

REVOLUTION

SPRING 1990

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Winter/Spring 1989

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by Raymond Lotta

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Making New Leaps in Preparing for Revolution

Winter/Spring 1989

by Bob Avakian

Bob Avakian is Chairman of the Revolutionary Communist Party, USA. A major voice on the revolutionary left since the 1960s, he was active in the Free Speech and antiwar movements in Berkeley, worked closely with the Black Panther Party, figured prominently in debates within the Students for a Democratic Society, and founded the Revolutionary Union in 1968. Avakian quickly emerged as the leading Maoist thinker in the United States, and has over the last twenty-one years written numerous analyses of the world situation and problems of revolutionary strategy. In 1980, under threat of more than a lifetime in jail—as a result of trumped-up charges stemming from a demonstration against Deng Xiaoping in 1979—Bob Avakian was forced into exile in France. Reflections, Sketches & Provocations, a collection of his writings during the 1980s, has just been published by RCP Publications. His writings often appear in Revolution magazine.

This is going to be “thinking out loud” to try to stimulate further thinking and discussion. Basically there are three questions, all rather closely interrelated, that I’m going to try to speak to. One is the question of “the road”—the road to seizing power—some more particular points about the road. Two is what you might call the question of the particular configuration of class forces that we’re dealing with and how that relates to the question of strategy, road, etc. Three is focusing specifically on the youth, particularly the basic youth vis-à-vis the proletariat as the proletariat, as someone raised recently in a letter of resignation.

Actually this letter of resignation is going to in a certain sense serve as an overall backdrop to what I’m saying here, especially what I’m referring to as “the second indictment” of that resignation letter. That letter basically raises two indictments: One, that our analysis of the objective situation has been proven wrong and things are very likely to go along as they have been for yet another indefinite period with no sharp crisis providing a revolutionary situation likely to emerge. The second indictment is that even if that’s wrong, even if such a crisis should emerge, we’re not making any progress in terms of really bringing basic masses into the party and building strong organized ties with the basic masses more broadly. We may be making some progress in terms of united front efforts with mainly middle class forces such as Refuse & Resist! and other work with intermediate strata. But we’re making no real progress among basic masses so even if the situation should erupt we would be totally

unprepared and it would be a disaster. And it is that latter indictment, as I'm calling it, that is going to be the particular focus, but of course that closely relates to the first indictment, about the objective situation. All that serves as kind of a backdrop to what I'm saying here.

I. So with that as an introduction, I want to get into the question of the "road" again, and specifically more on this question of the "October Road, yes but. . . ." I want to emphasize both aspects, "yes" and "but," in this context here. Now I don't think it would be useful or necessary to repeat everything that I've said about this recently, particularly in "Eye on the Prize" and also in "Some Thoughts" and "Some Further Thoughts." But that can serve as background to a few more particular points I want to raise here.

The first of these particular points is what you could call the question of "contending for power," particularly in the situation faced by our bedrock social base, the most basic masses that form the bedrock basis for making revolution, particularly *proletarian* revolution. So by this question of "contending for power," this is another way of phrasing or looking at the basic point that we have discussed before of dual power. But what I want to call attention to is the need to go more deeply into the question of what does or what can this mean in our situation. This is one of those things that I think we need to take a fresher and a deeper look at. And it's not a question of let's be rationalists and try to just "think up" a few new ideas out of the void. Despite the indictments that have been made, we have been making some real strides among the basic masses. At this point it is, to be honest, still too much in the realm of learning a lot about their conditions and establishing beginning ties. I say "unfortunately" only in the sense that it is not more than that. But that in and of itself is not at all unfortunate, it is very "fortunate," good, and necessary and provides us both with the necessity and also with the possibility of addressing afresh in a certain sense and more deeply some of the important questions that arise largely on the basis of having made some of these strides. So I want to focus on the question of what does or can this question of "contending for power," dual power, mean in this situation.

One particular thing I wanted to raise in this context just to give a sense right now of what I'm trying to get at,

and something that should be returned to more fully, is an idea that was raised by someone doing some of the more important work among the basic masses. They raised the suggestion of publishing the Points of Discipline. In thinking about this, it strikes me as a very good idea in itself. It strikes me as a good idea in itself but also the kind of thing we should be thinking about doing more of, which is part of—even if not the heart of—the picture of what I'm trying to get at in speaking of "contending for power." So, again, that's something that should be returned to more fully.

But moving on for now, I want to reemphasize the point that this is not and we are not likely to have a Burma 1988 or an Iran 1978-79 or the October Revolution in that sense. Without going into all that, I am referring to mass outpourings where the whole society is literally in the streets mainly in opposition to the existing regime. That kind of a situation is not what we should be hinging everything on in terms of making a Beginning—initiating the mass armed struggle for power.

To give an overview, in approaching this question of what our revolutionary situation may look like, it is correct and necessary to continue to affirm the basic analysis that we've made of the world situation and of how that relates to imperialist countries in general and the U.S. in particular, the analysis systematized in *America in Decline*. This includes the point that this spiral of development of world relations and contradictions can't be resolved short of a world-historic conjuncture leading to a major worldwide violent readjustment of world relations of one kind or another—that is, world war and/or revolution in major or strategic parts of the world. And we must continue to uphold the basic analysis presented in the interview "Questions for These Times" in terms of how it bases itself on the fundamental analysis in *America in Decline* and reaffirms that the underlying contradictions are still as analyzed and systematized in *America in Decline* and that the kind of things that they are giving rise to still can only be resolved by a major worldwide violent readjustment of world relations of one kind or another. And there is something further that is particularly important to stress in this time of glasnost and "peace is breaking out all over," etc., etc.: In the mist and fog and delirium in some quarters around all this, it is important to recognize that still there are many sharp "hotspots" in

the world, many places where regional contradictions can reemerge even more sharply than they have before or where such contradictions are continuing to be very acute, and that out of any of these could come the confrontation between the U.S. bloc and the Soviet bloc leading to world war. That is still part of the overall working out of the spiral/conjuncture dialectic: we're still within that and that could still happen at any time. To answer the first indictment of the resignation letter which I mentioned earlier, this is not just a situation that could go on indefinitely without leading to some sort of major worldwide violent readjustment of world relations of one kind or another.

Now at the same time, as we've begun to put out in a limited way at first publicly and in a more developed way on certain levels within our Party, while on the one hand reaffirming and holding firmly to that basic analysis as I've just summarized it, we have to look more deeply into the question of what are some of the things about the situation that are different than how we expected them to work out. We're at the end of the '80s and things haven't worked out the way we thought they would in the general framework of the '80s. And while not being dogmatic and mechanical about "the '80s," there is a period that has gone on and hasn't worked out exactly the way we predicted. In one very basic way, it hasn't worked out the way we predicted at all. That is, there has not been a major worldwide violent readjustment of the world relations of one kind or another—in particular there has not been the outbreak of world war. This has not yet occurred and we did expect it by now unless it was prevented by revolution. We thought it was very likely that it would happen. So, obviously we have to analyze why this has not happened. And while I believe it is correct first of all and very important therefore to adhere firmly to our basic analysis, as I just summarized it, we do have to analyze some of the particularities.

We've already mentioned the tactical question—although it's a big tactical question—of the character of nuclear war, the destructiveness of it, the difficulty of winning in some recognizable sense. We have said that we tended to underestimate this, particularly earlier in the decade or coming into the decade. And also as we've said, further questions are raised by the fact that, no doubt in large part because of those difficulties, the imperialists

have actually maneuvered to avoid this direct, all-out confrontation, i.e., nuclear war. We have to look more deeply at why and how they were able to do that. Particularly we have to look at this question: What was the freedom and maneuverability they had that we didn't fully take into account and what are the contradictions within that and the limitations on that. We need to understand these questions more fully and deeply. We are undertaking study and analysis to come to a deeper understanding of this but we need to carry forward with that. We need to arm our own ranks in a systematic way and, also in a systematic way, we need to present this question to people more broadly outside the Party, particularly advanced people who are working with us closely, but also people more broadly among the basic masses as well as intermediate forces and classes.

So, to put it another way and to be provocative, let's look at this question from this angle: What if this readjustment on a world scale does not come right away? What if the present situation, while not continuing indefinitely, perhaps not even continuing for another decade, does continue for a few more years? What if there is no readjustment in that sense right away? What if the explosion of the contradictions on a world scale does not happen for yet another period of years (without trying to exactly specify that), *then* what should we do?

Now, as an aside, I wasn't quite sure of the spirit or purpose with which it was raised in this resignation letter, but I want to recall here this quote from Mao about how Marx every day waited for the European revolution to come and it never came (and then Mao added and we also emphasized the point about how Lenin expected the Russian Revolution would be followed by revolution in Germany and a big leap in the world revolution at that time and that didn't happen). I think Mao raised this in the context of people criticizing him for impetuosity around the Great Leap Forward and things like this, and he's basically saying that impetuosity was good. You have to apply this not in a literal mechanical way, because our "impetuosity" about the development of world war does not mean we were hoping for such a war the way Marx was hoping for the European revolution or Lenin was hoping for a leap in the world revolution. But ideologically the point is the same, because bound up with the question of world war is the question of everything coming to a head

on a world scale and a qualitative leap in revolutionary possibilities worldwide as well as in particular countries, including in imperialist countries and more specifically the U.S.

Our “impetuosity” was based on a serious attempt to make a deep-going analysis, and more than that the fundamental terms of that basic analysis as systematized in *America in Decline* are still correct and extremely important to uphold. So what’s wrong with our impetuosity in that sense? Wanting leaps in the world revolution, including these rare moments in imperialist countries and in the U.S. in particular where we could perhaps even make a world-historic breakthrough for the international proletariat: What’s so bad about that impetuosity? That’s an aside, but an important one.

Returning to the question: what if things go on, not indefinitely in the sense meant by people raising it who are basically losing heart and losing their bearings, losing their proletarian ideological stand, but what if for another period of years there isn’t that worldwide explosion, that forcible readjustment on a world scale, then what should we do, to put it provocatively?

We have been correctly emphasizing that world war is not necessarily part of the development of a revolutionary situation in any particular country, including in the U.S. In other words it is not an absolutely necessary part of the ingredients that would go into making up the possibility for a Beginning. What I’m saying here is another part of emphasizing that ours has never been and should not be a “world war only” viewpoint. Again, to be provocative, we are not advocates of world war. We are not people whose highest aspirations are to see a world war so that maybe somehow we can do something good in the context of that. We are advocates of revolution and proletarian internationalism and the proletarian world revolution: that is what we’re working for. Of course, we always welcome crises, particularly profound crises of the imperialist system, not only in particular countries but worldwide. We recognize this heightens possibilities, but we’re not hinging everything certainly on the outbreak of world war. And neither must we, in my opinion, in a sort of passive sense hinge everything on even a more favorable eruption of contradictions on a world scale, on a more favorable forcible readjustment of relations on a world scale. We shouldn’t hinge everything, including the ques-

tion of how to approach making a Beginning in the U.S., on this. We have an active, not a passive, role to play both in terms of what we do in the U.S. in particular and also in terms of our contribution to the world struggle.

To look at this from a slightly different angle, we have to forge a clearer picture of what a revolutionary crisis—or a situation that would lead to the possibility of an actual armed insurrection with a real possibility of winning—what such a situation or such a crisis looks like in a country like the U.S.

“Eye on the Prize” focuses on one very key element of this, that is, a revolutionary people and in particular the outpouring of revolutionary struggle among the basic masses first of all, but also among the masses more broadly. What is said there is crucial and something we must firmly base ourselves on. But what conditions along with this go into making up a situation that makes possible a Beginning that has at least a real shot at winning in a country like the U.S.? And, more specifically, taking off from what’s described in “Eye on the Prize” about necessary conditions for this—relating back to Lenin’s three conditions or characteristics of an armed insurrection as distinguished from terrorism—how do we go about both anticipating and doing everything possible to hasten the coming into being of these conditions? This is not a new question for us, in the sense that certainly we have addressed it before and have continually addressed it, but I think that on the basis of further practice and the basis of coming up against obstacles and the need to go more deeply into things, we have to take, in a certain sense, a fresh look at this and an even deeper look at it.

Again, we have been paying attention to analyzing this question, that is, the situation that makes possible a revolutionary uprising in the U.S., and in particular we have been recently emphasizing the struggle versus a “world war only” viewpoint in relation to this. We have been envisioning other scenarios that could provide the objective basis for a Beginning that had a real shot at winning, including very importantly those described in the “Considerations . . .” article published in *Revolution* magazine. But while sticking firmly to certain bedrock principles—such as revolutionary warfare is a war of the masses and in a country like the U.S. this means that the Beginning, the launching of the armed insurrection, must be based on the existence of a revolutionary people expressing

itself in the form of mass revolutionary struggle—we must at the same time hack away new ground, a clearer path in terms of understanding how this can go down.

So that's some thinking on the first point, and what is overall the main point, in this presentation.

II. Moving on to the second point: the question of the particular configuration of class forces. We have a situation where it is definitely a minority in the U.S. whose ongoing situation and more or less felt needs cry out for revolution in the U.S. This minority exists in the midst of, or in a certain sense is surrounded by, fairly extensive affluence among the middle classes and at the same time considerable demoralization among the more "classical" and, in the period since World War 2, the more bourgeoisified, working class—although the position of many of these workers has been undercut in recent years. This presents particular problems that we have to find the ways to make breakthroughs on. These, frankly, are some of the obstacles that we've been butting our heads against and some of the things that have led to discouragement and demoralization, even in some cases defection, on the part of some people, including a few long-time Party veterans. Some of them put it more straight up and others less so, but basically they don't see a way to break through on this, and we have to figure out a real way to break through on this.

One point that I think is very important is that we cannot give up on the question of winning over, at least to friendly neutrality, broad sections of these middle classes and the more "classical" working class strata. We have to find the ways not only to do political work among them and to influence them, but we have to find the ways to win them at the crucial moment, based on all the work we've done, to at least friendly neutrality and, in the case of many, actual support for revolution. Here it is important to raise the question of organized ties among these strata: middle class and also "classical working class" and farmers, the more classical "blue collar" strata in a very broad sense. It's important to develop organized ties, that is, building the party among them and other forms of organized ties. It's not enough to just do work generally to influence them, to create public opinion among them, etc., although that is very important and remains in an overall sense the hub of everything we're doing even

among these strata. But developing organized ties among these intermediate forces is obviously important in preparing for the armed insurrection, and it also will be even more important in the conditions of an armed insurrection. You can't suddenly then go about trying to develop organized ties and all the other things that are essential to be able to win people to at least friendly neutrality. We have to find the ways to make breakthroughs in that even now in building up to and preparing for the conditions where an armed insurrection becomes possible with a real shot at winning.

Here I think some of the points I made in "Eye on the Prize" about "programme" and "program" are important and should be looked at again in terms of this question of how to develop organized ties and make further breakthroughs as well as more generally influencing and creating public opinion for revolution among these middle strata.

At the same time I think it is very important not to look at these middle strata as one undifferentiated mass, but to look at class contradictions, the position of different strata, their particular interests and also, very importantly, major faultlines that fall out in important ways among these strata (and other strata), to recognize and act on conditions and contradictions that make for more favorable forces (at least potentially) among these strata, in particular women and youth. The question of these particular contradictions and the fault lines that are shaping up in relation to them and how they provide more favorable opportunities among these intermediate strata is something we have to pay a lot of attention to, both in terms of getting a better theoretical understanding and deeper analysis of how this will fall out and also in terms of practice—political work and struggle.

III. This brings me to the last point of this presentation: particular focus on youth, particularly basic youth, vis-à-vis the proletariat as the proletariat, as was raised in this resignation letter. The point that was made in that resignation letter (and I think it is a point that we ourselves have been grappling with and we have to go further with) is basically that if we want to have any shot at doing what we're setting out to do, particularly in a country like this, we have to find the ways to really unleash and, in a certain sense, base ourselves on a lot of the qualities of

youth more than we have envisioned doing up to this point. As was said in this resignation letter—this is a provocative point, and in my opinion it certainly deserves to be thought seriously about and grappled with—if we try to base ourselves on the proletariat as the proletariat and unfold everything from that we are not going to make the necessary breakthroughs, we are not going to unleash the forces that could really be at the front lines of what has to be done, and we're going to miss, in fact, the chance to unite with a lot of the forces, in particular the youth among the basic masses, who could be won to the kind of program that we're working to win people to.

In my opinion, there is a lot to this, but I don't think we can throw out the baby with the bath water, so to speak. I don't think we can throw out the proletariat as the proletariat at the same time as I *do* think we have to pay attention, a lot more than we have, to the question of the youth among the basic masses. I don't want to say "the youth as youth," and leave it at that, because that would leave out decisive factors, in particular the question of different class forces among the young (and in society overall) and also the national question, which figures in very importantly, particularly in the U.S. But I do think that, while not throwing out the baby with the bath water, while not giving up on the question of building Party organization and more generally revolutionary movement and struggle among the proletariat (as the proletariat, to use that expression), we have to pay more attention and look in new and fresh ways at this question of the youth, especially the youth among the basic masses. In doing so we have to look again at the question of the relationship between party building among these youth and the role of the Party's youth group among these youth.

It has been raised that maybe we should be giving more emphasis to actual party building among these youth, while not downgrading and in fact in an overall sense upgrading the role of the youth group. I'm not trying to present a worked-out answer to this, but I do want to say I think this is a question that definitely is deserving of serious attention right away and ongoing attention both in theory and practice.

Here I want to get a little trippy, but hopefully not too much, on the question of youth and aging. I want to apply this both to the proletariat in its world-historic role and

also to people, individuals. Let's take the individuals first. There is a phenomenon that goes on not only in a general sense—that people age, which we all know—but also as people age and as they go on living in a society, particularly one like the U.S., that enjoys fairly long periods of relative prosperity and stability and where it's only a minority that is more or less constantly (or at least repeatedly) in a mood to want to rip up the society and even they are intimidated, surrounded and suppressed by the presence of broad strata that are not in that kind of a mood, at least much of the time: I think that does have an effect of wearing on people, even the most advanced, even people in our own ranks. It is not exactly a unique phenomenon, it's not even unique to this type of country. In Mao Tsetung's military writings in particular, he talks about how they have their base areas, but if they aren't able to make breakthroughs and develop things in other parts of the country, if they aren't able to spread things, then eventually this is going to wear on the intermediate strata in the base areas and even wear on the basic masses (in that case he's talking about poor peasants in particular).

This is a more general phenomenon but it has particular expressions in a society like the U.S., with its particular characteristics as I've just referred to them. And the answer is not to give up on people who are over 30 or over 40, either in our own ranks or among the masses. But it is a general phenomenon that this wearing on people has some effect. For example, I referred in some correspondence to something I saw in a report: an older autoworker (I use the word older advisedly, but someone over 40) who expressed openly and honestly the sentiment that things that used to make him feel like tearing everything up don't motivate him in that same way. They make him mad but he doesn't feel the same "goddamnit, I'm not going to put up with this. Let's tear the motherfucker up." He has a more muted response, even though he feels angry. He's expressing this openly and honestly himself.

At the same time, there is a lot of cynicism he is expressing about the youth. This is one of the basic masses we're talking about. Even though this is an autoworker—among the better-paid factory workers—this is a Black autoworker we're talking about here and he comes out of a situation of the basic masses and certainly

is very close to them. He is expressing a lot of cynicism about the youth. I'm extrapolating, but I think it's fair to characterize it this way: "When we were young we were into revolutionary things. That's what we thought about, that's what we were into. These youth these days are into drugs and crime or they're just beaten down and there's no hope among them." And he's feeling very discouraged by this. I think things like Miami do a world of good for all of us, including for people like this Black autoworker to whom I am referring, but this "discouragement" and frustration is a phenomenon.

At the same time I was reading a report about a revolutionary originally from another country with whom we have some contact who is facing a situation of trying to wage struggle about the course of the revolution in that country and is feeling discouraged, has the feelings of having to, in a certain sense, start all over again. But this person's not young and full of energy and also, frankly, full of a certain amount of naivete. I think that naivete divides into two; it has its positive as well as negative qualities and it exists also as a unity of opposites with knowledge. Knowledge is an important thing and I'm not upholding ignorance, but there's a certain thing about youthful enthusiasm which isn't weighted down with too much knowledge, frankly, of all the things that can go wrong, and of all the ways in which even when you win it isn't all absolutely glorious, it's much more contradictory than you expected it to be, etc.

I could also cite other examples of people in our own ranks and beyond our own ranks who for long periods have sincerely applied themselves to trying to make revolution in various ways, in various parts of the world, and have come up against this. I see this as a little bit of a phenomenon, so I raise this as a question of youth vs. aging. And the synthesis I think that we should try to come up with in this is how to correctly synthesize the positive qualities of youth and age. In other words, as I just said, there is something to "youthful idealism." I don't mean idealism as a world outlook, but youthful enthusiasm and daring, etc., is very important, even including within it a certain naivete of the complexity and contradictoriness of even the best things.

But there's also something very important about people with experience, people with a certain developed—I don't want to call it maturity, but I'll call it a certain sense

of flexibility, a certain suppleness in dealing with contradictions, a certain sense of even while paying attention to one aspect not neglecting the other, a certain sense that even while you're making advances you must pay attention to the contradictions within it so you can prepare to make further advances and not get thrown back. All these kinds of things take a long time to learn: in a certain sense it's Lenin's response to the accusation that "it's the same old twelve wise men leading the movement" in *What Is To Be Done?* His answer was basically, "it takes a long time to develop those twelve wise men"—and not as a criticism of Lenin, but we would amend that to say "twelve wise men and women"—it takes a long time to develop that. The fact that, for example in our Party, we have developed such a leadership group, and that in other parts of the world other parties have also developed such leadership, and that this is even taking a certain expression in terms of the RIM on an international level, is extremely important, and the masses of people recognize that too.

I want to emphasize that we need to find the ways to synthesize these different strengths of youth and experience. We need to do this on the level of our mass work and we need to explore how this might work in our party organization. We need to explore the question of 3 in 1 combinations: that is, first veteran Party members; second, veterans who are not necessarily Party members—veterans in the sense they have lived awhile and thus accumulated valuable experience and/or they are veterans of struggle even if they are not in the Party; and the third part, a very important part of this combination, youth—fresh forces, particularly youthful fresh forces. We must find the ways to have 3 in 1 combinations of various kinds, inside the Party and outside of it in more mass forms of organization and struggle. I think this is a way to synthesize these strengths and turn this into a very good thing. So that's "youth and age" on the level of individuals.

On the level of classes, and in particular the proletariat, I was reading a book someone sent me called *The Death of Rhythm and Blues*. I've only read a little of it so far, but it's a very interesting book. At one point in talking about different kinds of rhythm and blues music in the early '50s, it talks about doo-wop music, and it makes the point that if you listen to these songs, whether an old classic or a now-almost-forgotten song that made a flash for a second but hasn't become an old classic, you can't

help hearing the expression of adolescent urban life. And what the author meant by that is not adolescent youth in urban situations, he meant a people, in this case Black people, new to urban life. And I want to apply that more generally to the proletariat. I think if you look at places like Russia, there was a certainly similar phenomenon there. The proletariat in Russia in the 1917 revolution was in its adolescence, if you will. It hadn't yet reached the stage of "maturity," the stage where it hangs around in the old society, the capitalist society, long enough that it reaches its "maturity" as a class and it tends to get institutionalized into the structures of the society to a certain degree, through trade unions and in other ways. Not that the basic class contradiction in society gets eliminated, but there are certain ways in which it does get mitigated to a certain extent. The ruling class will make adjustments and concessions if it hangs on long enough to do so. I believe this would have happened in Russia had there not been any 1917 Revolution. I've talked about this from other angles before.

In the '60s we had a section of the proletariat—particularly Black proletarians—in its adolescence in the U.S. at that time. In "Some Thoughts" points are raised about the particular forms and the character of the struggle in the '60s and the underlying material causes for this both within the U.S. and internationally. Without making the question of causes too mechanical, there were certain underlying socio-economic changes and causes that gave rise in a general sense to certain forms of struggle. I'm raising this element of the "adolescence" of the proletariat vs. the "maturity" of the proletariat in that context.

Now I don't raise this, again, to strike a negative tone about the proletariat in the U.S., particularly the basic, the real proletariat, or to say it's become "senile" and no longer a potentially revolutionary force. But I do think that it is important to look at this question of characteristic forms of struggle from this angle, too. What happens when you have this situation which culminated in the '60s—with proletarians *en masse*, millions of Black people in particular, coming into the urban areas, coming into the lower ranks of the proletariat, and then certain forms of struggle erupt, but things don't go all the way—what happens then? The character of things changes. I do think you get a youth that's different than the youth of the '60s. In my view, strategically speaking, it is more favor-

able, both because of the world situation and because of the conditions of the masses and their needs—and to a significant degree their *felt needs*—for very radical basic change. Even if all this doesn't now take an overtly and clearly positive political expression as a mass phenomenon, I think it is strategically more favorable.

On the other hand, as expressed by this Black auto-worker I referred to and by a lot of other people, there are a lot of negative characteristics in the short run which I also referred to in "Some Thoughts" and "Some Further Thoughts." Our task is to find the ways to give revolutionary expression to this potentiality and to the smoldering and more and more erupting anger that's there among these basic masses. And again the question of the youth in particular being a crucial force in this is something that we have to look at even more deeply and, in certain aspects, afresh. We have to figure out how that ties in with where the proletariat is at right now.

I don't believe the proletariat is in senility as a class in the U.S. I believe it is still in a situation where it can be the bedrock revolutionary force, particularly the real proletariat. But things are different than the '60s, even in terms of the situation among the Black masses. They are not in the same situation as they were in the '60s, relative to the class configuration, the class structure of the U.S. There have been changes. We have to analyze those changes in order to come up with solutions to problems, to make breakthroughs and overcome obstacles. Particularly looking at the youth and how they relate to the proletariat more broadly is extremely important.

We have some microcosms of this, for example, in reports and articles I have read recently on Miami. When things lined up in a certain way and broke out in a certain way, the youth—including youth in their early teens—were a lot of the actual fighting forces. Maybe if there was a core group of hundreds or perhaps a few thousand in Overtown that was actually fighting in various ways, these youth were the front-line forces and the core of that. But they brought into motion a lot of other forces with them. This microcosm is something to look at to draw out larger lessons and implications.

Rather than try here and now to resolve this question, I just want to raise this question of youth and aging, both as it applies to individuals and also as it applies to the proletariat and the oppressed masses generally. This is

something we have to really dig into and unearth and then seize on the further potential that's there.

And this is very much related to the question of road, to the question of crisis, to the question of what a situation would look like that would create the possibility of a mass armed insurrection that would have a real shot at winning. This question of youth and its relationship to the proletariat more generally—or, to put it more provocatively, youth and age even within the proletariat—is a very important question to take up and to move on.

This leads me to a last question, the one I want to conclude on, which is what I refer to as “the big question” in terms of such basic youth in particular and the basic masses and the bedrock social base generally. It is the question of forms of struggle, especially in conditions that are more and more shaping up for basic masses like the lockdowns in the housing projects in Chicago, the various Operation Hammers and other clampdowns on the basic masses—and there is certainly more to come—the intensification of these repressive measures and conditions. With all this in view, the question is: what forms of struggle do we have to be developing that both further unleash revolutionary struggle and movement among the basic masses and also make further concrete strides in terms of preparing for a Beginning. In this context, we need to go more deeply into the implications of the orientation of developing mass, militant political struggle as an important part of the preparation for the eventual mass armed uprising.

It's important to look at this in terms of lessons from other places. For example, something like the Palestinian Intifada. Without trying to cast a negative light on something that is overwhelmingly positive and very inspiring for the oppressed in the whole world, including for masses of people in the U.S., there is at the same time, both spontaneously and by the design of certain opportunist forces and their influence, a certain correspondence between that form of struggle (and in particular the limitations of that form of struggle) and the objectives of the opportunist forces who still hold sway in the Palestinian struggle.

I think the slogan being raised by the RIM around this, about the stones paving the way for people's war, is a very correct and important one to raise. But precisely what's involved there is a qualitative leap—from stone throwing

to higher forms of struggle, more thoroughly revolutionary forms of struggle that correspond to a more thoroughly revolutionary program, really seeking a fundamental solution to the contradictions. In this case, that means not trying to seek some sort of accommodation, however militantly fought for, with Israel and the Western imperialists and perhaps also the Soviet Union to some degree—accommodation like a two-state solution, neocolonial domination over the Palestinian masses in some phony form of state, etc.

What this raises is that there's a correspondence between forms of struggle and objectives, between fundamental program and forms of struggle. This is not to rule out the role of spontaneity and the relationship between spontaneous struggle on the part of the masses and our role (that is, the role of conscious communist forces) in terms of both uniting with spontaneous struggle and diverting it and raising it to a higher level, to something more thoroughly revolutionary.

Related to this question of forms of struggle is the question of forms of organization, specifically among the basic masses, among what we refer to as our bedrock social base: the relation of Party organization, as the most decisive form of organization, to other possible forms of mass organization among the youth, but also among the basic masses more generally. This obviously refers to our youth group, but also to other forms of mass organization.

I have already mentioned the suggestion of publishing the Points of Discipline that we use within our ranks and among basic masses that we're seeking to recruit. This relates back to the question I raised earlier that we really need to grapple with: the question of “contending for power.” What is the form in which we can do that? There are certain forms that are not appropriate, certain things that are not possible given the character of U.S. society and the necessary road in that kind of society. But I think we have to more fully explore in a creative way and in an unfettered way what some of the forms of contending might be.

Obviously outbreaks like Miami give a lot more freedom to revolutionary forces and generally to the advanced. They create a lot of fertile ground for making strides and headway. This is a living, forceful example of the “maximizings” point in “Some Thoughts.” But we

can't limit what we do and the initiative that we seek to take—the initiative we seek to create and carve out for ourselves and the advanced forces—we can't hinge that simply on such outbreaks or passively wait for such outbreaks. We have to be seeking to take initiative at other times as well, and we have to find the ways particularly to “contend for power” with the other side and with various representatives of the other side. We really have to find a way to make some breakthroughs on this, to erect a pole and actually to contend, certainly for influence, but in a certain sense for power. Now we can't literally contend for power until we're ready to contend for power in society as a whole—until we can launch the armed insurrection with the aim of seizing state power—but we can contend in political and ideological ways, and when I say “political” I don't mean simply the putting out of a line, but I mean in practice as well in terms of influencing the terrain.

Let me give an example involving the Black Panther Party and the woman question. They are much maligned by bourgeois forces on this question, and there is real reason for criticism as well. But there was some positive experience of the BPP during the '60s on this. I remember when I was living in the San Francisco Bay Area that the word was put out among the masses by the Black Panther Party and supporters that people shouldn't hassle women who came through the Fillmore District, which at that time was one of the big concentrations of Black masses in San Francisco. I know on the basis of talking to people that there was a marked positive change in people's experience, particularly women's experience, going through

that area as a result of this. This is an example of the kind of thing I am referring to. They put up a standard and a pole. Though this was not without contradiction, nevertheless it is a positive example of the kind of thing that I am referring to. The word was put out and people responded to that word, there was a marked change in how people saw things and how they acted.

This idea of publishing these Points of Discipline is one such important idea along these lines, but I think there are many other important ways in which we have to actively “contend for power,” in this sense. This is what I mean by “political.” I don't just mean putting out a political line in a general sense, but actually putting out a line to be taken up by the masses and implemented, a line that goes directly counter to the authorities and their snitches, stooges, hatchetmen, and enforcers and whatall. Obviously, we can't get in over our heads, we can't pick battles that we can't possibly win, but that doesn't mean we can't do anything in this sphere. I'd really like to see us actively take up, investigate, and make breakthroughs in this sphere.

I'm going to end on that point—“the big question,” in light of all the things I've raised—the question of what forms of struggle, and what forms of organization, can really give expression to and unleash the positive factors among the basic masses and also have the most positive impact on society as a whole. How in this way can we make some breakthroughs that are crucially needed, breakthroughs that we are at the point of being able to make, breakthroughs that will be great strides in preparation for the goal toward which all this is aimed?

The Latin American Debt Crisis in Perspective: The Political Economy and Strategic Implications of Global Financial Disorder

by Raymond Lotta

The object of this paper is to examine the debt crisis within the larger economic and political environment in which it is unfolding.

Let me begin by citing some revealing statistics. Between 1984 and 1988, the oppressed countries transferred a net total of \$140 billion to the rich countries in the form of debt repayments;¹ this works out to the equivalent of *two* Marshall Plans. Today many of the oppressed countries are being drained of 5 to 6 percent of their gross national product and 30 to 50 percent of their export earnings annually to service their external debt; this works out to *twice* the level of the reparations transferred out of Germany after its defeat in World War 1.² In Latin America, domestic investment is 25 percent below its 1980 levels in real terms.³ In the poorest countries of the Third World,* and these are mostly in Africa, the debt burden has reduced living standards by 25 percent during the decade of the 1980s.⁴ Hunger, hardship, and stagnation are spreading through the Third World.

The statistics are not in dispute. What is in dispute is an explanation of the crisis: its origins, its significance, and its potential resolutions.

Neoclassical development theory, as presented in the formal literature and as peddled by the World Bank and the International Monetary Fund, suggests that the run-up in debt is really part of the normal growth pattern of developing countries. According to such theory, there are substantial opportunities for growth that are being missed because they cannot be met out of internal savings. Thus foreign loans are said to represent a key

*I use the term Third World because it has become widely accepted as a kind of shorthand for the peoples and countries of Asia, Africa and Latin America. Its use here has no connection with the use of this term by the revisionist rulers of China and their notorious "Three Worlds Theory."

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mechanism by which the developing countries can close their savings or foreign-exchange gaps. In other words, loans supposedly help these countries obtain the money they need to develop their economies but which otherwise would not be available from their own resources or by selling things internationally. The capital-rich countries are said to be making an investment in national development. Bank and international agency loans, as well as other capital flows, will supposedly transform the small so-called "modern sector" into an "engine of growth" of the developing countries. The growth that results from this process of transfer and transformation will, so the theory goes, enable the developing countries to pay back their beneficent creditors, and the whole process will promote international economic growth and development.⁵

In this view, everyone will benefit and everything will work out for the best. But, quite clearly, things have not turned out as predicted. Neoclassical theory is divided over the details of what went wrong. Yet the neoclassical theorists do share a basic explanatory framework. This is the notion that the misfortunes befalling the developing countries result from a combination of internal mistakes on the part of the Third World regimes and external shocks coming from the world economy. The task then is to administer corrective therapy to the debtor countries and to stabilize the world economy.

It would be too kind to say that these theories are simply wrong. They are rationalizations for imperialist domination and penetration and for brutal austerity. So we are back to the original question: what are the origins, significance, and potential resolutions of this crisis?

And there are other related questions. Why was all this money lent in the first place? Why has this money not generated sufficient new income to liquidate past debt? Why have the international financial and development agencies advocated austerity policies that at times seem so self-defeating? Is there a basis for financial and broader economic recovery?

I hope to answer these questions through the course of this paper. But let me highlight some key elements of my approach to the problem. First, indebtedness is built into the growth dynamic of the Third World countries. The dominant position of imperialist capital in the world economy, as well as within the oppressed nations themselves, and the very structure of capital accumulation and class rule in these formations of necessity create a dependence on external injections of capital.

Second, the debt crisis, as an extreme manifestation of this growth dynamic, cannot be treated by itself but must be seen as part of a larger crisis of accumulation on a

world scale.

Third, to the extent that the imperialists have been able to manage aspects of this crisis, they are only postponing the day of reckoning and making for a more devastating explosion.

Fourth, this crisis is profoundly conditioned by political, strategic, and geopolitical factors.

Finally, this is a situation that presents humanity with great dangers but also with revolutionary possibility.

Some Background

In my book *America in Decline*, I develop a theoretical model of capitalist accumulation in the twentieth century.⁶ There are several elements of that model which are relevant to this discussion. The concept of accumulation refers to the production of surplus value, based on the exploitation of wage-labor, and the reinvestment of this surplus value on a larger and ever-more capital-intensive (mechanized) scale. This process is driven by the search for profit.

In the imperialist era, the leading edge of the search for profitability is the export of capital (the international movement of investment capital). The international migration and competition among internationalized capitals set the norms of capitalist production. The imperialist world economy derives its cohesion from the internationalization of investment capital. It is the competitive and global expansion of capital that enmeshes the world in a single complex of production and exchange.

But the internationalization of capital is a complex phenomenon. Even though capital is highly mobile internationally, the constitutive units of this imperialist world economy are relatively autonomous national state formations. And even though the world economy is a single complex of production and exchange, it is not homogeneously capitalist. Various feudal and kinship modes of production persist and function as elements within the world economy. But on a world scale, the capitalist mode of production dominates and structures these modes of production.

Moving on to another element of the model. *There is a basic fault-line in the imperialist system, the division of the world into oppressor and oppressed nations.* This division does not refer simply to interstate relations but to an essential feature of the global accumulation process and global class relations.

It can best be understood in these terms. How capital is allocated within the imperialist countries, though inseparable from international relations, is mainly determined internally, by the material reality and needs of an imperialist base of accumulation. Yet these imperialist

centers are *strategically dependent* on the Third World as a source of cheap labor, markets, and low-cost strategic minerals. I say "strategically dependent" to emphasize that this is not a question of the sheer magnitude of investments. It is that penetration and transformation and the superprofits extracted in the Third World play a critical, stimulating role in the overall process of capitalist reproduction and expansion.

On the other hand, the oppressed nations are *structurally dependent* on imperialism. Their economic structure is shaped mainly by forces external to them, their economic momentum depends on capital infusions from and demand in the imperialist countries, and they do not develop in a way that creates the basis and impetus for internal, self-generating growth.

But this is not an *external* relation of dependency. The oppressed nations are component parts of a unified world economy. Imperialism is *internal* to the oppressed nations, integrated within their class structures and at the level of production itself. Imperialism subjects production to global norms. The subordination of the oppressed nations has its roots in the whole history of European colonialism. But *structural* dependency is a condition bound up with an unequal international division of labor that is caused by the uneven development of capital accumulation on a world scale. Imperialism transforms and subordinates the productive apparatus of the oppressed nations. This is not a purely economic phenomenon: structural dependency is also shaped by the exercise of power and control.

The last point to be made about global accumulation is that competition runs through it at all levels. But the most intense form of competitive interaction is that between rival imperialist states. This is economic struggle, geopolitical struggle, and ultimately military struggle for spheres of influence, for colonies, and for dominance in the world.

Unlike the classical political economists, Marx did not see capitalism as a harmonious system moving to ever-higher states of equilibrium. Capitalist accumulation is a dialectical process of the destruction and restructuring of capital—of expansion leading to crisis, of crisis leading to the recomposition of the relations of capital, which lays the basis for renewed accumulation and which ultimately creates higher barriers to self-expansion.

America in Decline attempts to understand how this process works itself out in the age of imperialism. For capital to restructure itself, it must transform its international coordinates. But this hinges on the political-military defeat of some imperialisms by others. Only by forcibly resolving imperialist antagonisms and by redistri-

buting power and spheres of influence can capital recast its international framework. Which brings us to the United States' position in the world.

World War 2 put the United States on top of the imperialist dunghheap. Not only were Germany and Japan defeated, but the U.S.'s allies, Great Britain and France, were greatly weakened. The world economy was reorganized on the basis of the settlement of World War 2, and the U.S. was the prime mover and the prime beneficiary.

The effects were profound. New international economic relationships were forged. Reconstruction and reinvestment took place on a new foundation. The direction and patterns of international capital flows changed, and this created new productive efficiencies, new international linkages, and new international complementarities.

World trade expanded at an unprecedented rate. The Third World became the site of an extraordinary inflow of first U.S. and later West European and Japanese capital. New institutional and regulatory structures, like the World Bank, the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade, both lubricated and glued together the new framework. Within this new international framework it became possible to carry out certain economic transformations in the domestic economies. All of what I am describing shaped the international division of labor and the international productivity of social labor. And all of this helped lay the basis for the boom of the postwar period. But by virtue of its extreme growth, the world economy would enter into extreme crisis.

Capital Flows in the Postwar Period

The most spectacular feature of the international economy in the forty years following the settlement of World War 2 was the expansion of capital exports (foreign investment). If we examine these capital flows, it becomes possible to periodize them according to their characteristic forms.⁷

In the first decade following the war, the main form of foreign investment (and here we're principally talking about U.S. overseas investment) was *imperialist-state investment* (officially known as public long-term capital). This capital, mainly in the form of grants and loans, went into the rehabilitation of the war-torn economies in Europe and Japan and, in the Third World, into the construction of neocolonial state structures and the promotion of capitalist economic development. These were large-scale, long-term investments (often in infrastructure, like roads and power and communications networks). They were often accompanied by large-scale

military assistance to put down potential revolutionary challenges.

In the next period, from the mid-1950s until the early 1970s, *private direct investment* occupied a central position in the overseas expansion of capital. The requirements and possibilities of global accumulation called forth the massive export of productive capital. In particular, this involved the expansion and diversification of transnational corporations. Between 1955 and 1973, U.S. private direct investment overseas increased five-fold.⁸ International capital, at first mainly U.S. but later including West European and Japanese capital, was dispersing operations and globalizing production sites in order to maximize its profits.

In this period, some Third World countries had embarked on programs of "import-substitution industrialization." This meant that instead of buying, let's say, cars or appliances from abroad, efforts would be made to replace these imports through domestic production. This typically involved state subsidies to domestic manufacturers and import controls to protect these fledgling industries from foreign competition.

But "import-substitution industrialization" was not really a program of autonomous national development. Foreign capital was heavily involved. In fact, this was a vehicle for the internationalization of production by imperialist capital. The structure and pace of import-substitution industrialization were principally determined by the activities of transnational corporations and by their quest to maximize global profitability. (Subsidiary operations set up by U.S. transnationals, which were producing for the local market in Latin America, were a significant feature of U.S. capital movements going back to the late 1940s and 1950s.)

Between 1960 and 1972, the value of U.S. direct investment holdings in Latin America nearly doubled. And these investments were highly profitable: the remission of profits to the U.S. by the subsidiaries of U.S. transnationals in Latin America exceeded the net entry of U.S. capital into Latin America by over \$9 billion in that period. In Western Europe during this same period, inflows of U.S. capital exceeded repatriated dividend income by more than \$5 billion.⁹

An extremely important feature of any division of the world is the penetration of imperialist capital into the oppressed nations. But this took on magnified importance in the post-World War 2 period, especially in the 1960s. In several key countries of Latin America, and others like Iran and India, Western capital seized the reins of capitalist development from above to carry out major transformations in the countryside, both for the

purpose of building up new social props for reactionary regimes and to broaden the base for accumulation.

Global financial and aid institutions played an important role in financing this project. There were the bilateral activities between U.S. government agencies, like the Agency for International Development, and Third World governments. And there were the activities of multilateral institutions like the World Bank, which is made up of member countries. In Latin America the official aid and loans associated with the U.S.-financed Alliance for Progress were the crucial component of capital flows into the region in the 1960s. Counterinsurgency was another part of the package.

At the same time, vast amounts of manufacturing capital flowed into the cities, especially in Latin America. Disruptive changes in the countryside and breakneck urbanization combined to create great strains on the fabric of these societies. It was no accident that revolutionary struggles swept through Asia, Africa, and Latin America and threatened imperialism as never before.

Beginning in the mid-1970s, and continuing through the early 1980s, *private bank lending*, that is, debt-creating flows of capital on commercial terms, became the predominant form of foreign investment in the Third World. In 1970 net foreign direct investment represented 34 percent of annual net long-term capital flows to the developing countries; but by 1977 it had fallen to 19 percent.¹⁰

What accounted for this change? It is necessary to examine matters both from the side of the banking institutions and from the side of the borrowers. On the side of the banking institutions, there has been a process of continuing internationalization over the postwar period that has transformed international credit relationships. But there is something more fundamental.

By the early 1970s the Western imperialists were running up against certain limits to international expansion. The economic revitalization of Europe and Japan became a greater threat to the competitive position of the United States. At the same time, the war in Vietnam had a profoundly destabilizing effect on the international monetary order, and this further weakened the United States in relation to the other Western imperialists. The rate of profit on capital investment was declining throughout the advanced industrial countries. The kinds of changes brought about in the agricultural and manufacturing sectors of the Third World countries were now leading to new blockages and imbalances.

Internationally, capital could not press forward and transform the conditions allowing for renewed expansion in the way that was possible in the 1950s and 1960s.

Previously, international capital flows had opened new opportunities and allowed recessionary pressures to be dissipated; when economic growth slowed in the home market, capital could be invested elsewhere, where growth was higher. Now these flows were more closely interknitting imperialist capitals in an environment of declining profitability. The 1973-74 global downturn, the most serious since the Great Depression, signaled a *changed situation*.

All of this is quite relevant to the growth of loan capital operations. The U.S. imperialists had resorted to deficit financing to pay for the war in Vietnam. They basically printed dollars to cover what government revenues couldn't pay for, and since the dollar functions as an international transaction currency, these dollars sloshed about the world. At the same time, the Western countries, and particularly the U.S. as the leader of the Western alliance, had resorted to expansionary fiscal and monetary policies to counteract the economic slowdown of the 1970s.

Much of this credit expansion appeared as a huge buildup of liquidity in the Eurodollar and Eurocurrency markets. What are Eurodollars? They are simply dollars held outside the United States by international banking and corporate institutions. This rapidly multiplying money-capital is lent and re-lent across borders free from the controls and regulations (as well as "lender of last resort" support) of national governments, and thus has great inflationary and destabilizing potential.

There was now an enormous pool of loanable funds at the disposal of commercial banks. The rise in oil prices added so-called petrodollars to the international lending pool. But there was a problem: slackening growth in the advanced countries and the declining profitability of long-term capital formation limited investment options.¹¹

Much of these investable surpluses went into a select circle of Third World countries, particularly the so-called newly industrializing countries like Brazil and Mexico. These were important growth centers in a crisis-ridden world economy, even as these countries went through spasms. Between 1974 and 1982, about \$275 billion was lent to the non-oil-producing, less developed countries by private transnational banks. *The expansion of loan capital (debt) in the 1970s was an important means by which imperialist capital generated profits in the Third World in a climate of narrowing investment possibilities and increasing long-term risk.* And the dependent countries' indebtedness helped sustain world trade and economic activity throughout the 1970s and early 1980s. One way in which this was happening was through the stimulus to export

production in the imperialist countries. Much of the borrowed money went towards financing the import of manufactured goods, and most of the demand for these goods was met by the industrialized countries.

At the same time, this form of investment (lending) was seemingly secure, since interest varied according to risk and because much of this loan capital was being lent to governments or to state industries which governments theoretically guaranteed. (Actually, a secondary reason that private direct investment declined in importance in the Third World countries beginning in the late 1960s was that the imperialists were concerned about the stability of these regions—not just the threat of revolutionary upsurges but also the maneuvering by various regimes, some of which threatened nationalization.)

The banks charged ahead in a highly competitive and volatile atmosphere. By 1974 Citibank was earning 40 percent of its total profits from the developing countries, from only 7 percent of its assets; and in 1976 it was deriving 13 percent of its worldwide earnings, or close to half of what it was earning from its home operations in the U.S., from one developing country, Brazil!¹²

Debt and the Neocolonial Economies

Thus far the analysis has looked at the side of the banking institutions. Let's examine the forces at work on the side of the borrowing countries in the Third World. Given world inflation and the huge supply of loanable capital relative to world demand, these loans were relatively cheap for some Third World countries. They also plugged up gaps caused by the decline in other forms of capital inflows, notably development aid and direct investment. But at a much deeper level, the demand for loan capital is integral to a growth process that depends critically on steady inflows of foreign capital.

The notion has been that less developed countries could build up integrated and independent industrial production bases through import-substitution industrialization, as described earlier, and export-led industrialization. Export-led industrialization means that raw materials and, especially, manufacturing production are oriented to foreign demand and markets. By producing for world markets, Third World countries are supposed to overcome the limited consumption potential of their domestic markets.

This model for industrial development has not been borne out by historical experience.

To begin with, import substitution and export-led industrialization have generally led to increased import demand for capital goods (machinery and equipment). It may seem paradoxical that while local manufacture of

capital goods may increase, so too will imports of capital goods. But it really isn't, since there is now a need to import more sophisticated means of production to produce these capital goods. So there has not been any fundamental lessening of technological dependence on the imperialist countries. (The dominant position of foreign capital in the most dynamic branches of these economies strengthens the bias towards imported technology and equipment.) Moreover, "get-rich-quick" industrialization also leads to increased import demand for certain intermediate goods, such as energy inputs. Brazil, for instance, embarked on a highly capital-intensive development program (huge industrial complexes utilizing sophisticated machinery, etc.) that required coal and petroleum, which are locally unavailable—and this substantially raised its import bill.

So this is the first point: the rising capital intensity of import-substitution and export-led industrialization typically *increases* the imported portion of investment. This in turn strains the foreign exchange resources—the earnings from sales in the world market—of Third World countries.¹³

There is a second point. It is true that borrowings can increase the rate of accumulation by allowing more means of production and labor power to be set in motion. But there are particular characteristics to the accumulation process in the Third World that operate as constraints. Much of the advanced technology that is imported cannot be widely diffused throughout the economy to revolutionize social production; it is just not appropriate to overall conditions (and it doesn't result in a rising skills level of the work force that is really socially useful). Huge and sometimes wastefully expensive infrastructural investments are often out of scale to the needs of the overall economy and serve more self-contained investment projects. As a result, gaps and lags between different industrial sectors widen and it becomes more difficult to raise efficiency (and profitability) in a self-reinforcing way.

The question of agriculture is interlinked. This kind of dependent development puts great pressure on the food system. Manufacturing and extractive (for instance, mining) industries typically take investment precedence. And the need for foreign exchange to repay debt puts these countries in the position of having to expand the production of cash crops—for instance, cotton—that can be sold abroad, thus necessitating the import of more food!

There is a third point. The neocolonial state is bloated relative to its economic base, and this state is a major borrower of foreign funds. This is related to its repressive functions—20 percent of the debt run up by the non-oil-

exporting countries of the Third World has been used for military expenditures.¹⁴ It is also related to the vast network of control and patronage associated with the neocolonial state, which gives rise to various forms of bureaucratic waste, subsidy, and consumption. Moreover, state enterprises, which often mop up unemployment and furnish low-cost inputs to the more technologically advanced sectors of the neocolonial economies, often require subsidies and external finance.

Finally, as crisis deepens, significant amounts of loan capital go towards domestic buyouts, mergers, and speculation. At the same time, substantial sums of loan capital flow out of the borrowing countries in search of higher profits and safety. This is the phenomenon of "capital flight" (as occurs for example when government officials or private investors salt capital away in Swiss bank accounts or sink it into Florida real estate).

In understanding the forces driving Third World debt, the key issue is not that borrowed capital is used in a less than optimally productive way, although this is often the case. The main thing is that there is a *structure* that produces these effects and that leads to dependency on external finance.

Furthermore, accumulation in the oppressed nations not only depends on capital inflows from the advanced countries but also requires foreign exchange with which to repay debt; it assumes the growth and relative openness of export markets. But one of the concrete manifestations of the global crisis of accumulation has been the fluctuating and often declining rate of growth of world trade and the rising trend of protectionism in the advanced countries—which still represent the major markets and sources of foreign exchange for the Third World countries.

Also, many of the neocolonial economies, including some of the most industrially developed among them, are forced to rely on traditional exports of raw materials and foodstuffs to service their foreign debt. As a result, they become highly vulnerable to massive swings (and slumps) in primary commodity prices. Thus the place and role of the oppressed nations in the international division of labor contributes both to distorted development and to heightened sensitivity to turns in the world economy, particularly as induced by the motion of the economies of the imperialist countries.

As accumulation in many of the Third World countries ran into difficulties, as the terms of trade (the prices that could be gotten for exports relative to the prices that had to be paid for imports) deteriorated through the late '70s and early '80s, as interest rates rose, and with the onset of a sharp global recession in 1981-82, the debt repayment

burden grew (see Table 1). The banks had been shortening maturities (payback times) of loans as protection against unforeseen economic hazards. But this had the effect of increasing the potential for liquidity crises, as there was now a growing volume of principal payments that had to be repaid or refinanced. Indeed, already short-term debt had to be rolled over (refinanced) more frequently and by more banks, and new loans were being extended to ease pressure on the commercial banks' capital resources.

The total outstanding external debt of non-oil-export-

TABLE 1
Less Developed Country Borrowings from
and Payments to Private Creditors
(in billions of U.S. dollars)

	1973	1975	1977	1978	1979	1980	1981	1982
New borrowings	8.7	14.2	25.3	39.2	48.0	40.1	47.1	42.8
Interest payments	1.1	2.7	4.1	6.3	10.7	16.3	21.0	24.1
Principal payments	2.5	3.1	6.8	13.9	18.1	16.0	17.8	16.9
Total debt service	3.6	5.8	10.9	20.1	28.8	32.3	38.8	41.0

Source: Federal Reserve Bank of San Francisco

ing developing countries rose from \$130 billion in 1973 to \$336 billion in 1978.¹⁵ By 1982 Latin America's external debt was \$318 billion, while its trade surplus was \$30 billion less than what was needed merely to pay interest.¹⁶ That same year, four out of every five dollars of new bank loans to the Third World were committed to repaying interest and principal on past loans. By 1984 just about all new loans went towards the refinancing of existing debt.¹⁷ And so debt became self-reinforcing and increasingly unsustainable—both from the standpoint of the debtor countries, whose capacity to repay was diminishing, and from the standpoint of the banks, whose huge and shaky loan portfolio made them highly vulnerable to repayment difficulties.

This is a situation that put (and continues to put) the world economy at great risk. There is a high concentration of debt claims in the major banks. In the late 1970s, it was estimated that 50 percent of all credits to the developing countries were held in the portfolios of just thirty banks.¹⁸ By 1984, U.S. banks held claims of about \$100 billion on non-oil-exporting developing countries. The nine largest U.S. banks accounted for more than 60 percent of these claims, and the next fifteen banks for another 20 percent. These loans were also concentrated geographically: loans to Argentina, Brazil, and Mexico accounted for more than half the total. For the major banks, loans to the five largest Latin American debtors amounted to over 100 percent of stockholders equity.¹⁹ Table 2 shows how dire the situation was in 1982.

But the problem is not simply the exposure of in-

TABLE 2
Exposure and Capital of Largest U.S. Banks, End-1982

Bank	Argentina (US \$Bn)	Brazil (US \$Bn)	Mexico (US \$Bn)	Loans to These 3 Countries as % of Bank's Primary Capital*
Citicorp	1.09	4.25	3.16	142
Bank America	.48	2.30	2.50	110
Chase Manhattan	.90	2.40	2.82	145
J.P. Morgan	.76	1.69	1.08	114
Man. Hanover	1.23	2.01	1.73	192
Chemical	.37	1.30	1.73	136
Bankers Trust	.25	.88	.88	106
Security Pac.	.18	.49	.53	71
First Interstate	.25	.47	.68	130

Source: Morgan Guarantee

*The owners of a bank, the stockholders, invest capital in the operation of the bank. A bank's primary capital is the difference between its loans, which generate profits in the form of interest and fees, and the money it owes others.

dividual banks. These banks are highly layered and interlinked with others. At least two-thirds of Eurocurrency deposits are interbank deposits, that is, bank deposits in other banks.²⁰ With the onset of recession in 1982 and the kind of commercial bank debt exposure that had been built up, a major financial crisis was in the making. A collapse of the banking system, stemming from Third World debt, and which could have led to a world depression, was a real possibility. Too real. And it has been a matter of grave concern to the imperialists.

The Geopolitical and Strategic Dimension

There is a major political-strategic dimension to the debt crisis. This crisis and the larger economic crisis of which it is an expression are interpenetrated by other contradictions.

I believe there are four interrelated strategic issues that bear on the handling of the debt crisis. First, the imperialists need to minimize the risk of major financial disruptions and to prevent a breakdown of the international financial and monetary system. Second, they need to prevent economic collapse in countries of vital economic and strategic importance to the U.S. and the Western alliance. Third, they need to contain popular upheavals and revolutionary challenges in these countries. Finally, there is the strategic contest between the United States and the Soviet Union, which involves intense maneuvering and positioning.

Let me say that I regard the Soviet Union as an imperialist social formation which, despite its socialist cover, operates according to the same economic laws as the Western powers. I have analyzed this elsewhere.²¹ But Gorbachev's book on perestroika is rather revealing and deserving of brief comment. Expounding his "new think-

ing," he declares that enterprise competition, determination of employee incomes according to enterprise profits, and full cost accounting are at the heart of economic revival. He makes outrageous statements about the "purely womanly mission" of women in the home. And, ever the gringo, he hails the great, unifying role of English in the United States.²² If this is socialism, one shudders to think what communism will look like.

But back to the main point. By the late 1960s and early 1970s the Soviet Union was increasingly forced towards—and capable of—mounting a global challenge to the Western imperialist bloc. And the Soviet bloc itself was beset with serious economic crisis. The intensifying rivalry between the two superpowers began hurtling them on a collision course by the mid-1970s and has been profoundly influencing the course of world events.

Let me give some examples of how these different contradictions interpenetrate.

Consider interest rates. In the first half of the 1980s real interest rates were far higher than they had been at any time since World War 2. This of course resulted in a steep increase in debt-servicing costs. What was the cause of this rise in interest rates? In part, it was linked to attempts by the U.S. to control inflation and bring some stability to the international currency markets. However, the main factor driving up interest rates was the need of U.S. imperialism to draw Japanese and West European capital into the United States to finance its huge budget deficit. And what has been principally fueling this deficit? A \$2 trillion military buildup, which is a key element of the war preparations of U.S. imperialism.

We can take some other examples. Consider the role of the IMF in Turkey. In 1978-79 Turkey was on the verge of bankruptcy and facing the collapse of social order. Commercial bank credits were being cut off. But Turkey is not just any country. It is the strategic southeast flank of NATO. The IMF intervened and raised two loans, the second of which was the biggest in its history.²³ And a crucial, if unofficial, part of the rescue package involved placing Turkey under a military government.

In the case of Eastern Europe, the West has extended loan capital not only to reap profits but also to gain political leverage and influence. This takes on greater importance in view of the extraordinary crisis and growing discontent in many of these countries (although these loans also run a substantial risk of default and nonpayment). It is the United States that takes the lead in forging overall strategy in the Western alliance, but this also involves the direct and competing interests of other Western imperialists as well as a certain imperialist division of labor. The German banks have played an

important role in Turkey and in the Eastern bloc debt situation. Since the 1982 crisis in Mexico, Japanese capital has strengthened its ties with that country, something which the U.S. has encouraged.

With respect to Mexico and Brazil, there are special strategic concerns. To begin with, the U.S. is heavily invested in these two countries and Mexico is the U.S.'s third largest trading partner, after Canada and Western Europe. Indeed, so much investment and loan capital has been sunk into these economies that a collapse of either could trigger a major upheaval in the world economy. This is very important to understand.

Given the deeper penetration by imperialist capital, the growth of manufacturing, and particularly the increased levels of urbanization in these countries, the possibilities of severe and convulsive crisis are quite real, and such a crisis could come to a head very sharply and rapidly. An economic snap or revolution would have major repercussions throughout the Western alliance and the world economy.

In the mid-1980s the CIA had been describing Mexico as the U.S.'s most important foreign policy security question next to the Soviet Union. For the U.S. ruling class, the scenarios can get quite grim. An article appearing in the influential *Washington Post* put it this way: "A Mexican upheaval holds unthinkable implications for the world economy, for the control of inflation, for the role of the dollar, for NATO, for the ability of the United States to project military power elsewhere in the world, and hence for the Soviet Union."²⁴ In the case of Mexico, not only are there the extensive economic linkages with the United States, but mass upsurge and economic breakdown in Mexico would have direct and profound effects on social stability *within* the United States. With both countries, hemispheric and regional security concerns are factored very directly into the handling of debt problems.

Managing the Crisis and Managing Austerity

In this light, we can look at how the imperialists have attempted to manage the debt crisis during the last few years. The word "manage" has both correct and incorrect connotations. On the one hand, it does suggest a certain awareness on the part of the imperialists that the objective bases for expansive growth are lacking. On the other hand, this crisis cannot be managed. It is deepening and intensifying. But there is something more fundamental. Everything the imperialists do is from the perspective of how to preserve their system, and whatever they do will only perpetuate misery and lead to more crisis and more suffering.

In the aftermath of the 1982 shocks, Western imperia-

list strategy focused on avoiding default on the debt owed the banks, protecting the big banks from insolvency, and restoring a degree of stability in the banking system. The chief priority was to contain the crisis. The debtor countries were pressed to continue to pay all interest due, while principal payments to the banks were rescheduled. The IMF was brought into the restructuring agreements to coordinate new commercial and official lending. The IMF has engineered sweeping austerity programs as a condition for fresh lending.

Here it might be helpful to walk through some of the key provisions of what is called "structural adjustment," since the effects have been so devastating. First off, the IMF insists on a drastic reduction in government expenditures and government intervention in the economy. This means selling off or closing inefficient state companies and cutting subsidies on food and gasoline. These measures are designed to curb inflation.

Second, and related, the IMF pushes the debtor governments to dampen demand for imports and encourages them to step up their exports. Lowering the general level of imports and reducing government expenditure are supposed to ensure that there will be sufficient foreign exchange to meet future debt-service payments. Devaluing (lowering the value of) the currencies of these countries, another plank of IMF "reform," is designed to enhance the competitiveness of exports—by making them cheaper on world markets. Finally, changes in foreign investment rules aim to further open the dependent economies to international penetration and competition.

The Mexican ruling class has dutifully followed the IMF prescription. IMF "reforms" that are passed off as natural-objective measures to free up the market to do its work are in reality a form of class warfare. With government subsidies for basic food goods and services cut in order to curb deficits, consumer prices have soared. The purchasing power of salaries has declined by 50 percent during the 1980s. Consumption patterns have changed dramatically. Where previously people ate meat, eggs, and milk, now they eat potatoes, pasta, and drink soda pop (which doesn't have to be refrigerated, like milk). For the millions more who had already been living on the edge of starvation, the situation has become even more horrific. More than half of all Mexicans now live below minimum international nutritional levels. School enrollment is declining, and half of all children are now reported to be dropping out of elementary school, often to find work to assist their families, whose livelihoods are being squeezed. New schools, roads, and hospitals have gone unbuilt owing to the sharp decline in public investment, while maintenance of the existing infrastructure

has been neglected.²⁵

Brazil offers another example. It has been exporting everything from cars and airplanes to soybeans to pay off its external debt. Interestingly, it was in the 1980s that Brazil became the world's second largest exporter of food. Yet there is widespread malnutrition in the country. Foreign debt service uses up 14 percent of the national budget, or about twice what the government spends on health care. Meanwhile, about 300,000 babies die each year before they reach the age of one year.²⁶

These are but the social consequences of attempts to restructure accumulation patterns and to recast ties with the world market. In Latin America, debt loads are still crushing, economic growth has stalled, and the resources to finance economic change are scarce. All this has everything to do with the objective difficulties of sustaining profits within a productive structure which requires ever-growing amounts of foreign exchange to satisfy its import and expansion needs.

A brief aside. We hear the market's praises sung by the Western and Eastern bloc ruling classes. Here's one miracle worked by the world market in Africa: "More than a thousand children continue to die each day in Africa as a consequence of the economic witches' brew that flows out of low primary commodity prices, poor borrowings, high interest rates, the remaining debt crisis." This from the director of UNICEF, hardly a revolutionary organization.²⁷

Now, carrying through with austerity has required a certain kind of statecraft. The imperialists have pushed, and in some cases directly orchestrated, the so-called democratization process in several Latin American countries. This has been designed to attach some legitimacy to assaults on the masses of people and to create some political maneuvering room for neocolonial regimes whose credibility and staying power are crumbling.

In the case of Mexico, the U.S. has, in addition to the basic IMF austerity program, adopted a four-prong approach to the crisis. One, emergency credits have been mobilized to prevent possible defaults. Two, the U.S. has soaked up exports from Mexico to provide needed foreign exchange. Three, it has kept its border porous enough to allow migration to the north to continue as a safety valve for economic distress. And, four, it has, at the same time, given more direct attention to and conducted advanced planning directed at possible upheaval and fragmentation in the U.S.-Mexico border region.

Debt and the Crisis of the World Economy

Looking back at the global debt crisis, it can be seen that 1982 was a watershed for capital flows to the op-

pressed nations, particularly Latin America. For most of the highly indebted countries, the principal means of correcting imbalances in the external sector in the wake of the 1982 shocks was to cut imports. At the same time, these countries were forced to make huge financial remittances out of their foreign exchange earnings to the imperialist countries.

From the other side, the banks have sought to strengthen themselves in order to avoid collapse if any of the major borrowing countries defaulted. They decreased their lending exposure to Latin America, sold or wrote

TABLE 3
Latin America: Net Transfer of Resources, 1970-1988
(in billions of U.S. dollars)

Years	Net Capital Inflow into Latin America	Net Payment of Profits & Interest	Net Transfer of Resources*
1970	4.2	3.0	1.2
1973	7.8	4.2	3.6
1976	18.2	26.8	11.4
1978	26.1	10.2	15.9
1979	29.1	13.6	15.5
1980	29.7	18.2	11.5
1981	37.6	27.2	10.4
1982	20.4	38.8	-18.4
1983	3.0	34.4	-31.4
1984	9.3	36.3	-27.0
1985	3.3	34.8	-31.5
1986	8.7	30.5	-21.8
1987	14.4	30.1	-15.7
1988	4.3	33.2	-28.9

Source: Economic Commission for Latin America and the Caribbean

*A negative net transfer indicates that more resources left Latin America as profits, interest, etc. than came in as investment.

off some of the debt, set aside a portion of profits and raised more money to cushion themselves against future loan losses, and issued new stock.

The debtor countries were now faced with a situation of soaring debt charges, reduced bank lending, and massive capital flight. The result has been a substantial *negative* net flow of liquidity between the imperialist countries and the oppressed nations. What this means is that the oppressed nations are paying out more in debt service to the rich countries than they are receiving from the rich countries in the form of new loans and investment. The situation in Latin America is illustrated in Table 3. The oppressed nations are transferring their wealth to the rich nations in record amounts.

The economic recovery in the U.S. provided some stimulus to Latin American export growth in the mid-1980s, but the foreign debt upon which this recovery was largely based limits the capacity of the U.S. to subsidize debtors. There has been no fundamental improvement in

TABLE 4
U.S. Bank's Exposure to 15 Heavily Indebted Countries
(in billions of U.S. dollars)

	Exposure		Total Capital	
	1982	1987	1982	1987
9 major banks	54.3	56.3	27.1	49.8
13 other large banks	17.9	14.8	12.7	23.1
All other banks	18.0	14.1	26.4	51.4

Source: Morgan Guarantee

Latin America's economic performance: the ratio of external debt to exports, a crucial measure of economic performance, has actually risen, and substantially so, since 1982.²⁸ The external debt owed to U.S. banks by the major Third World debtors remains high and concentrated among the largest banks, and the exposure of some of the major banks still exceeds 100 percent of their capital (see Table 4). The total external debt of the Third World now stands at more than \$1 trillion.

The adjustment and austerity measures of the last five years have induced some reorganization and increased efficiency in the state sector. They have also brought about harsh wage disciplining of the labor force. The growing "informal" sector of the Latin American economies (small-scale economic activities outside the state and state-regulated private sectors) has also been the object of some rationalization. From the standpoint of the needs of capital, all this has a certain functionality. The depression of wages has certainly raised the rate of exploitation, and a substantial part of the cost of food production, shelter, and various basic services is shifted into the informal economy. This provides capital with greater flexibility.

But adjustment and austerity have not created a basis for sustained accumulation; they have principally dealt with certain financial aspects of the debt problem.

With imports and new foreign direct investment drying up, investment activity has collapsed. In effect, there is an imperialist tax on investment: a substantial portion of new production is being siphoned off to repay debt.

Inflation has reached levels never before seen in the twentieth century in several Latin American countries. Squeezed by financial crisis, expenditures and debt service have been paid for by printing more local currency. To stem capital flight, Latin American governments have been forced to offer incredibly high yields on local bank accounts and Treasury certificates. The idea is to make it sufficiently attractive for local capital to remain in the country. In Brazil, investor confidence is so shaky that the Brazilian Treasury has had to offer bonds, carrying an annual return of 60 percent on top of inflation, with a

maturity of one day! In this way, the government re-borrows about \$60 billion each day to pay its domestic debt. To be sure, a boon for the wealthy. But by simply expanding the money supply to pay for such costly borrowing, governments have stoked the flames of inflation even more. During 1989, inflation was running at 1,600 percent in Brazil—mild compared to the Argentine rate of 3,500 percent.

Debt negotiations throughout most of the 1980s focused on reducing the immediate debt burden, easing the emergency cash flow strain, and improving short-term liquidity. It was expected that the debtor countries would “grow their way out of debt” through rapid export expansion. For some Asian countries, this export strategy netted some results. But for most of Latin America, this strategy has been a disaster. Policy planners failed to foresee the weakness in commodity prices, and the attempt to generate foreign exchange through export expansion contributed instead to an oversupply of commodities in markets that the industrial countries were trying to protect for local producers. In addition, prolonged reduction in imports proved in some ways to be self-defeating. The important export programs aimed at obtaining hard currencies like dollars, yen, and marks often depend on imports of technology, capital goods and intermediate goods—imports which are now restricted. So there is a kind of vicious cycle here.

The Baker Plan, named after then-U.S. Secretary of the Treasury James Baker, was unveiled in late 1985. It essentially called for more sophisticated and coordinated roll-overs (new loans were advanced to help debtors pay interest on old loans that were rescheduled), further opening of these economies to foreign capital and competition, and further rationalization of the government sector. The promised new lending over the next three years was quite meager.

Why have the imperialists effectively opted for a strategy of buying time in the face of this situation? The most fundamental explanation is that the international environment is not conducive to growth in the world economy, substantial restructuring of the domestic Latin American economies, and major new inflows of capital. And these would be necessary conditions for imperialism to substantively deal with the problem of debt. New capital inflows on a scale large enough to reshape these economies will not materialize in the absence of more profitable conditions for accumulation in these economies. But such conditions can only be created by inflows of imperialist capital.²⁹

In the spring of 1989, against a backdrop of severe economic decline in Latin America and an explosion of

violence in Venezuela following the launching of an adjustment program, the U.S. announced a new initiative to deal with the debt problem. This was the Brady Plan, named after the U.S. Secretary of the Treasury. For the first time since the onset of the debt crisis, the U.S. recognized the impossibility of recovering the full face value of its loans and agreed in principle to reduce the debt owed to private banks (by 20 percent). The World Bank and IMF committed to pumping \$10 billion each into the economies of the most strapped debtor economies, parallel with which the Japanese agreed to inject \$4.5 billion in new capital.

But if this was an implicit recognition of the potential catastrophic nature of the situation—that is, the real possibility of Mexico, Venezuela, and possibly Brazil careening into economic and political crisis that could seriously endanger U.S. strategic interests and global financial stability—it was also an implicit recognition of

TABLE 5
Developing Nations' Average Annual Percentage Change
in Per Capita Gross Domestic Product

Region	1980-85	1986	1987
All developing nations	1.2	2.8	2.3
Sub-Saharan Africa	-3.6	-0.5	-5.1
East Asia	6.2	5.7	7.0
South Asia	3.1	2.4	0.5
Europe, Middle East, North Africa	0.6	2.0	1.1
Latin America, Caribbean	-2.0	1.6	0.4

Source: The World Bank

the limits of crisis management. The proposed debt relief is really a drop in the bucket. Negotiations for new money have gotten bogged down. And the plan comes with the same budget-cutting medicine. The debt bomb keeps ticking away.

Central to the global crisis of accumulation is the fact that the imperialist centers lack the stimulus from and the ability to push forward development in the periphery, exactly because of the heightened unevenness, distortion, and disarticulation resulting from previous penetration and transformation. Thus, barriers to accumulation on a world scale emerge and interact on the side of both the imperialist countries and the oppressed countries. And, thus, *it is not the level of debt as such that is the problem, but the overall state of the world economy and world politics.*

Between 1983 and 1987, a period of economic recovery, gross domestic product in the major Western capitalist countries grew at an annual average rate of only 3.3 percent (compared with a 1960-69 average of 5.7 percent).³⁰ In these countries, real gross fixed capital formation grew at an average annual rate of more than 6 per-

cent between 1960 and 1973. But between 1973 and 1986, its average rate of growth has been in the range of 1.5 percent.³¹ For much of the Third World, the 1980s have seen negative growth rates (see Table 5). In Latin America, per capita output fell by 7 percent in the 1980s (compared with a 40 percent rise in the 1970s).³²

True, capital can still move in and out of some sectors and squeeze profits here and there. Internationalization has accelerated amidst crisis. Capital has been able to carry on some restructuring in certain industries. There have been relatively dynamic regions to mine, such as the U.S.-Mexico borderland economy and East Asia, and there are relatively dynamic economies, like Japan. Growing financial centralization has opened up some flexibility.

But, overall, capital cannot make the necessary leaps in productivity and profitability to unclog the accumulation process. There has been a shift away from long-term productive investments into short-term and speculative arenas. Overcapacity plagues key industries. The profitable reproduction of capital assumes that different components are altering the conditions for expansion. But more capital is tied up in inefficient plant and parasitic activities that require ever-greater stimuli. The volume of world trade is growing at a rate considerably below that achieved in the 1970s and protectionist pressures are increasing. The decade of the 1980s, as measured by growth in gross national product and in merchandise exports, will, in all likelihood, have seen the slowest rate of growth in the world economy since the 1930s. This is truly a crisis. This is truly a global crisis.

What I am suggesting is that a certain structure of political and economic relations allowed capital to expand in the postwar period. But this dynamic of expansion has played itself out.

There is a specific complexion to crisis in the Soviet bloc. It is associated with the enormous weight of militarization in the Soviet Union, a systemic investment and innovation crisis, chronic agricultural difficulties, a division of labor within that bloc that is no longer stimulating growth, and an inability to profitably integrate and reshape neocolonies within the Soviet orbit.³³

Crisis is a mechanism of change and adjustment. Declining profitability compels capitalist industry to push down costs. Intense competition, including technological competition, weeds out inefficient capitals and leads, with the aid of state policies, to greater centralization. Geographic relocation allows for more cost-efficient sourcing of raw materials and products. It is this convulsive process of global restructuring that accounts

for the growth that has taken place in the world economy in the 1980s. And this restructuring has exacted its harshest and cruelest toll in the Third World.

The need to reorganize capital interacts with strategic necessity and initiative. Confronted by severe economic and social crisis, the Soviet ruling class, for instance, attempts with bold, if desperate, strokes to reconfigure its bloc. The West in turn seizes opportunities to invest more capital in that reconfigured bloc.

But here is the rub. *Neither the Western imperialist bloc nor the Soviet imperialist bloc can resolve any of the major strands of crisis, whether it be turmoil in Poland or debt and stagnation in the Third World, to their long-term advantage on the basis of the existing division of the world.*

And thus there is an objective compulsion to forcibly redivide the world. Financial difficulties threaten to spin out of control. The stock market crashes. IMF stabilization programs lead to IMF riots. Seemingly out of nowhere, popular struggles erupt in Haiti and Palestine. The seemingly frozen social and political structures of Eastern Europe experience a near meltdown in a matter of months. In Peru, revolutionary warfare gains ground and momentum. What I am also suggesting is that if the world is a dangerous place, it is also pregnant with revolutionary possibility.

Debt and Development: A Revolutionary Perspective

The fact of the matter is that "development" has been a disaster for the "underdeveloped" countries of the Third World. A country like Argentina is virtually flat on its back. World Bank irrigation projects in Africa have actually contributed to famine. And the massive deforestation taking place in the world is very much related to the need of debtor countries to earn foreign exchange through the expansion of cash crop production and more cash crops as prices tumble.³⁴

To say that development has been a disaster is not to say that the productive forces have not developed—they have, enormously so in some cases, and there have also been some shifts in the international division of labor. But this has been development on the basis of super-exploitation. It has been a certain kind of development—highly uneven, restricted, and distorted. And it has been development within a specific framework of international production and class relations.

And that's why even if a country like Mexico repudiated its entire debt, this, in and of itself, would not fundamentally solve anything: because production capabilities in the oppressed nations are linked with capital flows and technology transfers from the imperialist countries, because export earnings would be necessary to

service any new lendings, because the internal mobilization of resources, interest-rate and exchange policies, price formation and technological norms, the whole structure and dynamic of the Third World economies are linked to the structure and dynamic of the imperialist world economy. In short, the causes giving rise to the accumulation of debt would not have been eradicated. And if there were such a repudiation, the very severity of crisis would, given the existing framework of production and class relations, lead either to collapse or deeper dependence on finance capital.³⁵

If the experience with development shows anything, it is that *no aspect of development is neutral; every aspect of development bears the stamp of production and class relations*. The historically unprecedented process of urbanization in the Third World during the postwar period, the specific kinds of technology adopted and the uses to which it has been put, the deterioration of agriculture relative to industry—these are not the inevitable accompaniments of some natural and unavoidable trajectory of economic development. They are the outgrowths of the relations of capital on a world scale, that is, imperialism interacting with complex social formations in the Third World whose socioeconomic structures are themselves conditioned by previous phases of internationalization.³⁶ And that is why if the repudiation of debt is not in itself a solution, neither is the mere taking over or nationalizing of this dependent and distorted economic structure a solution.

The point is that development must take place on different foundations and according to different criteria—not profit, not the market, but human and social need. And the precondition for this is revolution. Because development is in fact a class question. Such a revolution must effectuate the most radical *delinking* from the system of imperialism, breaking out of the entanglement with the imperialist world economy, and the total *remaking* of society on the basis of unleashing the most important resource, the most important productive force of society—the masses of people.

In this regard, the Maoist experience during the Great Leap Forward and the Great Proletarian Cultural Revolution is instructive. Mao had an entirely different vision of development. For him, development, socialist development, had to be linked with overcoming what are called the three major disparities—between industry and agriculture, town and country, and mental and manual labor.

This orientation had profound consequences: in the location and dispersion of production capacities, in the focus placed on agriculture and reliance on the peasantry,

and in the kinds of technology developed and utilized. This was a development model whose logic and fulfillment called for tens of millions of young people to go to the countryside and for workers and peasants to lead struggles in universities. It was a project of development in which economic growth was inextricably bound with the transformation of class and social relations. Indeed, this was not a growth model as such; it represented a different set of class relations and interests based on the seizure and exercise of state power by workers and peasants.³⁷

I have discussed the global crisis and suggested that development has been a disaster. I believe this disaster will be compounded if people do not rethink all the old assumptions and call into question the acceptable range of solutions. People must dare to think about a radically different future. And it is my hope that this analysis will have made some small contribution to stimulating precisely that kind of thought.

Notes

1. World Bank, *World Debt Tables, 1988-89* Vol. 1 (Washington, D.C., 1988), table 1, p. xii.
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3. Inter-American Development Bank, *Economic and Social Progress in Latin America*, 1988 Report (Washington, D.C., 1988), p. 2.
4. World Bank, *World Debt Tables, 1987-88*, Vol. 1 (Washington, D.C., 1988), p. ix.
5. On the orthodox, or neoclassical, approach to external debt, see Dilip Das *Migration of Financial Resources to Developing Countries* (London: Macmillan, 1987), chapter 2 and pp. 166-69; for a critical survey of the neoclassical and neo-Marxist approaches, see David F. Ruccio, "External Debt and Class: A Marxian Analysis," paper presented at the Annual Meeting of the Union of Radical Political Economists, at the Allied Social Sciences Association Meeting, Chicago, December 1987.
6. Raymond Lotta, *America in Decline* (Chicago: Banner Press, 1984).
7. I have made use, in modified form, of the periodization employed by James F. Petras, Morris H. Morley, et al., in *Class, State, and Power in the Third World* (Montclair, N.J.: Allanheld, Osmun, 1981), chapter 1; and that of Dilip K. Das, *Migration of Financial Resources*, chapters 4-6.
8. U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, various issues.
9. See Richard Newfarmer and Willard Mueller, *Multinational Corporations in Brazil and Mexico: Structural Sources of Economic and Non-Economic Power*, Report to the Subcommittee on Multinational Corporations for the Committee on Foreign Relations (Washington D.C.: U.S. Government Printing Office, 1975), Table I-4, p. 11.
10. World Bank, *World Tables*, Second Edition (Baltimore: Johns Hopkins University Press, 1980), Table 7, pp. 408-9.

11. This discussion of the liquidity buildup in the international financial system and increased lending to Third World countries in the context of the economic slowdown of the 1970s draws on several studies, among which are Stephany Griffith-Jones and Osvaldo Sunkel, *Debt and Development Crises in Latin America* (London: Oxford Univ. Press, 1986), chapters 6 and 7; and Arthur MacEwan, "International Debt and Banking: Rising Instability Within the General Crisis," *Science and Society*, Summer 1986.

12. Anthony Sampson, *The Money Lenders* (New York: Viking Press, 1982), pp. 144-45.

13. For a theoretical discussion of industrialization in the Third World which employs Marx's analysis of the circuits of capital and his reproduction schema, see Behzad Yaghmaian, "Import-Substitution Industrialization and Export-Led Industrialization in Developing Capitalist Countries," unpublished paper, October 1988. For a study of these phases of development and their interrelation with precapitalist modes of production in the specific case of Mexico, see David Nova, "U.S.- Mexico Relations: Anatomy of Domination," *Revolution*, Spring 1988.

14. Rita Tullberg, "Military Related Debt in Non-Oil Developing Countries," in Stockholm International Peace Research Institute, *1985 Yearbook* (London: Taylor and Francis, 1985), pp. 445-55.

15. International Monetary Fund, *World Economic Outlook, 1983* (Washington, D.C., 1983), Table 32.

16. Joint Economic Committee Staff Study, Congress of the United States, *The Impact of the Latin American Debt Crisis on the U.S. Economy*, 10 May 1986, p. 1.

17. Richard Lombardi, *The Debt Trap* (New York: Praeger, 1985), p. 81.

18. World Bank, *World Development Report* (Washington, D.C., 1978), p. 24.

19. Data in this discussion from Rudiger Dornbusch and Stanley Fischer, "Third World Debt," *Science*, 14 November 1986, p. 840.

20. See Jack Guttentag and Richard Herring, *Disaster Myopia in International Banking*, Working Paper, Wharton Program in International Banking and Finance, April 1985.

21. See Raymond Lotta (debate with Al Szymanski), *The Soviet Union: Socialist or Social-Imperialist, Part 2* (Chicago: RCP Publications, 1987).*

22. Mikhail Gorbachev, *Perestroika—New Thinking for Our Country and the World* (New York: Harper and Row, 1988), pp. 69-78, 71, 104.

23. See Sampson, *The Moneylenders*, pp. 261-62.

24. Alvin Toffler, *The Washington Post*, 2 March 1986.

25. Larry Rohter, "Mexico Feels Squeeze of Austerity," *The New York Times*, 25 July 1989.

26. James Brooke, "Big Latin Debtors Find That, Lacking

Austerity, Relief Is Not Coming Soon," *The New York Times*, 26 July 1989.

27. Statement by director of United Nations Children Fund, quoted in Barbara Crosette, "Unicef Says Third World Children Are Dying as Development Falter," *The New York Times*, 20 December 1988.

28. International Monetary Fund, *World Economic Outlook*, April 1988 (Washington, D.C., 1988), Table A50, p. 180.

29. McEwan ("International Debt," p. 201) makes a similar point. It should be noted that the adoption of so-called "market-oriented" and "outward-oriented" reform advocated by the IMF presuppose both strong state involvement in the restructuring process and access to foreign resources and markets.

30. Inter-American Development Bank, *1988 Report*, Table II-1, p. 10.

31. Organization of Economic Cooperation and Development, *Historical Statistics* (Paris: 1988), Table 4.3, p. 53.

32. See Inter-American Development Bank, *Economic and Social Progress in Latin America, 1990 Report* (Washington, D.C., 1990).

33. On the crisis of the Soviet economy, see Raymond Lotta, "Star Wars and the Soviet Economy," *Revolutionary Worker*, 16 February 1987.*

34. How imperialist-sponsored development policies and the pressures of debt repayment have exacerbated food and environmental problems in the Third World are issues discussed in Frances Moore Lappe and Joseph Collins, *World Hunger: Twelve Myths* (New York: Grove Press, 1986), chapters 1,4,5; and Susan George, *A Fate Worse than Debt* (New York: Grove Press, 1988), chapter 10.

35. The deep-rooted character of imperialist domination and the ineffectiveness of reformist solutions vis-à-vis the debt crisis are illustrated in the case of Peru. In 1985 the government of Alan García had, with great rhetorical flourish, proclaimed its intention of limiting debt repayments to 10 percent of export earnings. Within a year of the announcement, García had already begun to soften his terms. And by 1988, with Peru then facing its worst economic crisis of the twentieth century, the García government was carrying through with IMF-style austerity programs and resuming negotiations with creditors over ways to settle loans in arrears and obtain new financing.

36. See Rhys Jenkins, *Transnational Corporations and Industrial Transformation in Latin America* (London: Macmillan, 1984), chapters 8 and 9.

37. An indispensable exposition of the Maoist economic strategy carried out in China between 1949 and 1976 is contained in a popular study written by the revolutionary forces within the Chinese Communist Party in 1975: *The Shanghai Textbook on Socialist Political Economy*, English translation (New York: Banner Press, forthcoming in 1990).

*Also in Spanish.

Warsaw Ghetto Uprising, 1943

The months of April and May mark the forty-seventh anniversary of the great armed Revolt of the Jewish prisoners of the Warsaw Ghetto in Poland during World War 2. Before the war, the Jewish Warsaw community had been a flower of culture and of revolutionary resistance to the brutal suppression of Jewish people. Under the occupation the Ghetto was turned into a walled urban reservation where thousands of slaves produced goods for the German war machine (and for simple German capitalist profit), while a deliberate food and water shortage turned a great many others into dazed, ghastly skeletons who died of typhus by the tens of thousands. Their bodies were picked off the sidewalks each morning. The destruction of human life was so great that the Ghetto population of around 550,000 at the beginning of the German occupation had been reduced by 1942 to something near 360,000.

And the worst was yet to come. During the summer of 1942 the Germans systematically destroyed 300,000 people. People were piled into trains bound for the nearby death camp at Treblinka or shot on the spot. The Germans and their allied soldiers often targeted children with special, genocidal efficiency, smashing ten-year-old skulls on a convenient brick wall, or impaling a body on a steel post.

When this so-called GrandAktion (Great Liquidation) was done, the survivors collected their spirit, and as many weapons as they could make or steal, and under the leadership of communists and other radicals, mounted a furious, last-ditch armed struggle. With Molotov cocktails, pistols, and a few machine-guns, they engaged the German army for longer than the armies of many nations (including Poland itself). Their fight should endure as the heritage, not of any bourgeois state, but of the proletariat and oppressed.

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In the middle of a night in April 1943 a half dozen men

and women, feet tied with rags to quiet their footsteps, crept out of an underground bunker and disappeared into the neighboring alleys on the most important mission of their lives.

They were messengers of the Jewish Fighting Organization, dedicated to waging armed warfare against their German oppressors, carrying orders to assemble all personnel for the battle. Earlier, scouts had noted larger and more frequent German and Polish police patrols around the walls of the Ghetto, and spies among Polish railroad workers had confirmed that something big was afoot.

By five in the morning, as Germans, Lithuanian and Ukrainian fascist allied units, and Polish police forces began concentrating an attack force at the Ghetto walls, the Jewish fighters were aware, armed and positioned. The fascists were about to get a tremendous shock.

But the Jewish Ghetto had not always been as prepared for armed struggle as it was that night.

Only a year before, even as rumors told of horrors in other places—mass graves outside the city of Vilna, barbed-wire camps where people were exterminated by the thousands—the Warsaw Ghetto Jewish community was wracked by sharply differing opinions. Along with rage at the brutal imprisonment in the Ghetto, there was the delusion that even the German fascists would not dare risk the anger of the world by exterminating them all. Underlying this, in part, were class differences: the odd fact that, along with those thousands who were dying of hunger or disease, there were those in the Ghetto who were actually working, or who had connections outside the Ghetto walls, or who lived off some past wealth, people who were in other words getting by. For some of these people it seemed possible, perhaps, to hang on, ride out the storm, hope for the best.¹

Some, especially the young revolutionaries of the Ghetto, chafed and raged at this passivity, at the atmosphere created by the Ghetto's strange, desperate and frightened middle class. At a community meeting held during the very first stages of the Great Liquidation in July 1942, one young rebel declared, "We believe, and we are optimistic in this respect, that if we were to tell the masses the whole truth [about the death camps—ed.] there would rise several thousand young men and women ready to fight even if their arms consisted only of knives

1. There was uncertainty and denial among some sections of the people in the Ghetto over whether death camps actually existed. It was later revealed that certain groups had sent spies outside the Ghetto to check on rumors of mass exterminations, but somehow the news never was well disseminated.

and axes. . . ."²

These were the sons and daughters of the proletariat, and to one degree or another they were conscious of that. Communists, some fresh from the civil war battles in Spain and now part of the newly reconstructed Polish Workers Party, left-wing Zionists, and even some breakaway youth from the mainstream and middle-class Bundists, exhorted the meeting to "rely on the poor" in an immediate armed uprising.³

But in July, as earlier in the year, this did not happen. In the teeth of an oncoming storm of mass murder, in which nine-tenths of the Ghetto would die, no massive, armed struggle was waged. Only after the Great Liquidation, almost a year later in fact, was the ghetto to rise in armed revolt.

A Deadly Delay

How did this happen? It wasn't that nothing had been done—by revolutionaries, anyway. In the spring communists and their close allies from some of the left-wing Zionist groups had formed an Anti-Fascist Bloc and began to organize themselves into fighting squads.⁴ But they were loudly opposed by the established leaders. Those of the petty-bourgeois, self-styled "socialist," and influential Bund organization, for example, refused to have anything to do with a group which included communists and wouldn't join the Bloc.

Many other Ghetto intellectuals, religious leaders (such as the Hassidic sects), and self-help groups seemed paralyzed with fear and with the thought that, as one rabbi declared at the community meeting in early July, "we must wait for a miracle."⁵ To some, the "miracle" meant that the Germans wouldn't or somehow couldn't carry through with their final solution; to others it meant marking time, in some cases conciliating, until help came in some form from the West or from the Soviet Union.

Enforcing the paralysis and illusions of these groups were the internal police, the open collaborators like those of the notorious *Judenrat*, who later did much of the dirty work of rounding up their fellow Jews for the slaughter. Also, at least two organized Jewish mob groups worked with the Gestapo to terrorize the population. The masses felt clamped in a vise grip of terror and

2. Ainsztein, Reuben, *Jewish Resistance in Occupied Europe* (Harper and Row, New York, 1974), p. 579.

3. Ainsztein, p. 578.

4. The left-wing Zionists, in common with all Zionists, had busied themselves so far during the war by preparing Jews for the migration to Palestine. But fascist genocide had caused some of the socialists in this trend to think again, and more than a few began to devote themselves to resistance instead of the Palestinian exit.

5. Rabbi Zysie Freidman, leader of the Agudath Israel Party, at a political meeting (Ainsztein, p. 573).

indecision.

Only the young radicals and the communists of the Ghetto argued for an armed revolt which relied on the masses. They had no patience for the plea that the rising ought to depend on help from London, or from the pro-Western underground Polish Home Army, or even from the Soviet Union which was widely seen as—and was in fact—a friend and ally. One left-wing Zionist told the July meeting:

“We cannot count on anybody. Neither on the Soviet Union, nor even less on the Allies: they are not in a position to help us practically in our so difficult situation. The underground Polish government could give us help but it will not do so.”⁶

And yet, when push came to shove in July 1942, and whole streets were being cleared by the genocidal German GrandAktion, members of the established parties fell back on an argument that seemed to affect those who called for armed struggle; at the community meeting in July, the old-line leaders said:

“In order to shake the poor out of their resignation, we must have a purpose and arms. . . . We have a purpose. . . but there are no arms. . . .”⁷

No arms: that part was undeniably true. The rebels had virtually no guns, the Germans had seen to that. Outside the walls, the Western-backed underground Home Army had plenty of weapons, but as we shall see, this group had no interest in arming the Jews, and more than a passing interest in actually seeing them defeated. After the Bund—the only group with strong ties to the Home Army and its weapons cache (and therefore also to the West)—declined to be part of the Anti-Fascist Bloc, the plans for armed struggle collapsed.

Later the Ghetto fighters would approach the glaring problem of lack of arms in a very different way. And even at this point, the lack of arms was not the only, perhaps not even the main sticking point. Rather, the young radicals, even the communists, seem to have felt that they could not begin alone. Opposed by what seemed like the majority of the established leaders, and faced with the

6. Ainsztein, p. 579.

The phrase “we cannot count on anybody” plainly meant that the Ghetto masses needed to rely on their own heroic efforts, and not wait for help, even from friends. Into the category of friends the Ghetto fighters often placed the Soviet Union. In the above, for example, the Soviet Union is described quite differently than other forces. . . . as well it might be! The Soviet Union, a genuine socialist state at the time, advocated an uprising among the Jewish Poles and all the Polish people and gave material and political aid to this end. The interest of the Western Allies at the time was in a Poland which remained passive until the West could attempt to “liberate” it and, along with that, which maintained the power of the pre-war Polish ruling classes.

7. Ainsztein, p. 578.

confusion and apathy of at least some sizeable sections of the masses too, they would not take independent military action. Many of the fighters would later come to bitterly regret this. As the famous Ghetto chronicler Ringelblum put it,

“Anieliwicz [later commander of the Jewish Fighting Organization—ed.], and the young comrades from Hashomer Hatzair and the workers organizations paid too much attention to the views of the older generation, to the views of the wise and the prudent, who measured, weighed up and had a store of wise arguments against those who wanted to fight the Germans. . . .”⁸

But Ringelblum (and many others) only came to the above opinion later, in 1943. At the time, the summer of '42, those who argued for an armed rising apparently gave far too much weight to the idea that the whole ghetto, or at least a great majority of it, would need to rise all together. On the contrary, as it turned out: the ghetto needed its advanced, its proletarians to step out in front. The communists and their allies in the ghetto saw the need to build a united front of all who could be united to fight the Germans, but they could have benefited greatly from Mao Tsetung's judgement that within such a united front, the proletarian party has “to act independently and with the initiative in our own hands.”⁹ In missing the principle, as Mao put it, of “independence and initiative in the united front,” the proletarian fighters only allowed the political leaders of the middle and upper classes, with all their deadly vacillations and pathetic attempts at conciliation, to set the tempo of resistance. How much would history have changed if the proletariat had stepped out with bold initiatives and in that way ignited in many more thousands the will and ability to fight?

(The communists must have shared this outlook of making unity of the majority a precondition to begin the uprising. In this they may have been influenced by strategic errors of the international communist movement in the period before the war; unfortunately, that subject is beyond the scope of this article. We should also note that the communists and other left-wing forces had been organizing at least in part for rural, partisan warfare to be waged in the forests and swamps outside the cities. As important as this was in the conditions of World War 2, this policy may have been a further reason for the failure to lead a rising in the spring: it may be that the Great Liquidation caught the revolutionaries without full preparations for an immediate *urban* battle.)

8. Ainsztein, p. 579.

9. This citation and the one after from Mao Tsetung, “The Question of Independence and Initiative Within the United Front,” *Selected Works*, Vol. II (Foreign Languages . . .)

Beginning in mid-July 1942, and then extending for weeks and then months, the GrandAktion stepped up its murderous pace. The Germans recorded the deportations of 310,322 Jews, most to be destroyed in the ovens of the death camp at Treblinka. Five thousand more were killed in the Ghetto streets, most as a result of individual struggle by Jews against the roundup. (This fact alone is proof enough that an early armed uprising would have had its recruits, as the Ghetto radicals had insisted. A forceful leadership would certainly have found thousands willing to resist against all odds.) The German forces especially targeted women and children, since the destruction of an entire people was the goal of the mass murder.

By September 1942, after the Great Liquidation, only about 60,000 Jews were left, confined in three walled reservations carved out of the old Ghetto, the rest of which became a deserted "wild area." These remaining 60,000 were temporarily spared in order to work in the factories constructed in the Ghetto to feed the German war machine. . .they were literally slaves. The tragic missed chance for an early revolt in '42 now became all too clear; many thousands of those who would have participated had been massacred.

The mass murderers didn't play favorites. Most of those who had sought to conciliate the Germans while others starved were themselves caught in the Liquidation and did not save even their own skin. As for the out-and-out collaborators, their final disgrace came when 1,700 Jewish Police were taken by German SS troops, thrown together with some of the very people whom they had helped round up, and were themselves gunned down.

The "wild areas" meanwhile quickly became a ruined jungle, where broken beds and mattresses, bits of clothes and old shoes and broken glass were the only reminders of the old inhabitants. . .except, that is, for the new inhabitants, those survivors called the "wild groups." This underground population, street-wise, vicious, and ready, was to become an important factor in the coming revolt.

JFO Formed

In September 1942, a leadership core of communists and left-wing Zionists formed the Jewish Fighting Organization and set out to accomplish what they now realized should have been done long ago. The JFO was soon joined by several other groups and even by the remnants of the Bund, most of which had been decimated in the Liquidation (or, in the case of its top leadership, had fled the Ghetto).

One great myth about the Ghetto in the immediate, terrible aftermath of the Great Liquidation is that the

population was now, spontaneously, ready for revolt. But this can hardly have been true. The surviving population had been driven through a crippling shock. Most families had been broken up, by deliberate German policy. The *Judenrat* and gangster elements still operated. And—the fatal issue back in the spring—the masses still had no arms.

The people still needed leadership. For an uprising to begin, a vanguard had to organize and initiate it. The JFO had, then, much the same job that it might have undertaken in the spring.

We can summarize the goals of the JFO during the fall of '42 as the following:

- to gain arms
- to assert leadership, and destroy that of traitors and collaborators
- to energize and mobilize the tens of thousands of the population
- to organize and train for combat
- to take the military offensive as soon as possible

In short, the new Ghetto fighting organization set out to become the political, moral and military authority in what remained of the Ghetto.

The JFO embarked on this program boldly, in a completely new spirit. This time they did not wait to win over other, still broader, class forces before striking up preparations for the rising which conditions had been so starkly demanding for so long. Instead they decided that when the sparks of armed struggle began flying, the broader masses could be won to take part. Neither did the JFO wait and hope that the energy of the masses would spontaneously grow into a revolt.

Instead, the JFO made careful, final plans to begin the uprising. As part of this new plan, the JFO carried out some preliminary actions, striking at deserving targets fiercely with a few of its best warriors.

The most courageous of the youth quickly rose to the occasion, a group which included right from the first a great many women revolutionaries. On October 29 Emilia Landau, Elijah Rozanski, and Mordecai Grower assassinated the second in command of the Jewish police. On the following day, the JFO issued posters condemning collaborators to death and killed thirteen more Jewish police. Later, in January, JFO squads took a hostage and forced the Chair of the *Judenrat* to pay 50,000 zloties, used to buy guns.

Arms for these tasks were chiefly bought with money from robberies, with arms dealers charging the Jews greatly inflated prices. Approached by the JFO, the Home Army gave virtually nothing; from stocks of thousands of rifles, grenades and machine-guns, the

Polish nationalists had transmitted to the Ghetto exactly ten pistols by January, some unusable and with hardly any ammunition. The Communist People's Guard, though barely armed itself, managed to smuggle in some arms through the heroic work of fighters like Niuta Tejtelbaum. Altogether, it wasn't much, and indeed it was only later during the revolt that the Ghetto fighters managed to manufacture or strip from the Germans barely enough arms to carry on the fight.

A further word should be said here about the Home Army (AK in Polish), which was the instrument of the London-based Polish government in exile, and so an instrument also of the Western Allies. Considering the pious lip-service which nearly every Western government now pays to the Ghetto martyrs, the role of the Home Army and the Western governments during the revolt seems especially low-life. Even before the Revolt, the Home Army put an enormous amount of energy into keeping an uprising from happening, and none at all into making one happen. Above all, its aim was to be positioned so that after the German defeat, the Polish ruling circles aligned with the West might have a chance at taking power. Shortly before the Ghetto Revolt, Home Army commander Major General Stefan Rowecki wrote to the London-based Polish rump government:

"The Communist Polish Workers Party is exploiting the state of mind of the people, criticizes the passivity of the civilian and military authorities and calls for partisan warfare in cooperation with Soviet diversion. This threatens to develop, against our will, into large-scale fighting that would be taken over by the Communists."

If threatened by the mere call for revolutionary resistance in Poland, imagine the fright in Polish bourgeois circles at the actuality of armed struggle in the Ghetto and potentially spreading elsewhere! Only token arms were ever forthcoming from the AK.

Another group in the Ghetto, led by the right-wing Zionists, was much better supplied than the JFO, mainly through the work of a group of Polish nationalists within the AK (who seem to have operated somewhat independently of their leaders). This group, called the Betar, had been till now interested mainly in terrorizing and ejecting Palestinian people from their homeland and encouraging Jewish people to travel there and take the land. The Betar formed its Jewish Military Union (or ZZW) sometime in 1942.

By January 1943, the JFO had seized the moral authority in the Ghetto. . . it soon had its chance.

On January 18, 1943, perhaps 2,000 Germans,

Lithuanian fascists, and police entered the Warsaw Ghetto with the aim of liquidating its last remaining inhabitants. Surprised, without adequate scouting and other intelligence, and with its fighters dispersed, not concentrated for action, the Jewish Fighting Organization (JFO) still managed a violent counterattack. The first action was led by Emilia Landau, who killed several Germans with a grenade. Emilia and several of her group were killed when the Germans lashed back.

On Zamenhof Street, the Germans rounded up a group of slaves and were herding them towards the railway yard, when suddenly a JFO squad within the prisoners group drew guns and grenades and attacked. Mordecai Anieliwicz, commander of the JFO, led this group and killed several with a grenade, also capturing a rifle and Luger.

Elsewhere, without any battle experience and armed mainly with Molotov cocktails, crowbars, and some pistols, the JFO groups operated guerrilla-like, hiding in houses as the German sweep approached and attacking at close range.

The fighting lasted for three days, the JFO gaining priceless combat experience and a cache of submachine guns, rifles and other weapons but suffering staggering losses: four-fifths of its members were captured or killed in these preliminary battles. The organization never returned to the strength in personnel which it had before the January battles, but the effect on public opinion was electrifying. Thousands of Ghetto youth clamored to join the JFO, and when many couldn't be armed or even contacted, they organized their own "wild groups." Poles outside the walls were also startled by the news. Some Poles, impatient at the inactivity of the AK, were forever changed by the sight of a group with hardly any of the AK's equipment challenging the Germans so fiercely.

After January, the JFO became the undisputed leading political center in the Ghetto.

Unlike the period in 1942 before the genocidal German GrandAktion and in contrast to other ghettos like Vilna where radical Jews caved in to the demands of the traitors in the Judenrat, in Warsaw at this time the Judenrat was entirely intimidated. When in February 1943 the Germans approached Judenrat chief Marc Lichtenbaum with a request, he told them, "I am not the authority in the ghetto. There is another authority—the Jewish Fighting Organization."¹⁰

The Ghetto became a base area, in which the slaves could train, organize and propagandize. One fighter remembers:

10. Gutman, Yisrael, *The Jews of Warsaw, 1939-1943* (Indiana University Press, Bloomington, 1982), p. 342.

"After we 'cleared the air' . . . the fighters of the organization could walk alone [but] the Germans who had to pass through the ghetto would go in groups or units. You would never see them toward evening. They called the ghetto 'Mexico.' There was no longer a curfew and we did not have to be in our homes by eight at night, which had been the rule throughout our life under Nazi domination."¹¹

Thousands among the civilian population joined the work of turning the Ghetto into a military camp. People were seized by a kind of "bunker mania," constructing thousands of underground hideouts, passageways, and firing points.

The Germans, meanwhile, were greatly alarmed by the Jewish victory in January and set a firm, stepped-up schedule for the completion of the Ghetto massacre.

On April 19, 1943 the three slave camps were surrounded by troops. As seen at the opening of this article, the JFO had learned some military lessons by this time. Scouts and other intelligence inside and outside the Ghetto had noted the impending attacks, combat groups were concentrated and ready for action in several bunkers.

A Surprise for the Germans

The JFO had worked out a battle plan calculated to inflict the greatest surprise and damage on the Germans within the constraints of the situation. Given the conditions after the Great Liquidation, most especially the horrible loss of more than 85 percent of the Ghetto population, surrounded in a virtual prison compound and still with no weaponry, the JFO leaders could not now plan to take the fight to the Germans in a strategic sense—a strategic offensive. The failure to lead a rising in the spring had cost dearly.

But they *could* plan to use their own small numbers of fighters,¹² even with very little weaponry, in an initial *tactical* offensive in the battle for the streets and underground bunkers. If they could not pick the part of town, they could pick the block for the battle; if they could not pick the week, they could choose the hour. It is not unreasonable to guess that the communists among the fighters had read and taken to heart Marx and Engels' admonition that in urban insurrection, "the defense is the death of the armed rising." True, this armed insurrection would not seize power. Under the conditions that had come to pass with the Liquidation, it would not be able to

11. Gutman, p. 342.

12. The organization had been reduced to about 600 fighters by the time of the revolt.

sustain the offensive. So it wouldn't by itself kick the Germans out of Warsaw. But it might, the fighters allowed themselves a faint hope, touch off some other, bigger things. And it would teach succeeding generations some bigger things as well. . . generations that might be able to seize a more favorable position for insurrection. But the fighters still fought to win. They had learned to rely on themselves.

Originally Anieliwicz and the other JFO leaders counted on several days of offensive surprise attacks, followed by a second stage of guerrilla hit and run ambushes. Again, given the ultimately defensive nature of the event, it was a strategy meant to sustain the battle for the longest possible time and give it maximum impact. Tactically, "the basis of our plan is the Ghetto labyrinth," Anieliwicz told his comrades, referring to the underground bunker system constructed by the Jews over years of Ghetto imprisonment. "The Germans will be forced to fight for months in the Ghetto."¹³

On the night of April 19, then, as the Ghetto was being surrounded by hostile troops, the fighters posted leaflets calling on all to resist with any weapon at hand, flags were flown, including red flags, along with the Zionist blue-and-white, and the Polish national flag. On a building bordering the wall and facing outward was posted a large banner calling the Poles to revolt.

As the Germans and their allies approached, a wonderful irony emerged. The Jews, with only the most primitive equipment, and essentially trapped and surrounded, were completely up to date on the Germans' every move, while the Germans, with all the mighty intelligence resources of an imperialist army, knew very little of what to expect. The "cleansing" of the Ghetto of traitors and informers by the JFO had paid off.

At five in the morning the German troops moved onto the two main Ghetto streets in columns, with fifteen tanks, armored cars, truck-mounted infantry with machine-guns, and other heavy weapons. Almost immediately, JFO fighters emerged from roofs and balconies, raking the columns with machine-gun and rifle fire and Molotov cocktails. The Germans ran, leaving men and equipment to the Jews who quickly ransacked the battleground and left.

When the Germans returned with flamethrowers they too were driven back and, after two hours of this, retreated.

At a second point, the Ghetto fighters pulled off an ambush: as the German column approached they allowed its leading armor and tanks to pass. Then as the infantry

13. Ainsztein, p. 624.

without tank cover passed the fighters:

"A mighty blast. . . was the signal to start the action. . . grenades were thrown at the Germans from all sides. . . we could hear the sputter of the German Schmeisser [a submachine gun—ed.] operated by one of our men. . . I myself remained on the balcony and spewed forth fire from my Mauser onto the shocked and confused Germans."¹⁴

When the Germans returned, they operated in smaller squads, and kept to the shelter of buildings and ruins. The fighters responded by moving from point to point. According to the German commander, Stroop, "The Jews and the criminals were fighting everywhere, position by position, and at the last moment they escaped and fled over the rooftops or through underground passages."¹⁵

From descriptions of the battles, it seems clear that in the course of the fight the JFO at least partially solved the question of arms. Many of the rebels were armed with homemade weapons, mostly Molotov cocktails and a homemade grenade made with light bulbs. Also, and as often as possible, weapons were taken from the Germans. In account after account, the Ghetto fighters pounce on their enemy, quickly wipe them out, and then just as quickly ransack their victims for their guns.

By day's end the Germans withdrew, allowing fighters and civilians to move around the Ghetto unhindered. The day was a clear victory, highlighted by three major battles, all of which were at the time and place of the choosing of the JFO. Of the highest significance: *during* the night of the 19-20, Jewish fighters went outside the Ghetto walls and attacked German positions.¹⁶

Only hours later, the Communist Peoples Guard units outside the Ghetto also attacked German positions outside but along the wall. The JFO was on the offensive!

At seven-thirty the next morning, the German commander Sammern-Frankenegg rushed to the hotel room command post of his superior Stroop and blurted, "Everything is lost in the ghetto. We are not in the ghetto. We cannot get inside the ghetto." From this point, Stroop took over the command alone. Even so, for two more days, he was no more successful at penetrating the Ghetto than had been Sammern-Frankenegg.

Finally, starting about April 22 or 23, the Germans

14. Gutman, p. 373.

115. Gutman, p. 375.

16. At about the second day, the right-wing Zionist ZZW made a single stand at their headquarters bunkers. They were destroyed in this stand, and most of those not killed left the Ghetto, so that the group played no further coherent role in the rising.

decided to level the Ghetto. Experts in fire warfare methodically set fire to street after street, charring thousands of Jews who, even so, refused to surrender and died shouting at their oppressors.

The fires forced the Ghetto fighters into guerrilla warfare. Hiding in the underground bunker systems during the day, while the flames raged, the squads moved out at night to attack and ambush the enemy. Although the flames caused terrible death and destruction, they also created excellent hideouts, for the burned-out ruins could be set afire no more—they were the safest military positions.

So began the "bunker warfare," sometimes also called a war of the "rubble fighters." By day the Ghetto became deathly quiet, by night fighters darted from hideout to tunnel to sewer, attacking enemy troops incessantly. Assaulted at close range, the Germans often found that the long reach of their firepower suddenly meant little; in the long, broken hallways and on the twisting, deserted Ghetto stairwells, every soldier became equal. Ghetto fighters in this way struggled to overcome their weakness in arms. They succeeded remarkably well.

May Day 1943

May Day came during some of the fiercest rubble fighting. The fighting slaves celebrated the day by listening to Radio Moscow, singing the "Internationale" and then making the kind of contribution they could best make: *emerging from the bunkers to liquidate more of the oppressor.*

During this time, German reports repeatedly make mention of the fearlessness of the women fighters among the rubble squads. Many months later, for this reason, in combing the forests for partisan units, "Jewesses" became a special target.

As we know, the JFO had some idea that this kind of fight would emerge, but of course not in such desperate conditions. The JFO made plans to evacuate to the forests as many of their fighters and the population as possible, in order to continue the fight in the countryside as partisans. But few made it. On May 9 Anieliwicz and most of the JFO command were trapped in their bunker at Mila 18, and rather than be taken alive, committed suicide.

Yet, hundreds of uncoordinated and wild groups continued the rubble fight, through May, even into June and July. During this time, the entire Ghetto was burned down and all suspected bunkers were blown up by German sappers. . . and when this did not root out the Ghetto fighters, every bunker was blown up a second time. Nonetheless, guerrilla actions were reported even into the fall

of 1943. And even though the bitter Polish winter finished off much of the Germans' job, police in the Ghetto were reported killed by wild groups as late as June 1944!

The Power of the Warsaw Ghetto Revolt

The power of the Warsaw Ghetto Revolt is today inspiring, even astonishing. To the bourgeoisie, however, it must be positively shocking. The imperialists, who believe that tanks and guns and planes are all powerful, who count on the masses to bow to their atrocities, are always shocked by miracles such as this, but the oppressed should not be. It is a testament to the revolutionary fury of the masses.

Even so, the forty-fifth anniversary in 1988 saw a series of bourgeois commemorations of the Revolt. From every bourgeois quarter, and especially from the Zionists, pious words pay homage to the martyrs of the rising, but only in order to bury the true meaning of the Revolt once and for all. It was heroic, they say, but hopeless.

In truth, the Ghetto Revolt was much more than a heroic last stand. A great many of the Ghetto fighters came to have nothing but disdain for the imperialist system which had brought so much suffering by causing yet another world war. Together with the communists, fighters had begun to look far beyond the bounds of their own people. As the left-Zionist newspaper *Der Ojbroi* wrote: "From Jewish pain and sufferings, there must grow up the strength that together with all the revolutionary forces in Europe, and the backing of the Red Army will rise to fight against Nazi slavery. . . ."¹⁷

Anieliwicz put it in simple powerful terms: the Jews, he said, will make "a revolutionary deed."

Clearly, the Ghetto fighters had a great deal of hope for their struggle, at least in the sense that succeeding generations of revolutionary oppressed people might draw inspiration, and, as Lenin said of such battles, become "schooled" by their struggle.

It is also true that the struggle was not completely without military hope. Of course, as we now know, this was a slim hope, but not without foundation.

Would it have been impossible to think that a Ghetto Revolt might have triggered an all-Polish uprising?

Looking back, it is fair to say that, although it did not of course, happen, this was a possibility, and not at all an outrageous hope. For one thing, in actual fact, the Revolt did set off numerous other Jewish uprisings, including right within the death camp at Treblinka.

And: could the rising have spread outside the Jewish

community? It is true that much of the Polish ruling class, which had been dominated by a militarist government just before the war, was opposed to this, and it is true that anti-Semitism ran wildly among much of the Polish population, some of whom stood at the Ghetto walls each day and observed the destruction of the Jews as if it were a carnival. Yet—recall commander Rowecki's fear that a communist agitation might "exploit the state of the mind of the people" . . . what state was that?

It was a growing, fervent desire among some sections of the Poles to get it on against the occupiers, global imperialist strategies be damned! And there were some parts of the population who were not infected by anti-Semitism. One indication is that during the Ghetto Revolt, several Home Army units apparently ignored their leadership and came to the aid of the fighters.

Some voices for a Polish uprising were even to be heard from within Polish ruling circles, which suffered some splits on this count. For example, two members of the Home Army Command were so disgusted with the passive policies of their AK and the West that after 1944 they joined the Soviet-allied Polish shadow government in Lublin. One of them, General Jerzy Kirchmayer, wrote:

"The military importance of the Warsaw Ghetto Uprising is above all in its repercussions among the Polish people, in the fact that being an uncompromising armed deed it undermined the idea of 'enduring' and 'waiting' and thus contributed. . . to the rise of an active struggle against the invader [probably referring to the 1944 Warsaw rising]."¹⁸

What's more, if all this resulted from the Revolt as it happened, imagine the consequences if the rising had been organized earlier—perhaps a year earlier, in the spring of 1942 before the Great Liquidation. Anieliwicz and others did themselves make such conjectures. One fighter later allowed himself to dream about a rising launched yet sooner, at the very start of the world war: "If I could turn the wheel of history back to 1939, I would say 'An immediate uprising'—because then we had much more strength, more youth; because we had more pride. . . many more arms. . . ."¹⁹

This of course would have been even more world-shaking. It is this, the explosive revolutionary impact, and potential, of the Warsaw Ghetto Revolt that the proletariat remembers and will treasure.

18. Ainsztein, p. 671.

19. Gutman, p. 145.

17. Ainsztein, p. 573.

Step Forward To Build Revolution Magazine

To our readers:

There's a fresh breeze blowing. In 1989 a new generation took to the streets in new ways, "fighting the power" from Bensonhurst and Miami to the fascist-loving, woman-hating Supreme Court. Beyond U.S. borders, resistance not only continued, but a real revolutionary struggle gathered strength and momentum in Peru, and the seemingly frozen social orders of Eastern Europe went through near meltdown!

1989 also saw the other side of the equation intensify. The U.S. government enforced almost unprecedented measures of domestic repression and carried out renewed terror in the Third World, all packaged as a so-called war on drugs.

In this supercharged situation, tens of thousands of people—including youth, the homeless, women, and others—have awakened to political life. Experience itself now churns up new "how to live and die" questions for them. Many veteran activists and revolutionary intellectuals have also been jolted by the changes tearing through the world, challenged to take a fresh look at things.

With that in mind—and knowing this opportunity can pass quickly if not seized—we at *Revolution* magazine see the urgent need to do more, much more. *And we appeal for your active help in doing it.*

Revolution is the only theoretical journal published in the U.S. that approaches every question from the standpoint of actually making—and, once made, carrying through—revolution. Throughout the '80s *Revolution* published articles of a consistently high standard on a wide range of problems. Very importantly, it served as a forum for the writings of the Chairman of the Revolutionary Communist Party, Bob Avakian.

However, the magazine was published only occasional-

ly in the '80s. Now, much more is needed. Questions and problems thrown up by the rush of events—for example, the upheavals in Eastern Europe, or the resurgent struggle of Black, or African-American, people—must be spoken to on a high level and in a timely way: *theoretical fuel for stormy weather is needed by the many thousands erupting into political life*. While holding to its hard-core Maoist framework, *Revolution* needs to become a forum for broader debate and struggle as well: a magazine that unites with all those actively grappling with questions of revolution and contends against all those who pompously declare the end of history, the death of Marxism, and the eternal triumph of the bourgeois order.

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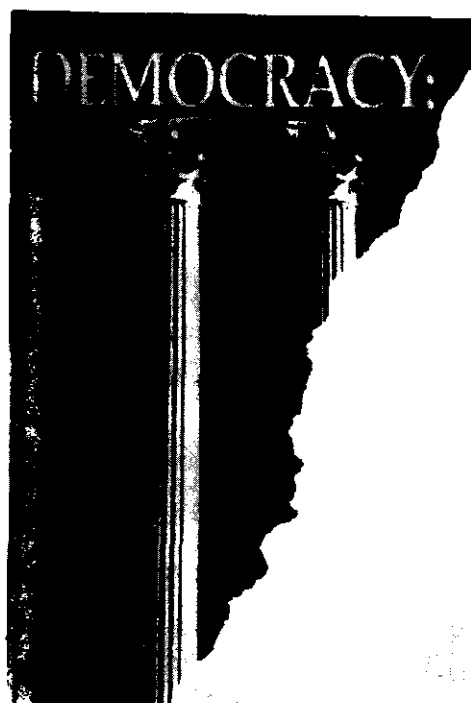
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