the result could be either more radical action by workers or a more bureaucratized system of wage negotiations. The outcome is not certain, and there may well be a role for radicals in affecting the way the labor movement turns.

In our discussion we make frequent reference to data regarding the domestic economy and the international position of the US. Most of these data are included in the tables in Appendix A. All the data in the appendix tables are taken from or are easily computable from the usual government sources.

The international monetary system has been surrounded by a remarkable level of confusion in discussions of the current crisis. In Appendix B we provide some background information on the working of the system of fixed exchange rates and dollar reserves.

1. THE DOMESTIC ECONOMY

The quarter century that has elapsed since World War II should have taught radicals at least one important lesson: The US economy is no house of cards. By comparison with

earlier periods, the economy has grown quite steadily and rapidly in the postwar years. Since 1946 real gross national product has increased at an average annual rate of more than 3.5% and real per-capita income by almost 60%. (1)

During the 1960s, however, recessions caused recurrent minor interruptions in growth. In 1958, for example, unemployment reached 6.8%, the highest level of the postwar period, and real national income fell by 1%. Popular resentment at the "Republican recessions" doubtless played a major part in bringing the Democrats to power in 1960.

The Kennedy Administration was committed to active government regulation of the economy, and took several steps to counter the 1960-61 recession. Government spending, especially military spending, was increased, thereby raising the total demand for goods and services. Tax cuts in 1962 and 1964 increased the after-tax incomes, and thus the spending, of business and consumers. Interest rates on long-term loans were kept low to encourage borrowing for industrial investment, mortgages and home construction, and installment purchases. The policies seemed effective: annual growth of GNP averaged more than 5.5% in 1962-65, and unemployment dropped, although slowly, from 6.7% in 1961 to 4.5% in 1965.

Low inflation combined with persistent unemployment provided the necessary framework for the effectiveness of the government's policy in the early 1960s. Prices rose by less than 2% a year until 1966; unemployment, while declining, did not drop below 5% until after 1964. The low inflation removed any concern about the inflationary effects of deficit spending, and assured the stability necessary for corporate planning.

High unemployment made labor's bargaining power in wage negotiations weak, and therefore business could respond to the government's expansion of demand without worrying about high wage bills cutting into profits. In fact, as usual in the expansion out of a recession, profits did rise faster than wages. While the real value of total wages and salaries rose by about 25 % from 1960 to 1965, the real

value of corporate profits after taxes rose by over 60%.

The combination of low inflation and high unemployment that characterized the early 1960s, as well as most earlier recessions, has not been repeated in the current period. We will see below that the simultaneous high unemployment and high inflation of 1970-71 created contradictory pressures on the government that could not be resolved within the framework of traditional policy.

The situation of the early 1960s was politically as well as economically favorable to government stimulation of the economy. In the somewhat sleepy decade between the end of the Korean War and beginning of the Vietnam War buildup, immediate political and military demands on the government were at a remarkably low level. There were no strong domestic reform movements. There was no "hot" war going on. And the Cold War required an indefinite — that is, an easily manipulable — level of military expenditure.

Thus the Kennedy-Johnson Administration faced almost uniquely favorable economic and political circumstances for its intervention in the economy. The situation was not only unique; it was also quite brief. By 1965-66, the government was confronted with near-full employment, more rapid inflation, a war in Asia, and rising domestic opposition. In the new situation the government's economic policies were pathetically but necessarily inept.

The War Overkills the Economy

With the expansion of the war in Indochina, the Johnson Administration encountered serious difficulties in financing its military operations. In past wars, increased taxes and cutbacks in non-military government programs had provided major sources of finance. Both of these sources were largely unavailable, however, because of the unpopularity of the Vietnam War. Major tax increases or significant curtailment of popular government programs would have directly increased opposition to the war, and would have hindered Johnson's efforts to hide the whole issue. Thus

the government was forced to rely on expansion of deficit spending, with unfortunate consequences for the economy.

In a period of high unemployment, deficit spending, by expanding demand, can create more jobs, lead to rising incomes, and generate more economic growth. In a period of low unemployment, however, the expansion of demand cannot readily be met by the expansion of output. Thus, the government simply competes with the private sector for the available goods and services. The result is a rise in prices, that is, inflation. This is exactly what happened: Beginning in 1966, war financing required increased deficit spending just as the economy was reaching near-full employment, and the result was rapid inflation.

Two miscalculations may have led the Johnson Administration to believe that the inflationary effects of war deficits would not be serious. First, US warmakers kept seeing the light at the end of the tunnel and imagining that they were about to win. Therefore, war expenditures were probably initially viewed as a temporary problem. Second, at the beginning of the major escalation of the war, in 1965, unemployment, though declining, was still over 4%. It may have been hoped that a short spurt of war spending would only bring the economy to a slightly lower unemployment level without creating further inflationary pressures. This hope could conceivably have been realized if the war had ended by 1967, but the struggle of the Vietnamese people was not so easily suppressed.

Inflation, Employment, and the Role of the Government

The inflation and low unemployment after 1966 posed a number of problems for the US government. In general, the role of the government in the economy is to maintain the "smooth functioning" of the system. Besides the international complications, dealt with below, the economic conditions of the late 1960s disrupted the "smooth functioning" of both corporate planning and labor supply.

Modern capitalism very much depends on large corpora-

tions being able to make long-range plans. A steady, uniform, and predictable level of inflation can be compatible with planning. It is not crucial whether businesses know that prices will increase by zero, three, or ten per cent a year, as long as they know which it will be. For some Latin American countries, for instance, annual price increases of 10 to 15% are normal and expected; but for the US in the 1960s, price increases as high as 5 to 6% a year seriously hampered corporate planning, since they were quite unexpected.

The smooth functioning of capitalism also depends on business having a readily available supply of labor at its command. We have seen how the rapid expansion of the economy in the early 1960s was based on the availability of labor: The expansion of government demand in a time of high unemployment permitted rapidly rising profits. But in the late 1960s, unemployment rates became exceptionally low. The period 1966 through 1969 was the only four-year period since World War II in which unemployment remained below 4%.

Such conditions enhance the economic power of labor. With high employment levels workers are able to demand wage increases. Often having other family members working or having ready access to part-time and second jobs, workers hold a strong bargaining position. The bargaining power of employers is weakened, since they cannot turn to the unemployed as an alternative source of labor. They must raise wages to meet demands of those workers who are already employed and to attract more people into the workforce (such as housewives). Both ways they are forced to give up a rising share of revenue to wages and salaries.

In fact, during the late 1960s the share of national income going to labor rose, and the share going to corporate profits fell. Total wages and salaries, which had been 71% of national income in 1960 and had dropped below 70% in 1965, rose above 73% in 1969. Corporate profits before taxes were 12% of national income in 1960, almost 14% in 1965, but down below 12% in 1969. (2)

It is well-known that workers' average real take-home pay has remained roughly constant since 1965. (3) Impressive gains in money wages were quickly eroded by inflation and rising taxes. Nonetheless, the rapid expansion in the number of people employed meant that working people as a class were receiving a higher share of national income. From 1965 to 1969 the real value of total wages and salaries rose by over 23%. Average family incomes, especially those of poor families, rose rapidly with more families working; per-capita consumption continued to rise throughout the 1960s.

Corporate profits, on the other hand, rose slightly from 1965 to 1966, and then actually declined in real value. From 1965 to 1969, the real value of corporate profits after taxes declined by 10%. (4)

These figures show the crisis in which American business found itself at the beginning of the 1970s. The deteriorating state of business profits alone would certainly be enough to prompt the government to take strong actions. Also important, however, inflation meant that workers did not feel that their position was improving.

While total labor income had risen since 1965, both absolutely and as a share of national income, two factors greatly limited any positive feeling that workers might have derived from this increase in income. First, the increase had come through more work (more family members working) rather than higher real wages. Second, workers constantly saw any gains they made eaten up by higher prices. Whether or not the price rises actually outweighed wage gains, the situation was generally disconcerting. Thus government action to deal with inflation had both business and popular support.

The Limitations on the Government's Options

The Nixon Administration initially tried to solve the economic problems of the late 1960s in the traditional manner: causing a contraction of demand, by reducing the government deficit (raising taxes or lowering government spend-

ing) and raising interest rates. Such actions were designed to curtail economic activity, raise unemployment, and thus slowdown wage increases. Eventually business, in response to the lessened wage pressures and declining consumer spending, would stop raising prices, and inflation would slow down.

It all worked according to plan except for the slowing down of inflation. Unemployment was indeed raised, ushering in the 1970-71 recession. Inflation, however, continued unabated. Rather than the "either-or" choice between inflation and unemployment which faced previous administrations — the famous "trade-off" — the Nixon government found itself enjoying the worst of both.

From the above account of the 1960s it should be clear how the trade-off between unemployment and inflation operates. Beginning with high unemployment, as the economy expands unemployed workers can be drawn into production and no inflation occurs. But as unemployment falls, continuing rise in demand causes price and wage increases because different industries reach bottlenecks and cannot readily expand output, due to the increasing labor scarcity.

If the trade-off worked equally well in reverse, Nixon's initial attempts to control the economy would most likely have worked. However, once inflation becomes serious, as it did in the late 1960s, it tends to become self-perpetuating and continues after the original inflationary pressures have been eliminated. Having experienced inflation, employers and workers alike expect that there will be more, raise their prices and wages accordingly, and their collective actions fulfill their expectations in spite of the government reduction of demand. In a more competitive economy such a process would be inhibited, because a decline in demand would quickly force price reductions. But monopolistic elements in the US economy can resist pressures and maintain their prices.

So in the summer of 1971 Nixon and US capitalists found themselves in a predicament. The unemployment rate had again risen to around 6%. Traditional policies of the "new

economics" would call for an expansion of government spending. But an expansion of government spending would exacerbate the inflation, already close to 6%.

Either the Nixon Administration had to simply wait out the present situation—that is, live with the high level of unemployment until the inflation subsided—and then stimulate the economy, or it had to find some new means by which to intervene in the economy. If the elections had been further away and if the international monetary crisis could have been forestalled, the first alternative might have been feasible. But the elections were a fact, and, as we shall argue below, the international situation could not be forestalled because it could not be separated from the domestic events. Nixon had to act.

2. ORIGINS OF THE INTERNATIONAL CRISIS

As a result of the two world wars, the United States became the unchallenged leading power among the capitalist nations. In the late 1940s and early 1950s US business rapidly spread its overseas activity. It made inroads to areas that had previously been dominated, formally or informally, by Western Europe and Japan. In parts of the world where before 1914 US business had been one of many competing foreign groups—such as Brazil and Argentina—it moved to undisputed dominance by the 1950s.

Economic expansion was accompanied by spreading military and political activity. The Pentagon extended its network of bases and advisors around the globe. US diplomatic missions replaced former colonial offices as the real seats of power in much of the Third World.

But of course the extension of US political and economic power was not confined to underdeveloped areas. The Marshall Plan, the suppression of rebellion in Greece, and the maintenance of the US military presence in Germany provided a foundation for the rapid expansion of US business activity in Europe. (5)

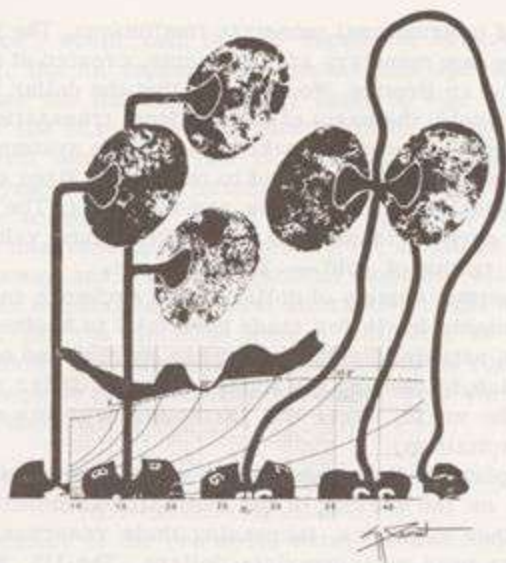
The postwar expansion of foreign trade and investment depended, among other things, on the establishment of a

new set of international monetary institutions. The key factor in the new monetary arrangements, created at the 1944 conference at Bretton Woods, was that the dollar became, along with gold, the basis of international transactions. The governments of countries taking part in the system (developed capitalist nations) agreed to maintain a fixed exchange rate between their currencies and the dollar. The US government agreed, in turn, to maintain a fixed value of the dollar in terms of gold — \$35 an ounce.

The postwar system of dollar-based exchange rates provided a stable basis for trade beneficial to business in all capitalist nations. Furthermore, the system had other aspects which, by causing the accumulation of dollar reserves around the world, serve the particular interests of United States capitalism.

As explained in Appendix B—where more details are provided on the working of the international monetary system—other countries, increasing their reserves, have a continuing need to accumulate dollars. The US, providing these dollars, can therefore spend more abroad than it receives. The foreign need for dollar reserves, in effect, finances part of the US balance of payments deficit. (Growth of dollar reserves around the world could finance almost all of the moderate US balance of payments deficit of the 1960s, but not the very large deficits of 1970-71. See Appendix A for data and Appendix B for some more details.)

What has happened, in short, is that the total dominance of the US in the international capitalist economy following World War II led to the creation of a system—partly formal and partly de facto—that further enhanced the relative position of the US.



Reconstruction and Competition

US leadership of the capitalist world after 1945 was a natural consequence of the long-run balance of power. But the extent of US predominance immediately after the war was unusually great, and clearly temporary. All the other major industrial nations had been ravaged by the war, while the US economy had benefited immensely from the stimulus of war production. With the return of peace and gradual reconstruction, European and Japanese competition with the US was sure to reappear.

The US furthermore was caught in a situation that impelled it to hasten the decline of its relative power. First, the military and strategic imperatives of the cold war required that the US build up the economies of all developed capitalist countries, including recent enemies as well as allies. Second, the expansion of the US economy was dependent on the revitalization of world trade and reopening

of opportunities for foreign investment, and this also required rebuilding the economies of Western Europe and Japan.

Even though it was clear that the relative dominance of the US had to decline, the timing and the extent of that decline remained unclear. Several counterforces operated to preserve the US position. US economic strength at the end of World War II led, as we have pointed out above, to an international financial system that continually favored US interests. Also, while the US economic dominance could be challenged, the US military might was less assailable. And so long as military hegemony could be maintained, the US economic power would have firm support.

Finally, the rise of socialism greatly affected the question of conflict and unity among capitalist nations. The military challenge and social threat of socialism would surely force a certain solidarity among capitalists even with a decline in US economic power. Indeed, the situation might force the lesser powers into greater reliance on US political and military leadership.

Genesis of the Current Crisis

It is tempting to identify the current US balance of payments crisis as the natural result of foreign competition and declining US economic predominance. Closer examination of the facts, however, suggests that more blame should be placed on direct and indirect effects of the war in Vietnam, and less on European and Japanese competition, than is commonly recognized. We can trace the weakening of the US international position in each of the three major long-term components of the balance of payments — trade, long-term investments, and costs of empire — and in the secondary effects of short-term investment. (See Appendix A, Table 2, for balance of payments data.)

Trade and Wages

Throughout the Twentieth Century the United States has had a trade surplus: Exports have exceeded imports each year until 1971. The existence of a US trade surplus may seem paradoxical. After all, wages are higher in the US than in all other parts of the world. How could US industry, paying such high wages, continue to compete with low wage producers elsewhere?

The answer is, of course, that US industry could compete so long as its higher-paid labor produced sufficiently more than other countries' lower-paid labor. Having more education (imparting both skills and discipline), better nourishment, more industrial and organizational experience, and better equipment to work with, US labor has been the most productive labor in the world, as well as the highest paid. Although some industries, such as textiles and shoes, requiring large amounts of relatively unskilled labor have long been hurt by competition from low-wage foreign industry, such cases are not typical of US industry throughout the postwar period.

The high wages of US labor would become a fetter on industry only when foreign capitalists were more successful than US capitalists in keeping productivity increases ahead of wage increases. This might be the case especially in those industries with strong US unions but weak foreign unions. But there is little reason to believe that such a phenomenon has had general importance up to this point.

Growth of multi-national corporations may accelerate the entrance of foreign labor into effective competition with US labor. A US-based multi-national enterprise can use its advanced technology, organizational skill, marketing power, and highly trained skilled labor along with cheap foreign unskilled labor.

Although such forces do possess long-term significance, their role in precipitating the current crisis seems rather limited. As recently as the first half of the 1960s, the US trade surplus was high and increasing. It is only in the late 1960s, as the war-related inflation made US goods higher

priced and less competitive in world markets (Appendix A, Table 3), that the current general deterioration in the US trade position began. The average trade surplus dropped from \$5.4 billion in 1960-65 to \$2.0 billion in 1966-71.

It seems reasonable to attribute this decline, in view of its timing, to the inflation of the late 1960s, and thus to the war spending and the domestic struggle between US capital and labor which gave rise to inflation. A decrease in the US trade surplus due primarily to foreign competition and declining productivity differentials between US and foreign workers would have been much slower and more gradual; there is no visible way that such long-term trends can explain the rising trade surplus before 1964 and the abruptly falling surplus during the Vietnam War years.

War and inflation are fundamental features of the present world capitalist system, no less than rising foreign competition. Thus it should be clear that the current trade deterioration results from some of the basic contradictions of contemporary capitalism.

Foreign Investment and Profits

Direct US investment abroad cannot be viewed as contributing to the current balance of payments problem. While foreign investment does amount to a significant outflow of dollars, it is more than offset by the foreign profits on previous investment returning to the US. The total of foreign investment plus profits on past foreign investment has been a positive and rising entry in the US balance of payments for more than a decade.

Direct foreign investment is carried on, of course, by multi-national corporations. The contradictory aspects of those corporations' foreign activity are reflected in two opposing effects on the US balance of payments. On the one hand, foreign investment by US companies may facilitate foreign competition with US industry, and thus lead toward long-run decline in the US trade balance. On the other hand foreign investment increases the extent to which the indus-

tries of all capitalist nations are under the unified control of US business. A natural expression of this control is the rising amount of foreign profit returned to the US.

It is not yet clear whether the competitive or the unifying aspect of multi-national corporate activity will be more important in the long run, either in the worldwide distribution of economic power or in the effects on the US balance of payments. Returning foreign profits could not outweigh the rapid inflation-induced deterioration in US trade in the late 1960s. However, the more gradual long-run decline in the trade balance which can legitimately be attributed to rising foreign competition might well be of a magnitude comparable to the returning foreign profits. Only guesses are available on this question. *Fortune* magazine, a usually informed, cautious source, guesses that by the late 1970s rapidly rising foreign profits will indeed outweigh a modest US trade deficit. (6)

Costs of Empire

The direct and indirect effects of economic expansion on the US balance of payments go well beyond trade, investment, and profits. The military and diplomatic operations of the US government provide a necessary support for multinational corporate activity.

The costs of empire — military and aid spending abroad — do not result from mistaken or extravagant overseas activity; they flow directly from the requirements of the capitalist system. Economic activity cannot exist in a political vacuum; it requires the active support of the state. The significant form of this support is not graft or short-run favoritism to particular businesses (though such favoritism is recurrent), but rather long-run programs designed to maintain the "smooth functioning" of the system, internationally as well as domestically.

The US government, for instance, played a leading role in establishing international monetary institutions and negotiating trade agreements. Similarly, the US provides economic aid to friendly, weak governments, and employs a

military strategy designed to keep the world safe for capitalist activity.

Aid and military operations can be costly. From 1960 to 1965, US spending abroad on the costs of empire averaged \$5.5 billion a year. When major spending for the Vietnam War commenced, the costs of empire increased, averaging \$6.9 billion a year from 1966 to 1971. Thus direct spending on the war, as well as war-related inflation, contributed to the current balance of payments problem.

Short-run Capital Flows: Precipitating the Crisis

While trade problems and costs of empire lie at the root of the crisis, the international movements of short-term capital investments affected its timing. The importance of these short-term movements should not be ignored. They reflect the increasing integration of international capital markets, and the present crisis illustrates how that integration can hamper the activity of a national government attempting to regulate "its own" economy.

The balance of payments difficulties attributable to trade and costs of empire began to appear in 1966 and became substantially more serious in 1967-69. (See the "long-run balance" in Appendix A, Table 2. This balance excludes short-run investment flows.) However rising interest rates in the US accompanied by economic difficulties in Europe resulted in a large flow of short-term investments — that is, investments in short-term bonds and securities — into the US. This forestalled for a few years the coming balance of payments problem.

By 1970, the increasing severity of the recession in the US led the government to push down interest rates so as to stimulate investment in productive activity. Instead of inducing investment, however, the lower interest rates, along with more stable conditions and higher interest rates in Europe, resulted in a huge flight of short-term capital from the US. The short-term capital flows, which amounted to a \$9.6 billion inflow to the US in 1969, plummeted all the way to a \$5.8 billion outflow in 1970 — a virtually unprecedented

change of more than \$15 billion in one year. Further declines in the US interest rate and continuing better conditions in Europe led to a further outflow of capital. In early 1971 the balance of payments deficit from short-term investment flows was running at an annual rate of \$10.7 billion. It was these dramatic shifts which brought the balance of payments crisis to a head in 1971 rather than 1969 or 1973.

Beyond the effect on the timing of the crisis, the importance of short-term capital flows is twofold. First, the increasing internationalization of capital markets, a victory for capitalist expansion, forces all major capitalist countries to maintain near-identical interest rates. Manipulation of the interest rate, one of the traditional instruments of government economic policy, can no longer be employed to counter recession or inflation.

Second, Nixon and the mass media are probably wrong in attributing these movements of short-term investment to "international speculators". More likely the culprits are not the stereotyped scheming individuals — the "gnomes of Zurich" — but rather the treasurers of US-based multinational corporations. These treasurers are responsible for the tremendous cash balances maintained by their companies; they would be remiss in their profit-maximizing duties if they failed to use their cash wherever it provided the highest quick returns. (Companies with a few million dollars of cash on hand do not keep it all in a checking account.)

Thus the internationalization of capital markets, and the use made of those markets by large corporations, limits the freedom of individual governments to regulate their economies, illustrating the contradiction that arises in advanced capitalism between international integration and nationalism.

Balance of Payments: A Summary

The forces affecting the balance of payments operate at very different speeds. Short-term investment fluctuations

are the quickest and most dramatic, sometimes reversing direction within a year or less. The effects of war and inflation are somewhat slower and less volatile; in the relevant time period they can be observed by comparing five- and six-year averages. The slowest forces, changes in foreign competition and in returning foreign profits, take decades to make themselves felt.

The shortest-term forces obviously affect the timing of any particular crisis. But a crisis caused exclusively by short-term investment flows probably would not cause serious difficulties to any major capitalist power. The "long-term balance of payments" in the appendix table shows the balance without short-term investment, and indicates that the current balance of payments crisis has longer-run causes. The trade deterioration of the late 1960s, apparently resulting from war-related inflation, and the rising costs of empire during the Vietnam War seem to be the principal factors causing the long-term balance of payments deficit. We see no evidence that the longest-term factors are significantly involved in the current crisis; important as they may become, their effects still remain limited.

3. NIXON'S PROGRAM AND WHERE IT IS LEADING

The seriousness of the international monetary crisis, coupled with the mounting pressure of domestic events and the impending election, left the Nixon Administration little leeway. The government might have waited a month or two and it might have postponed strong action even further by some lesser regulations. Having chosen to act, Nixon had no general alternative to the policy he has pursued. To succeed, the government must achieve expansion without inflation, and it must at least show signs of progress in this direction before the 1972 election—sooner than inflation could have been controlled without direct price controls. The wage-price freeze is not permanent; it will be replaced by an "incomes policy" in Phase II, permitting gradual, but still controlled, increases in wages and prices. (7) Such

controls, together with expansionary policies, were the only option Nixon possessed.

The program had to be one that would freeze everything but profits. (Only in a situation of total crisis, such as in World War II, can business be expected to tolerate a "profit freeze" of any sort; and even during that war business did not do so badly.) Aside from special provisions and the difficulty of enforcing the price side of the freeze, a wage-price freeze automatically favors profits. As output per worker rises, but wages remain constant, the amount of product sold can increase while costs are unchanged. Rising sales revenues with constant costs mean increasing profits.

In the US output per worker has been increasing at 2% to 3% annually since World War II; with increasing productivity, a wage-price freeze automatically boosts profits. (Since profits are usually about 10 to 15% of sales, 2 to 3% productivity gains would yield profit gains of 10 to 30% with fixed prices and wages.) The Phase II incomes policy will probably tie wage and price increases to productivity increases, to eliminate this extreme bias of the total freeze.

The discussion of a "profits freeze" reflects a basic misunderstanding of capitalism. For the system to grow, profits must be heated up, not frozen. That is the way capitalism works. Within the capitalist system, the controls on wages and prices, but not profits, are rational; more "humane" or "equitable" alternatives were not possible.

To call for a profits freeze, or to join the liberals in carping at the especially blatant aspects of the program, is to encourage the idea that the economy's problems could be solved by a liberal administration. But a liberal government, no less than a conservative one, would have to maintain the smooth functioning of the system. At most the talk about a profits freeze might lead a Democratic administration to a trivial increase in the corporation income tax rate, to create a pretense that business also is suffering from austerity. And beyond the profits freeze issue, most liberal politicians have only minor criticisms of Nixon's program. It is what they would have done themselves.

The efforts to expand the economy and curb inflation were dictated by the international as well as the domestic needs of US business. With wages and prices held down, the international competitiveness of US goods would improve. Here again, workers pay the costs of overcoming the crisis. And here again there was little alternative within the system.

The Meaning of Direct Intervention

It is quite significant that US capitalism has come to a point where there is no alternative to direct government intervention in the determination of wages and prices. Although many European capitalist governments have pursued these sorts of policies for years, US government and business alike have shied away from such programs. Indeed, the prerogative to make price, wage, and production decisions without government interference has long been seen by US business as the foundation of economic success.

When US business leaders welcomed the wage-price freeze, they saw it as an escape from crisis, not necessarily as a permanent new order. They will use the freeze as best they can, but if the circumstances change they may exert pressure for a return to old, indirect forms of government policy.

But are the circumstances that have produced the freeze so ephemeral? The current crisis, in both its international and its domestic aspects, results in large part from the war in Vietnam. While US intervention in Southeast Asia is not about to end, and there will no doubt be other wars in the future, military action on the scale of the late 1960s is probably not a permanent state.

Nevertheless, our analysis has suggested that the traditional policies work well only when the economy is free of serious wage-price spirals and when the government is free of strong domestic and international political constraints on its budget. The political limitations should be stressed: The stronger the opposition facing the US government at home and abroad, the greater the need for direct controls on the economy.

And even in otherwise ideal circumstances, the scope of indirect government policy is now more limited than it used to be: International movements of short-term investments force all capitalist countries to adopt nearly the same interest rates, removing one traditional policy instrument from the hands of national government.

Thus there are dim prospects for a long-lasting reversion to the old system of indirect controls. The new controls will remain a recurrent, if not quite permanent, feature of American capitalism.

Will the New Policies Work?

But the question remains: Will the new policies succeed where the old ones failed? There is little doubt that the policies can initially succeed in at least one area — controlling inflation. And if we are correct in our analysis of the current inflation as a wage-price spiral set in motion by forces no longer active, breaking the spiral may reduce inflation for a considerable period of time.

As to moving the economy out of recession, the immediate prospects for the program are less favorable. As of this writing (October 20) usual economic indicators — the industrial production index, new housing starts — show little sign of an upsurge in the economy. Nixon's intentions for Phase II and beyond remain opaque. The longer there is confusion about the program, the longer business will wait before starting new investment or expansion of production, and consequently the slower the recovery will be.

One aspect of the confusion about Nixon's intentions has been much noted by Paul Samuelson and other liberal economists. Despite proclamations that the new policies are designed to create jobs and economic expansion, Nixon's August 15 announcement projected no increase in the government deficit. Tax reductions were to be matched by reductions in government spending, including some direct cuts in government employment. But it would require an increase of the government deficit — that is, of the government's demand for goods and services beyond its tax

revenues—to obtain a strong and sustained expansion.

Rather than joining the liberal economists in "hoping" Nixon did not mean what he said, we may surmise that he has a fairly good public relations staff. The budget balancing in the initial program was necessary to make the anti-inflation program seem convincing. Later, when the election is a little closer, and when there will likely have been some success in controlling inflation, Nixon may well announce a reversal, and advocate deficit spending to attack unemployment. This announcement would leave the liberals no leg to stand on in the final months of the campaign. Until such an announcement, however, Samuelson's skepticism about the job-creating aspects of the program is justified.

From the point of view of business, the failure of the policies to reduce unemployment is not an unmitigated loss. Of course businesses do not advocate recession; but neither do they enjoy the very low unemployment rates (that is, the scarcity of labor) which characterized the late 1960s. The four-year period 1966 to 1969, when the unemployment rate stayed below 4%, was bad for profits. Businesses can be expected to encourage government policies that, while promoting economic growth, stop short of unpleasantly full employment.

A solution to the domestic crisis would go a long way toward solving the balance of payments problem as well. Effective control of inflation would increase the competitiveness of US goods in world markets, thereby increasing the US trade surplus.

But there are other issues in the international situation beyond simply the competitiveness of US goods. The real question is this: Will the US be able to establish a new set of stable political and economic relations to replace the earlier arrangements from the period of unchallenged US hegemony? Obviously, the actions taken on August 15—floating the dollar, introducing the surcharge, and so on—are only a first step toward creating those new arrangements.

In fact, the extreme measures that the Nixon Administration took, most notably the 10% surcharge on imports,

seem to be either a bluff — perhaps an opening maneuver in negotiations — or the result of an overestimation of the continued extent of US power. Most likely the surcharge will be bargained away in return for concessions abroad, such as a more rapid opening up of the Japanese economy to US investment.

It is possible, however, that the Nixon Administration will resist compromise and the situation will spark a series of countermeasures and trade wars. This alternative would work against the interests of the US-based multinational enterprises; since they include many of the largest firms in the economy, we are inclined to believe their interests will prevail.

A more difficult problem arises when the US attempts to reduce the costs of maintaining the empire. Both Nixon and Connally have emphasized the need for other advanced capitalist nations to share the costs of "free world defense". But the US faces a dilemma: It is difficult to share costs without sharing power. Only if other measures fail to improve the balance of payments will the US government willingly cede any of its military power. Such a redistribution of power, if it occurs, will mark at least as great a step away from US hegemony as does the present crisis.

4. THE ECONOMY AND THE AMERICAN LEFT

The most important issue, in any case, is to determine the political implications for radical action in the United States. One point stands out as particularly important in the analysis of both domestic and international problems: The US aggression in Southeast Asia lies at the heart of the current crisis of US capitalism.

The war was the catalyst in the domestic crisis and has placed severe constraints on the ability of the government to deal with economic problems. Partly through inflation and partly through direct war spending, the war has also brought on the international crisis.

An international crisis might have come, even in the ab-

sence of war, as a result of slower, longer-run forces like rising foreign competition. But in explaining this particular crisis, the war is the central issue. Nixon's talk of international speculators, or the fascination of many radicals with international monetary problems and long-run crises of capitalism, must not distract the Left from continued focus on the war. The analysis of the economic crisis underscores the potential of continuing anti-war action.

The usefulness of that action is twofold. First, the war would not have had nearly such serious economic consequences had the government been able to make it popular and pursue it openly. Then open taxation and direct controls (as during World War II) would have been accepted, limiting government deficits and inflation. The course followed by the economy would then have been very different.

The American Left, despite its shortcomings, has played an important role in limiting the government's ability to pursue the war. If the anti-war movement can be revitalized, the war can be made a continued burden to US capitalism. As the Left backed up the struggle of the Vietnamese and helped force Johnson to resign and Nixon to drastically alter the nature of the war, so now more action can hamper the US operation even further.

A second important lesson for action derives from the importance of the war in the present crisis. The situation provides natural opportunities for relating the immediate economic circumstances of many people to the war and to the basic nature of capitalism. A basis for such political work exists in the popular hostility toward Nixon's program, especially among organized labor. Without being unduly optimistic about the possibilities of the Left creating ties to the working class, we do see new chances both for widening the base of opposition to the war and for expanding support for a Left interpretation of the crisis.

Aside from the issues relating to the war, there is another lesson to be drawn from the international situation, relating to the new power relations among capitalist nations. While the relationship among capitalist powers is not likely to revert to a pre-World War I level of antagonism,

it is clear that national conflicts within the developed capitalist world will become increasingly important. And with those conflicts can come resurgence of popular chauvinism to supplement the waning force of anti-communism as the ideological basis for US foreign policy.

There is a significant danger that the American Left could become a party to the development of that chauvinism. The pre-World War I socialist parties of Europe illustrate that such has been the fate of our predecessors.

Furthermore, it is quite possible that conflict can develop alongside of integration of capitalist economies. As capital shifts the location of particular production activities, workers would see themselves losing jobs to foreign labor and would become easy prey for a chauvinist revival. Opportunism on the Left could easily dictate capitulation to this chauvinism in order to gain quick popularity within the working class.

...let us recognize an unassailable fact of economic life. All Americans will benefit from more profits. More profits fuel the expansion that generates more jobs. More profits mean more investment, which will make our goods more competitive in America and in the world. And more profits means that there will be more tax revenues to pay for the programs that help people in need. That's why higher profits in the American economy would be good for every person in America.

— Richard Nixon, October 7, 1971

Organized Labor and the Left

The events of these months do change class relationships in the United States. We noted at the beginning of this essay that the customary pattern of union activity in the US channels class struggle into isolated wage struggle. Such a situation creates well-known difficulties for the Left. In particular, wage struggles tend to fragment the working class

and to divert workers from struggles over control. (8)

The new circumstances created by direct controls seriously alter traditional union practices. Three possible outcomes can be suggested.

First, wage controls might transform wage disputes from conflicts with individual employers to struggles against the government. This seems unlikely, especially since the AFL-CIO leaders have agreed to serve on the government pay boards. A confrontation with the state over wage controls could only be carried out by a more radical labor movement than exists in America in 1971.

Second, with wage demands absorbed and co-opted by the new bureaucratic apparatus, union activity might increasingly focus on local struggles over working conditions and control of the workplace. This alternative is more likely than the first one; in areas where there are strong militant groups within local unions it may well happen. But imagining that local non-wage struggles could quickly become widespread probably involves exaggeration of the strength of labor radicalism today.

Finally, wage conflicts may be absorbed into the bureaucratic apparatus, but in a manner surrounded with legalistic confusions, conflicting jurisdictions of various commissions and councils, dozens of loopholes and escape clauses, and so forth. A natural tendency for labor union activity might be to convert struggles over wage demands into legal disputes, having the union lawyers try to find the right loophole in the wage controls for each union. Bureaucratized legal disputes over wages are unfortunately quite compatible with the ideology of labor leadership; it is not certain, but quite possible, that most union members will at least initially accept this new conservative pattern of union activity.

Which of these trends prevails—the tendencies toward radicalization or the tendencies toward increased bureaucratization—is ultimately a political question. There are clearly new opportunities for us to build activity within the ranks of organized labor. Without such activity the bureaucratic tendencies will surely prevail.

It would be foolish to imagine that we can have an immediate impact on the politics of organized labor. But the Nixon program of economic controls will be around for quite a while—long enough for us to develop a coherent response and perhaps become a relevant political force.

Indeed, throughout the analysis of the economic crisis, political forces play a crucial role. These political forces are conditioned, but by no means mechanically determined, by economic factors. The success or failure of the Nixon program, and the ultimate effects of the current crisis, depend on the reactions of many groups, including the Vietnamese people, the US labor movement, and other capitalist governments, as well as the American Left.

Above all, the political as well as economic effects of the war in Indochina are central to understanding the current crisis. A socialist response to the crisis must link opposition to Nixon's program both to the war and to the entire system of American capitalism.

Those who take the meat from the table

Teach contentment.

Those for whom the taxes are destined

Demand sacrifice.

Those who eat their fill speak to the hungry

Of wonderful times to come.

Those who lead the country into the abyss

Call ruling too difficult

For ordinary folk.

— Bertolt Brecht



FOOTNOTES

(1) Expressing amounts in "real" forms means that the figures have been corrected to eliminate the effects of inflation. For example, if income rose from \$100 to \$110 while there was a 5% inflation, we would say that real income increased by only 5%.

(2) The remaining roughly 15% of national income is unincorporated business income, income of farm proprietors, rental income of persons, and net interest (of financial institutions).

(3) The oft quoted average, however, obscures the real picture. First, government and agriculture workers are excluded from the figure. Second, and probably more important, since the composition of the work force has shifted with higher employment rates to include more low-paid workers — such as blacks and women — it is possible that everyone's wage could rise while the average remained constant. Imagine an economy with one man working with a wage of \$100 a week and one woman working with a wage of \$50 a week in 1965. The average wage would be \$75. In 1969 there are two women and one man. The man gets \$110 a week, each woman gets \$55 a week, and the average is \$73.33. The average goes down while everyone's wage goes up. Something like this actually was happening in the US economy during those years. The point emphasizes the fact that for political purposes it is always necessary to look beyond the simple, gross averages.

(4) This calculation uses after-tax profits, while the income share figures, above, refer to before-tax profits. See Appendix A for explanation.

(5) See H. Magdoff: *The Age of Imperialism*, Monthly Review Press, 1969, and A. MacEwan: "Capitalist Expansion, Ideology, and Intervention", *Upstart* #2, May 1971, for the arguments that back up this statement as well as the general basis of our analysis of US imperialism.

(6) S. Rose: "US Foreign Trade: There's No Need to Panic", *Fortune*, August 1971.

(7) Incomes policies are employed in several Western European countries. Under such policies an annual decision is made about how fast wages and prices should rise in the coming year, and the government then tries, with varying degrees of success, to hold companies and unions to that rate of increase.

(8) These problems are explored at length by Andre Gorz in *Upstart #1* and elsewhere.

(9) The stability of the dollar, it should be emphasized, is based on the strength of the US economy, not on the formal arrangements of the international monetary system.

(10) For data, see R. Triffin, "International Reserves in 1970 and Beyond", The Morgan Guaranty Survey, February 1971, Page 8, as cited in *Monthly Review*, October 1971, Page 8.

APPENDIX A

DOMESTIC AND INTERNATIONAL ECONOMIC DATA

Notes to Table 1

Many slight modifications of the methods of calculation used to construct Table 1 could be suggested. These would change the particular numbers in Table 1, but we believe that our major conclusions from these data would not be altered: From 1960 to 1965, in a period of slow inflation and high unemployment, capital income (profits) increased faster than labor income, but both were rising in real terms; after 1966, in a period of rapid inflation and low unemployment, capital income fell while labor income continued to rise in real terms.

For our purposes after-tax data are more appropriate than before-tax data on profits and on wages and salaries, since taxes are not part of the income actually received by capital and labor. However, data on total wages and sala-

ries after tax were not readily available. Therefore, the real value of wages and salaries, and the share of national income going to wages and salaries, had to be calculated before tax. The profit share of national income was similarly calculated before tax to preserve comparability of all figures on shares of national income. The real value of corporate profits was calculated on the more-appropriate after-tax basis, and it is therefore not directly comparable to the figures for profit share of national income.

All figures in Table 1 are computed from the Economic Report of the President, February 1971. The government budget deficits for 1946 and 1950 are not strictly comparable to the figures for later years. None of the corporate profit figures include inventory valuation adjustments. Salaries and wages include both fringe benefits and employer contributions to social security. Corporate profits are deflated by the implicit GNP deflator (1967 equals 100), and wages and salaries are deflated by the consumer price index (1967 equals 100). We believe that these are the most appropriate price indices to use in this case.

Notes to Table 2

The trade balance is US merchandise exports minus imports.

Costs of empire is US government spending abroad on military activity and foreign aid, minus US military sales abroad and foreign aid loan repayments.

Long-term investment is US direct investment abroad, net of foreign direct investment in the US.

Income on long-term investment is profits, royalties, and fees returned to the US from US foreign direct investment, net of profits, royalties, and fees leaving the US on foreign direct investment in the US.

Short-term investment and the income on it includes numerous short-term capital flows and the profits from those capital flows. Portfolio investment, a minor flow, is included under short-term investment.

Miscellaneous entries in the balance of payments include tourism, travel, and transportation expenditures, private remittances of money across national boundaries, a few small capital flows which could not easily be classified, and the substantial entry under "errors and omissions" in the US government balance of payments tables.

The balance of payments in Table 2 is the official reserve transactions balance.

The long-term balance shows what the balance of payments would have been if "short-term investments and income on it" had been zero each year.

All figures are calculated from the June 1971 Survey of Current Business. A detailed description of the method of calculation used to construct Table 2 is available on request from the authors.

"1971 I" is seasonally adjusted first-quarter 1971 data.

"1971 estimate" is four times "1971 I" — that is, it projects the first-quarter data over the whole year.

"1966-71 average" is the average of the actual data for 1966 through 1970 and the "1971 estimate".

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Table 1
DATA ON THE DOMESTIC ECONOMY
(value figures in billions of dollars)

	GDP 1954 prices	Growth Rate of GDP	Consumer Price Index 1967=100	Growth Rate of CPI	Unemploy- ment Rate	Government Surplus or (-) Deficit	Real Corporate Profits After Taxes	Real Income Going to House- hold and Salaried	Corporate Pro- fits as % of Na- tional Income	Household In- come as % of Na- tional Income	
1946	312.6		38.5			-18.2	27.3	201.3	13.5	64.8	1946
1947	355.3		72.1		5.3	- 2.2	36.5	214.4	17.7	64.1	1947
1953	438.0		80.2		4.4	- 3.0	34.9	279.9	14.7	67.8	1953
1960	487.7	2.5	88.7	1.6	5.5	.3	30.8	331.7	12.0	71.0	1960
1961	497.2	1.9	89.6	1.1	6.7	- 3.4	30.6	337.7	11.8	70.8	1961
1962	528.8	6.6	90.6	1.1	5.5	- 7.1	34.7	357.2	12.1	70.7	1962
1963	551.0	4.0	91.7	1.2	5.7	- 4.8	36.3	371.9	12.3	70.8	1963
1964	581.1	5.4	92.9	1.3	5.2	- 5.9	41.5	393.6	12.9	70.6	1964
1965	617.8	6.3	94.5	1.7	4.5	- 1.6	49.3	416.7	13.8	69.8	1965
1966	656.1	6.5	97.2	2.9	3.8	-13.8	51.5	448.0	13.6	70.2	1966
1967	675.2	2.6	100.0	2.8	3.8	- 8.7	46.6	467.2	12.2	71.3	1967
1968	707.2	4.7	104.2	4.2	3.6	-25.2	48.3	495.4	11.3	72.1	1968
1969	727.1	2.8	109.8	5.4	3.5	- 3.2	44.5	513.8	11.9	73.3	1969
1970	726.5	- .4	116.1	8.7	4.6	2.8	38.7	516.6	10.3	74.9	1970

Table 1 (Continued)

Table 2: THE U.S. BALANCE OF PAYMENTS 1960-71 (figures in \$ billions)

	Average 1960-65	Average 1966-71	1966	1967	1968	1969	1970	1970 I	1971 'estimate'
Balance of trade	+5.14	+2.04	+3.93	+3.86	+0.62	+0.66	+2.11	+0.27	+1.08
Costs of empire	-5.58	-6.94	-6.38	-7.36	-7.18	-7.17	-6.70	-1.71	-6.84
Long-term investment	-2.05	-3.41	-3.57	-2.88	-2.89	-2.42	-3.47	-1.11	-5.24
Income on long-term investment	+3.66	+6.33	+4.93	+5.51	+6.05	+6.82	+7.36	+1.83	+7.32
Short-term investment and income on it	-1.08	+0.90	+3.67	+1.07	+7.69	+9.55	-5.84	-2.68	-10.72
Miscellaneous	-2.34	-4.38	-2.36	-4.62	-2.65	-5.72	-3.28	-1.92	-7.68
Balance of payments	-2.02	-5.13	+0.22	-3.42	+1.64	+2.70	-9.82	-5.52	-22.08
Long-term balance excluding 'short-term investment'	-0.95	-6.03	-3.45	-4.49	-6.05	-6.85	-3.98	-2.84	-11.36

Table 3: INDEX OF EXPORT PRICES IN DOLLARS, 1963 = 100

	1963	1964	1965	1966	1967	1968	1969	1970	1971*
United States	100	101	104	107	110	111	115	121	126
All industrial countries (incl. U.S.)	100	102	104	106	106	105	109	116	(n.a.)
Germany	100	100	102	103	102	101	104	114	114
Japan	100	101	101	101	101	102	105	110	110

* first quarter

Source: International Monetary Fund, International Financial Statistics, October 1971, p. 32

APPENDIX B

FIXED EXCHANGE RATES AND DOLLAR RESERVES

One need not have a detailed understanding of the workings of the international monetary system to comprehend the current crisis. Nonetheless, the following general remarks may serve the reader as a useful supplement to our argument, especially that at the beginning of Section 3.

Fixed exchange rates are useful to trade because they allow a business to make plans based on knowledge of the future value of its trading partner's currencies. However, maintenance of fixed exchange rates places a considerable burden on the governments involved: They must continually prevent the normal workings of supply and demand from driving the value of their currencies up or down.

For instance, suppose that Britain experiences more rapid inflation than the countries it trades with. Then British exports become higher priced—that is, less competitive in world markets. Other countries, buying fewer British imports, have less need for pounds, so the demand for pounds declines. If currency values fluctuated freely, like the prices of stocks in the stock market, the reduced demand for the pound would immediately result in a lower price for the pound (in terms of dollars or gold).

Under the fixed exchange rate system, however, the British government must use its reserves of dollars or gold to buy pounds, thus adding to the demand for the pound and eliminating the downward pressure on its price. Simultaneously, of course, the government would make efforts to halt the inflation, restore the competitiveness of British exports, and revive the "normal" demand for the pound. (This is a hypothetical example to illustrate the workings of the exchange rate system, not an actual explanation of recent British balance of payments problems.)

Thus a country with substantial reserves can prevent short-run economic fluctuations from altering the fixed value of its currency. But it may turn out, of course, that

the causes of pressure on the value of a currency are not short-lived factors. In the capitalist world, development necessarily proceeds unevenly among countries. As a particular country falls behind or moves ahead, the fixed rate between its currency and the dollar becomes more and more out of line with the real relationship among economies. The long-run slowdown of the British economy and its decline in efficiency relative to other nations, and the long-run relative rise in efficiency of the West German economy are cases in point. Buying or selling the currency with reserves of dollars is only a stop-gap measure. Ultimately a devaluation or revaluation — a decrease or increase in the fixed value of the currency — becomes necessary. And this is exactly what happened, respectively, in Britain and West Germany.

Such an adjustment in exchange rates can be a major disturbance to international economic activity, especially when undertaken by one of the major economic powers. If, however, it occurs only infrequently, it is not a large price for capitalism to pay for the otherwise stable conditions that fixed exchange rates provide.

The postwar system of dollar-based fixed exchange rates provided a stable basis for trade beneficial to business in all capitalist nations. However, the system had other aspects which, by causing the accumulation of dollar reserves around the world, serves the particular interest of US capitalism.

The fixed exchange rate system requires that countries hold reserves in one of the stable currencies, most notably the dollar. (9) There is not enough gold, and the world supply of gold is not increasing fast enough, for it to rival the dollar as the principal reserve. The reserves held by a government (usually by the central bank) are used in the purchases of its own currency that are necessary to maintain the fixed exchange rate.

Dollar reserves do not just fall from the sky. The number of dollars in a country increases when the country has a balance of payments surplus, that is, when the country's

receipts from abroad (on exports, and so on) exceed its foreign expenditures (on imports, foreign investment, and so on). Then businesses and individuals will have more dollars than they need, sell them to the central bank for local currency, and thereby increase the government's reserves.

Conversely, when a country has a balance of payments deficit, meaning that foreign expenditures exceed receipts from abroad, more dollars are leaving than entering the country. The central bank may then have to use up some of its reserve to finance the foreign expenditures. Thus in order to build up increasing reserves, a country must over the long run have a balance of payments surplus.

The system of dollar reserves — which derives from the strength of the US economy and the system of fixed exchange rates — yields an important benefit for US business and government. Other capitalist countries have an increasing demand for dollar reserves as their economies grow. The total worldwide demand for dollars for increasing reserves has averaged close to two billion dollars a year during the 1960s. (10) To accumulate these reserves, the other capitalist countries must achieve a balance of payments surplus totaling that same amount — two billion every year.

The United States, however, as the source of all these dollars, is thereby able to run a balance of payments deficit of the same amount to supply the world with increasing revenues. In effect reserve holdings are supplying an important credit to US business and government for international operations. The US can spend several billion dollars a year on military operations abroad, foreign investment, imports, and so on, in excess of its receipts from abroad without worrying about balance of payments problems or the value of the dollar.

An analogy may clarify the role of the dollar as a reserve currency. Suppose that you were a famous movie star and all your friends saved your checks and didn't cash them in because they wanted to keep the autographs. You could

then write more checks than you could afford to cash in; your friends would be financing this extra expenditure of yours by reducing their own spending in order to save up your checks.

European central banks have no sentimental attachment to the autograph on the dollar—their reasons have been explained above—but the mechanism is the same. The need for dollar reserves provides an important credit to US business and government for international operations.

What has happened, in short is that the total dominance of the US in the international capitalist economy after World War II led to a system being established—partly formal and partly *de facto*—that further enhanced the relative position of the US.

Afterword

The above article was written in mid-October. It represents our attempt to analyze the economic crisis, its background, and the government's attempt to deal with the situation. Our hope was that the analysis would provide some basis for Left political strategy.

One important point that we attempted to make in the essay was that while US capitalism is having serious difficulties, the current crisis is not as severe or as unmanageable as many on the Left would have had us believe. Events of the last few months have tended to confirm our analysis on this point. The economic indicators are by no means as favorable as Nixon and his advisors claim, but neither do they reflect an economy sinking deeper into crisis. Between August and December the consumer price index rose at an annual rate of less than 3%. All measures of output, productivity, and national income showed moderate gains in the period. On the international level the US government now seems to be moving quite successfully toward a new set of monetary institutions that will keep the system operating for some time to come.

At the same time, it should be emphasized, real wages and salaries and the unemployment rate remained almost unchanged for more than a year while profits at the end of 1971 were up several percentage points from the same period in 1970. These data bring out a central point that we attempted to explain in the essay: From the point of view of keeping the capitalist economy going, the problem of the late 1960s was that labor was gaining too much at the expense of capital. Nixon did the necessary thing to get it going again—that is, create a situation in which capital would gain, whatever the effect on labor.

The meaning of the continuing high unemployment rates is made clear by a recent (January 26) Wall Street Journal article. Under the headlines "Conciliatory Mood: Increasingly Workers Give Up Some Benefits So as Not to Lose Jobs; Frigidaire Recalls Workers at 25-Cent Pay Decrease", the following quote sums up the current situation:

The situation at Frigidaire, where workers agreed to overhaul their three-year contract with the company, isn't unique. Across the country at large and small companies, the workers are frequently choosing to be more conciliatory when faced with the threat of losing their jobs.

That is in sharp contrast to the labor scene of recent years, both union and corporate officials agree. Not long ago, they say, rank-and-filers... would probably have been angered by the thought of concessions. But these days, they add, sagging sales and recognition of the competitive realities in a variety of industries are bringing about a softer approach.

The new "mood" is a reflection of the economic realities—realities that the Nixon program is designed to maintain.

As we have attempted to point out, however, the success of the program is more a political question than an eco-

conomic one. The anti-war movement of the late 1960s played an important role in forcing the government to precipitate the crisis of 1971, and new activity could create new constraints for the government. More important is the possibility of rank-and-file union resistance to the program. The way in which workers respond to increased economic pressure is by no means as predetermined as the above quoted Wall Street Journal article might lead us to believe. Under certain political conditions, increased economic pressure can be met with militant resistance rather than with conciliation. That possibility creates a new opportunity for the development of radical union activity. Perhaps we are over-optimistic, but we take heart from the following news item that appeared on the front page of the New York Times, January 23:

YOUNG WORKERS DISRUPT KEY G.M. PLANT

Lordstown, Ohio, January 22 — Production on the world's fastest assembly line, on which the General Motors Corporation has pinned its hopes of being able to meet foreign competition, has been seriously disrupted by mostly young workers who say they are being asked to work too hard and too fast to be able to turn out quality automobiles....

The struggle has raised a wider issue of how management can deal with a young worker who is determined to have a say as to how a job should be performed and is not so easily moved by management threats that there are plenty of others waiting in line if he does not want to do the job.

It also comes at a time when the Nixon Administration is stressing rising productivity as the way to stop inflation and the influx of foreign goods.

The costly dispute centers on whether management has eliminated jobs and distributed extra work to the remaining men to the extent that they are unable to keep up with the assembly line in the Lordstown plant....

Management has also accused workers of sabotage such as breaking windshields, breaking off rear-view mirrors, slashing upholstery, bending signal levers, putting washers in carburetors, and breaking off ignition keys....

The union, which concedes that there may have been some sabotage by a few angry workers, maintains that the bulk of the problems with the cars were a result of cutbacks in numbers of workers in a drive by management to increase efficiency and cut costs.

According to the union, the remaining workers have had to absorb the extra work and cannot keep up with the assembly line. The result, the union men say, is improperly assembled cars....

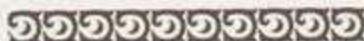
Mr. Bryner, president of the local union, on whose desk sit a peace symbol and a little book of "Revolutionary Quotations by Great Americans", said that a decision by the workers to work at their old pace to protest the changes had come from the rank and file and not from the union leadership.

"These guys have become tigers," Bryner said. "They've got guts. You used to not see them at union meetings. Now we've got them in the cafeteria singing 'Solidarity'."

In sum, while the economic crisis of 1971 has not brought US capitalism to its knees, it may have created some new opportunities for the US Left.

FA & AM: January 31, 1972

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Fables for Mr. Lear

by RIKKI

BED TIME STORY

When the wolves came to that country
They pulled up the bridges
They burned the bridges
When the lice came to that country
They burned the houses and
When the crabs came to that country
They rolled up the rivers and threw them away
When the snakes came to that country
They broke all the trees and burned the forests
When the sharks came to that country
They turned the seas to vapor
When the vultures came to that country
They flooded the deserts and they closed the skies
When the lions came to that country
They leveled the mountains
They leveled the mountains and flattened the hills
When the lizards came they filled in the hollows with sand
And when the armies of men came to that country
Nothing was left to be done
And they rejoiced



RIKKI 70

Women and the Subversion

of the Community

INTRODUCTION TO THE ENGLISH TRANSLATION

by Selma James

The following document is a product of the new women's movement in Italy. It begins to fill a need long felt internationally by a movement which every step of the way has had to start from scratch its own independent course.

Up to now the women's movement has described and documented, with profound insight and cutting precision, the degradation of women and the molding of their personality, with the intention that they would accept this degradation peacefully, would accept the role of a quiet and powerless victim. Those who have been concerned that class and not caste was fundamental have usually used their "class analysis" to undermine the movement's autonomy. "Marxist women," a movement woman from New Orleans says, "are just men in drag."

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And so they certainly seem to be when they talk on one hand about "women's struggle", and on the other hand about something bigger, something called "the general struggle". This "general struggle" I take to mean the class struggle. But there is nothing in capitalism which is not capitalistic, that is, not part of the class struggle. The questions are (a) Are women auxiliary to capitalism (as has been assumed) and therefore auxiliary to a more basic, more general struggle against capitalism? and (b) Can anything be "general" which excludes women?

The writer has confronted what to our shame has passed for Marxism within the female experience, and the result has been an analysis of women which answers not so much the question how women are degraded but the question why, in a way not as far as I know tackled before.

One great achievement of Marx was to show that the specific social relations between people in the production of the necessities of life, relations which spring up without their conscious planning, "behind the backs of individuals" (previously translated as men), distinguish one society from another. That is, in class society, the form through which the ruling class robs the exploited of their labor is unique in each historic epoch, and all other social relations in the society, from the legal framework to the type of family, reflect that form.

Where the present ruling class always tries to make its mode of production and the institutions which uphold it appear fixed and unchanging, Marx showed that history was a process of struggle of the exploited, continually provoking over long periods and in sudden revolutionary leaps qualitative changes in the basic social relations of production and in all the relations flowing from this base. The family, then, was the basic biological unit differing in form from one society to another, always with the enslaved woman as its pivot.

The women's movement has gone further. After detailing how women are conditioned to be enslaved, it has described the family as that area of society where the young are impressed to accept the discipline of capitalist relations —

which in Marxist terms begins with the discipline of capitalist work. Other women have identified the family as the center of consumption, and yet others have shown that housewives make up a hidden reserve work force: Unemployed women work behind closed doors at home, to be called out again when capital needs them elsewhere.

This document affirms all the above, but places them on another basis: The family under capitalism is a center of consumption and reserve labor, but a center also of production. When previously so-called Marxists said that the capitalist family did not produce for capitalism, was not part of social production, it followed that they repudiated women's potential social power. Or rather, presuming that women at home could not have social power, they could not see that women at home produced. If your production is vital for capitalism, refusing to produce, refusing to work, is a fundamental lever of social power.

Marx's analysis of capitalist production was not a meditation on how the society "ticked". It was a tool to find the way to overthrow it, to find the social forces who, exploited by capital, were subversive to it. Yet it was because he was looking for the forces that would inevitably overthrow capital that he could understand the roots and forces of working class subversion. It is because the writer of this document was looking for the women's lever of social power that she was able to uncover that even when women do not work out of their homes, they are vital producers.

The commodity they produce, unlike all other commodities produced under capitalism, is a living human being: the worker.

Capitalism's special way of robbing labor is by paying the worker a wage that is enough to live on (more or less) and to reproduce other workers. But this wage must always be worth substantially less than what the worker produces in the way of commodities for the capitalist. This surplus is where the capitalist's profit comes from. He buys the right to use "freely" the only thing the worker has, his or her ability to work. Capital, then, makes the ability to work a salable commodity. Marx calls it labor power.

This is a strange commodity, for this is not a thing. The ability to labor resides only in a human being whose life is consumed in the process of producing. First it must be nine months old in the womb, must be fed, clothed, and trained; then when it works its bed must be made, its floors swept, its lunchbox prepared, its sexuality if not gratified then quietened, its dinner ready when it gets home, even if this is eight in the morning from the graveyard shift. This is how labor power is produced and reproduced when it is daily consumed in the factory or the office. To describe its production and reproduction is to describe women's work.

The community therefore is not an area of freedom and leisure auxiliary to the factory, but is integral to the capitalist way of producing, and increasingly becomes regimented like a factory, what the writer calls a "social factory", where the costs of transport and rent, school and university, are all points of struggle. And this social factory has as its pivot the woman in the home producing labor power as a commodity, and her struggle not to.

It is no accident that this document has come from Italy. First of all, because so few women in Italy have jobs outside the home, the housewife's position seems fixed, and is not mediated by her neighbors working out of the home. At the same time, the fact that today millions of women elsewhere go out to work throws her situation into stark relief. The opposite is also true: The position of the working woman can never be seen clearly, and our movement is severely handicapped unless the home is seen to be central to every female's position.

Second, the working class in Italy has a unique history of struggle. It has behind it factory takeovers in the early '20s, the defeat by capitalism in its fascist version, and then an armed underground resistance against it. (I hope by now there was no need to add that this was a movement of men and women.) In the postwar years were added to its ranks workers from Southern Italy who, emigrating from an area of underdevelopment, were new to and rebellious against the discipline of wage labor. By 1969 this working class by its struggles was able to orient to itself a massive student movement and create an extra-parliamentary Left which is unique in Europe.

Without the integration of women into its political perspective as an autonomous force, the politics of the extra-parliamentary Left are, to say the least, incomplete (which of course is to say that this Left is organizationally and politically dominated by male arrogance. But they concentrate on the class, despite jargon they have broken from the dominant European Leftist ideology which was eurocentric and intellectual, and above all they bring all this to bear to advance and engage in direct offensive action.

One of the dominant categories of European thought from which the Italian Left has broken is the concept that the working class in the United States is "backward". In the eyes of the European Left, the black movement was an exotic historical accident external to the class, and the standard of living of the most powerful layers of the class was a gift of capital, not the fruits of bitter struggle. What was not European, even when it was white, was not quite "civilized". This racism pre-dates the slave trade, and has fed off the conquests of imperial states since 1492.

The writer sees in the class struggle in the United States the most advanced expression of the class internationally; sees the class as international. This is clear from the way references to the US and the Third World are integral to her outlook. An analysis of class based on an objective relationship of forces can evaluate women's struggle as it continues to unfold by its causes and its effects, rather than by a pre-ordained level of "political consciousness".

In the UK and the US (and no doubt in other countries of the West) the women's movement had and has to repudiate the refusal of the white Left to see any other area of struggle than the factory in the metropolis.

In Italy, the women's movement, while it works out its own autonomous mode of existence against the Left and the student movement, is clashing on a ground which, apparently, these latter had covered: how to organize the struggle at the community level. What they proposed for the struggle in the community, it turns out, was just an extension, a mechanical projection of the factory struggle: The male worker continued to be the central figure. The women's movement considers the community as primarily the

home, and considers therefore the woman as the central figure of subversion in the community. Seen in this way, women are the contradiction in all of the previous political frameworks, and widen the possibilities of our own struggle in whatever country our international movement happens to be.

Women and the Subversion of the Community

Mariarosa Dalla Costa

In recent years, especially in the advanced capitalist countries, there have developed a number of women's movements of different orientations and range, from those which believe the fundamental conflict in society is between men and women to those focusing on the position of women as a specific manifestation of class exploitation.

If at first sight the position and attitudes of the former are perplexing, especially to women who have had previous experience of militant participation in political struggles, it is, we think, worth pointing out that women for whom sexual exploitation is the basic social contradiction provide an extremely important index of the degree of our own frustration, experienced by millions of women both inside and outside the movement. There are those who define their own lesbianism in these terms (we refer to views expressed by a section of the movement in the US in particular): "Our associations with women began when, because we were together, we could acknowledge that we could no longer tolerate relationships with men, that we could not prevent these

becoming power relationships in which we were inevitably subjected. Our attentions and energies were diverted, our power was defused and its objectives delimited." From this rejection has developed a movement of gay women which asserts the possibilities of a relationship free of a sexual power struggle, free of the biological social unit, and asserts at the same time our need to open ourselves to a wider social and therefore sexual potential.

Now in order to understand the frustrations of women expressing themselves in ever-increasing forms, we must be clear what in the nature of the family under capitalism precipitates a crisis on this scale. What began with Capitalism was the more intense exploitation of women as women—and the possibility at last of their liberation. These observations are an attempt to define and analyze the "Woman Question", and to locate this question in the entire "female role" as it has been created by the capitalist division of labor.

We place foremost in these pages the housewife as the central figure in this female role. We assume that all women are housewives and even those who work outside the home continue to be housewives. That is, on a world level, it is precisely what is particular to domestic work, not only as number of hours and nature of work, but as quality of life and quality of relationships which it generates, that determines a woman's place wherever she is and to whichever class she belongs. We concentrate here on the position of the working class women, but this is not to imply that only working class women are exploited. Rather it is to confirm that the role of the working class housewife, which we believe has been indispensable to Capitalist production, is the determinant for the position of all other women. Every analysis of women as a caste, then, must proceed from the analysis of the position of working class housewives.

In order to see the housewife as central, it is first of all necessary to analyze briefly how capitalism has created the modern family and the housewife's role in it, by de-

stroying the type of family group or community which previously existed. This process is by no means complete. While we are speaking of the Western world and Italy in particular, we wish to make clear that to the extent that the capitalist mode of production also brings the Third World under its command, the same process of destruction must and is taking place there. Nor should we take for granted that the family as we know it today in the most technically advanced Western countries is the final form the family can assume under capitalism. But the analysis of new tendencies can only be the product of an analysis of how capitalism created this family and what women's role is today, each as a moment in a process.

We propose to complete these observations on the female role by analyzing as well the position of the woman who works outside the home, but this is for a later date. We wish merely to indicate here the link between two apparently separate appearances: that of the housewife and that of the working woman.

The day-to-day struggles that women have developed since the second World War run directly against the organization of the family and of the home. The "unreliability" of women that the bosses complain about has grown rapidly. The trend to more absenteeism, to less respect for timetables, to higher job mobility, is shared by young men and women workers. But where the man for crucial periods of his youth will be the sole support of a new family, women who on the whole are not restrained in this way, who must always consider the job at home, and who in any case always stand with one foot outside of "society", are bound to be even more disengaged from work discipline, forcing disruption of the productive flow and therefore higher costs to capital. (This is one excuse for the discriminatory wages which many times over make up for capital's loss.) It is this same trend of disengagement which we experience when groups of housewives leave their children with their husbands at work; this is and will increasingly be one of the decisive forms of the crisis in the systems of the factory and of the social factory.

THE ORIGINS OF WOMAN'S SOCIALIZED LABOR

In pre-capitalist patriarchal society the home and the family were central to agricultural and artisan production. With the advent of capitalism the socialization of production was organized with the factory as its center. Those who worked in the new productive centers received a wage. Those who were excluded did not. Women, children, and the aged lost the relative power that derived from the family's dependence on their labor, which had been seen to be social and necessary. Capital, destroying the family and the community and production as one whole, on the one hand has concentrated basic social production in the factory and the office, and on the other has detached the man from the family and turned him into a wage laborer. It has put on the man's shoulders the burden of financial responsibility for women, children, the old, and the ill, all those who did not procreate and service those who worked for wages. The first to be excluded from the home, after men, were children; children were sent to school. The family ceased to be not only the productive, but also the educational center.

To the extent that men had been the despotic heads of the patriarchal family, based on a strict division of labor, the experience of women, children, and men was a contradictory experience which we inherit. But in pre-capitalist society the work of each member of the community of serfs was seen to be directed to a purpose: either to the prosperity of the feudal lord or to survival. To this extent the whole community of serfs was compelled to be co-operative in a unity of unfreedom that involved to the same degree women, children, and men, which capitalism had to break. In this sense the unfree individual, the democracy of unfreedom (1), entered into a crisis. The passage from serfdom to free labor power separated the male from the female proletariat and both of them from their children. The unfree patriarch was transformed into the "free" wage earner, and upon the contradictory experience of the sexes and the generations was built a more profound estrangement but also, therefore, a subversive relation.

We must stress that this separation of children from adults is essential to an understanding of the full signifi-

cance of the separation of women from men, to grasp fully how the organization of the struggle on the part of the women's movement, even when it takes the form of a violent rejection of any possibility of relations with men, can only aim to overcome the separation which is based on the "freedom" of wage labor.

The analysis of the school which has emerged during recent years — particularly with the advent of the student movement — has clearly identified the school as a center of ideological discipline and of the shaping of the labor force and its masters. What has perhaps never emerged, or at least not in its profundity, is precisely what precedes all this; and that is the usual desperation of children on their first day of nursery school, when they see themselves dumped into a class and their parents desert them. But it is precisely at this point that the whole story of school begins.

Seen in this way, the elementary school children are not those appendages who, merely by the demands "free lunches, free fares, free books", learnt from the older ones, can in some way be united with the students of the higher schools. (2) In elementary school children, in those who are the sons and daughters of workers, there is always an awareness that school is in some way setting them against their parents, and consequently there is an instinctive resistance to studying and to being "educated". This is the resistance for which black children are confined to educationally subnormal schools in Britain. (3) The European working class child, like the black working class child, sees in the teacher somebody who is teaching him or her something against her mother and father, not as a defense of the child but as an attack on the class. Capitalism is the first productive system where the children of the exploited are disciplined and educated in institutions organized and controlled by the ruling class. (4) (The final proof that this alien indoctrination which begins in nursery school is based on the splitting of the family is that those working class children who arrive — those few who do arrive — at uni-

THE ORIGINS OF WOMAN'S SOCIALIZED LABOR

versity are so brainwashed that they are unable any longer to talk to their community.)

Working class children then are the first who instinctively rebel against schools and the education provided in schools. But their parents confine them to schools because they are concerned that their children should "have an education", that is, be equipped to escape the assembly line or the kitchen to which they, the parents, are confined. If a working class child shows particular aptitudes, the whole family immediately concentrates on this child, gives him the best conditions, often sacrificing the others, with the hope that he will carry them all out of the working class. This in effect becomes the way capital moves through the aspirations of the parents to enlist their help in disciplining fresh labor power.

(In Italy parents less and less succeed in sending their children to school. Children's resistance to school is always increasing even if this is not yet organized resistance.)

At the same time that the resistance of children grows to being educated in schools, so does their refusal to accept the definition that capitalism has given of their age. Children want everything they see; they do not yet understand that in order to have things one must pay for them, and in order to pay for them one must have a wage, and therefore one must also be an adult. No wonder it is not easy to explain to children why they cannot have what television has told them they cannot live without.

But something is happening among the new generation of children and youth which is making it steadily more difficult to explain to them the arbitrary point at which they reach adulthood. Rather the younger generation is demonstrating their age to us: In the Sixties six-year-olds have already come up against police dogs in the South of the United States. Today we find the same phenomenon in Southern Italy and Northern Ireland, where children have been as active as adults in the revolt. When children (and women) are recognized as integral to history, no doubt other examples will come to light of very young people's

participation (and of women's) in revolutionary struggles. What is new is the autonomy of their participation in spite of and because of their exclusion from direct production. In the factories youth refuse the leadership of older workers, and in the revolts in the cities they are the diamond point. In the metropolis generations of the nuclear family have produced youth and student movements that have initiated the process of shaking the framework of constituted power; in the Third World the unemployed youth are often in the streets before the working class organized in trade unions.

(It is worth recording what The Times of London recently published concerning a headteachers' meeting called because one of them was admonished for killing a pupil: "Disruptive and irresponsible elements lurk around every corner with the seemingly planned intention of eroding all forces of authority." This "is a plot to destroy the values on which our civilization is built and of which our schools are some of the finest bastions.")

We wanted to make these few comments on the attitude of revolt that is steadily spreading among children and youth, especially from the working class and particularly black people, because we believe this to be intimately connected with the explosion of the women's movement and something which the women's movement itself must take into account. We are dealing here with the revolt of those who have been excluded, who have been separated by the system of production, and who express in action their need to destroy the forces that stand in the way of their social existence, but lived this time by individuals.

Women and children have been excluded. The revolt of the one against exploitation through exclusion is an index of the revolt of the other.

To the extent to which capital has recruited the man and turned him into a wage laborer, it has created a fracture between him and all the other proletarians without a wage

who, not participating directly in social production, were thus presumed incapable of being the subjects of social revolt.

Since Marx, it has been clear that capital rules and develops through the wage, that is, that the foundation of capitalist society was the wage laborer and his or her direct exploitation. What has been neither clear nor assumed by the organizations of the working class movement is that precisely through the wage the exploitation of the non-wage laborer has been organized. This exploitation has been even more effective because the lack of a wage hid it. That is, the wage commanded a larger amount of services than appeared in factory bargaining. Where women are concerned, their labor appeared to be a personal service outside of capital. The woman seemed only to be suffering from male chauvinism, being pushed around because capitalism meant general "injustice" and "bad and unreasonable behavior"; the few (men) who noticed convinced us that this was "oppression" but not exploitation. But "oppression" hid another and more pervasive aspect of capitalist society. Capital excluded children from the home and sent them to school not only because they are in the way of others' more "productive" labor or only to indoctrinate them. The rule of Capital through the wage compelled every able-bodied person to function, under the law of division of labor, and to function in ways that are if not immediately, then ultimately profitable to the expansion and extension of the rule of capital. That, fundamentally, is the meaning of school. Where children are concerned their labor appears to be learning for their own benefit.

Proletarian children have been forced to undergo the same education in the schools: this is capitalist leveling against the infinite possibilities of learning. Woman on the other hand has been isolated in the home, forced to carry out work that is considered unskilled, the work of giving birth to, raising, disciplining, and servicing the worker for production. Her role in the cycle of social production remained invisible because only the product of her labor, the laborer, was visible there. She herself was thereby trapped

within pre-capitalist working conditions and never paid a wage. (And when we say "pre-capitalist working conditions" we do not refer only to women who have to use brooms to sweep. Even the best equipped American kitchens do not reflect the present level of technological development; at most they reflect the technology of the 19th century. If you are not paid by the hour, within certain limits, nobody cares how long it takes you to do your work.)

This is not only a quantitative but a qualitative difference from other work, and it stems precisely from the kind of commodity that this work is destined to produce. Within the capitalist system generally, the productivity of labor doesn't increase unless there is a confrontation between capital and class: technological innovations and co-operation are at the same time moments of attack for the working class and moments of capitalistic response. But if this is true for the production of commodities generally, this is not true for the production of that special kind of commodity, labor power. If technological innovation can lower the limit of necessary work, and if the working class struggle in industry can use that innovation for gaining free hours, the same cannot be said of the housework; to the extent that she must in isolation procreate, raise, and be responsible for children, a high mechanization of domestic chores doesn't free any time for the woman. She is always on duty, for the machine doesn't exist that makes and minds children. (5) A higher productivity of domestic work through mechanization, then, can be related only for specific services, for example cooking, washing, cleaning. Her workday is unending not because she has no machines, but because she is isolated. (6)

With the advent of the capitalist mode of production, then, women were relegated to a condition of isolation, enclosed within the family cell, dependent in every aspect on men. The new autonomy of the free wage slave was denied her, and she remained in a pre-capitalist stage of personal dependence, but this time more brutalized because in contrast to the large-scale highly socialized production which now

prevails. Woman's apparent incapacity to do certain things, to understand certain things, originated in her history, which is a history very similar in certain respects to that of "backward" children in special educational sub-normal classes. To the extent that women were cut off from direct socialized production, and isolated in the home, all possibilities of social life outside the neighborhood were denied them, and hence they were deprived of social knowledge and social education. When women are deprived of wide experience of organizing and planning collectively industrial and other mass struggles, they are denied a basic source of education, the experience of social revolt. And this experience is primarily the experience of learning your own capacities, that is, your power, and the capacities, the power, of your class. Thus the isolation from which women have suffered has confirmed to society and to themselves the myth of female incapacity.

It is this myth which has hidden, firstly, that to the degree that the working class has been able to organize mass struggles in the community, rent strikes, struggles against inflation generally, the basis has always been the unceasing informal organization of women there; secondly, that in struggles in the cycle of direct production women's support and organization, formal and informal, has been decisive. At critical moments this unceasing network of women surfaces and develops through the talents, energies, and strength of the "incapable female". But the myth does not die. Where women could together with men claim the victory—to survive (during unemployment) or to survive and win (during strikes)—the spoils of the victor belonged to the class "in general". Women rarely if ever got anything specifically for themselves; rarely if ever did the struggle have as an objective in any way altering the power structure of the home and its relation to the factory. Strike or unemployment, a woman's work is never done.

Never as with the advent of capitalism has the destruction of woman as a person meant also the immediate diminution of her physical integrity. Feminine and masculine

sexuality had already before capitalism undergone a series of regimes and forms of conditioning. But they had also undergone efficient methods of birth control, which have unaccountably disappeared. Capital established the family as the nuclear family and subordinated within it the woman to the man, as the person who, not directly participating in social production, does not present herself independently on the labor market. As it cuts off all her possibilities of creativity and of the development of her working activity, so it cuts off the expression of her sexual, psychological, and emotional autonomy. We repeat: never had such a stunting of the physical integrity of woman taken place, affecting everything from the brain to the uterus. Participating with others in the production of a train, a car, or an airplane is not the same thing as using in isolation the same broom in the same few square feet of kitchen for centuries.

This is not a call for equality of men and women in the construction of airplanes, but merely the assumption that the difference between the two histories not only determines the differences in the actual forms of struggle but brings also finally to light what has been invisible for so long: the different forms women's struggles have assumed in the past. In the same way as women are robbed of the possibility to develop their creative capacity, they are robbed of their sexual life which has been transformed into a function for reproducing labor power: The same observations which we made on the technological level of domestic services apply to birth control (and, by the way, the whole field of gynecology), research into which until recently has been continually neglected, while women have been forced to have children and were forbidden the right to have abortions when, as was to be expected, the most primitive techniques of birth control failed.

From this complete diminution of woman, capital constructed the female role, and has made the man in the family the instrument of this reduction. The man as wage worker and head of the family was the specific instrument of this specific exploitation which is the exploitation of women.

In this sense we can explain to what extent the degraded relationships between men and women are determined by the fracturing that society has imposed between men and women, subordinating woman as object, the complement to man. And in this sense we can see the validity of the explosion of tendencies within the women's movement in which women want to conduct the struggle against men as such (7) and no longer wish to use their strength to sustain even sexual relationships with them, since each of these relationships is always frustrating. A power relation precludes any possibility of affection and intimacy, yet between men and women power as its right commands sexual affection and intimacy. In this sense, the gay movement is the most massive attempt to disengage sexuality and power.

But homosexuality generally is at the same time rooted in the framework of capitalist society itself: women at home and men in factories and offices, separated one from the other for the whole day; or a typical factory of 1,000 women with 10 foremen; or a typing pool (of women, of course) that works for 50 professional men. All these situations are already a homosexual framework of living.

Capital while it elevates heterosexuality to a religion, at the same time in practice makes it impossible for men and women to be in touch with each other, physically or emotionally—it undermines heterosexuality except as a sexual, economic, and social discipline.

We believe that this is a reality from which we must begin. The explosion of the gay tendencies have been and are important for the movement itself because they pose the urgency to claim for itself the specificity of women's struggle and above all to clarify in all their depths all facets and connections of the exploitation of women.

WOMEN AND THE REVOLUTION

At this point then we would like to begin to clear the ground of a certain point of view which orthodox Marxism, especially in the ideology and practice of so-called Marxist

parties, has always taken for granted. And this is: when women remain outside social production, that is, outside the socially organized productive cycle, they are also outside social productivity. The role of women, in other words, has always been seen as that of a psychologically subordinated person, and, except where she is marginally employed outside the home, essentially a supplier of a series of use values in the home. This basically was the viewpoint of Marx who, observing what happened to women working in the factories, concluded that it would have been better for them to be at home, where resided a morally higher form of life. But the true nature of the role of housewife never emerges clearly in Marx. Yet observers have noted that Lancashire women, cotton workers for over a century, are more sexually free and helped by men in domestic chores. On the other hand, in the Yorkshire coal mining districts where a low percentage of women worked outside the home, women are more dominated by the figure of the husband. Even those who have been able to define the exploitation of women in socialized production could not then go on to understand the exploited position of women in the home; men are too compromised in their relationship with women. For that reason only women can define themselves and move on the woman question.

We have to make clear that, within the wage, domestic work not only produces use values but is an essential function in the production of surplus value. This is true of the entire female role as a personality subordinated at all levels, physical, psychological, and occupational, which has had and continues to have a precise and vital place in the capitalist division of labor, in the pursuit of productivity at the social level.

Let us examine more specifically the role of women as a source of social productivity, that is, of surplus-value-making. Firstly within the family.

A. It is often asserted that, within the definition of wage labor, women in domestic labor are not productive; in fact precisely the opposite is true if one thinks of the enormous quantity of social services which capitalist organization

transforms into privatized activity, putting them on the backs of housewives. Domestic labor is not essentially "feminine work"; a woman does not work less or get less exhausted than a man from washing and cleaning. These are social services inasmuch as they serve the reproduction of labor power. And capital, precisely by instituting its family structure, has "liberated" the man from these functions so that he is completely "free" for direct exploitation; so that he is free to "earn" enough for a woman to reproduce him as labor power. It has made men wage slaves, then, to the degree that it has succeeded in allocating these services to women in the family, and by the same process controlled the flow of women onto the labor market. In Italy women are still necessary in the home and capital still needs this family. At the present level of development in Europe generally, in Italy in particular, capital still prefers to import its labor power — in the form of millions of men from underdeveloped areas — while at the same time consigning women to the home. (8)

And women are of service not only because they carry out domestic labor without a wage and without going on strike, but also because they always receive back into the home all those who are periodically expelled from their jobs by economic crisis. The family, this maternal cradle always ready to help and protect in time of need, has been in fact the best guarantee that the unemployed do not immediately become a horde of disruptive outsiders.

The organized parties of the working class movement have been careful not to raise the problem of domestic work. Aside from the fact that they have always treated women as a lower form of life, even in factories, to raise the problem would be to challenge the whole basis of the trade unions as organizations that deal (a) only with the factory; (b) only with a measured and "paid" work day; (c) only with that side of wages which is given to us and not with the side of wages which is taken back, that is, inflation. Women have always been forced by the working class parties to put off their liberation to some hypothetical

future, making it dependent on the gains that men, limited in the scope of their struggles by these parties, win for "themselves".

In reality, every phase of working class struggle has fixed the subordination and exploitation of women at a higher level. The proposal of pensions for housewives (9) (and this makes us wonder why not a wage) serves only to show the complete willingness of these parties further to institutionalize women as housewives and men as wage slaves.

Now it is clear that not one of us believes that emancipation, liberation, can be achieved through work. Work is still work, whether inside or outside the home. The independence of the wage earner means only being a "free individual" for capital, no less for women than for men. (Those who advocate that the liberation of the working class woman lies in their getting jobs outside the home are part of the problem, not the solution. Slavery to an assembly line is not a liberation from slavery to a kitchen sink. To deny this is also to deny the slavery of the assembly line itself, proving again that if you don't know how women are exploited, you can never really know how men are. But this question is so crucial that we deal with it separately.) What we wish to make clear here is that by the non-payment of a wage when we are producing in a world capitalistically organized, the figure of the boss is concealed behind that of the husband. He appears to be the sole recipient of domestic services, and this gives an ambiguous and slavlike character to housework. The husband and children, through their loving involvement, their loving blackmail, become the first foremen, the immediate controllers of this labor.

The husband tends to read the paper and wait for his dinner to be cooked and served, even when his wife goes out to work as he does and comes home with him. Clearly, the specific form of exploitation represented by domestic work demands a corresponding, specific form of struggle, namely the women's struggle, within the family.

If we fail to grasp completely that precisely this family is the very pillar of the capitalist organization of work, if

we make the mistake of regarding it only as a superstructure, dependent for change only on the stages of the struggle in the factories, then we will be moving in a limping revolution that will always perpetuate and aggravate a basic contradiction in the class struggle, and a contradiction which is functional to capitalist development. We would, in other words, be perpetuating the error of considering ourselves as producers of use values only, of considering housewives external to the working class. As long as housewives are considered external to the class, the class struggle at every moment and any point is impeded, frustrated, and unable to find full scope for its action. To elaborate this further is not our task here. To expose and condemn domestic work as a masked form of productive labor, however, raises a series of questions concerning both the aims and the forms of struggle of women.

In fact, the demand that would follow, namely "pay us wages for housework", would run the risk of looking, in the light of the present relationship of forces in Italy, as though we wanted to further entrench the condition of institutionalized slavery which is produced with the condition of housework—therefore such a demand could scarcely operate in practice as a mobilizing goal. The problem is, therefore, to develop forms of struggle which do not leave the housewife peacefully at home, at most ready to take part in occasional demonstrations through the streets, waiting for a wage that would never pay for anything; rather we must discover forms of struggle which immediately challenge the whole structure of domestic work, rejecting it absolutely, rejecting our role as housewives and the home as the ghetto of our existence, since the problem is not only to stop doing this work, but to smash the entire role of housewife. The starting point is not how to do housework more efficiently, but how to find a place as protagonist in the struggle; that is, not a higher productivity of domestic labor but a higher subversiveness in the struggle.

To immediately overthrow the relation between time-given-to-housework and time-not-given-to-housework: it is not necessary to spend time each day ironing sheets and curtains, cleaning the floor until it sparkles nor to dust every day. And yet many women still do that. Obviously it is not because they are stupid: once again, we are reminded of the parallel we made earlier with the sub-normal school. In reality, it is only in this work that they can realize an identity, precisely because, as we said before, capital has cut them off from the process of socially organized production.

But it does not automatically follow that to be cut off from socialized production is to be cut off from socialized struggle: struggle demands time away from housework, and at the same time it offers an alternative identity to the woman who before found it only at the level of the domestic ghetto. In the sociality of struggle women discover and exercise a power that effectively gives them a new identity. The new identity is and can only be a new degree of social power.

The possibility of social struggle arises out of the socially productive character of women's work in the home. It is not only or mainly the social services provided in the home that make women's role socially productive, even though in fact at this moment these services are identified with women's role. But capital can technologically improve the conditions of this work. What capital does not want to do for the time being, in Italy at least, is to destroy the position of the housewife as the pivot of the nuclear family. For this reason there is no point in our waiting for the automation of domestic work, because this will never happen: the maintenance of the nuclear family is incompatible with the automation of these services. To really automate them, capital would have to destroy the family as we know it, that is, it would be driven to socialize in order to automate fully. We all know all too well what their socialization means: it is at the very least the opposite of the Paris Commune!

(The new leap that capitalist reorganization could make and that we can already smell in the US and in the more advanced capitalist countries generally is to destroy the pre-capitalist isolation of production in the home by constructing a family which more nearly reflects capitalist equality and its domination through co-operative labor; to transcend "the incompleteness of capitalist development" in the home, with the pre-capitalist, unfree woman as its pivot, and make the family more nearly reflect in its form its capitalist productive function, the reproduction of labor power.)

To return then to what we said above: women, housewives, identifying themselves with the home, tend to a compulsive perfection in their work. We all know the saying too well: You can always find work to do in a house.

There, they don't see beyond their own four walls. The housewife's situation as a pre-capitalist mode of labor and consequently this "femininity" imposed upon her, makes her see the world, the others and the entire organization of work as a something which is obscure, essentially unknown and unknowable; not lived; perceived only as a shadow behind the shoulders of the husband who goes out each day and meets this something.

So when we say that women must overthrow the relation of domestic-work-time to non-domestic-time and must begin to move out of the home, we mean that their point of departure must be precisely this willingness to destroy the role of housewife, in order to begin to come together with other women, not only as neighbors and friends but as workmates and anti-workmates; thus breaking the tradition of privatized female, with all its rivalry, and reconstructing a real solidarity among women: Not solidarity to defend the status quo, but solidarity for the attack.

A common solidarity against a common form of labor. In the same way, women must stop meeting their husbands and children only as wife and mother, that is, at mealtime after they have come home from the outside world. Every

place of struggle outside the home, precisely because every sphere of capitalist organization presupposes the home, offers a chance for attack by women; factory meetings, neighborhood meetings, student assemblies, each of them are legitimate places for women's struggle, where women can meet and confront men — women versus men, if you like, but as individuals, rather than mother-father, son-daughter, with all the possibilities this offers to explode outside of the house the contradictions, the frustrations, that capital has wanted to implode within the family.

If women demand in workers' assemblies that the night-shift be abolished because at night, because besides sleeping, one wants to make love (and it's not the same as making love during the day, if the women work during the day), that would be advancing their own independent interests as women against the social organization of work, refusing to be unsatisfied mothers for their husbands and children. In this new intervention and confrontation women are also expressing that their interests as women are not, as they have been told, separate and alien from the interests of the class. For too long political parties, especially of the left, and trade unions have determined and confined the areas of working class struggle. To make love and to refuse night work to make love, is the interest of the class. To explore why it is women and not men who raise the question is to shed new light on the whole history of the class.

To meet your sons and daughters at a student assembly is to discover them as individuals who speak among other individuals; it is to present yourself to them as an individual. Many women have had abortions and very many have given birth. We can't see why they should not express their point of view as women first, whether or not they are students, in an assembly of medical students. (We do not give the medical faculty as an example by accident. In the lecture hall and in the clinic, we can see once more the exploitation of the working class not only when third class patients exclusively are made the guinea pigs for research. Women especially are the prime objects of experimentation

and also of the sexual contempt, sadism, and professional arrogance of doctors.)

To sum up: the most important thing becomes precisely this explosion of the women's movement as an expression of the specificity of female interests hitherto castrated from all its connections by the capitalist organization of the family; this has to be waged in every quarter of this society, each of which is based precisely on the suppression of these interests, since the entire class exploitation has been built upon the specific mediation of women's exploitation.

And so as a women's movement we must pinpoint every single area in which this exploitation is located, that is, we must regain the whole specificity of the female interest in the course of waging the struggle.

Every opportunity is a good one: Housewives of families threatened with eviction can object that their housework has more than covered the rent of the months they didn't pay. On the outskirts of Milan, many families have already taken up this form of struggle. Electric appliances in the home are lovely things to have, but for the workers who make them, to make many is to spend time and to exhaust yourself. That every wage has to buy all of them is tough, and presumes that every wife must run all these appliances alone; and this only means that she is frozen in the home, but now on a more mechanized level. Lucky worker, lucky wife !

The problem is not solved by having communal canteens as in Italy. We must remember that capital makes Fiat for the workers first, then their canteen. For this reason to demand a communal canteen in the neighborhood without integrating this demand into a practice of struggle against the organization of labor, against labor time, risks giving the impetus for a new leap that, on the community level, would regiment none other than women in some alluring work so that we will then have the possibility at lunchtime of eating shit collectively in the canteen. We want them to know that this is not the canteen we want, nor do we want play centers or nurseries of the same order. We want can-

teens too, and nurseries and washing machines and dishwashers, but we also want choices: to eat in privacy with few people when we want, to have time to be with children, to be with old people, with the sick, when and where we choose. To "have time" means to work less. To have time to be with children, the old, and the sick does not mean running to pay a quick visit to the garages where you park children or old people or invalids. It means that we, the first to be excluded, are struggling so that all those other excluded people, the children, the old, and the ill, can reappropriate the social wealth; to be re-integrated with us and all of us with men, not as dependents but autonomously, as we women want for ourselves; since their exclusion, like ours, from the directly productive social process, from social existence, has been created by capitalist organization.

Hence we must refuse housework as women's work, as work imposed upon us, which we never invented, which has never been paid for, in which they have forced us to cope with absurd hours, 12 and 13 a day, in order to force us to stay at home.

We must get out of the house; we must reject the home, because we want to unite with other women, to struggle against all situations which presume that women will stay at home, to link ourselves to the struggles of all those who are in ghettos, whether that ghetto is a nursery, a school, a hospital, an old-age home, or a slum. To abandon the home is already a form of struggle, since the social services we perform there would then cease to be carried out in those conditions, and so all those who work out of the home would then demand that the burden carried by us until now be thrown squarely where it belongs — onto the shoulders of capital. This alteration in the terms of struggle will be all the more violent, the more the refusal of domestic labor on the part of women will be violent, determined, and on a mass scale.

The working class family is the more difficult point to break because it is the support of the worker, but as worker for that reason the support of capital. On this family de-

pendes the support of the class, the survival of the class — but at the woman's expense against the class itself. The woman is the slave of a wage slave, and her slavery ensures the slavery of her man. Like the trade union, the family protects the worker, but also ensures that he and she will never be anything but workers. And that is why the struggle of the woman of the working class against the family is decisive.

To meet other women who work inside and outside their homes allows us to possess other chances of struggle. To the extent that our struggle is a struggle against work, it is inscribed in the struggle which the working class wages against capitalist work. But to the extent that the exploitation of women through domestic work has had its own specific history, tied to the survival of the nuclear family, the specific course of this struggle which must pass through the destruction of the nuclear family as established by the capitalist social order, adds a new dimension to the class struggle.

B. However, the woman's role in the family is not only that of hidden supplier of social services who does not receive a wage. As we said at the beginning, to imprison women in purely complementary functions and subordinate them to men within the nuclear family has as its premise the stunting of their physical integrity. In Italy, with the successful help of the Catholic Church which has always defined her as an inferior being, women are compelled before marriage into sexual abstinence and after marriage to a repressed sexuality destined only to bear children, obliging her to bear children. It has created a female image of "heroic mother and happy wife" whose sexual identity is pure sublimation, whose function is essentially that of receptacle for other people's emotional expression, who is the cushion of the familial antagonism. What has been defined, then, as female frigidity has to be redefined as an imposed passive receptivity in the sexual function as well.

Now this passivity of the woman in the family is itself "productive". Firstly it makes her the outlet for all the oppressions that men suffer in the world outside the home

and at the same time the object on whom the man can exercise a hunger for power that the domination of the capitalist organization of work implants. In this sense, the woman becomes productive for capitalist organization; she acts as a safety valve of the social tensions caused by it. Secondly, the woman becomes productive inasmuch as the complete denial of her personal autonomy forces her to sublimate her frustration in a series of continuous needs that are always centered in the home, a kind of consumption which is the exact parallel of her compulsive perfectionism in her housework. Clearly, it is not our job to tell women what they should have in their homes. Nobody can define the needs of others. Our interest is to organize the struggle through which this sublimation will be unnecessary.

We use the word "sublimation" advisedly. The frustrations of monotonous and trivial chores and of sexual passivity are only separable in words. Sexual creativity and creativity in labor are both areas where human need demands we give "free scope to (our) own natural and acquired powers" (Marx, Capital, Volume I). For women (and therefore for men) natural and acquired powers are repressed simultaneously. The passive sexual receptivity of women creates the compulsively tidy housewife and can make a monotonous assembly line therapeutic. The trivia of most of housework and the discipline which is required to perform the same work over every day, every week, every year, double on holidays, destroys the possibilities of uninhibited sexuality. Our childhood is a preparation for martyrdom: we are taught to derive happiness from clean sex on clean sheets; to sacrifice sexuality and other creative activity at one and the same time.

So far the women's movement, most notably by destroying the myth of the vaginal orgasm, has exposed the physical mechanism which allowed women's sexual potential to be strictly defined and limited by men. Now we can begin to re-integrate sexuality with other aspects of creativity, to see how sexuality will always be constrained unless (a) the work we do does not mutilate us and our individual ca-

pacities, and (b) the persons with whom we have sexual relations are not our masters and are not also mutilated by their work. To explode the vaginal myth is to demand female autonomy as opposed to subordination and sublimation. But it is not only the clitoris versus the vagina. It is both versus the uterus. Either the vagina is primarily the passage to the reproduction of labor power sold as a commodity, the capitalist function of the uterus, or it is part of our natural powers, our social equipment. Sexuality after all is the most social of expressions, the deepest human communication. It is in that sense the dissolution of autonomy. The working class organizes as a class to transcend itself as a class; within that class we organize autonomously to create the basis to transcend autonomy.

But while we are finding our way to the organization of this struggle, we find ourselves confronted with those who are only too eager to attack women, even as they form a movement. In defending herself against obliteration, through work and through consumption, they say, the woman is responsible for the lack of unity of the class. Let us make a partial list of the sins of which she stands accused. They say:

1. She wants more of her husband's wage to buy for example clothes for herself and her children, not based on what he thinks she needs but on what she thinks she and her children should have. He works hard for the money. She only demands another kind of distribution of their lack of wealth, rather than assisting his struggle for more wealth, more wages.

2. She is in rivalry with other women to be more attractive than they, to have more things than they do, and to have a cleaner and tidier house than her neighbors'. She doesn't ally with them as she should on a class basis.

3. She buries herself in her home and refuses to understand the struggle of her husband on the production line. She may even complain when he goes out on strike rather than backing him up. She votes Conservative.

These are some of the reasons given by those who con-

sider her reactionary or at best backward, even by men who take leading roles in factory struggles and who seem most able to understand the nature of the social boss because of their militant action. It comes easy to them to condemn women for what they consider to be backwardness because that is the prevailing ideology of the society. They do not add that they have benefitted from women's subordinate position by being waited on hand and foot from the moment of their birth. Some do not even know that they have been waited on, so natural is it to them for mothers and sisters and daughters to serve "their" men. It is very difficult for us, on the other hand, to separate inbred male supremacy from men's attack, which appears to be strictly "political", launched only for the benefit of the class.

Let us look at the matter more closely.

1. Women do not make the home the center of consumption. The process of consumption is integral to the production of labor power, and if women refused to do the shopping (that is, to spend), this would be strike action. Having said that, however, we must add that those social relationships which women are denied because they are cut off from socially organized labor, they often try to compensate for by buying things. Whether it is adjudged trivial depends on the viewpoint and sex of the judge. Intellectuals buy books, but no one calls this consumption trivial. Independent of the validity of the contents, the book in this society still represents, through a tradition older than capitalism, a male value. We have already said that women buy things for their home because that home is the only proof that they exist. But the idea that frugal consumption is in any way a liberation is as old as capitalism, and comes from the capitalists who always blame the worker's situation on the worker. For years Harlem was told by head-shaking liberals that if black men would only stop driving Cadillacs the problem of color would be solved. Until the violence of the struggle (which was the only fitting reply) provided a measure of social power, that Cadillac was one of the few ways to display the potential for power. This and not "prac-

tical economics" caused the liberals pain. In any case, nothing any of us buys would we need if we were free. Not the food they poison for us, nor the clothes that identify us by class, sex, and generation, nor the houses in which they imprison us. In any case, too, our problem is that we never have enough, not that we have too much.

That pressure which women place on men is a defense of the wage, not an attack. Precisely because women are the slaves of wage slaves, men divide the wage between themselves and the general family expense. If women did not make demands, the general family standard of living could drop to absorb the inflation—the woman of course is the first to do without. Thus unless the woman makes demands, the family is functional to capital in an additional sense to the ones we have listed: it absorbs the fall in the price of labor power. (10) This, therefore, is the most ongoing material way in which women can defend the living standards of the class. And when they go out to political meetings, they will need even more money!

2. As for women's "rivalry", Frantz Fanon has clarified for the Third World what only racism prevents from being generally applied to the class. The colonized, he says, when they do not organize against their oppressors, attack each other. The woman's pressure for greater consumption may at times express itself in the form of rivalry, but nevertheless as we have said protects the living standards of the class, which is unlike women's sexual rivalry. That rivalry is rooted in their economic and social dependence on men. To the degree that they live for men, dress for men, work for men, they are manipulated by men through this rivalry. (11)

As for rivalry about their homes, women are trained from birth to be obsessive and possessive about clean and tidy homes. But men cannot have it both ways; they cannot continue to enjoy the privilege of having a private servant and then complain about the effects of privatization. If they continue to complain, we must conclude that their attack on us for rivalry is really an apology for servitude. If

Fanon was not right, that the strife among the colonized is an expression of their low level of organization, then the antagonism is a sign of natural incapacity. When we call a home a ghetto, we could call it a colony governed by indirect rule and be as accurate. The resolution of the antagonism of the colonized to each other lies in autonomous struggle. Women have overcome greater obstacles than rivalry to unite in supporting men in struggles. Where women have been less successful is in transforming and deepening moments of struggle by making of them opportunities to raise their own demands. Autonomous struggle turns the question on its head: not "will women unite to support men", but "will men unite to support women".

3. What has prevented previous political intervention by women? Why can they be used in certain circumstances against strikes? Why, in other words, is the class not united? From the beginning of this document we have made central the exclusion of women from socialized production. That is an objective character of capitalist organization: co-operative labor in the factory and office, isolated labor in the home. This is mirrored subjectively by the way workers in industry organize separately from the community. What is the community to do? What are women to do? Support, be appendages to men in the home and in the struggle, even form a women's auxiliary to unions. This division and this kind of division is the history of the class. At every stage of the struggle the most peripheral to the productive cycle are used against those at the center, so long as the latter ignore the former. This is the history of trade unions, for example, in the United States, when black workers were used as strikebreakers — never, by the way, as often as white workers were led to believe — blacks like women are immediately identifiable and reports of strikebreaking reinforce prejudices which arise from objective divisions: the white on the assembly line, the black sweeping round his feet; or the man on the assembly line, the woman sweeping round his feet when he gets home.

Men when they reject work consider themselves militant,

and when we reject our work, these same men consider us nagging wives. When some of us vote Conservative because we have been excluded from political struggle, they think we are backward, while they have voted for parties which didn't even consider that we existed as anything but counterweights, and in the process sold them (and us all) down the river.



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C. The third aspect of women's role in the family is that, because of the special brand of stunting of the personality already discussed, the woman becomes a repressive figure, disciplinarian of all the members of the family, ideologically and psychologically. She may live under the tyranny of her husband, of her home, the tyranny of striving to be "heroic mother and happy wife" when her whole existence repudiates this ideal. Those who are tyrannized and lack power are with the new generation for the first years of their lives producing docile workers and little tyrants, in the same way the teacher does at school. (In this the woman is joined by her husband: not by chance do parent-teacher associations exist.) Women, responsible for

the reproduction of labor power, on the one hand discipline the children who will be workers tomorrow and on the other hand discipline the husband to work today, for only his wage can pay for labor power to be reproduced.

THE STRUGGLE AGAINST LABOR

Here we have only attempted to consider female domestic productivity without going into detail about the psychological implications. At least we have located and essentially outlined this female domestic productivity as it passes through the complexities of the role that the woman plays (in addition, that is, to the particular domestic work the burden of which she assumes without pay). We pose, then, as foremost the need to break this role that wants women divided from each other, from men, and from children, each locked in her family as the chrysalis in the cocoon that imprisons itself by its own work, to die and leave silk for capital. To reject all this means for housewives to recognize themselves also as a section of the class, the most degraded because they are not paid a wage.

The housewife's position in the overall struggle of women is crucial, since it undermines the very pillar supporting the capitalist organization of work, namely the family.

So every goal that tends to affirm the individuality of women against this figure complementary to everything and everybody, that is, the housewife, is worth posing, as a goal subversive to the productivity of this role.

In this same sense all the demands that can serve to restore to the woman the integrity of her basic physical functions, starting with the sexual one which was the first to be robbed along with productive creativity, have to be posed with the greatest urgency.

It is not by chance that research in birth control has developed so slowly, that abortion is forbidden almost the world over or conceded finally only for "therapeutic" reasons.

To move first on these demands is not facile reformism. Capitalist management of these matters poses over and

over discrimination of class and discrimination of women specifically. Why were proletarian women, Third World women, used as guinea pigs in this research? Why does the question of birth control continue to be posed as women's problem? To begin to struggle to overthrow the capitalist management over these matters is to move on a class basis, and on a specifically female basis. To link these struggles with the struggle against motherhood conceived as the responsibility of women exclusively, against domestic work conceived as women's work, ultimately against the models that capitalism offers us as examples of women's emancipation which are nothing more than ugly copies of the male role, is to struggle against the division and organization of labor.

Let us sum up. The role of housewife, behind whose isolation is hidden social labor, must be destroyed. But our alternatives are strictly defined. Up to now, the myth of female incapacity, rooted in this isolated woman dependent on someone else's wage and therefore shaped by someone else's consciousness, has been broken by only one action: the woman getting her own wage, breaking the back of personal economic dependence, making her own independent experience with the world outside the home, performing social labor in a socialized structure, whether the factory or the office, and initiating there her own forms of social rebellion along with the traditional forms of the class. The advent of the women's movement is a rejection of this alternative.

Capital itself is seizing upon the same impetus which created a movement—the rejection by millions of women of women's traditional place—to recompose the work force with increasing numbers of women. The movement can only develop in opposition to this. It poses by its very existence and must pose with increasing articulation in action that women refuse the myth of liberation through work.

For we have worked enough. We have chopped billions of tons of cotton, washed billions of dishes, scrubbed billions of floors, typed billions of words, wired billions of radio

sets, washed billions of diapers, by hand and in machines. Every time they have "let us in" to some traditionally male enclave, it was to find for us a new level of exploitation. Here again we must make a parallel, different as they are, between underdevelopment in the Third World and underdevelopment in the metropolis — to be more precise, in the kitchens of the metropolis. Capitalist planning proposes to the Third World that it "develop"; that in addition to its present agonies, it too suffer the agony of an industrial counter-revolution. Women in the metropolis have been offered the same "aid". But those of us who have gone out of our homes to work because we had to or for extras or for economic independence have warned the rest: inflation has riveted us to this bloody typing pool or to this assembly line, and in that there is no salvation. We must refuse the development they are offering us. But the struggle of the working woman is not to return to the isolation of the home, appealing as this sometimes may be on Monday morning; any more than the housewife's struggle is to exchange being imprisoned in a house for being clinched to desks or machines, appealing as this sometimes may be compared to the loneliness of the 12th story apartment.

Women must completely discover their own possibilities — which are neither mending socks nor becoming captains of ocean-going ships. Better still, we may wish to do these things, but these now cannot be located anywhere but in the history of capital.

The challenge to the women's movement is to find modes of struggle which, while they liberate women from the home, at the same time avoid on the one hand a double slavery and on the other prevent another degree of capitalistic control and regimentation. This ultimately is the dividing line between reformism and revolutionary politics within the women's movement.

It seems that there have been few women of genius. There could not be since, cut off from the social process, we cannot see on what matters they could exercise our genius. Now there is a matter, the struggle itself.

Freud said that every woman from birth suffers from penis envy. He forgot to add that this feeling of envy begins from the moment when she perceives that in some way to have a penis means to have power. Even less did he realize that the traditional power of the penis commenced upon a whole new history at the very moment when the separation of man from woman became a capitalistic division.

And this is where our struggle begins.

Mariarosa Dalla Costa

29 December 1971

FOOTNOTES

(1) Economic and Philosophic Manuscripts, 1844, Karl Marx.

(2) "Free fares, free lunches, free books" was one of the slogans of a section of the student movement which aimed to connect the struggle of younger students with workers and university students.

(3) In Britain and the US the psychologists Eysenck and Jensen, who are convinced "scientifically" that blacks have a lower "intelligence" than whites, and the progressive educators like Ivan Illyich seem diametrically opposed. What they aim to achieve links them. They are divided by method. In any case the psychologists are not more racist than the rest, only more direct. "Intelligence" is the ability to assume your enemy's case as wisdom and to shape your own logic on the basis of this. Where the whole society operates institutionally on the assumption of white racial superiority, these psychologists propose more conscious and thorough "conditioning" so that children who do not learn to read do not learn instead to make molotov cocktails. A sensible view with which Illyich, who is concerned with the "underachievement" of children (that is, rejection by them of "intelligence"), can agree.

(4) In spite of the fact that capital manages the schools, control is never given once and for all, because of the con-

tinuous challenge to the contents and rebound of the costs of schooling on the capitalist system by the proletarians. So that in general if control has to be re-established, it must be re-established on factory-like lines that are more and more regimented.

The new policies on education which are being hammered out even as we write, however, are more complex than this. We can only indicate here the impetus for these new policies:

(a) Working class youth reject that education prepares them for anything but a factory, even if they will wear white collars there and use typewriters and drawing boards instead of riveting machines.

(b) Middle class youth reject the role of mediator between the classes and the repressed personality this mediating role demands.

(c) A new labor power more wage- and status-differentiated is called for.

(d) A new type of labor process may be created which will attempt to interest the worker in "participating" instead of refusing the monotony and fragmentation of the present assembly line.

If the traditional "road to success" and even "success" itself are rejected by the young, new goals will have to be found to which they can aspire, that is, for which they will go to school and go to work. New "experiments" in "free" education, where the children are encouraged to participate in planning their own education and there is greater democracy between teacher and taught, are springing up daily. It is an illusion to believe that this is a defeat for capital any more than regimentation will be a victory. For in the creation of a labor power more creatively manipulated, capital will not in the process lose 0.1% of profit. "As a matter of fact," they are in effect saying, "you can be far more efficient for us if you take your own road, so long as it is through our territory." In some parts of the factory and in the social factory, capital's slogan will increasingly be "Liberty and fraternity to guarantee and even extend equality."

(5) We are not at all ignoring the attempts at this moment to make test-tube babies. But today such mechanisms belong completely to capitalist science and control. The use would be completely against us and against the class. It is not in our interest to abdicate procreation, to consign it to the hands of the enemy. It is in our interest to conquer the freedom to procreate for which we will pay neither the price of the wage nor the price of social exclusion.

(6) To the extent that not the technological innovation but only "human care" can raise children, the effective liberation from domestic work time, the qualitative change of domestic work, can derive only from a movement of women, from a struggle of women: the more the movement grows, the less men—and first of all political militants—can count on female baby-minding. And at the same time the new social ambience that the movement reconstructs offers to children social space, with both men and women, that has nothing to do with the day care centers organized by the State. These are the results of the existence of a movement that we can already see. Precisely because they are the results of a movement that is by its nature a struggle, they do not aim to substitute any kind of co-operation for the struggle itself. These are already victories of struggle.

(7) It is impossible to say for how long these tendencies will continue to drive the movement forward and when they will turn into their opposite.

(8) This, however, is being countered by an opposite tendency, to bring women into industry in certain particular sectors. Differing needs of capital within the same geographical sector have produced differing and even opposing propaganda and policies. Where in the past family stability has been based on a relatively standardized mythology (policy and propaganda being uniform and officially uncontested), today various sectors of capital contradict each other and undermine the very definition of family as a stable, unchanging, "natural" unit. The classic example of this is the variety of views and financial policies on birth con-

trol. The British government has just doubled its allocations of funds for this purpose. We must examine to what extent this policy is connected with a racist immigration policy.

(9) Which is the policy, among others, of the Communist Party in Italy.

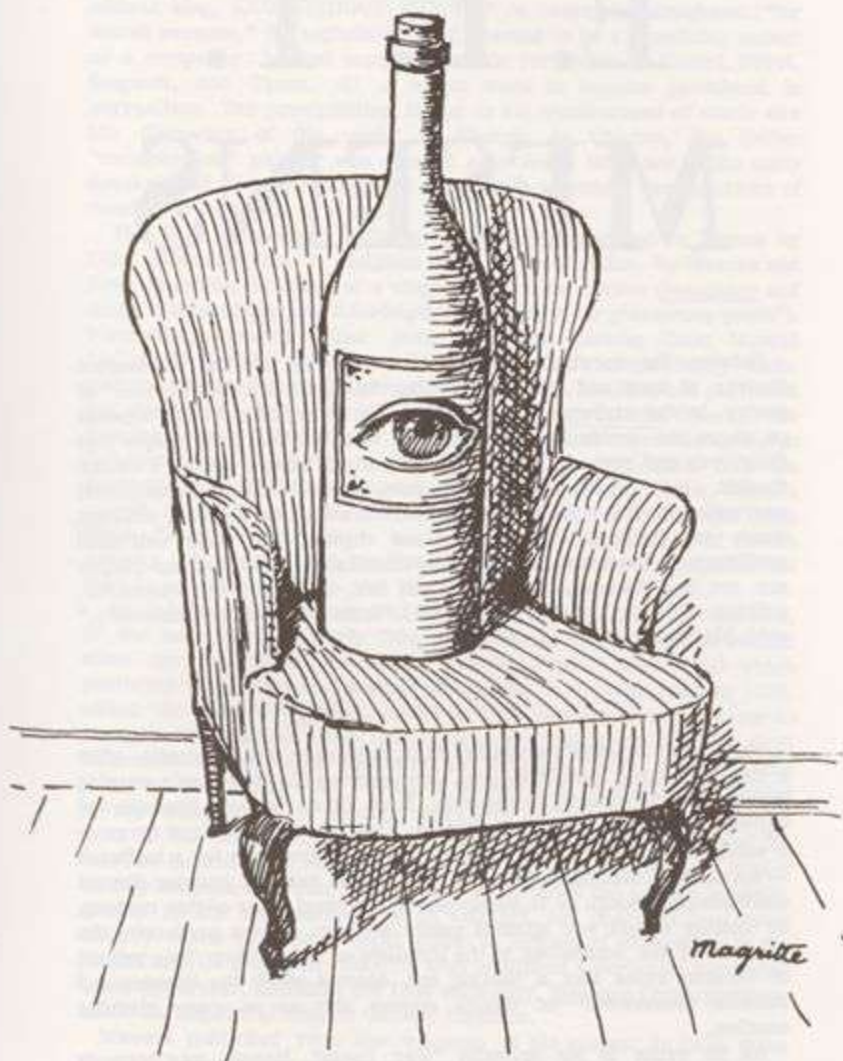
(10) "But the other, more fundamental, objection, which we shall develop in the ensuing chapters, flows from our disputing the assumption that the general level of real wages is directly determined by the character of the wage bargain.... We shall endeavor to show that primarily it is certain other forces which determine the general level of real wages.... We shall argue that there has been a fundamental misunderstanding of how in this respect the economy in which we live actually works." (emphasis added) The General Theory of Employment, Interest, and Money, John Maynard Keynes, New York, Harcourt, Brace, and World, 1964, Page 13. "Certain other forces", in our view, are first of all women.

(11) It has been noticed that many of the Bolsheviks after 1917 found female partners among the dispossessed aristocracy. When power continues to reside in men both at the level of the State and in individual relations, women continue to be "spoils and handmaid of communal lust" (Marx: Economic and Philosophic Manuscripts, Page 94). The breed of "the new tsars" goes back a long way.

Already in 1921 from "Decisions of the Third Congress of the Communist International", one can read in Part I of "Work Among Women": "The Third Congress of the Comintern confirms the basic proposition of revolutionary Marxism, that is, that there is no 'specific woman question' and no 'specific women's movement', and that every sort of alliance of working women with bourgeois feminism, as well as any support by the women workers of the treacherous tactics of the social compromisers and opportunists, leads to the undermining of the forces of the proletariat... In order to put an end to women's slavery it is necessary to inaugurate the new Communist organization of society."

The theory being male, the practice was to "neutralize". Let us quote from one of the founding fathers. At the first National Conference of the Communist Women of the Communist Party of Italy on March 26, 1922, "Comrade Gramsci pointed out that special action must be organized among housewives, who constitute the large majority of the proletarian women. He said that they should be related in some way to our movement by our setting up special organizations. Housewives, as far as the quality of their work is concerned, can be considered similar to the artisans and therefore they will hardly be communists; however, because they are the workers' mates, and because they share in some way the workers' life, they are attracted toward communism. Our propaganda can therefore have an influence over (SIC) these housewives; it can be instrumental, if not to officer them into our organization, to neutralize them; so that they do not stand in the way of the possible struggles by the workers." (From Compagna, the Italian Communist Party organ for work among women, Year I, Number 3 (April 2, 1922), Page 2.)





drawing by René Magritte for the
Complete Poems of E.L.T. Mesens

E. L. T. MESENS

Between the vocabulary imposed on everyday life and the deepest desires of men and women flows the "majestic and fertile river" of poetry, in the expression of Lautréamont. Everything in life depends on where our words and our footsteps take us. Too many people lose their way and give up too easily; they admit failure without a second thought, and readily, almost eagerly, submit their unconditional surrender to what is or what was. There are others, however, amongst whom are included my friends and myself, who have unlimited confidence in the future. Incurrible fanatics, we know that our images are not just images. Only time will tell, of course. But meanwhile, nothing will stop us, not even death. "Some are born posthumously," said Nietzsche.

* * *

The great Belgian surrealist E. L. T. Mesens died recently after a long, lingering, painful illness. Disregarding his physician's warning that he was to abstain, completely, from liquor, Mesens literally and wilfully drank himself to his demise. Thus, much like Alfred Jarry — a suicide by absinthe whose sole deathbed request was for a toothpick — the death of Mesens puts the cap on several years of growing disgust and disdain. Although he is surely one of the great poets of this century, he neither sought nor attained public acclaim, always preferring the shadows of the marvelous to the limelight of recognition. This refusal of Mesens rises like a blazing sun, against which the literary and artistic "successes" of others appear only as so many birthday candles.

As he wrote in his splendid "War Poem", Mesens was born, in Brussels, "on the 27th of November, 1903, without god, without master,

★
Early 1971 (the eds)

without King, AND WITHOUT RIGHTS." At twenty he abandoned ("for moral reasons," he explained) what seemed to be a promising career as a composer: he had composed music for poems by Eluard, Pêret, Soupault, and Tzara, all of whom were to become prominent in surrealism. The precipitating factor in his abandonment of music was his discovery of the works of Giorgio de Chirico, the Italian "metaphysical" painter who exerted a profound influence on the early development of surrealism, and who wrote vehement denunciations of music and eulogies to silence.

The Dada movement, although completely exhausted in France by 1923, flowered late in Belgium with the publication, by Mesens and René Magritte, in 1925, of a single issue of the review Oesophage and three issues of Marie ("a fortnightly newspaper for glamorous youth"). Meanwhile, several other young Belgians (among them Marcel LeComte, Camille Goemans, Paul Nougé) had independently made contact with the surrealist group in Paris which, in 1924, had published the first issue of its journal, La Revolution Surréaliste. Soon the two Belgian groups joined forces, established the first surrealist group in Belgium, and thereafter maintained close communication with the surrealists in Paris and elsewhere. In these developments, Mesens played a significant part. "The real problem for us," he wrote much later, "was to intervene in as many spheres as possible of human activity, of life. As did the French surrealists, we met together not only to put others to the test but to test ourselves as well."

An indefatigable animator of collective activity, Mesens directed, in the late '20s and early '30s, the Editions Nicolas Flamel (named after the celebrated Fourteenth Century French alchemist) which published surrealist books and pamphlets, and, from 1928 to 1930, edited the review Variétés, which in 1929 devoted an entire issue to surrealism. Mesens was the principal organizer of the first international surrealist exhibition in Brussels, 1934. The following year, in association with a group of young trade unionists, he assisted in the organization of another surrealist exhibition in the industrial town of La Louvière. In 1936 he was instrumental in organizing the massive International Surrealist Exhibition in London, where he settled shortly afterwards. From 1938 to 1940 he directed the London Bulletin, journal of the surrealist group in England, and operated the London Gallery which became a focal point in Britain of surrealism in the plastic arts (it closed in 1951). He also published a series of surrealist books and tracts, including the 1944 anthology, Message from Nowhere, under the imprint of London Gallery Editions.

Mesens published very few volumes of his poems; in 1959, these were collected, along with a number of previously unpublished texts, in one volume, just short of 200 pages: Poèmes 1923-58 (Le Terrain Vague, Paris) with illustrations by Magritte. All his poetry possesses an aggressive subtlety, a caustic calm, and a corrosive insolence: it is

not without affinities with the poetry of Benjamin Péret. The distinctive sense of combat in the poetry of Mesens may be seen clearly in this chorus from the already-quoted "War Poem" (which is dedicated to André Breton):

As far as the eye can see
Human human misery
As far as the eye can see
At random roofs and houses
As far as the eye can see
Lingering trailing robes
Acadungemy
League of Nations

In 1959, Robert Benayoun, a young surrealist writer, observed that Mesens is a poet "whose unselfconscious playfulness chases to the verge of absurdity a restless nostalgia, permeated with spleen." The key to his immense poetic achievement lies, very precisely, in humor — more specifically, the excessive, boundless humor which Breton, in 1937, was to qualify as black. The English surrealist painter Conroy Maddox, discussing this "virulent satire and disquieting humor which as a deliberate critical attitude in surrealism challenges all forms of accepted belief", added that "in the poetry of Benjamin Péret and E. L. T. Mesens, black humor achieves its greatest perfection."

Mesens is also the author of a vast number of remarkable collages, all riddled with his peculiar softspoken violence, the shadow of the laughter frozen in his sleeves. In these collages pictorial images often mingle with words made up of letters of various typographical styles, sizes, and colors, sometimes forming sentences which dominate the whole work, as in "The Evangelist's Placard" in which most of the space is consumed by the aphorism: "He who has never dreamt of Mae West will lose his place in Heaven." These collages are frequently made of newspaper and other "perishable" materials. As was noted by Jacques Brunius, a French surrealist also resident in London, "However banal in origin, he will know how to draw the magic from it."

The theoretical and critical writings of Mesens, his essays and polemics, remain widely scattered in diverse reviews, exhibition catalogues, and tracts. He has written important texts on surrealist painters, and, in connection with a large retrospective cubist exhibition at the London Gallery, he contributed a fundamental reinterpretation of many details in the history of cubism. In 1944, in collaboration with Brunius, he issued the tract "Idolatry and Confusion", denouncing the chauvinism of war literature. He also collaborated on many collective Belgian and English surrealist declarations.

In no sense was Mesens a voluminous writer; his theoretical and polemical work, like his poetry, is succinct, refined, singularly unostentatious. Doubtless at least in part because of these qualities,

and because of his rejection of the etiquette of literary and artistic exhibitionism, his work has so far attracted very little critical attention. Highly regarded within the surrealist movement, Mesens is all but ignored outside it—especially in the United States where he is customarily confined to a passing reference, a footnote, a bibliographical afterthought.

* * *

In these times, the worst of all times, more than ever do we need to annihilate the system according to which one is supposed to worship memory, celebrate the past, venerate ancestors, honor parents, respect elders. The only elders worthy of respect are those who despise the ignoble and cheap conceit of the others, and who despise, still more, the loathesome network of compromises and lies by which the aspirations of one's youth are sacrificed, one after the other, to the holocaust of universal stupidity demanded by a society divided into classes. Such a man was E. L. T. Mesens, whose poetry and collages will remain irreplaceable and indelible examples of carefree irony, supremely savage play, and ruthless subversion. "True life," said Rimbaud, "is absent," a fact that sooner or later drives almost everyone crazy, or confines them to the circumscribed emptiness of habit (the petrified negation of dreams), or suffocates them in the compulsory pseudo-reality of boredom. "Our civilization," Mesens wrote in 1944, "dressed up to camouflage its errors, its weaknesses, its blindness and its past crimes, finds it profitable to honor the 'memory' of those whom it ignored, wounded or scorned while alive. This hypocrisy suffices to justify our disgust for all forms of anniversaries. Nonetheless, some men, by their character, their life or their work, still resist at the door of this 'mental paradise'...."

Mesens is one of those who continue to resist, and whose message to us, because of this magnificent, ardent resistance, retains all its freshness, all its actuality, and sheds an infallible light on the limitless possibilities of tomorrow.

Homage to the unique, admirable, permanent presence of E. L. T. Mesens!

Franklin Rosemont



Swordfish. (14a)

TO PUT AN END TO THE AGE OF MACHINERY
THE ENGLISH POETS MAKE SMOKE

for Benjamin Péret

Here are some winter flowers
Here are some summer flowers
Some trading and some lice
Some pralines and some bombs
The whole given away sold out
Lent bought thrown away

Men tremble no more
Since they have great masters
Who think for them
And foresee all

The priests and the madmen
Hooded with a sallet
Play at Pope Joan
In darkened places

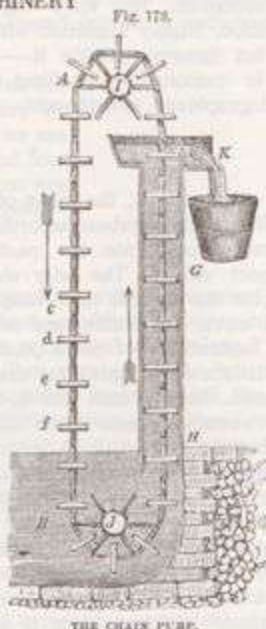
The red soldiers
Are commanded by beige generals
The soldiers of blood
Are commanded by me

Strategy of withdrawal
Swallow your pill.

E. L. T. MESENS



Camille Desmoulins au Palais-Royal.
(12 juillet 1789).



THE CHAIN PUMP.



Le pistolet.

mages a hundred times lost
mage forever present and
mage a hundred times confounded
mages learnedly contrived
mmobile and blind I await your
nvasion in my
mmense desert.

E. L. T. MESENS

VIOLETTE NOZIERES*

Never run your daughter like a train
In the paragon of republics
Violette Nozières' father
Was the engine driver
Of lots of presidential trains
And whenever he passed through a station
The armies of France did the honors



Jean-Jacques Rousseau
(1712-1778)

But when you keep running trains on those lines
There is always a risk of something
And that something happened
How many good mothers
And how many bad fathers
And how many good fathers
And bad mothers
As bourgeois morality gossips
Will be calling you filthy names
Violette
You with the dawn in your arms



La lumière électrique

Child of a plaintiff and of a train
Child of this age clothed in padlocks
In spite of the dirt and the threatening weather
In spite of the hideous days and the nights of illusion
You lived your life — oh how anxiously

Now I see you standing
As yet hardly speaking
In the feeble glimmer of the lights
Of the legal labyrinth

Alas Violette
There aren't many of us
But we will accompany our shadows in procession
To terrify your justicers



Les grovillas

At the judgment of the human body
I will condemn the men in bowler hats
To wear lead on their heads instead.

E. L. T. MESENS

* Violette Nozières was the defendant in a criminal case that caused a great stir in France in 1933; she was accused of having poisoned her parents after being abused by her father. The surrealists decided to render homage to this young girl, and published a collective brochure which included contributions (poems and drawings) by most members of the surrealist group. — Editor's note

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Working Class and Culture, Volume 3, Number 2 (March, April 1969): George Rawick, "Working Class Left Activity"; Paul Faler, "Working Class Historiography"; Dick Howard, "French New Working Class Theories" (76 pages, \$1, scarce supply, no bulk orders)

Culture and the Intellectuals, Volume 3, Number 3 (May, June 1969): a 40,000-word essay by Martin Sklar on economic disaccumulation and the proletarianization of intellectuals; an analysis by Stewart Ewen of advertising's rise in the 1920s; and a document by Adalbart Fogarasi on "Tasks of the Communist Press" (1921) (76 pages, 50¢)

Althusser and Marxist Philosophy, Volume 3, Number 5 (September, October 1969): a special symposium on Althusser by Andrew Levine, Greg Calvert, Martin Glaberman, and Dale Tomich, and a eulogy to T. W. Adorno by Hans Gerth (76 pages, 50¢)

Surrealism in the Service of the Revolution, Volume 4, Number 1 (January 1970), edited by Franklin Rosemont: the largest collection of texts of the international surrealist movement presently available in English translation, with material by Breton, Crevel, Peret, Kalandra, Mabille, and contemporary surrealists from many countries; material on precursors of surrealism in the US; and many poems and illustrations (96 pages, \$1)

Socialist Scholars' Conference 1969, Volume 4, Number 3 (May 1970): superior papers and commentaries including papers by Trent Schroyer on Social Science Methodologies, Paul Buhle on Debsian Socialist Intellectuals, and Ron Aronson on Herbert Marcuse, and commentaries by James Gilbert, Paul Breines, and others (80 pages, \$1, scarce supply, no bulk orders)

CLR James: An Anthology, Volume 4, Number 4 (June 1970): essays and excerpts from writings by James, the author of *The Black Jacobins* and a leading anti-colonial figure during the 1930s, covering James's thoughts on Philosophy, American Society, the Caribbean, Literature and Sports, and the Third World today (120 pages, \$1)

Society of the Spectacle, Volume 4, Number 5 (July 1970): translation and lavish illustration by the Black & Red Group (Detroit) of French Situationist work by Guy Debord, with text consisting of 221 epigrams on the "Spectacle" of life in modern society, the collapse of the Historic Left (Socialists, Communists, Anarchists, et cetera) and the necessity for revolutionaries to create non-alienated organizational forms for struggle (120 pages, \$1)

Lenin-Hegel Philosophical Number, Volume 4, Number 7 (September, October 1970), edited by Paul Piccone, the editor of the philosophical journal *TELOS*: articles on the practice of Lenin and its influence on his philosophy; on the central political problems of Hegel's philosophy; and on Youth Culture (80 pages, 75¢)

Radical History Number, Volume 4, Number 8-9 (November, December 1970), edited by the Madison History Group: essays on the legacy of W. E. B. DuBois and Charles Beard, Marxist and radical historiography of the US since 1900, New Left historians, and radical teaching (120 pages, \$1)

Working Class and Radicalism, Volume 5, Number 1 (January, February 1971): including essays by Paul Booth ("Theses on Contemporary Labor Unionism"), Donald Clark Hodges ("Working Class, Old and New", on Marx's understanding of differentiation among categories of workers), and Brian Peterson ("Working Class and Communism" in the United States and Europe, a historiographical essay) (96 pages, illustrated, \$1)

Black Labor, Volume 5, Number 2 (March, April 1971): a major essay by Harold Baron on "The Demand for Black Labor", the political economy of racism, and black proletarian development; extensive documents from the League of Revolutionary Black Workers (Detroit); and a historiographical essay on racism by Robert Starobin (120 pages, illustrated, \$1, scarce supply, no bulk orders)

Women's History, Volume 5, Number 4 (July, August 1971): including a major essay of more than 25,000 words by Mari Jo Buhle, Ann D. Gordon, and Nancy Schrom on the historical development of women's social relations over two centuries of American society, reflecting changes in women's productive role (120 pages, lavishly illustrated, \$1)

Marxism Today, Volume 5, Number 6 (November, December 1971): a major document by CLR James on the historical basis for present revolutionary potential, plus articles by James on George Jackson and Paul Buhle on "Marxism in the US: 39 Propositions" (96 pages, \$1)

OTHER ISSUES IN PRINT

Volume 2, Number 2 (March, April 1968): articles by Michael Munk on the Old Left newspaper Guardian and Richard Rothstein on successes and failures of ERAP, one of the early New Left organizing projects (60 pages, 50¢)

Volume 3, Number 4 (July, August 1969): Marcuse's introduction to the new German edition of "The Eighteenth Brumaire of Louis Napoleon" and articles by Staughton Lynd on Abolitionism and Paul Mattick on Ernest Mandel (76 pages, 50¢)

Volume 4, Number 6 (August 1970): an illustrated study by Franklin Rosemont of surrealist Benjamin Peret, with several Peret documents; articles by Mike Meeropol and James O'Brien on William A. Williams; and another exchange between Andrew Levine and Dale Tomich on Louis Althusser and Structuralism (See Volume 3, Number 5) (80 pages, 75¢)

Volume 5, Number 3 (May, June 1971): including an essay by Mark Naison on blacks and American Communism; an interview with Aime Cesaire on Negritude; personal reminiscences from the strikes of the 1930s and the rise of the CIO, introduced by Staughton Lynd; and Bill Watson's article "Counter Planning on the Factory Floor" (96 pages, illustrated, \$1)

Volume 5, Number 5 (September, October 1971): featuring "Italy, 1969-70", documents and commentary on working-class struggles; Staughton Lynd on the steel contract; CLR James on Black Studies; and a work article by David Shaenoes on the Chicago Post Office (96 pages, illustrated, \$1)



Note: All Radical America pamphlets are sent free to pamphlet subscribers as they are published. (Several of those listed are new and will be mailed in early March.)

RADICAL AMERICA Pamphlets

Working Class Historiography, by Paul Faler: a treatment of the contributions of E. P. Thompson, Herbert Gutman, David Montgomery, and Stephan Thernstrom to an understanding of working-class history, a newly expanded version of an article in the March-April 1969 issue of *Radical America* (24 pages, 15¢)

New Måjks, by t.l.kryss: an anthology of poetry by a close associate of d.a.levy and one of the most sensitive of the Mimeo Poets including a selection from 1966-70 edited by Dave Wagner and Paul Buhle (48 pages, illustrated with kryss's rabbits, 50¢)

Stone Sarcophagus, by d.a.levy: a politically-oriented selection from UKANHAYRFUKINCITIBAK by Paul Buhle, with an introduction by Dave Wagner (24 pages, illustrated with a collage by levy, 25¢)

To Be a Discrepancy in Cleveland, by d.a.levy: a broad selection from a range of levy's work, including several poems from his last period in Madison, Wisconsin, edited and introduced by Ann D. Gordon and Kate Gillensvaard (48 pages with kryss cover, 50¢)

Lies, by Dick Lourie: poetry by the editor of *Hanging Loose*, a frequent contributor to Movement magazines, including the poems "Gestapo" and "Altamont" (21 pages, 25¢)

What's Happening to the American Worker? by David Montgomery: a lucid introduction to the modern social history of labor in the United States, and current perspective, by the well-known author of *Beyond Equality* (24 pages, 20¢)

Personal Histories of the Early CIO, by Harvey O'Connor, George Patterson, John W. Anderson, Jessie Reese, and John Sargent, edited by Staughton Lynd: personal accounts by leaders in the industrial union upsurge of the 1930s, showing the importance of mass initiatives from below, rather than "direction" from the national CIO, reprinted from the May-June 1971 issue of *Radical America* (32 pages, 25¢)

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