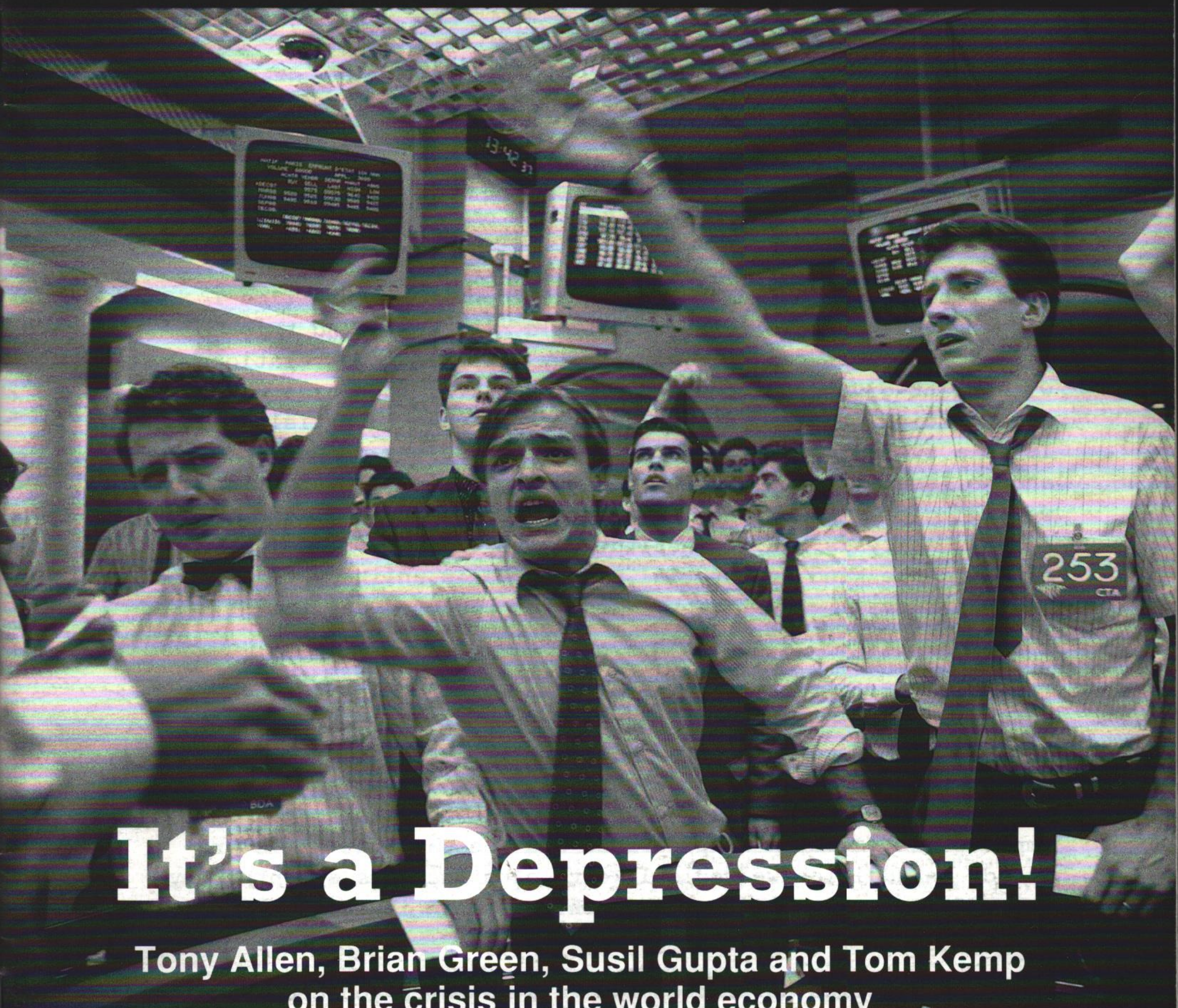
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ANALYSIS

POLITICS • SOCIETY • THEORY



It's a Depression!

Tony Allen, Brian Green, Susil Gupta and Tom Kemp on the crisis in the world economy

Alison Costello on booms, busts and the working class
Don Milligan on politics and subjectivity
Francis Fukuyama and the Last Man (interview)
Brian Turner on Oliver Stone • Barry O'Brien on the ANL
Andrew Chitty on Frank Füredi's concept of history

ANALYSIS

an appeal



Dear Reader,

"Who funds you, comrade?" If I had a pound for every time I have been asked this question I would not be writing this appeal. The Left can only survive by a parasitical relationship with grant-giving quangos and hand-outs from the trade union and municipal bureaucracy in the form of fake advertising. It is a system of patronage and bribery no less conservative - and no less stifling - than the one run by Our Betters. Though we will gladly take money from anyone (come on, Gadaffi, be a peach), *Analysis* has no institutional or wealthy backers of any sort and the kind of material we publish is unlikely to attract any. We survive - just about - through advanced capitalist technology and feudal wages.

The articles in this magazine are the culmination of years of study and many hours at the keyboard. Words may come cheap, research is expensive and in addition to not being paid for their work, writers have to bear the costs of writing. However, such burdens are bearable. What is not is the lack of funds to improve the magazine's appearance and the way that it is produced. In addition we would like to make *Analysis* a monthly by the end of 1993. We can only do this with an investment fund of £50,000 and sales of around £10,000.

If you would like to discuss the ways in which you could contribute, please phone me on 071 737 7582.

Alison Costello
Business Manager

4 Editorial



6 Feature:

Its a Depression!

14 Boom, Bust and the Working Class
Alison Costello argues that reports of the demise of the working class, and its gentrification, are greatly exaggerated.

20 Polemic: The Personal and the Political.
In the first of a series by writers critical of Marxism, Don Milligan argues that Marxism's failure to understand subjectivity has been its undoing.

25 Interview: Francis Fukuyama, The Last Man.

28 Oliver's Twist
Brian Turner takes a few shots at the Kennedy Myth.

30 ANL Fixation
Barry O'Brien explains why the Left badly needs an enemy everyone can hate.

33 Do Something Now!
Andrew Chitty discusses Frank Füredi's concept of History.

33 Reviews
Stephen Dorril, Robin Ramsay, *Smear: Wilson and the Secret State*
Frank Füredi, *Mythical Past, Elusive Future.*
Henryk Grossmann, *The Law of Accumulation and Breakdown*
Andrew Hacker, *Two Nations: Black and White, Separate, Hostile, Unequal.*
Peter Marshall, *Demanding The Impossible, A History of Anarchism.*
Oliver MacDonagh *States of Mind: Two Centuries of Anglo-Irish Conflict*
Hue-Tam Ho Tai, *Radicalism and the Origin of the Vietnamese Revolution.*
Jim Tomlinson, *Hayek and the Market*

47 Letters

Cover Photo: Jean Gaumy, Magnum

Analysis is an independent quarterly publication which is not affiliated to any party or organization. The publication hopes to provide a Marxist analysis of politics and world events. Its long term aim is to contribute to a revival of revolutionary Marxism.

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EDITORIAL

ANALYTICAL ENGINES

This is the second issue of the magazine. We apologise for the delay. The first edition was produced 'in-house' with the luxury of time and familiar working conditions. The support of new people has caused a multitude of unexpected problems and disruptions - everything from adopting a uniform house style to computer disk incompatabilities.

The first edition of *Analysis* carried no editorial, no mention of where it had 'come from', nor what the magazine's aims were beyond contributing to a "revival of the classical Marxist tradition." This was a conscious decision. As *Analysis* is not directed at the existing Left we naively reasoned that such an omission might encourage readers to concentrate more on the publication's content rather than apply pre-emptive labels. Labels are often worse than libels. This approach was generally successful and we were pleasantly surprised by the number of people who wanted to write for *Analysis* because of the solidity of the first issue.

However, this did not stop the Left's rumour machine, and we are forced to issue a clarifying statement lest readers and potential contributors are discouraged by such stupidities. The SWP has put it about that *Analysis* is another RCP front, ignoring the fact that it was originally printed on their own press. Unhindered by such petit-bourgeois hang-ups such as reading the magazine - a very Left habit - *Socialist Organiser* thinks that *Analysis* is "part of the Democratic Left crowd" because "it's got adverts from Lawrence and Wishart, Collets, and that sort of thing." Also among the militant non-readers, a devastating critique of the Cuban revolution did not prevent one prominent member of the WRP claiming the magazine belonged to "some kind of Stalinist outfit." Meanwhile, in another part of the farm, the RCP claims that *Analysis* wants to copy *Living Marxism*. We can assure readers that *Analysis* will never be dominated by four inch headlines, ever expanding pictures and blank spaces, shrinking copy, and the 'one-article-one-idea' rant journalism which it specialises in. Also, no T-shirt offers. Finally, we are miffed that we have not been accused of being funded by the CIA - the accolade the Left traditionally reserves for anything mildly successful that it does not like.

In sum, *Analysis* is not a front for any party. It does not pretend to be part of any fictitious 'movement', non-existent 'international', or even the 'voice of the working class.' There is no 'network' of any sort - not even a clubby milieu. While committed to a revival of the classical Marxist tradition, we anticipate no regroupment or re-alignment of the Left. Although we welcome serious comments, criticism and cooperation from any quarter, the regeneration of the Left is neither possible nor desirable. The Left is the product of the liberal, petit-bourgeois, radicalism of the 1960s and early 1970s and is therefore a spent force. Any strategy based on its revival can only be the kiss of death.

■

The revival of revolutionary Marxism cannot begin until two fundamental problems are addressed. Firstly, the consistent failure of Marxists, not only in politics, but in the inability to provide a coherent and comprehensive analysis of capitalist society. Secondly, Marxists in Britain must give some explanation of why the working class has not acted as a revolutionary class. Bald statements are open to misinterpretation. Unfortunatety, here it is only possible to give a hurried indicative sketch in the hope that those who are considering the future of Marxism will recognise the argument.

The Collapse of Marxism

Excepting very rare individual examples, and a few organised attempts, there has never been a Marxist tradition in Britain, either in the form of revolutionary politics within the working class, or the 'cultural marxism' which has sometimes been influential among sections of the European petit-bourgeoisie. Strictly speaking, the idea of a 'revival' of classical Marxism is meaningless in the British context. However, if Britain has never had an orthodox Marxist tradition it has certainly suffered the consequences of almost every attempt to undermine it.

Trotskyism, the only current which has kept alive the idea of revolutionary Marxism in the 20th century, has also done Marxism a great disservice in putting Stalinism at the centre of all its problems. Stalinism poisoned Marxism in the European labour movement and thwarted every attempt at revolution. The contemporary version of this exculpation, and hopefully the final one, is the attempt to link the 'collapse of Marxism' with the 'collapse of the Soviet Union.'

The defining problem of our epoch remains the problem of leadership, but when this has failed consistently for decades it is time to search for an explanation that goes beyond the treachery of Stalinism. Marxism was in tatters long before Stalin, or Gorbachov, came on the scene. The defeat of the Russian Revolution, and the subsequent degeneration of the Soviet Union, certainly did Marxism no favours. But the defeat of the German insurrection of 1921-22, which sealed the fate of the Bolsheviks, was itself the climax of a much more fundamental defeat. Marxism played out its last act in August 1914 when one European socialist party after another voted support for imperialism and war. Marxism has never recovered from that fatal act. It was the defeat of Marxism in the West, not the pernicious influence of Stalinism from the East, which destroyed revolutionary politics in the European labour movement and laid it open to Stalinism. *Had the Russian Revolution never occurred, had Stalinism never existed, Marxism would still face the crisis it does today.* Marxism has never really explained the defeat of 1914. The creation of the Third International was inevitable, but fixed the crisis of Marxism in a way which could never be resolved; the defenders of Marxism on one side, treacherous revisionists on the other. Apart from Lenin's initial attempts, the Marxism of the Second International was never questioned.

In 1915 the 16 leaders of the Second International who opposed the war gathered at Zimmervald to discuss strategy. It

is astounding, if not alarming, to consider that at a gathering which represented the cream of the international Marxist intelligentsia, only one man, Lenin, had any notion that the war represented a turning point and that it was the product of a new historical period: imperialism. Lenin himself had only just formulated his theory of the change. The rest opposed the war on the basis of proletarian solidarity, which had been the policy of the Second International since its foundation. According to Lenin, imperialism had developed during the last quarter of the 19th Century and had become the defining factor in foreign and domestic politics by the 1890s. The change had been the subject of numerous bourgeois commentaries, from Hobson to the German imperialist Schulze-Gaevernitz. How was it possible for Marxists to have ignored such developments, to have remained so unaware of their circumstances?

In 1899 Eduard Bernstein launched the first serious attack on Marxism. Until the emergence of large scale industry and the modern state, bourgeois ideology had been on a losing streak. Challenges to Marxism could only be based on ignorance, confusion and rhetoric, and therefore only attracted the support of the most backward sections of the working class and the liberal intelligentsia. Bernstein was one of the first theoreticians to challenge Marxism on any serious grounds.

The growth of credit, cartels and a world market, he argued, had overcome the crisis-ridden capitalism of the 19th century; the capitalism of Marx's *Capital.* Crisis, underconsumption, unemployment were not inherent to capitalism but to its primitive form. Mass politics and the spread of democratic ideas had also transformed the nature of the state and held out the opportunity for an 'evolutionary socialism'. Bernstein's 'challenge' could have been countered by Marxism. Marx's *Capital* had already dealt with the emergence of monopoly and large scale industry. Many liberal commentators of the time, who were opposed to monopoly 'robber barons' and aggressive foreign policy, had managed to develop a comprehensive analysis of monopoly and imperialism. While Marx had not dealt with some aspects of the modern state, developing the theory of the state was hardly a Herculean task. In stead the Second International chose to answer Bernstein with a mistaken defense of orthodoxy, which in reality meant clinging to a crude notion of capitalism and its demise. Nothing had changed fundamentally since Marx's day. The result was that for two decades Marxism ignored the need for a reappraisal of world capitalism and as a result was oblivious to the rise of imperialism and its domestic consequences. The defeat of 1914 was not primarily the product of 'revisionism', treachery or chauvinism, but of confusion.

The period between the Bernstein Debate and 1914 illustrates well the consequences of a Marxism that does not keep up with events and which remains at the level of abstractions. The real world becomes an intrusion and concepts degenerate into a collection of aphorisms. By 1914 Marxism in Europe was dead. The Depression of the 1930s was a spectacular validation of Marx's work; it also exposed the bankruptcy of Marxism. What is the legacy of this period? We have only three good Marxist works on the Depression. Two months before the Wall Street Crash, the Polish Marxist Henryck Grossman published his *Law of Accumulation and Breakdown,* which remains the best exposition of Marx's theory of crisis (see reviews). Grossman spent the rest of the Depression writing book reviews on a variety of subjects which show a total lack of concern for developments around him. In 1931 Eugene Preobrazhensky published *The Decline of Capitalism,* which can only be considered as an exploratory book. By far the best book of the 1930s, and a model of the type of empirical and theoretical analysis that should be the daily bread of Marxism, is Lewis Corey's *The Decline of American Capitalism.* All three authors were isolated and their work played no part in influencing the policy of any party or group claiming to be Marxist.

It is not surprising that given the theoretical poverty of the 1930s, Marxists were in no position to make anything of the Second World War. Having failed to provide an analysis of the 1914 defeat, of the re-establishment of bourgeois stability during the 1920s, of the Great Depression, or of the nature of the Second World War, Marxists in 1945 could only do two things; assert their blind faith in the collapse of capitalism or join a reformist party. In Britain, and many other European countries, the radicalism of the 1960s and early 1970s gave the remnants of 'Marxism' a new lease of life, but at the cost of adopting every sort of petit-bourgeois fashion. Far from mourning the current disintegration of this amalgam of ossified Trotskyism, Labourism and petit-bourgeois radicalism, it should be celebrated as a necessary prelude to the development of revolutionary Marxism.

The Working Class

Any talk of re-appraising the role of the working class will provoke apprehension among Marxists, and justifiably so. Every attempt to write off the working class as a political force has started with a plea against dogmatism. Readers can rest assured. It is not suggested that there is anything wrong with the working class. The working class has neither become 'bourgeoisified' nor sold out to imperialism. The idea that most workers are now middle class is plainly ridiculous. Neither is it argued that the struggles of 'new social movements' should either complement, or supplant, the working class. There are no new social movements, just fashions and fads in petit-bourgeois radicalism that come and go like the 'get-rich-quick' schemes of the Left. Not only does the working class remain the only agent of progressive change but in most advanced countries the middle class is undergoing an accelerated process of 'proletarization'.

Yet it is obvious that prevalent concepts of the working class, even among Marxists, are painfully inadequate. There is a prejudice which still sees a proportional relationship between proximity to the 'point of production' and political radicalism as if the machinery of surplus extraction also exudes consciousness, and disputes with the foreman or individual capitalist were the purest form of class confrontation. The working class is defined by the totality of its social experiences; with every class and in every context. In addition, there is still a widespread suspicious attitude towards those in non-manual trades, or those not in 'real jobs', as if the boiler suit, the oil rag, and the grime and sweat offered a natural defense against bourgeois ideas. Once such misconceptions are abandoned it becomes obvious that there is a vast social constituency which is potentially receptive to socialist ideas. Of course, such enlightenment only exposes the bankruptcy and narrowness of contemporary Marxism and the poverty of our existing ideas. In particular, such prejudices blind Marxists to the creative ability of the working class and eventually leads them to work against it. It is obvious that the existing organizations of the working class are finished and that a new form of proletarian democracy must be created.

Susil Gupta argues that the world economy is heading for a depression.

BANG!

Predicting the collapse of capitalism has been a long-standing habit with Marxists, particularly those who insist on an objective foundation to the crisis of capitalism, or those who in political isolation console themselves with prophesies of their opponent's eventual demise. Given the cyclical nature of capitalism such predictions are likely to be 'true' at least half of the time. In the meantime, there are plenty of examples of the system's decay, or its inability to solve some very basic problems, which can be pointed out as indications of darker times around the corner. Among radicals, the 'crisis of capitalism' or 'clapped out British industry' are empty slogans which avoid the need for real thinking or research. It is therefore important to define what we mean by the term 'depression.'

The problem with much bourgeois financial reporting is that it is too caught up with detail and loses sight of the whole. To understand the present, it is necessary to step back and look at the larger picture of post-war development. The Second World War was a big blow for Western capital, not least because it lost half its territory on the European continent. Nevertheless, in other aspects the war for capitalism was a 'good thing'. In most countries at war the economy actually grew because of the war effort. Domestically, the structure of industry and firms was reorganised. On the international scene many of the factors which had caused instability between the wars were overcome by American leadership. In 1947 the Western economy initiated the longest boom in its history. Although the world economy continued its boom-bust cycle, the relative mildness of crises allowed them to be declared a thing of the past. The late 1960s and 1970s were a period which combined continued growth with increasing instability and stagnation.

Gradually one old problem after another of capitalism came creeping back. In purely economic terms the world economy should have entered a prolonged period of crisis during the 1980s. Although the 1979-81 recession was severe, political factors intervened to create the conditions for an unusually strong boom. Firstly, Western capital restructured its relationship with the working class by junking all the agreements which had been the basis of post-war consensus, or had developed as a consequence of the long boom of the 1950s. While taxes rose, social services and benefits were slashed. In the work place management took a tough line on work practices and a more intense work regime was imposed. Secondly, corporate capitalism was allowed to raid state finances. In Britain this took the form of the privatization of nationalised industries. In the US it was defence expenditure. For a government that championed monetarism and rolling back the state, the Reagan Administration undertook the biggest Keynesian rescue operation in history.



CHART COURTESY OF WATERSIDE FUTURES

The 1980s are a reminder, particularly for prophets, that no crisis is the 'final crisis' of capitalism while the bourgeoisie retains the political initiative.

SPECULATION

The most important factor of the 1980s boom was finance. During the decade the constraints on financial speculation which had been the legacy of the 1930s, explicitly or unwritten, were dropped. Though all speculative booms are based on a substantial amount of shady dealing, the late 1980s one was of an unusually delinquent nature. While property may be theft, the Savings & Loans fiasco in the US, the scandals in Japan, and our own Robert Maxwell, showed that theft can also be 'legal'.

A good chart is worth a thousand financial advisors. The one below, which shows the historic values of the Dow Jones index of America's top 30 corporations nicely illustrates the danger that looms over the world economy.

There are many reasons why share prices rise and fall, from long-term trends spanning several decades to ripples which last just a few hours. The latter can be very lucrative for those who can anticipate and ride the wave. Share prices may fluctuate because of the traditional boom-bust cycle, currency changes, interest rates, 'worries' about the domestic economy and political instability. However, in the long run, share prices move in accordance with two fundamental factors; profits and the value of other investments. It is often forgotten that shares are a claim on a portion of corporate profits and not just bits of paper with an autonomous 'market' value. Shares don't go up and down - company fortunes do. In turn, real profits - as opposed to accounting creativity - can only increase by investing in better plant, by making workers work harder, new technology, or by increasing sales and market share. Shares may also move because other types of investment become more or less attractive. For example, if the yield from government bonds (essentially i.o.u.'s that pay interest) declines, then money tends to migrate to shares - bumping up the market. Also war and instability provoke a move towards safe and more liquid assets.

The chart shows a long-term trend, representing the 'real' economy, disturbed by two significant peaks. A speculative movement gathers pace in 1925 until the 1929 financial crash. A long period of steady growth during the 1950s is interrupted by instability throughout the 1960s and 1970s when shares prices

begin to yo-yo. Finally, shares begin to soar in 1981. Although the 1980s saw increases in investment and labour costs were cut, the chart cannot possibly represent the rising profitability of US companies. Nor did the value of shares in other countries, or the value of other sorts of investments, decline so markedly to make American stocks so attractive. In fact, the London and Tokyo exchanges show much the same trend. In effect, *there was no 'fundamental' justification for this stock boom.* The result is that the world economy is riding the crest of a huge speculative wave that is about to come crashing down. How far it will collapse, and at what pace, is impossible to say.

CRASHES

The average citizen might look on approvingly, even with delight, at the sight of a crowd of bankrupt yuppies heading for the nearest window. Though an admirable and healthy sentiment, the 'real' and the 'paper' economy are unfortunately inextricably linked. Speculation may be hot air, but the consequences are real. Firstly, it is almost universally forgotten - particularly on the Left - that speculative spirals are not created by 'The City' or rogue financiers, but by very sound companies in the 'real economy'. Declining profitability leads companies to divert funds that should go into investment towards the money markets. In 'normal' times all that happens is that the money markets shift funds from such cash rich companies to cash needy ones. Intermediation by the money market plays a useful role in clearing fund surpluses and deficiencies. But what happens if there is a *generalised decline in profitability?* The money markets become awash with funds desperate to find an investment opportunity (hot money). If finance houses do not 'put money to work' they will make a loss since they must pay interest on deposits. It is in this desperate atmosphere - when few *real* investments can be found - that crazy schemes begin to be hatched and the shysters enter the market.

A speculative spiral develops and gathers a momentum of its own, which drags both industrial corporations and finance houses along with it. As fabulous fortunes are made, more money is attracted and the practices become shadier. In such a volatile situation any piece of bad news can trigger a panic; the murmurs of a minor Japanese trade official, the announcement of an American statistic that was always deemed irrelevant but is now somehow 'significant', an off the cuff remark by one of the Bundesbank directors, an article in the Sunday Times business section, which seemed to suggest that a major company may not be doing so well, etc. To the detached onlooker it seems that the world has gone crazy.

When the 'corrective' crash comes - as it must - it deranges the finances of the companies involved and shakes confidence in the economy in general. In this way crashes distort the way the crisis of capitalism is seen, because it appears that misdemeanours by irresponsible or fraudulent financiers, or greedy banks, have provoked a crisis in the real economy.

If this process is so obvious why don't governments step in to impose discipline? In fact, why doesn't the government ensure orderly markets to stop a speculative spiral in the first place? The plain fact is that neither governments - or anyone else - have much ability to control desperate markets. Even drastic measures, such as pulling the plug on computerised dealing systems, don't work, because the fear that the government will do so will only create a greater panic the next time among dealers desperate to rid themselves of stock.

PROSPECTS

While it is very unlikely that the world economy will simply fall apart as it did during the 1930s - *although such a scenario cannot be discounted* - it can be stated with a certain degree of accuracy that the Western economy is entering a period of prolonged crisis. Some characteristics can also be outlined.

The Grim Reaper

Inflation, an old bogey of the 1970s, is also likely to return for a number of reasons. Firstly, there has never been such a high level of debt in all sections of the world economy: government, corporate, private and third world. The level of debt is beginning to paralyse the financial markets and industry. A bonfire of debt seems in order and such situations are conducive to inflation. Secondly, although Western governments were successful in avoiding measures that would provoke inflation, they were greatly assisted by their ability to drive down commodity prices. That process has slowed down because there are limits to how much prices can be cut.

Interest Rates

According to bourgeois economic theory, interest rates should go down in a depression because demand for investment borrowing goes down. The problem is that in a depression cash holders are only willing to part with their money at a higher rate to compensate for higher risks. A process of differentiation takes place. Very secure investments, such as loans to the government or top companies, command better terms. Weaker capital sees interest rates soar or may not be able to get credit on any terms. It is not surprising to find that while official interest rates in Britain have come down by 4% since the beginning of this year, the actual cost of borrowing for small and medium sized firms has risen by 6.5%.

Wages

The prospects for the working class are grim. Western capital has succeeded in dismantling the paraphernalia of corporatism, in cowering the unions, introducing speed ups and attacking non-wage consumption. However, it has avoided a generalised attack on living standards. Such a confrontation now seems inevitable. The only good news in a depression is a restoration of profits and the quickest method is to cut wages. It is unlikely that the government-sponsored austerity plans of the 1970s will make a comeback. These only served to politicise wage cuts, and can now be effectively implemented at factory level.

Monopoly Practices

Unlike the pre-war period, monopolies have generally striven to raise profits by being more competitive than by price-fixing cartel arrangements or abusing monopoly positions (although such practices still persist). The first phase of the current slump has been a boon for consumers who have benefited from a ferocious price cutting war as companies struggle to survive in a shrinking market. However, given that there is little incentive to invest, and that markets are diminishing, it seems certain that there will be a return to the older form of monopoly pricing and restrictive practices by the larger corporations. In Britain this is already occurring, particularly in utilities where single suppliers are the norm, and in food retailing which is dominated by 4 firms.

Why there should be a generalised decline in corporate profitability has not been explained. It is not possible to deal with this problem here and a provision sketch would create more misunderstanding than clarification. The present series of articles aims to familiarise the reader with the main problems and concepts in the hope that he or she will be encouraged to undertake a deeper study, and which will be dealt with in future articles in *Analysis*.

Brian Green argues that a collapse of the Japanese money markets threatens the world economy

NIKKEI SHOKKU

The 1980s belonged to Japan. During the decade Japanese companies became truly 'multinational'. While neither German nor US corporations developed production facilities in Japan, Japanese companies established a strong manufacturing presence in both North America and the EC. Meanwhile Japan's 'top ten' banks crowded out their American rivals from the world banking league and Japan became banker to the world. At their height in 1989, Japanese banks accounted for 40% of international lending and Japan was the top exporter of investment capital.

Although Japan was a star performer on the industrial front, it also began to show signs of many of the maladies of Western economies during this period. In many cases it surpassed them in symptoms of economic ill-health. This was apparent above all in the reckless speculation that took hold of share and property markets in the second half of the 80s. During the 80s share prices on the Tokyo Stock Exchange quadrupled in real terms - rising by nearly 50% more than Wall Street. By 1989 Tokyo's total share 'valuation' exceeded New York's, even though the US economy is twice as large. The boom in financial paper was accompanied by an unprecedented speculation in real estate. In 1979 the total price of land in Japan was twice that of Japan's Gross Domestic Product. By 1989 it had soared to 5.8 times. While Japan's land mass is 25 times smaller than the US, its value was four times greater! At the height of the property boom, the 78 acres on which the Emperor's Palace stands in Tokyo had a notional value equal to all the real estate in California.

Today the consequences of these excesses are clear. As we go to press the Tokyo Stock Exchange has slumped to half its peak value, representing a 'paper' loss of nearly £ 1.000 billion. To put this in perspective, a fall of this magnitude would have wiped out *all the shares* listed on *all the exchanges* in Europe. The largest speculative bubble in history has burst and puts the world financial system at risk.

Economic crisis and financial ruin have undermined the notion of Japan's economic 'exceptionalism' and have challenged many of the myths that surrounded its much-vaunted miracle. Neither the government nor the fabled MITI have been able to protect Japanese industry from crisis, as it was assumed they would. Rather than acting as the so-called 'organisers' of industry, the banks are themselves are in disarray. Jobs have proved not to be for life after all. But as yet there has been little understanding of the sources of the present Japanese crisis. These go back to the 1970s, when the West was just learning to appreciate Japan's strength.

Falling profit rates

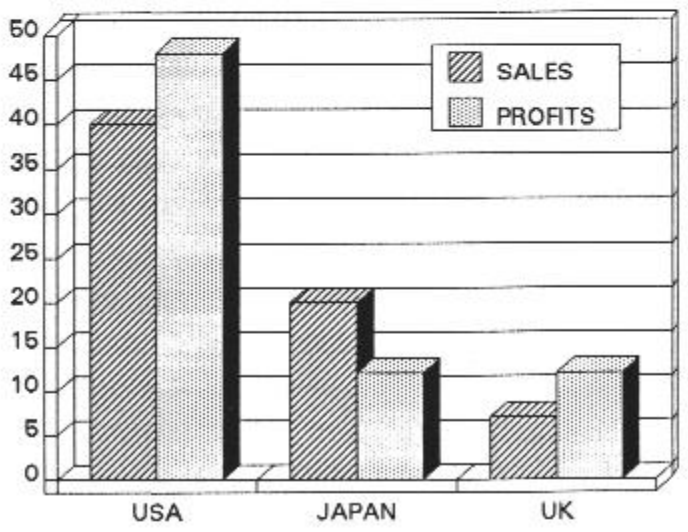
Although Japan continued to invest heavily during the 1960s, and profit rates rose, investment rates were not matched by similar rises in productivity due to diminishing returns. Graph 1 shows the slowdown in productivity growth. It was sharper in Japan than in any of its competitors. During the 5-year investment boom that ended in 1973 the shortfall of productivity growth below investment began to accelerate. Unable to raise profits rapidly through investment, Japanese business used inflation to drive down wages.

Nevertheless, during the 1970s, in common with its major rivals, Japanese industry experienced actual falls in profit rates, marking the end of the post war boom. Graph 2 shows how the rate of profit for *industry* has fallen over the last two decades. While Japan began the 1970s with a rate of profit that far exceeded that of both Germany and North America, during the latter part of the decade it fell more sharply than theirs. By the late 1980s, though Japan had risen as a financial power, its underlying *industrial* rate of profit had sagged further and began to converge with that of its rivals. The usual explanation of the speculative boom of the 1980s is that Japan's massive earnings from exports had nowhere to go but into shares and real estate, but in fact it was the long-term decline in the industrial rate of profit that was the real cause.

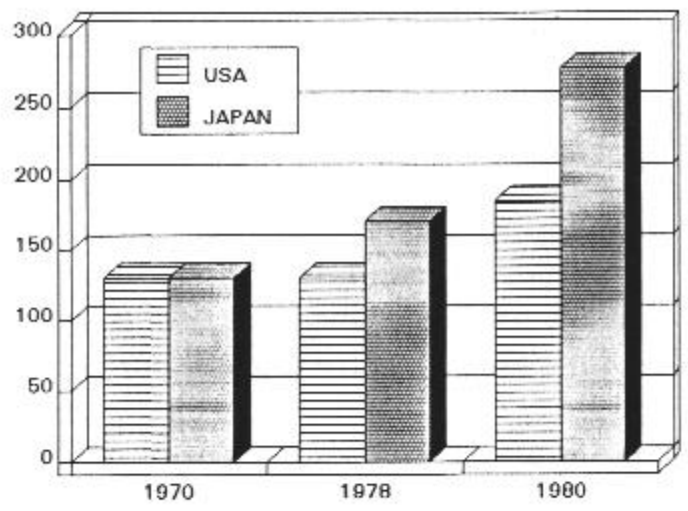
Throughout the 1980s the US, Germany and Britain were able to raise profits by introducing major cost-cutting measures. In contrast, Japan's high level of investment meant that fewer quick savings could be made by shedding labour or introducing more modern plant. Japanese companies therefore opted for gaining a greater share of the world market to compensate for poor profit growth. The commercial undercutting that this entailed was disguised by the strength of the Dollar during the first half of the 1980s. However in 1985, when the Dollar plummeted and the Yen doubled in value, exports were hit and profits from exports dropped by

SHARE OF SALES AND PROFITS

World's Top 500 Companies



PRIVATE DEBT As % of GNP



30% As a result, the profitability of Japanese corporations was badly hit. In response, Japanese capital initiated a massive wave of investment, which was equivalent to France's total productive capacity. Unfortunately it did not lead to a corresponding rise in profits. The *Fortune International 500* listing for 1989/90 showed that Japanese companies were only half as profitable as American corporations and a third as profitable as British companies. In 1990 overall Japanese profit rates were no higher that in the beginning of the 1980s.

If the investment boom of the late 1980s did not restore Japanese manufacturing profitability, it did have one significant effect. Such a high level of investment could not be met by the traditional channels of internal financing. While cash available for investment grew by only

13 trillion Yen, investment grew by 31 trillion, leaving a deficit of 18 trillion. Corporations therefore had to borrow from external sources, by making share issues and raising loans. As a result, whereas in 1980 internal financing was double that from external sources, by 1989 the position was reversed. The situation would have been even bleaker had Japanese companies not slashed their dividend payments to preserve internal cash flows - during the 1980s dividends on shares fell from 2% to 0.5%. There were two main sources of funds. Firstly, both banks and companies could raise capital on the Tokyo Stock Exchange by issuing shares. The low level of dividends meant that the cost of financing such funds was minimal. This was the primary source of company financing. Secondly, Japanese companies, via their banks, were able to raid a large pool of popular savings funds at very low interest rates.

Investment hunger

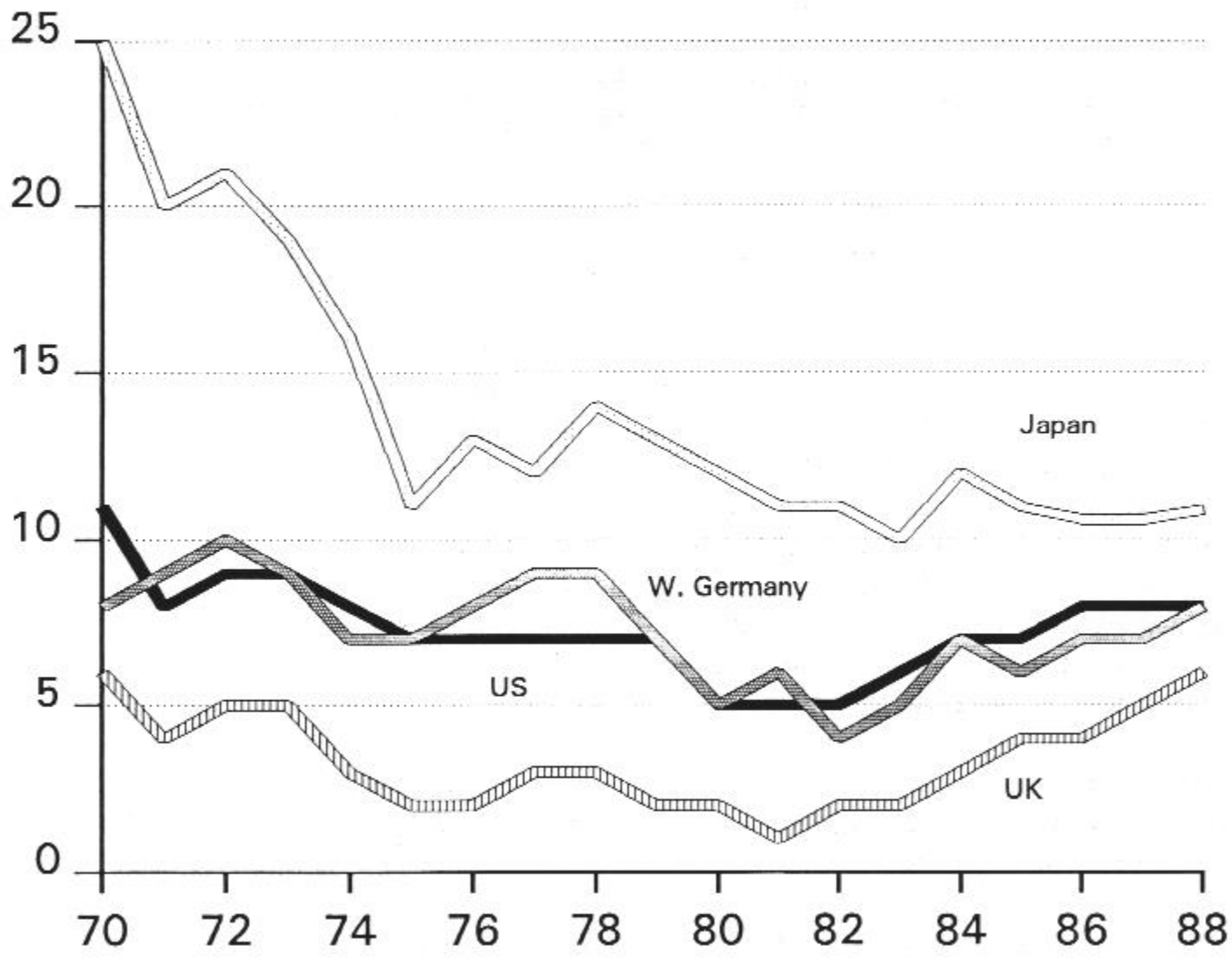
The desperate need for external funds deranged Japan's primitive financial sector and created a speculative boom of massive proportions, which ironically ended by pulling funds *out* of investment and into the money markets. In a situation reminiscent of the Florida swamp schemes of the 1920s, dubious capital adequacy rules allowed Japanese Banks to raise new 'capital' by issuing shares on the Stock Exchange and buying each other's shares, creating the beginnings of a speculative spiral. Banks multiplied their loans, many of which went straight back into the Stock Exchange to fuel further share speculation.

Share speculation also had the effect of stimulating a real estate boom, which in turn added fuel to stock speculation. Japanese companies, many of them with household reputations for product excellence, sank their company fortunes in one dubious speculative venture after another. For example, by the end of the 1980s, 40% of Kobe Steel's profits came from financial speculation. The banks were even more greedy. Up to 75% of loans by the Japanese City Banks ended up in property purchases and were secured by mortgages against these properties.

Cold light of day

Nobody knows with any degree of accuracy the level of indebtedness in the Japanese economy. However, all commentators agree that it is gigantic and that the economy cannot sustain major losses. For example, the recent 30% drop in property prices represents losses

Graph. 1.
COMPARATIVE RATES OF PROFIT 1970-88



of $4,000 billion - just over 3 times the total foreign debt of the whole Third World *and* Eastern Europe combined. Banks and companies are now finding it impossible to raise new capital on the Stock Exchange. The authorities have suspended all share launches. Now that profits which existed on paper have disappeared, as the 'values' of companies' share and real estate holdings have collapsed, institutional investors are insisting on real dividends. The pension funds, life companies and insurers, all of whom were heavy investors on the Exchange, need larger dividend payments in order to meet their own obligations, and are threatening to withdraw from the Stock Exchange should these not be forthcoming. Like Robert Maxwell's pensioners, Japanese savers are soon to find out that a crash on the Tokyo Stock Exchange *will* affect the real economy. The pressure to raise dividends coincides with sharp falls in manufacturing profitability due to the world recession. Hence, the days are over when Japanese companies could be "long-termist", i.e. ignore the interests of their shareholders. Japan has lost the prized title of "banker to the world", as in the space of two years its share of international lending has been halved - a feat which the US banks had taken a decade to accomplish.

The real effects of the bursting of the speculative bubble have yet to be felt. The crunch is likely to come in the autumn of this year. Many of the worst excesses of speculative spending, such as share warrants, will be due, and the banks will no longer be able to keep their bad debts off the books. major crash of the Japanese financial system as a real possibility. If that happens it could precipitate a general economic crash of 1929 proportions, and given the crucial significance of Japanese investment and lending abroad, may turn the world recession into a slump.

NOTE ON RATE OF PROFIT

The *rate of enterprise profit* should not be confused with return on shares. The rate is a ratio between capital invested and profits obtain, and is usually calculated on a yearly basis. *Total capital* is calculated as follows; gross capital stock (plant, buildings, etc) plus inventories, plus wage costs. Wage costs are obtained by dividing the annual wage bill by the turnover time of circulating capital. The rate of profit for *manufacturing* was calculated as follows; figures for profits were obtained by subtracting employee wages from the Net Domestic Product of Manufacturing to give the net surplus.

This is the most accurate figure for rates of profit obtainable using conventional bourgeois statistics. The rate of profit in Graph 1 is lower than estimated by most commentators with their rates of return, who tend to understate the amount of capital for two main reasons. First, they use Net Capital Stock rather than Gross Capital Stock. This is incorrect. Gross capital stock represents more closely the replacement cost of capital, which is decisive when capitalists make investment decisions. Secondly, they exclude capital spent on wages, or *variable capital* as Marx called it, which once again understates the amount of capital invested.

Tony Allen examines some of the problems facing Germany

TROUBLE IN WUNDERLAND

'Germany loses faith in its miracle'. This spring's public sector strikes have given a well deserved hard knock to Germany's *Wirtshaftswunder,* and the myth of a nation of well-trained, hard-working, well paid, efficient and cooperative employees. Germany no longer walks on water. Before looking at the problems Germany faces, it is necessary to look at its economic miracle more closely.

From the jaws of defeat?

Despite the great damage caused by allied bombing, paradoxically Germany was a net economic beneficiary of the Second World War. Over the period of the war the economy had grown by 15 per cent. Despite the punishment metered out to cities such as Dresden and Hamburg - the Allies were anxious to cripple Germany's economy rather than secure an early end to the war - aerial bombing only destroyed 7% of the country's wealth. Of this, workers' housing accounted for almost half of this loss.

Meanwhile, during the war millions of prisoners had been transported to workshops in Germany's industrial heartland. In 1945 there were 10 million 'displaced' persons. Shattered lives and uncertain economic prospects in their countries of origin, made most camp internees opt for staying. They had no legal rights and provided the German economy with a vast source of cheap labour. In 1947 a further 2 million East Germans crossed the border and were joined by another 2 million just before the the Berlin Wall went up in 1961. During the 1960s more than 5 million immigrants from Southern Europe and Turkey came to Germany. Until the 1970s, access to very cheap labour had always given Germany the edge over its competitors, allowing it to keep wages down.

Fascism and the war also took their toll on the working class. Demoralization and confusion allowed German capital - with the help of the CIA and the British TUC - to restructure the organizations of the working class to its convenience. Far from a concession to the working class, the policy of industries allowing workers to sit on boards ('co-determination') was a way of imposing discipline in the work place. The co-determination of the post-war era was also part of the legacy of Fascism, and it is all too often forgotten that German capital clung to most of the Nazi Labour Code until the early 1960s. A historic defeat, rather than any ingredient of the German worker's mind, accounts for the much-vaunted 'consensual' approach to industrial relations.

The Miracle Falters

Once Germany's sources of cheap labour dried up during the 1970s, the *Wirtshaftswunder* began to tarnish. By the mid-1980s West Germany was displaying many symptoms of 'Eurosclerosis': slow growth, high unemployment, weak investment and declining productivity. In more general terms, Germany is also showing many of the longer-term signs of economic 'senility' associated with her ailing rivals. In the last decade investment grew far more irregular as it became more responsive to short-term concerns. These have been a shift away from manufacturing towards services, though to a far lesser degree than in Britain. Employment growth between 1983-89 was 0.3m in manufacturing and 1.5m in services. German unit labour costs have traditionally been considerably higner than the Western average, but so have productivity increases. Despite 'wage moderation' during the 1980s, this productivity advantage was wiped out.

Nevertheless, it is important not to exaggerate Germany's problems, since it is far better placed to weather the current slump than any of its Western rivals. Germany's main problems, at least in the short and medium terms, are not those of long-term decline and stagnation, as in the US or the UK, and not those of Japan's excessive reliance on exports and financial speculation.

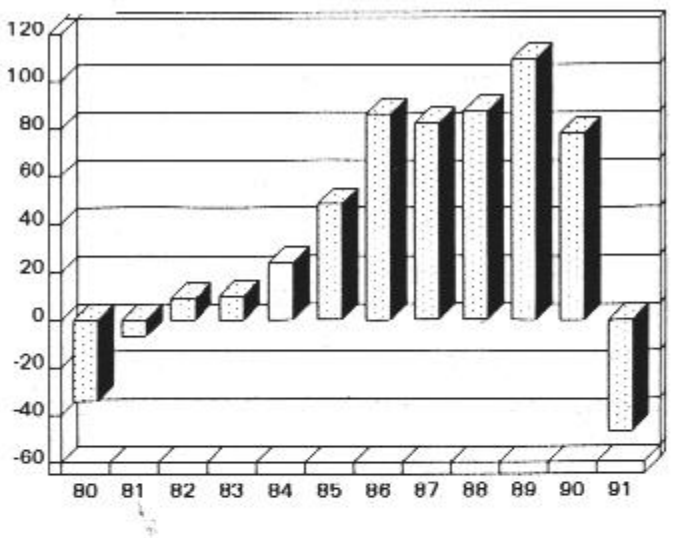
Unification

A voluntary intervention in the evolution of history...results only in the shaking down of unripe fruit, and that German unity is no ripe fruit at this time leaps, in my opinion, to the eye... Behind the wordy restlessness with which people who do now the trade search after the talisman that will supposedly produce German unity in a trice, there is generally hidden a superficial and, in any case, impotent lack of knowledge of real things and their consequences.' Bismarck, 1869.

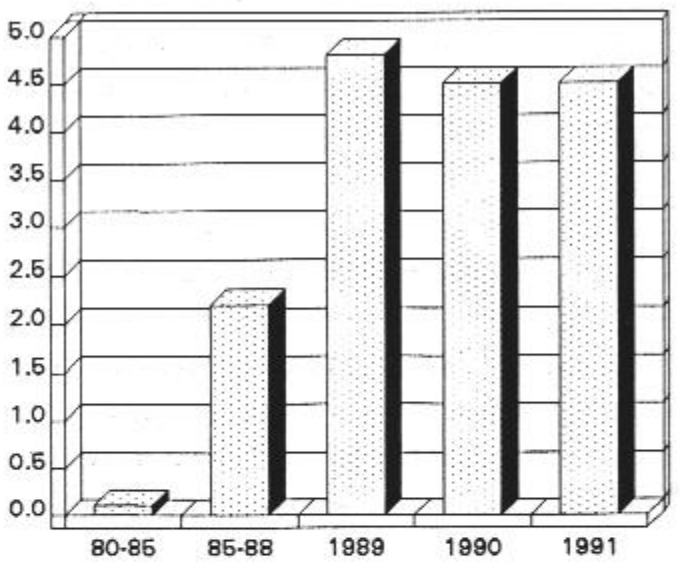
While in the past Germany has always got away with avoiding paying the true cost of reproducing imported labour (health, education, pensions, etc), the unification with East Germany has not only lumbered it with these costs, but also with those associated with the backwardness of the East German economy (pollution, restructuring, etc). So why did West Germany opt for unification? Surely these disadvantages must have been apparent - at least to the countries ruling sectors? Firstly, West Germany had little choice since she was faced with a social crisis she could not avoid. Secondly, when the Berlin Wall came down in November 1989 Germany was experiencing a boom. Such times are never propitious to rational capitalist calculation. The problem, as in much of economics, is largely one of timing. The benefits of unification and a closer rela-

CURRENT ACCOUNT BALANCE

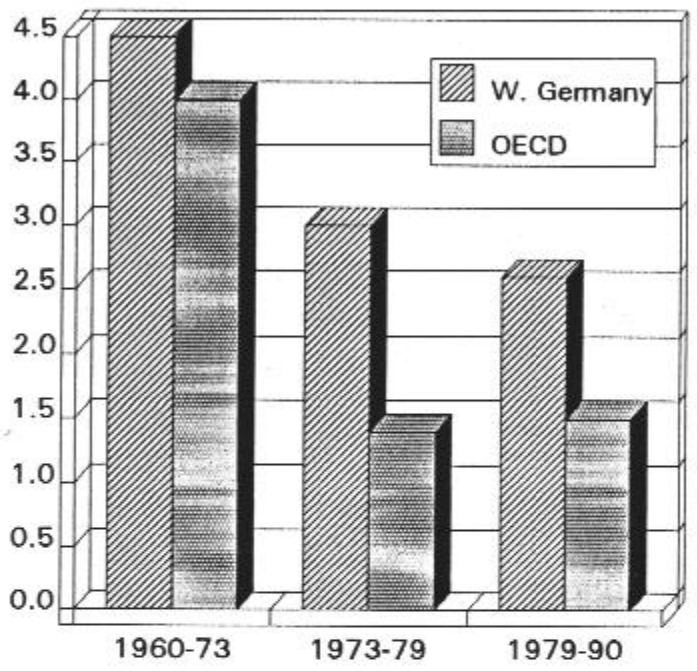
In Billions of DM



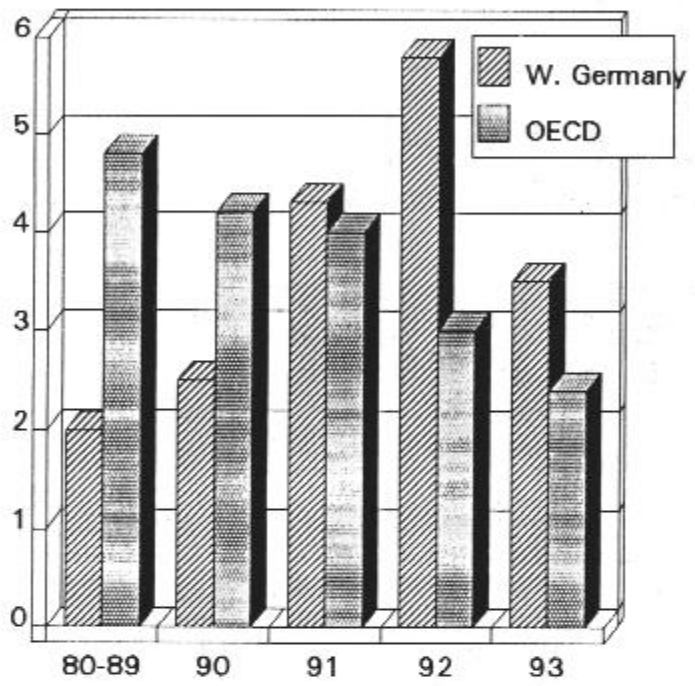
GROWTH IN MANUFACTURING OUTPUT



PRODUCTIVITY
% annual increase in outputper employee



UNIT LABOUR COSTS
% increase on a year earlier



tionship with Eastern Europe will be seen over decades. The costs are paid now during the period of a weak world economy. Whether Germany will be able to pull it off will therefore be more dependent on the health of that world economy than on what happens domestically.

Arbeiter Problems

Germany's recent public sector general strike was enjoyed with *schadenfreude* as much by Europe's capitalists as by the Left.

However, the strike was in no way the expression of a new militant mood among workers, nor of the resilience of the German trade union movement. The strike was the product of two factors. Firstly, the too blatant attempt to dump the cost of unification onto the working class. To this the unions and the Socialist Party responded in the most backward way by targetting Eastern Europeans workers - *Ossis* - for depressing wage levels. Secondly, the loss of ground by the trade unions. Although 'co-determination' had served German capital well while the main problems facing it were reconstruction, establishing an infrastructure, steady long-term growth and large scale production, times have changed.

The crisis in the world economy, Europe and unification have impressed on German capital the need to be far more flexible, and consequently to restructure its relationship with the working class. The cumbersome machinery of co-determination and its corresponding labour legislation is a barrier to wage and employment 'flexibility' business now needs. Even before unification German unions were accepting cuts and less favourable work practices. During the late 1980s wages underwent 'prolonged moderation', even though profits were rising. Although the employers did not get their way totally in the strike, the trade union bureaucracy now realises that its days are numbered.

German Imperialism

The rise of Germany as *the* leading nation in Europe has awoken traditional fears. Recent official German foreign policy in Yugoslavia has been blunt and unilateral. German troops on the Austro-Yugoslavian border have harassed UN food and humanitarian aid convoys. German business groups have played a crucial role in aiding non-Serbian communities, particularly their war-time allies the Croats, and in influencing EC policy. All this sounds very ominous. However, it is important not to let well-established prejudices colour an understanding of contemporary events. Germany's fundamental objectives during the last war were to create a new European order which was much more favourable to its interests, and to incorporate much of Eastern Europe into a 'Greater German Economic Area'.

Although these objectives remain uppermost for German capital, it is obvious that the Deutsch Mark and the German economy, and not Panzer divisions, are the best vehicles for such a policy. As one pundit put it: 'Why jackboot your way down the Champs Elysees when you can afford to sit at Fouquet's and sip Chateau d'Yquem 1945 every night of the week?'*

During the next decade, Germany is likely to be much more 'assertive', particularly if the world economy stagnates. But this is only the logical consequence of her position in Europe and not the expression of a propensity to bully. If anything, and from a capitalist point of view, Germany can be accused of *not* showing leadership. All in all, Germany is more likely to be a factor for 'peace' rather than war because she has most to gain from maintaining the status quo. It is weak and ailing nations that start wars.

The End of Post-War Consensus.

The war affected German politics in a way that ensured stability. Looking back, the instability of Weimar democracy, which paved the way for Fascism and war, was blamed on a combination of 'finance capital' and the profligate way that state finances had been abused to fund projects that would buy social peace. As a consequence, after the war all mainstream parties, unions and business groups adhered to two principles that have been the cornerstones of German policy. Firstly, a pro-industry and anti-'finance capital' economic policy which privileges long-term investment, cheap funds for industry and productivity, and has put well-defined limits to the growth of the financial sector. Banks are involved in industry, but largely in the form of just such long-term investment banking. Hostile take-over bids are rare, 'wheeling and dealing' discouraged, and access to the money markets controlled. Eight stock exchanges dampen speculation. Germany does not even have a futures market. Secondly, a very tight budgetary policy, which is protected from both popular and business pressure by the stern eye of the Bundesbank and limited by the dispersal of finances over 11 Länder. At all levels of government deficits cannot exceed investment expenditure, and there is an array of rules curbing borrowing.

Preparing for Power

Unification, Germany's leadership in Europe and instability in the world economy threaten both arrangements. Fiscal policy is loosening and has become politicized. There is greater pressure on the divergent interests of different business groups. It is not only workers who are unwilling to shoulder the burdens of unification. Costly involvement in Eastern Europe benefits only some sections of German capital. Meanwhile Germany's role in both Western and Eastern Europe makes a 'dynamic' financial services sector indispensable. The German 'miracle' is not about to vanish into this air, but the structures which have ensured German capital's success since the war are beginning to crumble. Give the instability of the two other 'pillars' of the 'world community', the German ruling class has reason to worry.

* Jim Hoagland, *Washington Post*, reprinted in *Guardian Weekly*, 29 July 1990.

Tom Kemp explains the origins of America's *fin de siècle* malaise.

AMERICAN NIGHTMARE

The United States has officially been in recession since the summer of 1990. Ever since, optimists have been scrutinizing the data for signs of a recovery and any piece of 'good news' that can be declared an end to the recession. At the beginning of last year, Michael J. Boskin, chairman of the President's Council of Economic Advisers was confident that 'recovery is likely to begin in the middle of the year'. A few years ago, when he was part of Reagan's economic team, Boskin had ruled the business cycle a thing of the past. In June 1991, with recovery still not in sight, the OECD reported that it was expected in the second half of 1991. Predicting the upturn has ruined many economist's reputation and commentary is now becoming more plaintive. It is hard not to recall Marx's words, 'Instead of investigating the nature of the conflicting elements which erupt in the catastrophe, the apologists content themselves with denying the catastrophe itself and insisting, in the face of its regular and periodic recurrence, that if production were carried on according to the textbook, crises would not occur.'

It is not only bourgeois economics that has hindered understanding. Recession evokes the traumatic experience of the Great Depression of the 1930s. During the 1987 crash on Wall Street, NBC anchorman Tom Brokaw thought it his duty to allay fears by not mentioning the word 'crash' 'In the minds of many people, a stock market crash equals the Great Depression.'

Beyond psychology, the US's current problems have two origins: its long term decline and the legacy of Reaganomics.

A Sick Economy

'The downturn in the economy in the latter part of 1990 does not signal any decline in its long-term economic health or basic vitality.' Despite the Council of Economic Advisers' recent reassuring pronouncements, the American economy has been stuttering and spluttering since the slump of 1974-5 broke the post-war cycle of prosperity and mild recessions.

Many of America's problems will be especially familiar to British readers: excessive reliance on finance to the detriment of industrial competitiveness, a mistaken belief that a dominant world position would provide a historic guarantee of supremacy, a blindness which let other nations develop in its shadow, and an overstretched empire. But fundamentally, America suffers from problems which afflict all capitalist countries; an over-mature economy, experiencing major imbalances and declining rates of profitability.

The 1970s, the most troubled of America's post-war years, were rich in illustrations of this decline. It began with Nixon's televised announcement of the end of the Bretton Woods agreements - the financial and monetary system that had ensured the Dollar's dominance since 1945 - and ended with the image of wrecked helicopters in the Iranian desert after Jimmy Carter's failed hostage rescue. Writing in 1980, James R. Schlesinger, a former chief executive to both the Nixon and Carter Administrations, was moved to write, 'Generally speaking, foreign manufacturers, who in the past were eager to visit American plants, now feel they have little to learn from such visits, although they still believe they have much to learn from the US in marketing. Nonetheless, in such areas as process engineering, quality control, cost control, and production the US in all too many industries no longer has a net advantage'. American was badly in need of a miracle and it was against this background that Ronald Reagan came to power.

A New Error

Until last year, when a quick recovery was still just around the corner, the prevalent mood was still one of nostalgia for Reagan's good old days and to blame 'the government' for mishandling the economy. Alan Reynolds, a journalist on the *Wall Street Journal* could still pen the following eulogy under the title 'Reagan's Awesome Economic Boom': 'the prolonged US-led expansion of 1983-1990 must go down in history as one of the most impressive economic performances'. Now the idea that the Reagan Administration was an impressive disaster is gaining ground. William Greider, author of an impressive tome on the Federal Reserve, claims: 'By every meaningful indicator, American economic performance continued to decline in the 1980s, notwithstanding the President's claims for it or [Federal Reserve chief] Volker's predictions.' While the Reagan administration cannot be blamed for America's recession, it was clearly during his reign that its specific features took shape. In other words, the methods adopted to deal with the severe recession of the early 1980s, which created an 'artificial' boom, has now produced major problems and left the US state with very little margin for manoeuvre.

While the Reagan administration cannot be blamed for America's recession, it was during his reign that its specific features took shape. The methods adopted to deal with the severe recession of the early 1980s has now produced major problems and left the US state with very little margin for manoeuvre.

Voodoo Economics: Laffer Curves

Although the Reagan boom may have been the longest in history, it rested upon a fragile basis. Marie-France Toinet, writing in *Le Monde Diplomatique,* puts it succinctly, 'The Reagan expansion has been doubly vicious, economically unproductive and based on credit.' Faced with the deep recession of 1979-82, US business was desperate for a quick way to restore profits. Unable to engage in massive wage cutting - wages were low in any

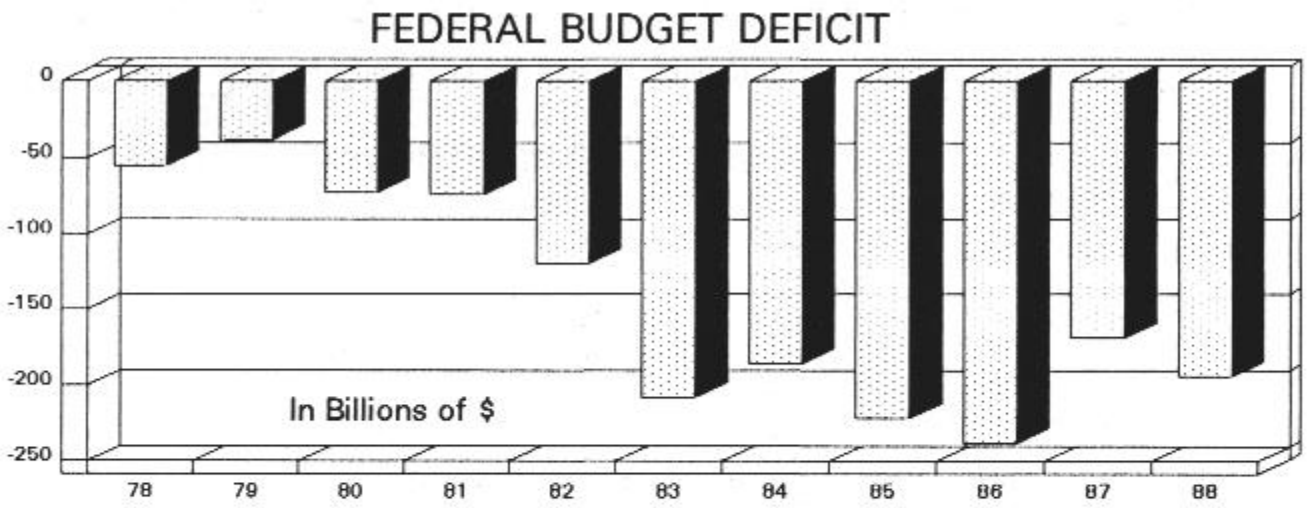
case - and unwilling to invest to refurbish US industry, the corporations looked to tax cuts. A Chicago economist, one Alfred Laffer, was wheeled in to provide an the 'theory'. With the aid of a curve, Laffer argued that tax was a disincentive to enterprise and so narrowed the taxable base. Conversely, if taxes were cut, Americans would be stimulated to work harder and business to expan, creating tax revenues

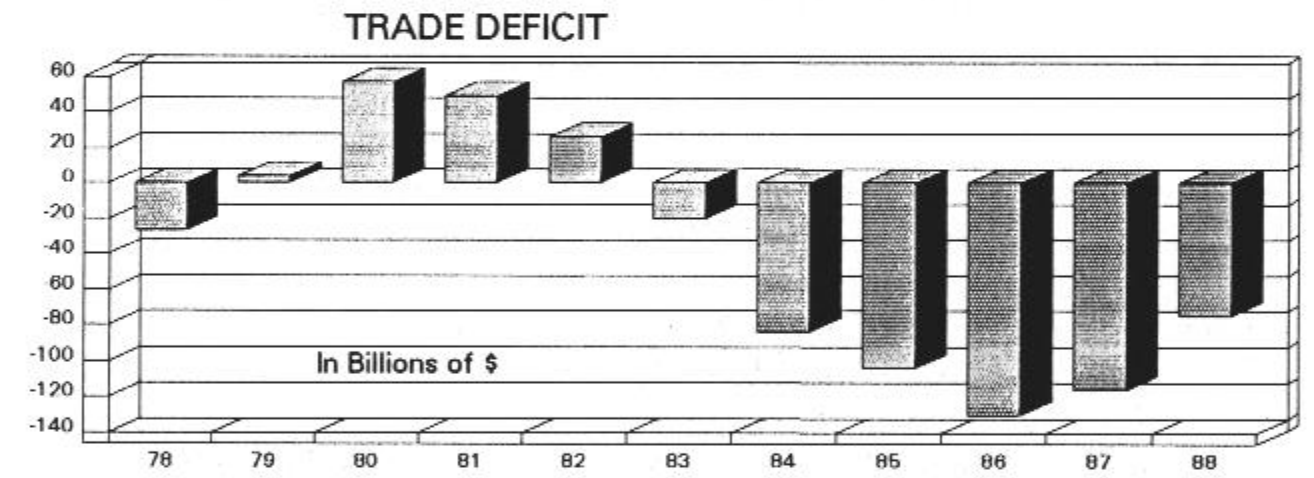
The Laffer Curve had all the ingredients of a good snake oil: it involved a simple, common-sense truth, it was inexpensive, and it promised a cure for everything. In addition, it would work for all classes. The wealth created at the top by tax cuts would trickle down to the poor. Theoretically, Laffer's curve could only work if each tax cut generated an equal or greater expansion of taxes from the increase in taxable business. There was not evidence to show this was the case.

But the real problem was that the US government was not willing to undertake the temporary spending cuts necessary until tax revenues supposedly grew. Rather than blacks and unmarried mothers, who have little political clout, the main beneficiaries of America's pork barrel are the well-organised business lobbies. Not only were subsidies not cut: they grew. For example, handouts to the agricultural sector soared from $1bn in 1980 to $14.4bn in 1988 (more than the entire French budget). In a bitter epitaph on the period, David Stockman an ultra right-wing Budget Director who was naive enough to believe in the Reagan Revolution was to comment, 'a half-trillion-dollar budget remains in 1986 after five years of sustained ideological challenge... why did the conservative, anti-spending [Republican] party end up ratifying a half-trillion-dollar per year welfare state? ... Because the rank and file of GOP politicians want it for their constituents no less than their Democratic counterparts do... That is another irony of the Reagan Revolution.'

Star Wars Scam

It was the corporate sector which experienced a bonanza, particularly in the form of military expenditure. The SDI project was a multi-billion dollar Keynesian experiment which not only aimed to rescue US capital, but to reassert American dominance over its rivals. High technology - where the US is still the leader - would give American industry the competitive edge and be available to countries who toed America's line. Those that did not, would suffer 'technological denial'.





Apart from the collapse of the Soviet Union, the SDI ploy did not work because other nations did not believe the US could either deliver the benefits or carry out the threats. The SDI programme was another fantastic 'get-rich-quick' scam which did nothing for American industry because high technology did little to address the real problems of lack of competitiveness. What SDI and defence spending did do was to punch a massive hole in state finances. Unlike the 1930s, when government debt was negligible, the state now enters a depression not only unable to aid capital, but with a stratospheric level of debt which is itself a major factor of instability and lack of business confidence. Payment on interest makes up the largest single item on the budget.

Casino Capitalism

'Rolling back big government' also created its problems. Along with the cash windfall which corporations received through tax cuts, deregulation of the financial sector sparked off a speculative spree that made financial terms and personalities part of popular legend. Despite the bravado, American corporations did not have much confidence in the real economy and so did not use their cash for investment. Instead they bought up other companies or speculated. As take-over fever and speculation gathered its own momentum, corporations took on more and more debt, or engaged in fraud, to keep in the game. Many of these deals were based on the assumption that the boom would continue indefinitely and that crazy debts and financing schemes would be paid out of future earnings. US corporate debt now dwarfs Latin American debt.

The speculative atmosphere also encouraged a mainly middle-class consumer boom which sucked in imports, further eroding America's industrial base - hence the 'rust-bowls' of the 1980s. The bulk of jobs created during the decade were in the low-paid service industry, riding on the back of the consumer boom. It is not surprising that this sector has been badly hit.

The net result of the above factors is a triple debt - government, corporate and consumer - which no sector is in any position to repay.

The problem the US faces is that a cyclical downturn coincides with more durable weakness. Recovery is likely to be weak and short-lived, so that the 1990s will become a decade of stagnation, with the prospect of a return to some of the demons of the 1930s. That does not necessarily mean the same dramatic fall in output or increase in unemployment, rather something closer to the 'Great Depression' of the last quarter of the 19th Century with the emphasis on a profit squeeze, but differing from it in that real wages are likely to fall. Jobs which have been lost will not come back as used to be the case during the upturn of the business cycle. In addition, many skilled workers, technicians and scientists made redundant by the scaling down of the armed forces, will also be coming onto the labour market. A tendency to drive down wages seems inevitable. The assumption that each generation will live better than its parents, an idea so basic to the American Dream, is over.

Tom Kemp's *The Climax of Capitalism: The US Economy in the Twentieth Century*, is published by Longman's

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Alison Costello shows that reports of the demise of the working class, and its gentrification, are greatly exaggerated.

Boom, Bust and the Working Class

The prosperity of the 1980s, though shallow and short-lived, provided politicians and commentators with yet another opportunity to squeeze mileage out of a recurring theme of much of the post-war period: the classless society. Upward mobility and opportunity-grabbing individualism, the hallmark of the Thatcher era, epitomised the enterprise culture. The collapse of traditional labour organization led politicians of all colours to declare the end of class and herald the emergence of a society in which socially mobile achievers could shake off traditional class constraints, leaving behind only an intractable underclass. Despite all the evidence to the contrary, David Marquand, Professor of Sociology at Salford University, claims that "The classical working class, the proletariat which Marx described and helped to form, has almost disappeared. Some of it - in most developed societies the majority - has been absorbed, for all practical purposes, into the middle class. The rest - the unskilled, the handicapped, the victims of racial prejudice - have become an alienated under-class, effectively excluded from full citizenship."[1]

Despite the very visible decline of British industry during the 1980s, a paper profits boom succeeded in creating the impression of unprecedented prosperity. Social scientists, who like to consider themselves in the van of social developments, were anxious to keep up with an ideological agenda set by the *politicos*, "Sociologists are also having to rethink assumptions about the nature of opportunity in a capitalist society... in the overwhelming majority of [working class] families children are enjoying better opportunities than their parents did."[2]

Today, as triumphalism has given way to bitterness and regret, it is easier to see how much of the economic renaissance of the 1980s was based on increasing misery for the poor, peanut wages for the unskilled, speedups and 'flexibilization' for the skilled, debt for the middle classes, and upper class fraud. Starting from the bottom, the poor have never had it so bad. Despite claims that the poorest sections of society would benefit from the enterprise culture through 'trickling down' or the 'cascade effect' - another shoddy piece of sociological theorising - poverty doubled between 1979 and 1987 to 10m, a fifth of the population.[3] While incomes on average rose by 23% between 1979 and 1987, the bottom 10% saw only a 0.1% increase in real terms.[4] At the other extreme, hardly a week goes by without news that yet another major company or venerable City institution has been involved in corruption or sharp practice. The debt collector, the receiver and the pawnbroker have replaced the yuppie and the corporate bimbo as the icons of popular imagination.[5]

> "The classical working class, the proletariat which Marx described and helped to form, has disappeared... in most developed societies the majority has been absorbed into the middle class."
>
> David Marquand, Professor of Sociology Salford University

Debt and the Myth of Consumerism

During the 1980s the idea of rising popular consumption was welcomed by conservatives since the working class was seen as a political ally and because it upheld the image of durable prosperity. The working class was to be congratulated for their middle class aspirations, even if their efforts were clumsy and naive. Now that things have turned sour, a more Victorian attitude has returned and it's the workers who get the blame. The general impression now given is that an unwise liberalisation of credit and a more aggressive enterprise culture led a working class, which was prone to greedy materialism and not accustomed to prudent spending, to aspire to a lifestyle well above its station. A similar attitude is widespread among the Left, only in this case the working class was duped into consumerism by advertising. A superficial treatment of the statistics lends some support to these ideas. Between 1981 and 1989 consumer debt rocketed from £21 billion to £48 billion (at 1989 prices).[6] Over the same period consumer credit growth outstripped the growth in the economy, as outstanding credit grew from 8% of annual expenditure in 1979 to 15 per cent in 1989. This represents an increase in average household debt from just under £1,000 at the beginning of the 1980s - 4.5 weeks of disposable income - to £2,250 by the end of the decade - representing 7.5 weeks of income (at 1989 prices, excluding mortgages).

However, a more detailed analysis shows a very different picture. Although consumer borrowing doubled during the 1980s, there is little evidence that either 'lifestyle hedonism' or 'consumerism' is responsible for the current debt crisis. 'Consumerism' is in fact largely a myth.

Housing Debt

A 1989 Policy Studies Institute survey of 2,200 households and 160 non-households showed that the two factors mainly responsible for working class debt are rent and mortgages, and budgeting on a low income, ie poverty. Rent arrears - not credit cards - are still the most common form of debt. Two thirds of all debts were due to housing commitments (including service bills).[7] More recently, the PSI has estimated that approximately 18% of all tenants (600,000) owe rent.[8] The main reason for rent arrears is not a consumer spending spree but increased council house rents and greater restrictions on rebates.

While rent arrears have traditionally comprised the bulk of working class debt, mortgage arrears are rapidly gaining ground, particularly among those who bought their houses between 1982 and 1984. During the 1980s, mortgage companies lent ever increasing amounts to people with less and less income. The mortgage to income ratio grew from 2.5 to 3.5 times annual income. In addition, house prices increased during the 80s. In 1979 the average house cost £30,000.

There is little evidence that the 'plastic money' revolution created the bulk of popular consumer debt. Much of the expenditure was not on videos, microwaves and golf clubs, but on basic household items, clothes and shoes, etc.

First time buyers made a down payment of £7,000 and borrowed £23,000. At the peak of the housing boom the price of the average house had shot up to between £50,000 and £60,000 (depending on the area) and 100% mortgages were not uncommon. The result has been that between 1981 and 1991 mortgage arrears of six months and over have grown from 20,000 to 270,000; a staggering 1,300% increase!

Arrears have inevitably led to repossessions. Over 75,000 homes were repossessed during 1991; nearly twice as many as in the previous year and five times the 1989 figure, the year of the housing bust. Repossessions are growing fastest in small towns and green field sites where business was fragile and where, consequently, unemployment is now high. In a survey of its members undertaken in December 1991, the Council of Mortgage Lenders found that those with problem arrears fall into three main categories; self-employed, those connected to the construction industry - architects, designers, decorators, builders, contractors etc - and salespeople working on a commission basis.

Consumer Debt

The 1980s saw an unprecedented deregulation of the financial services industry. The credit card ceased to be a token of privilege and became a collectable item. The amount lent by banks and finance houses doubled to £50 billion. Credit dependency increased. In 1979, 50% of households used some form of credit. Ten years later it was 75%.[9] In December 1989, consumer debt stood at £48.2 billion, three and a half times the amount outstanding in March 1982.[10] However, there is little evidence that the 'plastic money' revolution created the bulk of popular consumer debt. A breakdown of consumer debt shows that most of it is the type of credit which the poorest and least 'consumerist' sections of the working class have always relied on; mail order, instalment agreements and loans. Much of the expenditure was not on videos, microwaves and golf clubs, but on basic household items, clothes and shoes, etc.

Today the working class cannot use debt to tide it over the bad times because it enters the depression burdened by debt.

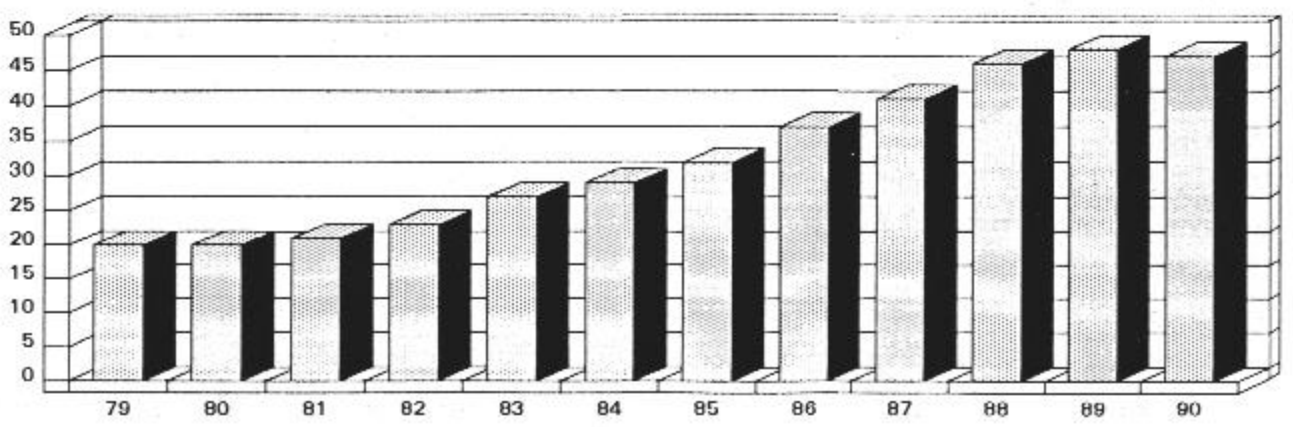
If any connection between debt and 'consumerism' can be made it is that the lower the household income, the greater the usage of credit and the level of debt. Lower-income household also use less advantageous credit forms such as mail order. Mail order weekly repayments are a great deal higher than store cards, higher than credit cards and only just fall short of overdraft commitments. Of those using catalogues, three quarters have some outstanding commitments.

Over 150 years ago Engels noted how important credit was for the working class, "If the small dealers did not sell to the working people on credit at such times as long as possible - paying themselves liberally afterwards, it must be confessed - and if the working people did not help each other, every crisis would remove a multitude of surplus through death by starvation. Since, however, the most depressed period is brief, lasting, at worst, but one, two or two and a half years, most of them emerge from it with their lives after dire privations."[11] Today the working class cannot use debt to tide it over the bad times because it is entering the depression burdened by debt. The prospects for those already in debt look grim indeed.

Employment Patterns

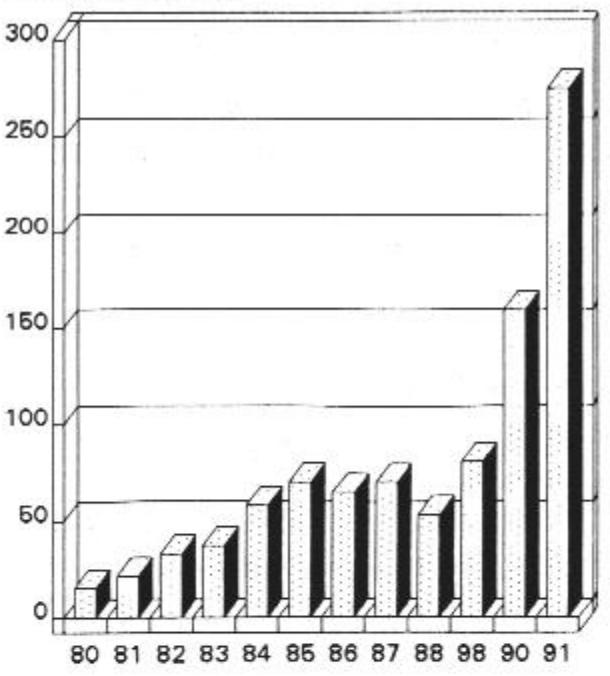
Although the idea of an increasingly prosperous and 'bourgeoisified' working class can easily be dismissed empirically, it is not possible to make a meaningful statement on how the working class as a whole has fared during the 1980s. In very general terms, the working class is now divided into three groups; the skilled and semi self-employed who have prospered during the 1980s and have relatively better job security, an unskilled or semi-skilled majority whose income has not improved significantly and whose employment and work conditions have deteriorated sharply, and a growing section of people on the fringes of employment who have few prospects and who are usually termed an 'underclass'. Sectoral differences are also important. The pub-

OUTSTANDING CONSUMER CREDIT 1979-90
£ Billion at 1989 Prices

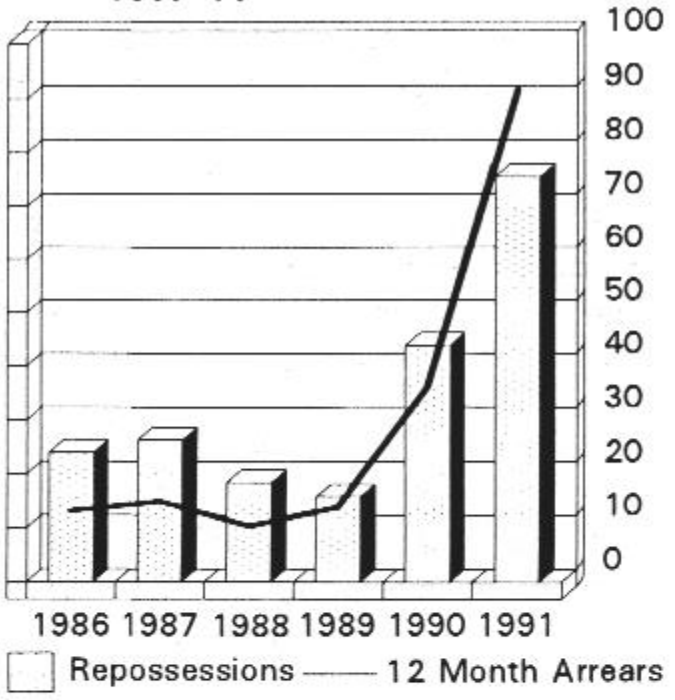


Source: PSI Report, 1992

MORTGAGE ARREARS 1980-91
In Thousands



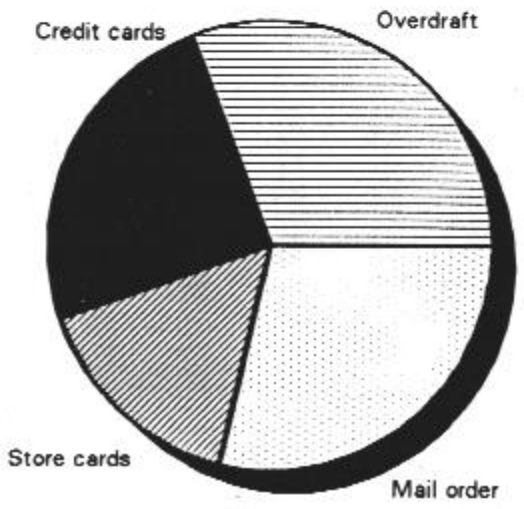
REPOSSESSIONS & ARREARS 86-91
In Thousands



lic sector has seen a significant decline in income relative to comparable jobs in the private sector.

There is a general acceptance that skilled sections of the working class were able to maintain, if not improve, their living standards during the 80s. But even here the picture is far from uniform. Income in terms of take-home pay should not be confused with consumption. At the beginning of the 1980s, around 30% of consumption was via state services; education, health, amenities, etc. While taxation has increased, many of these provisions no longer exist or have been whittled down. It is impossible to calculate the loss in consumption due to the closure of swimming pools, libraries, health services etc. There have also been substantial changes within the skilled group. Large sections of the skilled labour force have simply disappeared along with their industries.

REPAYMENT COMMITMENTS
By Credit Source £ per week



Many 'skilled' workers are only so in name because the use of high-tech equipment is confused with skill. For instance, telephone engineers have now become little more than fitters who snap-fit connections and slot in disposable integrated circuit modules. What truly technical work remains is undertaken by small specialised workshops. The work load for skilled workers has also become far more intense. Almost all workers now work to management set targets, do their own paper work and cleaning etc.

The 1980s have seen significant differences in conditions of work in terms of labour intensity, hours of working and levels of pay (and, over the last 18 months, growing numbers of pay freezes). In Britain, male average hours per week are the highest in Europe, while female average working hours reflect the growth in part-time jobs. Only Britain and Denmark have no statutory control on hours that may be worked in a week. Additionally, Britain is the only western European country in which workers have no legal rights to paid annual leave.

A major trend throughout the 1980s was the decrease in full-time and skilled work and an increase in the use of unskilled, low-paid, part-time workers. Women are particularly prominent in low paid, part-time work - the 1989 *Labour Force Survey* showed 77% of male employees worked full time and 4% part-time, while the figures for women were 51% and 40% respectively. Cuts in nursery provision have made it impossible for single mothers to go to work; instead, they are pushed into part-time low paid work or work at home on minimal rates. Capitalism uses the 'flexible' or 'secondary' labour market to buffer it against the effects of recession - it needs a section of workers that can easily be dismissed when the market contracts.

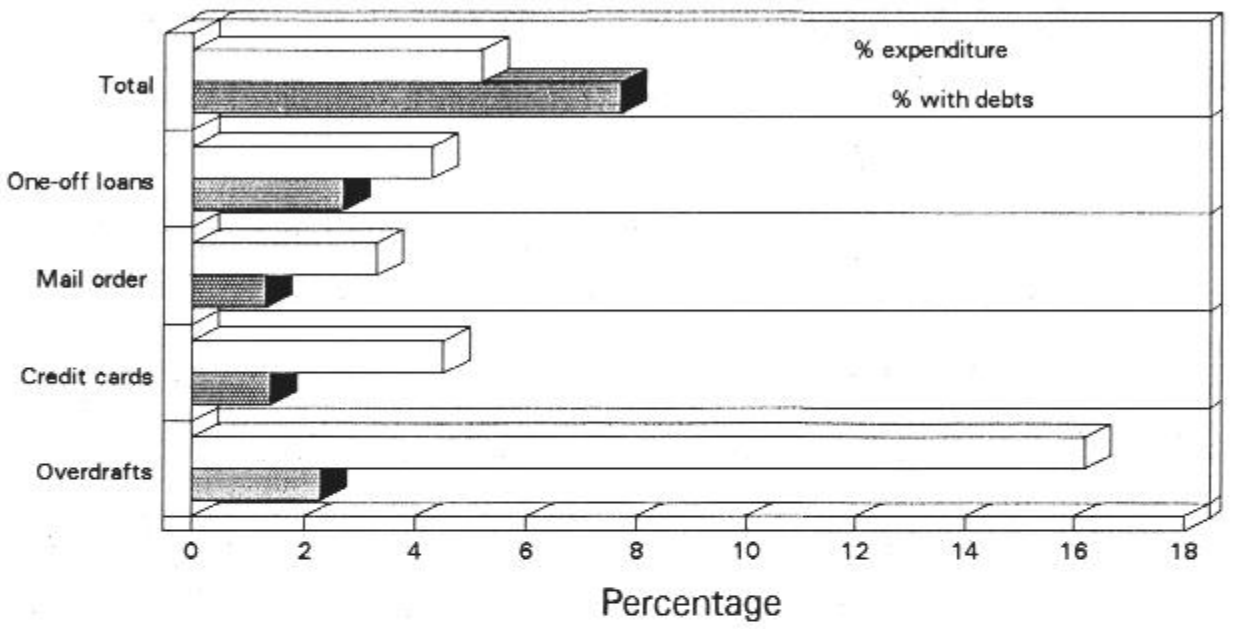
Poverty and the 'Underclass'

The distinction between the 'deserving' and 'undeserving' poor is as old as capitalism itself, but the protracted economic crisis and the reappearance of endemic poverty in advanced Western societies, after three decades of boom, has led to its reformulation as a theory of the underclass. As a concept with academic respectability, the theory originated in the US and was first introduced by conservatives and reactionaries such as Charles Murray. Like his less sophisticated Victorian predecessors, Murray explicitly rejected any connection between poverty, the economy and the structure of society. He defined the 'underclass' in terms of its behaviour traits; illegitimacy, criminality and lack of a work ethic. "When I use the term 'underclass' I am indeed focusing on a certain type of poor person defined not by his condition - eg long-term unemployed - but by his *deplorable behaviour in response to that condition* - eg, unwilling to take the jobs that are available to him".[12] Poverty is thus the consequence of the anti-social behaviour of a section of the population who *choose* a 'sub-human' and anti-social lifestyle. Welfare does not solve poverty, it simply breeds and legitimises this mentality; the welfare dependency culture.

Despite its reactionary pedigree, the theory of the underclass now has wide and enthusiastic currency among liberals and the Left. The advantage, for the Right, of attributing poverty to the attitudes of an underclass is transparent but the liberal Left also adheres to the con-

INCIDENCE AND RISK OF PROBLEM DEBTS

Consumer debts as % of Households



USE OF REVOLVING CREDIT BY INCOME-GROUP

	Up to £100	£100 -£150	£150 -£200	£200 -£250	£250 -£300	£300 -£400	£400 plus
Mail Order	45	39	60	51	47	44	30
Credit cards	10	15	20	33	40	39	43
Overdrafts	9	12	13	20	23	28	27
Store cards	6	8	14	11	18	16	16
Total (=100%)	**255**	**176**	**255**	**201**	**177**	**284**	**206**

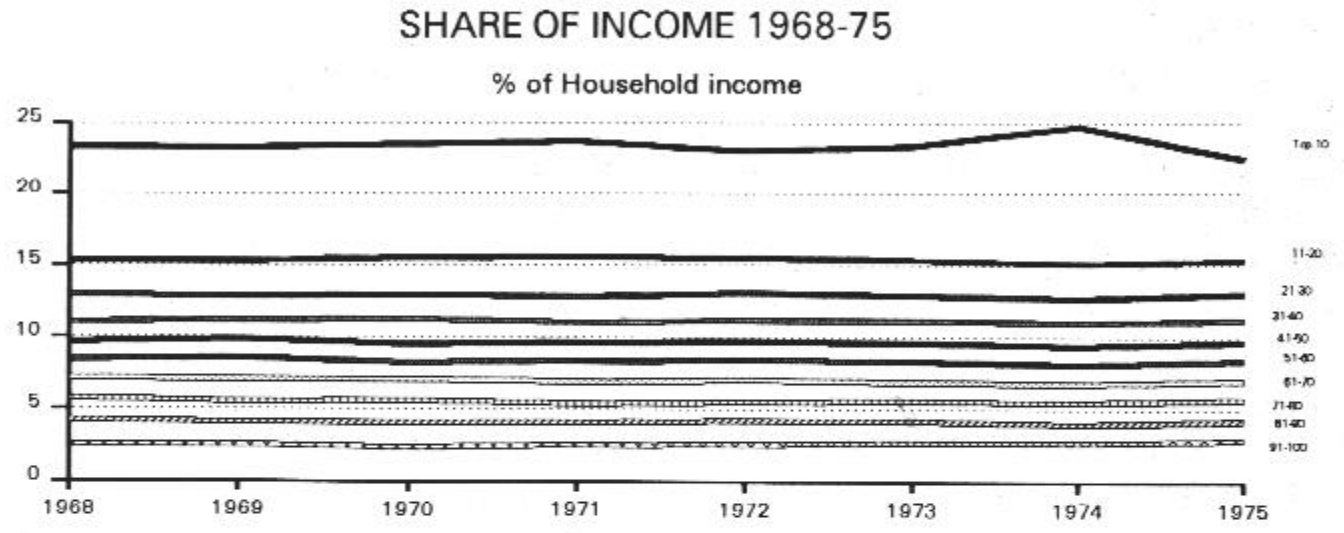
Source: PSI survey; analysis on non-pensionable households.

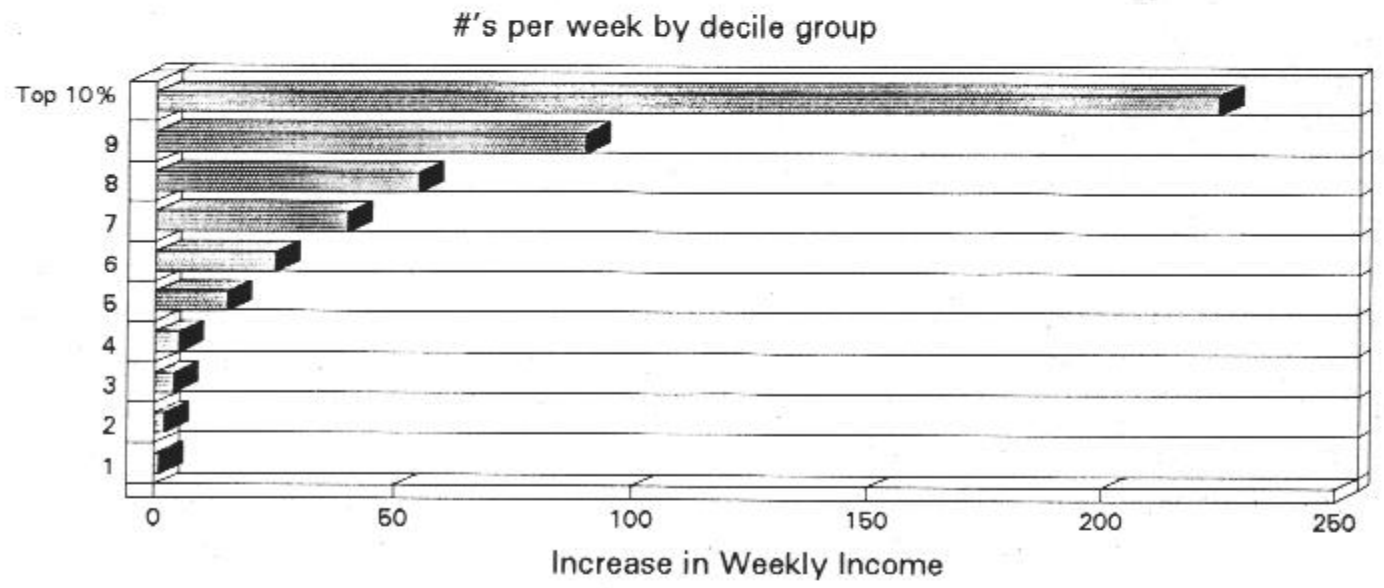
The persistence of poverty is related to the fact that most workers live in or on the margins of poverty due to the precarious nature of the working class household economy in general and the unstable nature of the capitalist economy which means intermittent and insecure employment... most workers in poverty are dependent on earnings for the bulk of their income, dispelling the notion of a permanently unemployed class.

cept of a 'poverty minority' mentality. These 'minorities' then become the justification for campaigns and programmes run mainly by the very same welfare bureaucracy. Thus a pervasive coalition of interests has developed between today's proponents of the workhouse and the apparently 'radical' welfare bureaucracy which has reduced all discussion about the working class to either 'Essex Man' or the theory of the underclass. If the idea is not new, neither is the fact that there is little empirical evidence to support it.

The most comprehensive contemporary study of poverty in Britain was undertaken by Peter Townsend during the early 1970s. The study was based on detailed interviews of 2,000 households and published in 1979 by Penguin as *Poverty In the UK*. Although nearly twenty years old, the survey still provides the basis for a comprehensive and systematic understanding of the nature of poverty in Britain. Though poverty has increased substantially since the time of the study it was still an issue during the 1970s. Townsend found that 9.1% of the population lived in poverty while an additional 23.2% hovered on its margins (between 15 and 17.5 million of a population of 55.5 million).[13]

However, Townsend rejected the idea that poverty was characteristic of a particular section of the population. Rather, it was a much more diverse phenomenon which could not be ascribed to an identifiable minority and which was likely to be experienced by all workers at some time or another. In 1975, when poverty was half its current rate, Townsend found that over one third of the population had experienced poverty in some form during the preceding year.[14] Although certain workers - immigrants, women, older workers - are more prone to poverty, its persistence is related to the fact that most workers live in or on the margins of poverty due to the precarious nature of the working class household economy in general and the fact that the unstable nature of the capitalist economy means intermittent and insecure employment. "At any particular time there are households who, because of demotion, unemployment, sickness, disablement, retirement or increase in dependency, have recently fallen into poverty, just as there are households who, because of promotion, engagement or re-engagement at work, recovery from sickness or decrease in dependency, have just emerged from poverty".[15] Neither did Townsend have much faith in programmes aimed at the poor, "the adoption of *minima* seems to have had the effect of 'fixing' or institutionalizing the low status of certain minorities in society - rather as though this was their legitimate entitlement... Far from being the most realistic, and acceptable, method of diminishing poverty and inequality, it can turn out to be a major instrument legitimating them".[16] Townsend also found that most workers in poverty are dependent on earnings for the bulk of their income, thus dispelling the notion of a permanently unemployed class.





Working Class Prosperity

There is no detailed 'income' study of the 'Essex Man' phenomenon, which is perhaps not surprising since ignorance is the stuff of myths. Nevertheless, even the anecdotal evidence available points to a very different reality than the one portrayed by media pundits. The building trade in the South East, the cradle of Harry Enfield's obnoxious plasterer 'Loadsamoney', is a good example of the ephemeral and unequal nature of working class prosperity. Specialised building workers such as electricians and skilled carpenters have always commanded higher wages and enjoyed more stable employment but they are a minority. What was spectacular about the 1980s was that for about 4 years the domestic and commercial construction boom allowed a number of semi-skilled building workers - plasterers, brickies, fitters - to raise their incomes beyond their wildest dreams. New technology and work organization demanded new buildings rather than the refurbishment of old ones. Big projects such as Canary Wharf and the Channel Tunnel - the biggest building site in Europe - sucked in enormous amounts of labour of all skills. The London boom drew workers from a 100 mile radius. Cheap building materials such as cement, plaster board and bricks, which had never been cost effective to import, were bought from as far afield as Sweden and Spain. Labour

became so scarce that site managers employed security guards to stop other firms walking in and poaching their labour rather than for their more usual function of stopping workers leaving with goods. As the more skilled workers migrated to the commercial side of the construction boom, the less skilled and poorly organised moved into the domestic market to create the cowboy phenomenon. Most 'cowboys' were either semi-skilled or learnt on the job. Painters and decoraters became Master Builders. Advances in plumbing and guttering technology meant anyone with a pipe cutter, blow torch and bleeper could set himself up as a 'plumber' or 'central heating engineer'.

Far from models of capitalist enterprise, these 'two men and a transit van' outfits were not businesses by any measure of capitalist viability, and could only make a 'profit' by fleecing a middle class clientele blinded by its speculative greed, avoiding taxes, national or life insurance and cutting every corner possible. Even at the height of the construction boom, small building firms were still heading the bankruptcy list. Today, in the commercial building sector, thousands of sites have closed before completion. 'No Vacancies' and 'Absolutely No Vacancies' signs are posted at almost every site. The seasonal and cyclical nature of the construction industry means that a lot of money can be earned during short periods. No-one talks about the hard times and even during the 'good times', hours are long and the workload exhausting.

Balancing good and bad times, building workers do not earn a lot, and usually end their days in a little 'palace' made up of a life-time's pilfering from building sites. By 45, an unskilled or semi-skilled building worker is on the scrapheap and can only find low paid work as site watchman or handyman. Long periods of poverty help create a culture of bragging, ostentation and extravagant spending. After all, only someone unaccustomed to money walks around with a £1000 'toilet roll' in his pocket.

With the exception of food franchises, every area of enterprise that was upheld as offering the working class a quick route to wealth; hair dressing, boutiques, health fitness clubs, sport shops, etc, has proved a failure.

Such phenomena are not new. Comparing earnings of manual and non-manual workers during the 1970s, Townsend found that manual workers earned more than non-manual workers. However, as manual workers tended to work far longer hours than non-manual workers during the course of a year, the hourly rate was approximately the same. In addition there was considerably less job security. A decade before the birth of Essex Man, Townsend was eager to point out the pitfalls of making assumptions based upon too short a time period, "Similar data have misled certain sociologists and many political commentators in the post-war years, and there has been a vigorous controversy, based partly on the kind of incomplete statistics about the 'embourgeoisement' of the working class."[17]

Nor are these misconceptions restricted to the building trade. With the exception of food franchises, every area of enterprise that was upheld as offering the working class a quick route to wealth; hair dressing, boutiques, health fitness clubs, sport shops, etc, has proved a failure. Finally, advocates of class mo-

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bility might like to consider that the average weekly rate in the building trade in the South East is currently between £150-£180; the same rate as in 1983.

Class Inequality

While Marxists should always exercise the utmost caution when applying abstract concepts to social reality, there is one 'iron law' which seems universally applicable; increased speculation about working class prosperity and classlessness is exponentially proportional to the increased fortunes of the rich and is independent of, or may correlate negatively with, what is actually happening to working class living standards.

Similar misinformation was bandied around in the 1920s. It is difficult not to call the authors of *Make Everybody Rich - Industry's New Goal* 'paid lackeys of the bourgeoisie.' "The real industrial leaders of present day America do not need to be told that the goal of industry is to make everybody rich. It is they who have discovered the fact... who discovered the economic necessity of high wages.... Not only will prosperity be stabilised, but the rule of class will for the first time in human history utterly disappear".[18] Writing at the same time - a few months before the Wall Street Crash - the editor of the *New York Journal of Commerce* had a much more sober view, "There is certainly nothing in the statistics to indicate the existence of that rapidly expanding consumptive capacity of the masses about which so much is heard today."[19]

In his study, Townsend concluded that there was little evidence of narrowing class differences. Between 1968 and 1975 there was virtually no change in income distribution; this is a time when Sixties liberalism and youth culture was supposedly leading to the disappearance of class. The top 5 % owned 44.8% of net assets while the bottom 80% made do with 22.4%.[20] The only change in wealth distribution during the past 30 years has been a steady decline in ownership of the top 1%; the top 20% retain their privileges.

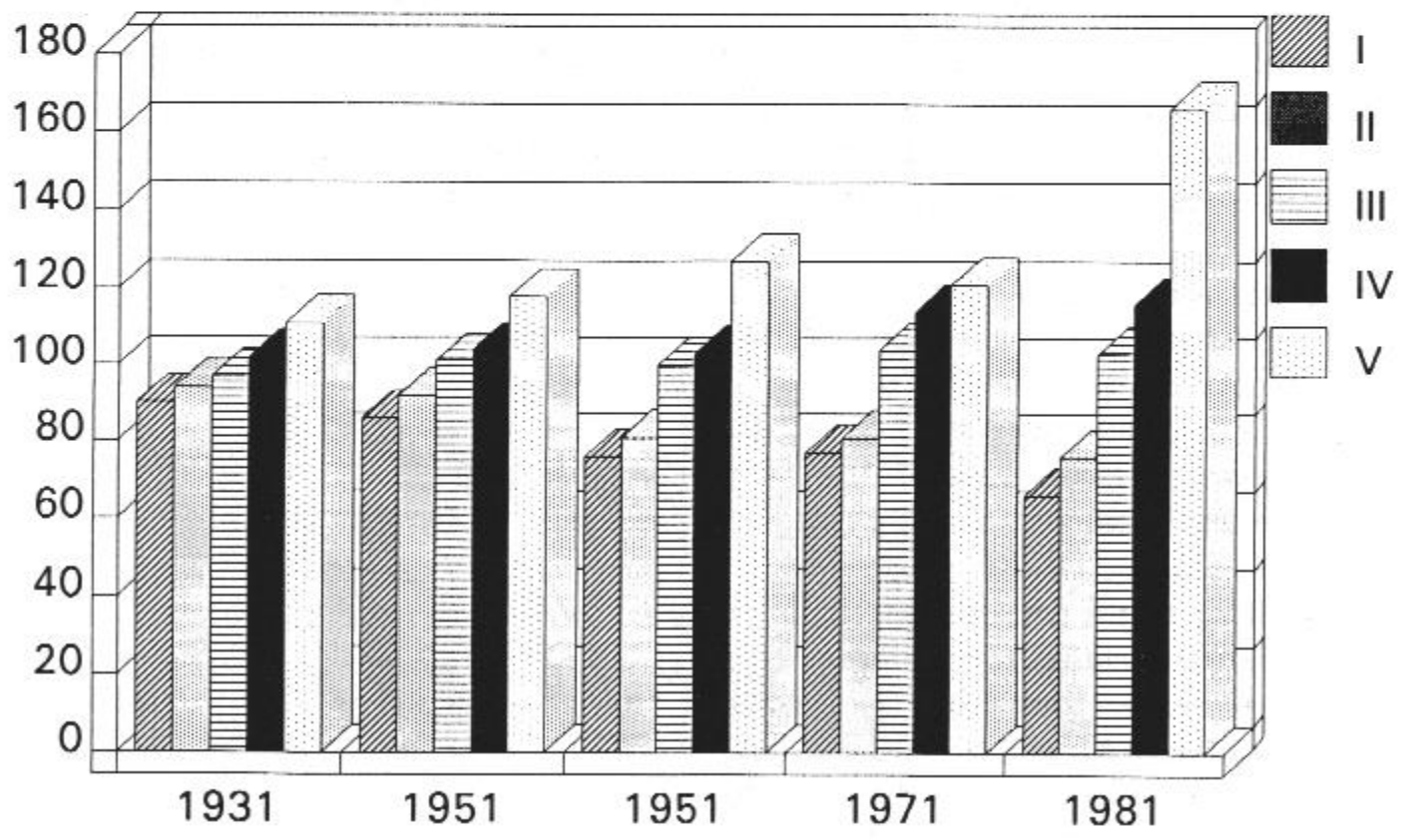
In fact, the most striking characteristic of income and wealth statistics - apart from the gross inequality - is the consistency of class divisions. Things have changed, but not in favour of equality. Between 1979 and 1987, the richest fifth saw their share of total household income (after taxes and cash benefits) rise from 40% to 45% while that of the poorest's dropped from 6.1 to 5.1%. This is the first time since the Second World War that the 'bottom' half of the of the population experienced a decline in their share of total income.[21] The top 20% saw a marked increase in income during the period 1979-1988 while that of the bottom 40 per cent was virtually static.

The dominance of a class-based society pervades every area of life, from income statistics to number (and colour) of dental fillings. Health differences are a good indicator of social divisions and although the Grim Reaper is no respecter of class or property, he seems to like visiting the working class first. At the beginning of the 1980s, the death rate of unskilled manual workers was double that of the professional classes. Class divisions are even more pronounced in infant mortality - over 70% higher for manual unskilled workers.[22]

As inequality and poverty has increased, the greater the need to create illusory common bonds of citizenship and to conceal divisions of class. Nationalism and citizens rights such as Charter 88 serve to uphold the concept of common goals rather than to expose the different interests and conflicts between classes. Although both Right and Left have adopted the notion of a classless society, the working class is still very much alive.

Advocates of class mobility might like to consider that the average weekly rate in the building trade in the South East is currently between £150-£180; the same rate as in 1983.

UK MALE MORTALITY BY CLASS, 1931-81
15-64 years in England and Wales



Source: *Black Report*, updated to 1981 in *Health and Wealth - A Review of Health Inequalities in the UK*, Association of Community Health Councils for England and Wales (1990)

1. David Marquand, *Guardian*, 5 June 1991.
2. Richard Scase, Professor of Sociology and Organizational Behaviour. Kent University. *The Guardian* 18 June 1991.
3. Defined as 'living at or below the level of supplementary benefits.' See *Poverty, the Facts*, C. Oppenheim. Child Poverty Action Group, 1990. p1
4. *idem*, p19.
5. A recent documentary highlighted a 20 year high for pawnbrokers and debt collectors. 'What Recession?' *World in Action*, 7th October 1991.
6. R. Berthauld and E. Kempson. *Credit and Debt: the PSI Report. Policy Studies Institute 1992 p47.*
7. *idem*, p113
8. '2.5 million households with problem debts,' *PSI Press Release*. 26th February 1992
9. J. Ford, *Consuming Credit: Debt & Poverty in the UK*. CPAG Ltd 1991 p.17.
10. *Social Trends 1991*, 6.15. HMSO.
11. Engels, *The Condition of the Working Class in England*, Panther, London 1969 p121.
12. quoted in C. Oppenheim, *opus cit.* p14
13. Peter Townsend, *Poverty in the UK*, Penguin 1979. p898
14. *idem* p276
15. *idem*, p916.
16. *idem*, p924.
17. *idem*, p385
18. B.A. Javits, C.W. Wood, *Make Everybody Rich - Industry's New Goal 1929 pp.90, 280. quoted in Lewis Corey, The Decline of American Capitalism*, 1935.
19. March 1, 1929.
20 Townsend, *opus cit.* p343
21. C. Oppenheim, *opus cit.* p1
22. Margaret Whitehead, *The Health Divide Today*, Penguin 1988.



WOODCUT BY MARTIN WALKER

POLEMIC

Politics and Subjectivity

The politicisation of personal life, announcing, as it does, preoccupation with language, culture, and the alteration of sexual and domestic practice, has aroused lasting hostility in the camp of Marxism. At times this antagonism is expressed in baleful muttering behind the hand, at other times it gathers sufficient courage for a forthright rejection of the personal in politics. For most Marxists it remains axiomatic that the personal is not political, at least not in the sense that an alarming array of feminists, black activists, gay campaigners and radical socialists, have asserted. The radical struggle for the reformation (*in the here and now*) of everyday life irritates many Marxists. They think it is ill-conceived, naive, or even opportunist. Of course, changes in personal relations may be prefigured in the struggles of the oppressed and in those of the working class, but any lasting transformation could, they argue, only occur upon the basis of the destruction of all the relations of bourgeois society.

Consequently, the primacy of the working class is deployed against the fragmentary and sectional concerns of those embroiled in the personal politics of experience. The Marxists argue that the working class, and the struggle between classes, must, in the last instance, take priority over the narrow, and often petit-bourgeois, concerns of those enmeshed in the ideological formulation that the 'personal is political'. A similarly marginal fate awaits those with a weakness for the politics of 'identity'. This is so, not because the working class is homogeneous or undivided, but because the exploitation of the working class forms an objective basis, even a bedrock, on which the masses of exploited and oppressed people can find common cause against the continuation of capitalist rule. From this point of view anything that can be said to promote unity among and between the multitudinous sections of the working class is political; anything which does not interest itself in such matters is personal, ie, it is not political. Therefore, the fights against racism, the oppression of women, and the oppression of homosexuals, are political only insofar as they contribute to the struggle for the unity of the workers. Indeed many Marxists would argue that battles against such forms of oppression are a precondition for the waging of effective struggles aimed at uniting the working class.

So, although many Marxists and many organisations have been able, over the last twenty years, to boast an impressive record of struggle against racism, homophobia, and the oppression of women, their card is marked as the sworn enemies of the politics of identity, and as the implacable foes of the politics of the personal. However, this hostility to the politics of experience is rooted in more than a prior commitment to working class unity. It is, by and large, expressive of divergent views on the pace and possibilities for change on offer in this kind of society; divergent views which are often expressive of very different attitudes towards what may be expected of the state. For most Marxists, collaboration or engagement with the state in capitalist society must be conducted, more or less cautiously, by large scale workers' organisations that must steadfastly refuse to surrender their independence of outlook or their freedom of action. With those involved in the politics of identity, of experience, of personal life, things are radically different. For them, it seems, any old ramshackle arrangement of pressure groups, collaboration, and even wholesale co-option by the state is good enough.

Nothing could be more calculated to outrage the average Marxist. Not only do these feminists, black radicals, and gay activists inflate their marginal concerns, placing their own petit-bourgeois preoccupations before the struggle for unity within the working class, but they give full rein to every kind of opportunism in the scramble for influence in high places, and for attracting money and every other resource from local authorities and the state.

Analysis also welcomes contributions from readers who are critical of Marxism. Here Don Milligan argues that Marxism's failure to understand subjectivity has proved its undoing.

This brief sketch is, no doubt, a parody of the relations between Marxism and the advocates of radical political slogans about personal life. However, it is substantially correct, and it brings us nicely to the threshhold of what has turned out to be a most serious problem for Marxism, namely the success of the politics of experience. While the influence of Marxism has decayed in all spheres of society the stock of those who are concerned with the promotion of the personal has steadily risen.

'Political' preoccupation with personal experience, with the transformation of sexual conduct, and the shaping and reshaping of identity, has gone from strength to strength. Now, the 'Politically Correct', not the Marxists, attract the wrath of the right. It is the PC's preoccupation with words and the political implications of words which announces their close attention to matters personal. It is this which attracts the venom of the reactionary and the backward. In the teeth of incessant opposition the PC have established an institutional and ideological presence in modern society that was undreamed of twenty years ago; it is a presence in the fabric and assumptions of society that has never been achieved by Marxism at any stage in its history. For the beginning of an explanation of this surprising turn of events we must look at how Marxism has sought to view the individual and to deal with subjective experience.

For Marxists, humanity comes to know itself only through practical-critical activity. Human thought is not a theoretical matter, but rather a practical one, because it is in practice, and only in practice, that men and women establish the truth, the reality and the power of their thought. Consequently, disputes over the reality or unreality of thinking which are isolated from practice are destined to degenerate into nit-picking debates concerning ideas of objective and subjective perception. More than this, human beings are not simply a product of circumstances and upbringing, they are also a product of their own practice; a product of their own interventions into the movement of nature and the life of society. Social life is essentially practical; human society is the product of socialized humanity. At every moment the Marxist sees men and women - their daily common sense, their imagination, and their inspirational insights - as the realisation of their own practical activity in society.[1] As Marx once wrote, "Feuerbach dissolves the religious essence into the human essence. But the human essence is no abstraction inherent in each single individual. In its reality it is the ensemble of social relations. Feuerbach, who does not enter on a critique of this real essence, is consequently compelled: 1. To abstract from the historical process and to fix the religious sentiment [*Gemut*] as something for itself and to presuppose an abstract - *isolated* - human individual. 2. Therefore, with him the human essence can be comprehended only as 'genus,' as an internal, dumb generality which links the many individuals merely naturally."[2]

For a Marxist the human essence is an "ensemble of social relations". It is a flux category that need not admit any vital distinction between man's creations and those of "the given natural order of things". Consequently, the strong version of this idea of human essence sees nature itself as a product of social relations. The oceans themselves are transformed from gigantic barriers into vital and busy routes of communication by humanity's practical activity. The meaning and compass of nature itself is perpetually transformed by man's revolutionizing practice. Nature is made and remade by man's social relations. Weaker versions of this idea of human essence rely more upon fixed entitities and upon the natural substrata of existence that are said to have a reality entirely independent of social relations and human practical activity. Most Marxists tend to oscillate between these two poles, at times emphasising the objective reality of natural phenomena, and at other times emphasising the active and practical aspect of human social relations in the constitution and reconstitution of nature. This is not, of course, a struggle between 'idealism' and 'materialism' within the Marxist camp, but it is expressive of a tension between the *transcendental* and the *empirical*.

On the whole, Marxists have maintained this tension by emphasising the dialectical and interactionist aspect of man's practical social life. However, from time to time, political exigency has propelled many Marxists decisively towards an emphasis of its down to earth realism. Only rarely have Marxist organisations endorsed the relational account of the constitutive flux implicit in Marx's conception of human essence. The dominant tendency, expressed in political, rather than in theoretical work, has been to gravitate towards reality, common sense, and a rather solid conception of the natural and biological substratum upon which social life is thought to rest. And it is this tendency to minimise the constitutive role of human activity that continues to draw down the hail of Politically Correct insults upon the heads of Marxists. Marxists are seen as the enemies of the individual and the enemies of the creative force which inheres in the life of the subject.

It is true that all this may be a little unfair, but it cannot be argued that Marxists have done very much to address the problem of the life of the subject, or thought much about the emancipation of the individual. The grotesque aphorism often attributed to Joseph Stalin, 'What is freedom? The freedom to starve?', has always had many supporters in the Marxist camp. This need not be read as a defence of the gulag. It can be just as accurately thought of as a rough and ready realism about what is important, in contrast to things which may, in the 'tight corners' produced by wars and revolutions, be regarded as excess baggage. Political exigency has often resulted in a rejection by Marxists of the individual. The "full development of the individual" remained the faint and muffled promise of a distant communist future. In contrast to this utopian promise - "in the here and now" of the twentieth century - a great swathe of empiricist philosophy was produced, and, in the course of these investigations, a radical sociology emerged that could talk about the life of the subject.[3]

This sociology has largely succeeded in short-circuiting the problems presented by classical philosophical concern with the nature of being, and theories of knowledge. In their place the sociologists have boldly substituted the more manageable concerns of methodology and the sociology of knowledge. Talcott Parsons was speaking for many when he explained to Alfred Schutz, "At a great

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many points you are interested in certain ranges of philosophical problems for their own sake which, quite self-consciously and with specific methodological justification, I have not treated. You are, for instance, continually attempting to point out certain things about what the subjective processes of action really are in what must be taken as a directly ontological sense. At another point you speak of the problem of ultimate value, again in a strictly philosophical sense. It is, I think, a corollary of my concentration of interest on a system of theory that I have attempted to minimize discussion of, and commitment to positions on, this philosophical level as much as possible."[4]

Maurice Natanson makes this point well when he explains that in phenomenological terms, "most social scientists remain within the 'natural attitude' in which the 'world' of 'social world' is untroubled by philosophical doubts."[5] Here we encounter a vision of sociological theory as profoundly practical; it is a theoretical practice whose attraction lies in the more or less direct appeal it makes to the common knowledge of experience. And, in its most radical expression, ie, in the realm of *social construction theory*, this sociology has furnished the politics of experience, of identity, of the personal, with a compelling theory that places human agency, and the life of the subject, at the centre of things. What is more, it is a theory that embraces the ideas embedded in the Marxist idea of human essence so completely as to more or less eclipse any claims to a distinctive contribution on the subject which might be made for Marx.

However, in spite of problems of this sort, the outlook of social construction theorists is strikingly familiar, and it must be said, strikingly congenial to most Marxists. In the mid-sixties, Peter Berger and Thomas Luckman argued that humanness is a variable determined "socio-culturally". In *The Social Construction of Reality*, they argued that there was no such thing as human nature in the sense of any "biologically fixed substratum": "Man's self-production is always, and of necessity, a social enterprise. Men *together* produce a human environment, with the totality of its socio-cultural and psychological formations. None of these formations may be understood as products of man's biological constitution, which, as indicated, provides only the outer limits for human productive activity."[6]

Not many Marxists would find fault with this. However, as with Marxism's "man is an ensemble of social relations" so it is with social construction theory. There are strong and weak versions of the theory. The weaker versions of the theory simply see man as composing his social world interactively out of the real world and out of the real biological possibilities conferred on him by the material substrata of natural phenomena. At its strongest it argues that the world is without inherent meaning and that man is constantly charged with the task of imposing meaning upon it. As Ken Plummer put in the mid-seventies: "Whether one is looking at interactive encounters or socialization, the focus is always placed upon the processes involved and never the given structure or personality. Human interaction thus comes to be seen as a positive shaping process in its own right rather than simply emanating from pre-existing psychological or sociological structures."[7]

This account has led to a more sophisticated understanding of the self, "as a symbolic representation, created when consciousness bends back on itself and becomes its own object. It is the result of reflexivity. Turned on itself, mind becomes both subject and object, 'I' and 'me', observer and observed."[8] Selves produce and organise themselves in an environment in which they themselves constitute and which constitutes themselves, "They are emergent products, continually unfolding in ways that cannot be easily predicted. They are contingent, changing from situation to situation."[9]

This outlook gives definition to the conception of the social construction of the reality of the subject and the life of the individual. It also gives expression to the ambiguity of the relations between self and society, and between what is personal and what is political. The relationship between society and the individual, and between the personal and the political, is perpetually opaque and unstable. They are emergent and shifting oppositions that, if they make sense at all, could only be observed as momentary and contingent social facts; they would be facts that would lose their firm definitions very rapidly in the course of the movement of the self and the movement of the social. However mysterious and mythological this outlook might become, its great advantage is that it privileges every individual with the possibility of some active and self-directed role in the constitution of both themselves, and the others who surround them.

However, the response of most Marxism to this increasingly discursive idea of social construction has been somewhat lame. To the extent that this form of sociology has seemed to support the classical account of human nature as an ensemble of social relations, Marxists have acquiesced or even endorsed its claims. To the extent that it has shifted the field of interest to focus on the social constitution of the self and the social construction of the life of the subject, Marxism has been hostile. There has been a tendency to fall back (in some disorder) on the old priorities of class, and upon the even older certainties issuing from an insistence that man is the product of an entirely knowable and dialectical interaction between 'real' reality and real social relations in the real world. The more arcane and discursive the interests of the social construction theorists become, the more likely they are to be rebuffed outright by Marxism, or merely sidestepped by Marxist organisations. However, this rejection has not been as sophisticated as that which it seeks to reject. Consequently, it does not convince. Moreover, this Marxist hostility reveals the absence of any authentic development of its own account that can seek to explain the growing uncertainties, the multiplying choices, the fantastic desires, that both besiege and constitute more and more persons within actually existing capitalism.

This inability to address the constitution and the status of the individual has done much to undermine the authority of scientific socialism. In complete contrast, the practical focus of a plethora of splendidly elaborate interactionist sociologies, the way in which they enthrone the life of the subject, and centre all perception, knowledge, and power, upon human agency has earned them an unrivalled radical status. The subversive claims of social construction theory are simply unmatched by Marxism. For at least twenty years Marxism has stood by bewildered while every kind of social phenomena has acquired its own history, its own emergent discourse, and its own devotees, adherents and cognoscenti. Balefully dismissed as matters of mere 'style', 'fashion', and opportunism by Marxist politicians, these architects of social construction have beavered away with slight regard for their own irrelevance to the real struggles that needed to be joined in the real world of class politics. Remarkably, they have not become more marginal, but if anything, rather less so. Startling too, has been the manner in which they have developed their own politics and established their own institutional presence in society.

At the heart of their politics has been the idea of emergence, negotiation, and pluralism. There has been a rejection of 'totality' and a consequent belief in the development, piecemeal, of a politics and a practice that focuses upon both the subversion and the transformation of public policy. The idea, promoted by feminists, black radicals, gay activists and others, that changes in the public policy of the state, backed by the progressive development of the individual's personal practice, can transform all inter-personal relations. For example, Jeffrey Weeks, an historian of sexuality, boldly argues, "We have the chance to regain control of our bodies, to recognise their potentialities to the full, to take ourselves beyond the boundaries of sexuality as we know it. All we need is the political commitment, imagination and vision. The future, now, as ever, is in our hands."[10]

This, of course, is a particularly 'grand' passage. But Jeffrey Weeks, along with many other writers in the field of social construction theory, has a substantial and compelling case to make. They passionately believe that the constitutive discourses and relations that perpetually make and remake life in this sort of society are amenable to disruption, subversion, and transformation. What is more, these sort of theorists have achieved a degree of sophistication and coherence that virtually guarantees them a hearing from anybody who wants to challenge radically the way things are presently managed. Pluralism, emergence, negotiation, and the radical constitution and reconstitution of consensus, describe both their political and their theoretical outlook. What is more they have a diverse and impressive pedigree. Sour attempts to denounce construction theorists as specialists in 'stylish' ephemera are simply the products of ignorance. Long ago, the radical empiricist, William James, explained their case thus: "Pragmatically interpreted pluralism, or the doctrine that it is many, means only that the sundry parts of reality may be externally related. Everything you can think of, however vast or inclusive, has on the pluralistic view a genuinely "external" environment of some sort or amount. Things are "with" one another in many ways, but nothing includes everything, or dominates over everything. The word "and" trails along after every sentence. Something always escapes. "Ever not quite" has to be said of the best attempts made anywhere in the universe at attain-

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ing all-inclusiveness. The pluralistic world is thus more like a federal republic than like an empire or a kingdom. However much may be collected, however much may report itself as present at any effective centre of consciousness or action, something else is self-governed and absent and unreduced to unity."[11]

This rejection of totality and of totalising effects enhances the idea that, "Objectivity is achieved by discursive means such as agreement, critique, and joint reconstruction of events. Discursive processes do construct a logical and conceptual order of some sort, but not necessarily that of a physically integrated world that is separate from the integrators."[12]

In the course of social construction reality is negotiated and agreement is hammered out in a process of conflict that creates the possibility for the reestablishment of reality upon a new and sounder footing. As Saloman Rettig optimistically puts it: "The attainment of uncoerced consensus through a meeting of minds is emancipatory. It makes perceptions of social reality a shared actuality. Such shared perceptions provide relative stability, solidarity, and interpersonal safety. These stabilizing factors leave the individual free to pursue other interests. More importantly, establishing consensus is a necessary step for further progress."[13]

Now clearly, a number of different responses to all this are possible. One could simply guffaw and pass on to next business. Or, we could simply demonstrate that reality really exists and is not at all emergent, negotiable, or dependent upon our perception of it. In this way we could, at least to our own satisfaction, fairly easily annihilate social construction theory. Similarly, we could, with well-researched articles and detailed evidence, prove that large numbers of those involved in the theory of social construction, the politics of identity, and in the politics of the personal, are corrupt and cynical opportunists; the sort of radicals who snuggle up to the authorities and live on bribes and honours dished out by the capitalists. Or, we could wait smugly until poverty, instability, wars, and crisis, settles the hash of these essentially petit-bourgeois personal concerns and restores Marxism to its rightful place, centre-stage.

Of course, the most compelling response would be the development of an authoritative Marxist account of how the life of the subject is constituted in modern capitalist society. It would be an account which would show how the seizure of power by the working class would decisively alter the process of subject formation in a way which would excite anticipation and longing for communism. It would do nothing less than show how the process of the development of the individual can only be decisively and irreversibly "improved" through the revolutionary overthrow of capitalist social relations. And, consequently, it would scotch the idea that the personal was political.

However, even this response cannot be admitted because Marxism has not developed a theory of the subject. It has been unable to leave any room for active understanding on the part of individuals and groups. It has always argued that people are guided by their interests or by ideology. Either way, it has always been committed to a fairly direct and instrumental view that the pre-existing subject is simply produced and shaped in response to external stimulus. The dialectic of man's self-creation in the course of his own practical activity does not overcome this objection because it fails to address the dynamic relationship between awareness of society, consciousness, and consciousness of consciousness. In short it has no convincing account of the psychological or of the transcendental constitution of subjectivity. And it must begin to address this problem if it wants to do more than merely change the subject every time its real desire for reality is questioned.

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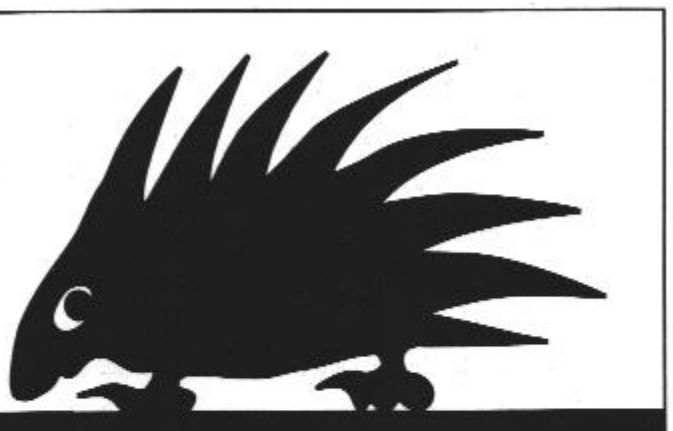
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INTERVIEW: FRANCIS FUKUYAMA

THE LAST MAN

Francis Fukuyama made his name in summer 1989 with an article called 'The end of history?'. For the next year, as the Eastern European Communist states collapsed one by one and *perestroika* gradually turned into a rush for the market, Fukuyama, wielding a novel interpretation of Hegel, played the archetypal role of wise man to the world. He made sense of its upheavals, and explained their inner meaning. His central argument was that the collapse of the Communist regimes was the final act in the social and political evolution of mankind, establishing 'liberalism' as the end-point of human history.

'Liberalism' meant capitalist liberal democracy: a free-market economy, an individual rights-based legal system, and a parliamentary democratic political order. Fukuyama's first reason for saying that this was the final destination of the human race was that, for the first time since its appearance at the time of the French Revolution, it had no serious rivals on the world scene. But behind this empiricism was a theory of historical development. Fukuyama advertised the theory as one that made ideas, not material circumstances, the driving force of history, and traced it to Hegel via his 1930s Russian-French interpreter, Alexandre Kojève. In fact on a closer look the theory was not so idealist as all that. Although it was ideas that drove men to establish new social and political systems, in the end the survival of such a systems depended on its ability to produce material goods.

For example, Marx's ideas were the moving force that drove the founders of Soviet Communism, but that system was now foundering because it could not produce enough consumer goods to satisfy its own population. Meanwhile 'liberalism', the implementation of liberal ideas developed in the 17th and 18th centuries, had been an unprecedented economic success. In the end, Soviet Communism could not compete with it for the 'hearts and minds' of its own people. So ideology may propose, but ordinary material desires dispose. History becomes a struggle between rival socio-political systems and the ideologies which they embody. Its outcome is a matter of survival of the fittest, meaning the system that can best supply the ordinary economic wants of its population.

So Fukuyama's theory of history was close to a kind of Marxism. Social relations of production ultimately survived or were swept away according to whether they developed, or failed to develop, the forces of production. Fukuyama simply introduced a bit of Darwinism to fill out the story - a strategy which some Analytical Marxists had already been toying with for several years. But for Marx history was the story not only of the development of the productive forces, but also of human consciousness, and the communism in which it culminated would be a society in which humanity took conscious control of its own destiny. That is why he could talk about it as the *beginning* of history. For Fukuyama, by contrast, human history looked like a blind process of selection between socio-political systems. Once the human race has somehow arrived at the most economically productive system, 'liberalism', people would have no reason to act, or even to think, on a grand scale any more. They would simply concentrate on fulfilling their private consumer desires.

In fact the implication was that human beings had never really been motivated by anything else but these private desires. The result was an unflattering picture of human nature, which gave a disturbing edge to Fukuyama's ideas even in his first flush of popularity. It was also a very conditional justification of the view that 'liberalism' was really the end of history. If the only reason that people all around the world were turning to 'liberalism' was because it delivered the goods, then they could just as well abandon it for some more productive social system if one should turn up. The only value of democracy or individual rights seemed to be that they were part of a larger 'package' that was good at producing video-recorders.

In his article Fukuyama hinted that he had answers to these questions by mentioning the idea of 'recognition', but only developed this theme in his full-length book, *The End of History and the Last man*, published this spring. Here Fukuyama calls on Hegel and Kojeve to introduce a whole dimension to the human personality, separate from desires for material goods and pleasures. Its essence is what he calls *thymos* (a term from Plato) - the sense of self worth. My *thymos* gives rise to a 'desire for recognition': a desire that others should take me as seriously as I take myself, in particular that they should treat me as a self-determining agent and not as a thing.

Thymos is what produces the emotions of pride, anger, vanity, and shame, it is what is at stake whenever human beings praise, insult, flatter or humiliate each other. Even my sense of justice is only a result of 'universalising' my *thymos*, so that I feel a slight to my fellows as a slight to myself. In the book Fukuyama suggests that *thymos* is an even more fundamental human motivation than ordinary material desires.

Just as he has divided the human soul into two, Fukuyama now divides his theory of history into two, one strand of argument ending in 'capitalism' and the other in 'liberal democracy'. On the one hand there is history as the emergence of modern bureaucratic capitalism, ultimately driven by economic desires but facilitated by the discovery of the scientific method. On the other there is a much larger historical story, which begins with the subjugation of the first slaves by the first masters, as described by Hegel. Following Kojève's interpretation, Fukuyama argues that it was the desire for recognition that drove men to subjugate each other like this, but that in turn subjugation can never properly satisfy the desire for recognition. The slaves are not recognised at all, and even the masters are only recognised by slaves whom they despise, and so whose recognition is worthless to them. The desire for recognition can only properly be satisfied in liberal democracy, because there everyone recognises everyone else as a legal and political equal. It is a system of *universal* recognition.

By concentrating on the desire for recognition, Fukuyama at once makes his picture of human nature more recognisable and dignified, and provides a stronger argument for the proposition that liberal democracy (if not capitalism) represents the end of history. He is now able to argue, though cautiously, that even if some alternative to liberal democratic capitalism (like Singapore) may be more economically productive it still cannot satisfy the desire for individual recognition.
The result is also a far richer philosophi-

cal history, although one with many more internal tensions and contradictions. Towards the end of the book, Fukuyama even begins to sound much more hesitant about the idea that capitalist liberal democracy is really the end of history after all.

I met Fukuyama in a bare upstairs room behind the security checks at his British publisher's offices. It was the day of his book's publication and he was about to finish a week of British interviews and media appearances with a 'Times Debate' with Norman Stone, Roger Scruton, Ernest Gellner and Tessa Blackstone in front of an audience of 1000. He was recovering from a barracking by 300 hostile SWP members the night before in Manchester, at a debate with Alex Callinicos. I began by asking if he agreed that his picture of social development was basically Darwinian.

'That's not quite right. There's an implication of evolution, but as a result of conflict between different civilisations what arises out of the ashes of the conflict is frequently quite different from what existed before.'

Yes, but wasn't his history still in the end a story of the the 'natural selection' of those societies which were best able to meet their members' economic and thymotic needs?

'Well, that's the general picture, except that you have this added factor of consciousness. It's not simply that, as in biology, you have these random mutations of the genes, and they all collide in this big soup, and then the stronger ones emerge out of it. People are also able to think through their problems they come up with wrong solutions and other times they come up with more rational ones, and then in time there is a exposure of the less rational ones.

'We've seen a couple of recent examples of this. My favourite one is Peronism in Argentina. All countries went through a period of protectionism in the 1930s in response to the depression, but most of them came out of it after World War II. But with the Argentines, a kind of fascism got to them late, and they developed it into a native form of economic nationalism. Now in every other respect Argentina was and should have been southern European country. It had a standard of living higher than Italy's and very comparable to Spain's at the time of the first world war. But it had this native grown ideology that defended an enormous degree of protectionism. The result was a two, three generation-long economic decline. It's really only now that they're starting to dismantle the ideology of the Peronist state. It's hard to do a classical Marxist analysis of what social classes benefited there, because in a way it hurt everyone in the country. So there was this autonomous but just wrong-headed attempt to think through the problem. And now they've thought it through in a different way, and they seem to be coming out of it.

'The other example is Soviet Communism itself. Their own analysis was that they represented the interest of the Russian working class but very early on it became evident that they did not. They represented basically the interests of a very small class of bureaucrats. It's just an ideological phenomenon - you have a group of people that have a kind of fanatical ideology that they developed as a way of trying to think through their problem. And there was a kind of autonomous survival of the ideology on the level of consciousness which then dictated the structure of that society until such point as people said, "Well, look this is really ridiculous, it's simply not living up to its promises", and then the thing collapsed on an ideological level.'

So that what a society became in the short term was partly a matter of conscious decisions by its ruling groups. But even so, in the long term wasn't it irrelevant whether a particular ruling group was clear-sighted or wrong-headed in their schemes, and whether that particular social system survived or withered? Surely what guaranteed the final emergence of liberal democratic capitalism was not anyone's conscious farsightedness, but a process of trial and error process? Fukuyama agreed.

What about the double structure of his theory: history as driven by material desires and as driven by the desire for recognition. Did the desire for recognition exist all the way through history, or did it only become a force once people had reached a certain level of material comfort?

'I think that as people move to a higher socio-economic level, they become better educated, and connected with certain larger ideas, and more economically secure, and therefore better able to see the logic of universal recognition than someone at a lower level. If you go to El Salvador or the Philippines, and out into the countryside, the peasants essentially think of themselves as slaves. They're tied to the land. They understand that there's a *jefe* out there that is recognised, so the desire for recognition exists for them, but in this very unequal master-and-slave form. The *jefe* comes and says "OK, I want all you guys to get into this truck and we're going to go over there; there are these really bad people, and we've got to get rid of them". That peasant doesn't have a very good consciousness of himself. He is very poorly educated, completely illiterate, and he accepts his position as a slave. So he goes out and joins a death squad or whatever. He simply obeys the authority of that leader. But as people become more educated, they become conscious of the fact that they are slaves, that this is not a just situation, and that everybody is entitled to a certain sense of dignity. But it really does have to mediated through ideologies: Christianity, even Marxism, democratic ideology.'

Did that mean that the desire for recognition was not really there in the beginning, that it was something acquired?

'No. What's acquired is the belief in universal recognition, that everybody is entitled to recognition. Certainly at the beginning of history, the whole thing got started because some people wanted recognition and other people submitted, and the whole master-slave relationship was created. But it exists in this very unequal form in which some people demand recognition and are able to get it, and other people are simple abject and give in to a biological fear of death.'

Another thing which had confused people about his book was the question of whether history had really ended after all. He began the book by saying that liberal democratic capitalism satisfied all the elements of human nature, in particular the desire for recognition, but then towards the end he seemed to turn back and say, 'Well, perhaps it *doesn't* satisfy the desire for recognition after all'.

'I think if you go back and read the book carefully I never said that capitalism and liberal democracy satisfy it. What I said was that Kojève made the argument that universal recognition is completely satisfying - it had essentially solved the human problem. The question of the end of history really revolves around that, whether he was right in that assertion. The last part of the book is really an exploration of the adequacy of universal recognition. In fact it seems to me the answer that I come up with is much more questionable.'

His doubts, though, seemed to be based on the idea that liberal democracy

couldn't satisfy 'megalothymia', the desire to be recognised as *superior* to others, and this was the most primitive form of the desire for recognition. The form which drove the first masters to subjugate the first slaves. But in the book he had recognised that societies introduce new elements into human nature. Couldn't these elements take mankind beyond capitalist liberal democracy? For example, one new element to human nature which had emerged over the last 200 years was the desire to form one's society in the image of one's ideals, to create a radically better social system for the future. So why shouldn't the man of liberal democratic capitalism, apart from being preoccupied with whether he's superior to other people, turn his attention to the project of a radically different social order?

'Well, I don't exclude that possibility. In a sense that's what I was getting at with the idea of the boredom at the end of history. People really are not going to be satisfied with themselves simply within the horizon of a completed liberal democracy. They are going to want bigger projects than that. They are going to want to live for ideals or utopias. That's what I really mean by saying that there is the potential of starting history again, out of a rebellion against the limitations of the horizon presented by liberal democracy.'

How about the limitations of capitalism? Capitalism had freed mankind from the narrowness of earlier forms of social organisation. But weren't there dynamics internal to late capitalism that ran directly counter to liberal democracy? For example, the erosion of democratic rights in the last 20 years: in Britain the introduction of detention without trial, the Prevention of Terrorism Act, the talk now of eliminating the right to silence, and the large cutbacks in welfare rights; or in the United States the setbacks to abortion rights, and the laws imposing the teaching of creationism in schools. Weren't we living in an increasingly illiberal climate?

'I wouldn't regard those examples as a particular trend. In the United States, even though the death penalty has come back in the last ten years, there are other kinds of civil liberties that are much more widespread. For example the right to privacy and then the right to abortion that grows out of that. I think the effort to turn that back was basically unsuccessful. Certainly the rights of individuals against communities, frankly, in my view, have gone much too far in the direction of individual rights. There are several very notorious cases where you had communities that were simply being torn apart by drug dealers, and they wanted to do something slightly ... it's much too much to call it authoritarian ... just to check people for whether they were carrying illegal weapons on the streets. And the American Civil Liberties Union intervened and said, "That's an intolerable abridgement of the fourth amendment right to carry firearms." That's been happening at the same time.

'So I'm not convinced there's single trend. Even if there is a trend somewhat in the direction of an erosion of those rights, it seems to me that it's all taking place within a basic framework that accepts a certain core group of rights, and that framework is not under challenge. You can have all sorts of adjustments within that which are of a fairly minor nature. I think it's perfectly consistent that at the end of history you could still have these minor cycles that occur: a movement towards an expansion of individual rights at the expense of the community, and then the community tries to grab some of them back. That can shift back and forth, but it has really nothing to do with late capitalism. It's just another plot that's being played out, on another level.'

The kind of thinking in his book, I said, seemed to me one of the most developed expressions of bourgeois thought that I had seen, at least in the last twenty or thirty years ...

'I don't deny that. I'm proud of being an exemplar of bourgeois thought.'

Didn't he find it ironic, then, that his book was being attacked so viciously by almost every establishment commentator, at least in this country? Couldn't this be a sign of a certain decrepitude on these people's part, and therefore an indication that they might not be the best custodians of the ideals of the French Revolution?

'(Laughs) Well, I do think, though, that the right in England has a particular problem. I have been attacked from the right everywhere, but it's particularly strong in this country for a couple of reasons, I think. There's the peculiarities of the positivist English intellectual tradition, that is very hostile to Hegel. There's also - I've been really conscious of this in reading the reactions - a really strong anti-Americanism in Britain. A view that goes: "Not invented here, therefore must be one of these feeble-minded Americans' ideas."'

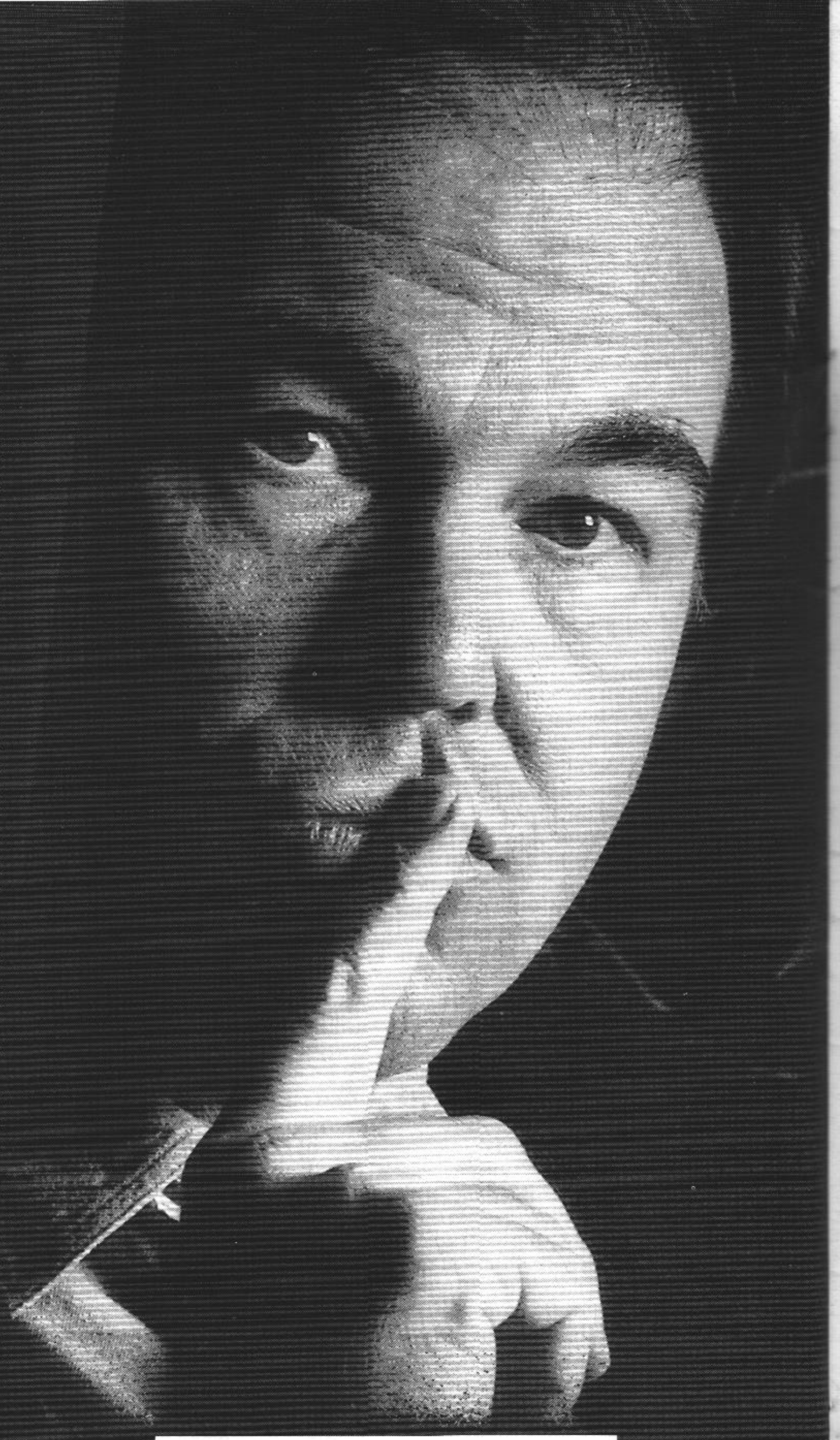
Could some of the reaction be due to a sense of anxiety about the future which didn't fit so well with his thesis as the triumphalism of 1989 did? Reviewers had talked about 'the feeling of confidence you get just before you step into a manhole', or said that 'the present world position is one of growing disequilibrium' so that the book could only be 'a symptom of a global need for reassurance'. Or, as Denis Healey put it on TV, 'the whole thing is disintegrating'.

'I just shake my head when I hear this kind of stuff. It's so far from my sense of where things are in the world, the idea that somehow we're really worse off than we were. There's an apocalyptic sense that you get from reading stuff like that, that somehow the world has never been in a worse position than it is in 1992, and that just seems to me utterly crazy. One thing I am struck by, that's quite specific to Britain, is a real lack of confidence in the future, and in particular in Britain's ability to deal with its future. There's a pessimism about the ability to change. For instance in this country I've run into many people that are confidently predicting that this recession is going to turn into a depression on the scale of the 1930s. There are certainly Americans that worry about that possibility, but hardly anybody expects it as an imminent possibility. I do think that's a national trait. It didn't happen in France in the reaction to the book there.'

Perhaps it is not surprising that Fukuyama's book has had such a poor press from the right. What is odd is how little serious attention it has had from the left. Some of Fukuyama's policy prescriptions - such as his early call for the bombing of Iraq - may leave Marxists cold. But unlike most liberals and conservatives he has attempted to write a history of capitalism in the spirit of Hegel, combining empirical detail, political judgement, and a philosophical framework in a way that Marxists should envy. The fact that he has been driven to such uncertain conclusions about the future is a sign of his own honesty. The outrage his book has provoked among conservatives should be enough to indicate to the left that they should be reading it..

ANDREW CHITTY

The End of History and the Last Man is published by Hamish Hamilton.



Brian Turner takes a few shots at the Kennedy Myth

OLIVER'S TWIST

If movies are a waking dream and a source of pure pleasure, I can see how Oliver Stone's *JFK* might qualify. Yet I have to wonder whether the dream which animates *JFK* absolves Stone of all responsibility other than to his art, or whether, as Delmore Schwartz has said, 'in dreams begin responsibilities'.

As dreams go, *JFK* is an epic, a narrative borne on a tide of exposition, much of which I found gripping at the time. In spite of its length - more than three hours - *JFK* has drawn an audience in the millions; in its aftermath, Stone has been called to testify before Congress on releasing the files on the Kennedy assassination. Legislation to this effect is expected to pass both houses by a wide margin. Stone can be forgiven for claiming that developments such as these confirm 'the power of film', especially his film.

In response to the critical assault on *JFK*, much of it levelled before its release, Stone has called his movie a 'counter-myth' to the 'myth' of the Warren Report. If he truly believes this, then he's attempting the impossible - trying to establish the political truth about America by inhabiting a political myth, the myth of John F. Kennedy and America's fall from grace.

There are a number of complications with this. For one, the assassination was a public event. Rather than invent a fiction, Stone restages the 'real thing' with strict precision, and as a result the mythic element is all but drained away. The attention to detail is nothing less than remarkable, down to the clothing worn by bystanders and witnesses in Dealey Plaza, as if by invoking the particulars of that day, the truth of Kennedy's murder might be revealed. Stone also makes liberal use of the blurred, jumpy images of Abraham Zapruder's home movie, which captured Kennedy's last moments. But to the extent Stone is faithful to the facts or relies on actual footage from television archives, *JFK* most closely resembles a slick product of television journalism, not an over-arching American myth.

Stone soon moves beyond the public record and points to the murderers, and to the conspiracy which has shielded them. Here he assumes the responsibilities of an investigator, while casting off an investigator's professional constraints. To further complicate matters, Stone has retained the right to make things up - whole characters are composites, entire lines of enquiry turn out to be based

on speculation. In his capacity as myth-maker, Stone assumes the right to bend the evidence in order to reveal to us some greater truth. Stone seems to believe, like his protagonist, New Orleans District Attorney Jim Garrison, that Kennedy's killers were recruited from a right-wing, homosexual demi-monde in the French Quarter of New Orleans. A convict - played by Kevin Bacon - tells of seeing Oswald at gatherings of anti-Castro Cubans and right-wing homosexuals. Yet this convict is a fiction, a composite of several people whose statements were judged inconclusive for the purposes of Garrison's 1969 prosecution, a case notorious for its reliance on circumstantial evidence and hearsay.

What then has Stone actually achieved? Has he given us the truth? Or has he indulged us in a form of wish fulfilment, Hollywood-style?

Stone's approach is operatic, not analytical; he is a movie-maker, not an essayist. In order to create a new myth, he must do several contradictory things at once, hoping that the sound and images he conjures up make his message clear. While I can admire him for trying, I can't say he has been successful. In fact, the farther away from *JFK* I get, the more unreadable Stone's blueprint for conspiracy becomes. It's like an organizational chart in which the lines of authority cross so often that they obscure what they're meant to clarify.

Stone knows this, even acknowledges it. At a crucial point in the film, suspect David Ferrie - played by Joe Pesci - declares, 'Oh man, you don't get it! Man, this is a riddle wrapped in an enigma!' As he paces the room, and as the ever-restless camera keeps track, Ferrie tells us that there are conspiracies within conspiracies, no one really knows who has plotted what, who pulled the trigger and why. Yet, having sounded this mystifying note, Stone later goes on fearlessly to absolve Oswald of all responsibility for Kennedy's murder. Not that he actually comes out and says so, but by raising the possibility at the end of the film, where it gains credence in the wake of everything else he's thrown at us, Oswald comes off as the lesser of two American martyrs - the lesser of two American patsies.

This is not to say that *JFK* is a tissue of lies. Stone's main accomplishment is to reinforce the public perception that Oswald did not act alone. He therefore succeeds in making it clear that our government has been in the habit of lying to us for some time. This is not exactly news, but it is a useful reminder, and together with the grisly images Stone deploys (such as the pulp of Kennedy's brains in close-up) he ensures that his message will be impressed upon us for years to come.

I find it objectionable that Stone edits an interview to suggest that Kennedy was dovish on Vietnam... Kennedy took the world to the brink of war over missiles and to purge the embarrassment of the Bay of Pigs fiasco. To conclude, as Stone does, that he would have disengaged the US from Vietnam seems wholly misguided

It's when Stone starts drawing larger conclusions that I find myself unconvinced. Even if Stone is right, and elements in the government did eliminate Kennedy, and even if Lyndon Johnson directed the Warren Commission to look the other way, I don't believe, as Stone does, that American foreign and domestic policy would have been significantly different had Kennedy lived. In fact I find it objectionable that Stone selects an interview and edits it to suggest that Kennedy held dovish views on Vietnam. In reality Kennedy said many things about Vietnam, much of it contradictory, much of it also on film. Yet Stone excludes any quote that upsets his thesis, and myth or no myth, this strikes me as dishonest.

I am sure many people wish to believe Stone. His thesis is so beguiling because it supposes that Kennedy would have extricated us from our greatest foreign policy disaster. But in the 1960 campaign for the presidency, it was Kennedy who decried the 'missile gap' - a myth invented by the defense industry after the launch of Sputnik - and turned it into a winning issue. Shortly after taking office, Kennedy blundered in his invasion of Cuba, which in turn prompted Castro to ask for Soviet missiles to defend Cuba. Later, Kennedy took the world to the brink of war over missiles and to purge the embarrassment of the Bay of Pigs fiasco. To conclude from Kennedy's behaviour in Cuba, as Stone does, that he would have been inclined to disengage the US from Vietnam seems to me wholly misguided, almost inexplicably so.

So much of Stone's message is based on such wishful thinking, still more on half-truths, even lies. By juxtaposing footage of the assassinations of Bobby Kennedy and Martin Luther King, he implies that the murders were self-evidently the work of the same conspiracy. This is not only unproven, its identification of the Kennedy brothers with Dr. King is a historical travesty. During their years in the White House Jack and Bobby Kennedy kept their distance from King and did little to advance the cause of civil rights. It was Johnson, not Kennedy, who pushed civil rights legislation through Congress in the wake of the assassination, who took the vague notion of a 'New Frontier' and turned it into the massive public spending programs of 'The Great Society'. Johnson may have been a hypocrite when it came to race, and a butcher in Vietnam, but he was a far more effective president than Kennedy.

Yet in one scene Stone shows Garrison at Kennedy's grave, and as the music begins to swell, a Black man and his young son become the object of the camera's gaze. They are paying homage to the slain president, all but implying that Jack Kennedy was responsible for whatever progress America has made against racism, that Black Americans never had a more potent ally. Stone is dreaming if he believes this, but he's not alone in so believing. Such is the power of myth that no movie-maker would attempt to stage this scene at the grave of LBJ.

Stone's aversion to inconvenient truths may be part of what accounts for the

Stone gives the American dream a good shake, but in so doing he has substituted it with a nightmare of evil in high places

broad appeal of *JFK*. Lying has become common currency in America, a society which claims to place a premium on liberty, yet has permitted an entire generation to be enslaved by debt. In order to resolve such contradictions, Stone deploys one of our more enduring myths: that barriers between race and class must surely fall if Americans can speak as one; that we shall be restored as one nation indivisible with liberty and justice for all; and that this state of grace can be accomplished without rectifying the inequities of opportunity that drive our market economy.

Essentially Stone is trying to say that America's decline can be attributed to a conspiracy to murder one president. This places too much importance on the president and gives too much credit to the conspirators. Thus the central conceit of *JFK* is informed by a delusion about 'what's wrong with America'. It permits each and every one of us to evade responsibility for what America has become. In other words, we are not to blame for Vietnam - the secret killers of Kennedy sent the troops, not us. Nor are we to blame for racism - the shadowy villains who snuffed out the life of Dr.King have trampled on civil rights, not us.

It's true that Stone gives the American dream a good shake, but in so doing he has substituted it with a nightmare of evil in high places - a stereotyped world of fat, cigar-chomping generals, effete, manic-depressive intelligence officers, visibly twisted in their villainy. Neither the American dream nor Stone's lurid nightmare can be considered a *waking state*. In order to wake up, we must begin to see ourselves not in some idealized light, but as unindicted co-conspirators in our fate.

Imagine a movie which depicts evil not as the work of madmen and monsters, but as the result of the way we are ruled. Imagine a movie which places the blame for our domestic crisis squarely where it belongs - not on a bunch of shadowy conspirators, but on our leaders whose names and faces are as familiar as their message.

Imagine a movie about how cowardly and complacent we've become, how cheaply we've been bought off, how easily we betray one another. It'll take a far more astringent medium of communication - a less craven movie industry, a more sceptical public - before medicine this bitter is ever peddled here.

Barry O'Brien explains why the Left badly needs an enemy everyone can hate.

ANL Fixation

At times it is hard not to reach for Marx's over-used *cliché* on history repeating itself. Eight months after the second incarnation of the SWP-sponsored Anti-Nazi League, fascism has failed to materialise. In the meantime Chris Bambery has written a 46-page pamphlet on the subject. Despite the inviting title, *Killing the Nazi Menace*, it is a disappointment. There is no advice on how to despatch fascists. In fact it is full of the usual dark forbodings of a menace either reaching out of the past or across the Channel, presumably by osmosis. It is also written in the brutish and bullying style of the hack propagandist, and is full of alarmist and violent words and expressions; 'peril', 'hammered', 'crush the Nazi menace', "wholesale attack', 'storming in', 'gigantic proportions', 'firebombed', 'battering ram', 'spawned in the sewers of a rotten system', etc. These are not the clumsy words of a worker doing his best to add 'colour' for effect, but the disdain of a university educated petit-bourgeois who at heart has little consideration for "the masses" and who therefore addresses the working class with neithersubtly nor intelligent argument. *Hard lessons* must be *rammed home* to *mobilise workers* against Fascism, to use the gritty expressions of soft middle class radicals who favour the militant 'look'. Here is Bambery arguing in favour of denying fascists the freedom of speech; 'Would you grant freedom of speech to a party of men who want to campaign for the right to rape women in the streets?' The BNP may also eat babies, but such 'arguments' are the stock in trade of the bigot. The bombast sometimes has comically incongruous results. Consider "seemingly impressive", "swept into economic collapse", "vast bulk of society", "the government was blown away by decree" and "there was a vacuum in such a desperate *milieu*." Stylistic comments are of secondary importance, but they expose the dishonesty of Bambery's project.

Heritage Industry

The ANL is anxious to portray itself as the heir of a heroic anti-fascist tradition which goes back to the 1930s and Cable Street. Bambery claims that then "what stopped such support growing [for Fascism] and made Britain an exception was the nature of the struggle against it." It is nonsense to suggest that the British Union of Fascists were defeated because they were beaten on the streets at two major confrontations (Cable Street and Hyde Park). Except in the export related industries, workers during the 1930s were better off because the Depression allowed British imperialism to squeeze its colonial commodity producers. Neither were workers in the depressed areas ever attracted to fascism - they stuck solidly to their organizations without the need for anti-fascist activity. Not only were Britain's political and social institutions not rocked by the Depression, but the National Government, and the consensual nature of Baldwin's and Chamberlain's Tory governments marginalised fascism.
Interest in fascism was restricted to the rubbish of society, the lumpen elements of the petit-bourgeoisie and the working class, and bigoted cranks of every variety. Here too history repeats itself.

'Anti-Fascism in Britain'

However, in two aspects the ANL *can* claim a heritage; Popular Front politics and the use of 'anti-fascism' as a form of radical 'activity'. During the 1930s and 1970s, and in the current craze for 'anti-fascism', both trends were the product of increasing isolation due to the disappearance of the left trade union bureaucracy and the conservative mood of the petit-bourgeois milieu on which the Left is totally dependent.

'Ordinary People'

Unable, and unwilling, to develop a radical response to the Depression, and being pushed to act as a faction of a right moving Labour Party, the British Communist Party during the 1930s hoped to avoid its increasing isolation through a broad front which spanned the class divide in order to 'mobilise' a largely passive constituency in support of liberal initiatives; the Popular Front. Fascism, as a threat to civilization and to any decent thinking person, was the ideal rallying point, "What counts is activity" - argues Bambery - "activity by the greatest number of people that can be mobilised... Such mobilization can

only be built with open calls to smash the Nazis as a menace to all ordinary people."

The Popular Front

Bambery is acutely aware that the ANL is easily associated with 'popular frontism' and is therefore keen to stress the role of 'militant action'. The ANL - according to Bambery - is not a *melange* of well meaning liberals but a militant workers' United Front of the type Trotsky recommended during the 1930s, while the Stalinist Popular Front included "politicians of the middle and ruling classes." There is something mildly ridiculous about such a claim, particularly when the ANL's clientele is so reminiscent of the troop liberal worthies of the old Popular Front; Melvin Bragg, director Steven Berkoff, actress Julie Christie, comedians Stephen Fry and Dawn French, DJ John Peel, entertainer Julian Clary, etc.

Displacement Behaviour

The Left never examines its failures - it just moves on to the next campaign and if one does not exist it can be created. Anti-fascism has always played a prominent role as the latter. The best example is the anti-fascism of the 1930s. Not the self-defence of East End Jews, who were abandoned by the Left and the official labour movement, but the mythology of the Spanish Civil War. The politics of National Government pulled the rug on the Labour Left. Agitation against cuts in state benefits and unemployment failed to mobilise workers outside the affected regions. The peace movement of the time was dominated by new middle class groups, such as the Peace Pledge Union, over which the Left had little influence. The civil war came as a godsend as it provided the Left with a cross-class rallying point, and therefore an opportunity to rebuild its relationship with liberal radicals and wean the middle classes away from moral pacifism towards a more militant posture. All decent people could oppose Franco's barbarity. Solidarity for Spain's liberal republic could be organised on a broad basis by appealing to humanitarian issues (Ambulances For Spain, clothing for Spanish children, etc). The Communist Party was at first reluctant to organise any solidarity for fear that the politics of the war might be contagious and jeopardise the liberal milieu it was courting. To its surprise the CP found that because of European complicity in Japan's war on China and with fascism on the European mainland, the middle class too was running scared and was looking for the kind of issue that would allow it to re-establish its relationship with organised labour.

The International Brigades, in addition to making martyrs, also provided the CP with an opportunity to rid itself of those troublesome working class militants who could not accept the defeats of the 1920s and early 1930s and were looking for an honourable fight - much like today's AFA. Despite the ideals of the men who went to fight in Spain, the idea that the International Brigades represented a form of proletarian internationalism is bogus. During the 1920s, and with very few and notable exceptions, the organised labour movement did nothing to aid the Irish Rebellion, nor to stop Black and Tan terror. During the 1930s, it showed no sympathy for the struggle for Indian independence nor the many strikes against colonial exploitation that were provoked by the Depression. The mythology of the 'defence of the Spanish Republic' evokes the idea of a principled stand, but it was little more than a hypocritical cover for decades of disgraceful complicity with colonialism and the lack of a genuine anti-imperialist tradition.

Post-War Anti-Fascism: The 1970s

'Anti-fascism' lay dormant until the Left suffered its next major political defeat; the Labour Government of the late 1970s. For the Left, the period had similarities with its stagnation and isolation during the 1930s. Britain was suffering the consequences of what *The Economist* called three years of "the world's worst slump". Unemployment rose to 1.7 m. A minority 'national' Labour government under Jim Callaghan and a 'monetarist' Chancellor, Dennis Healey, sustained itself only with Liberal support. The mood in the work place changed. While the Left unwisely spent most of the early 1970s arguing that employers should 'open the books' as a basis for wage increases, employers were now 'opening the books' to argue for wage cuts.

While the trade union bureaucracy officially opposed wage restraint and any curtailment of free collective wage bargaining, in practice it implemented the austerity measures of the Social Contract. Austerity dealt a significant blow to the left labour bureaucracy which was unprepared for the attack. The shop stewards and rank and file movement disintegrated. A 'Prospects for 1977' report by SWP leader Chris Harman gives a good indication of the gloom. The miners claim for retirement at 60 was in Harman's words "the most menacing threat to the Social Contract so far" even though he had to admit that



the claim had been part of a bureaucratic manoeuvre to save the Social Contract by preventing "discussion of the question of wages." The report made no mention of fascism.[1] The defeat of the left trade union bureacracy in turn shut down the activities of the radical Left. The Labour Government's attacks did not provoke a response from a stunned and confused working class. The Right to Work marches - like their 1930s predecesors - made no impact. International events did not help. The Portuguese Revolution of 1974, in which the radical Left had invested so many hopes and emotions, turned sour. The SWP had backed a Maoist organization and a popular army colonel, Otelo Carvallo. In November 1976 they organised an adventurist putsch which failed hopelessly. The SWP forgot about Portugal. In June 1977 the Spanish Left suffered a humiliating defeat in Spain's first post-Franco elections. The 'Sixties' were over.

Fascism did not seem much of a threat. After a 600-strong NF demo in Lewisham in August 1977 was crushed, the SWP admited that "a careful analysis of the fascist vote in *The Guardian* showed that a peak of NF support was reached in 1976 and the Front's vote is currently moving down" and that it only had a real base in a couple of places in London.[2] In fact the only danger that the SWP identified was that "with the collapse of the Liberals they may become the third party in Britain, an established part of the political order."[c] Three months later, the SWP launched the Anti-Nazi League and suddenly the threat of fascism was everywhere.

No Pasaran at Grunwicks

While the radical Left hyped up the fascist threat, the left trade union bureaucracy - whose adventures are always less imaginative - decided to draw attention away from its irrelevance in defending workers against Labour's at-

tacks by making a principled 'No Pasaran' stand at Grunwicks, another myth that needs exposing. The Grunwicks film processing plant was an unusual target for the trade union movement. It was a trade-union recognised dispute involving poorly paid and unskilled women, most of whom were Asian; exactly the sort of dispute the labour movement had been ignoring for decades.

What could have possessed an official labour movement whose response to 70 years of colonialism and three decades of immigration had only been systematic racism and segregationist manoeuvres of every sort, which had *never* - not once! - shown its capacity to defend blacks, which had consistently resisted, and often opposed, the unionization of women and black workers, etc? What led this rotten tradition to take a 'principled' stand at Grunwicks? The legacy of Grunwicks shows that the dispute did not mark a turning point in attitudes towards racism and the union rights of blacks. Nothing changed. The only change in union attitudes towards black people came during the 1980s. The collapse of traditional industries made union officials suddenly flush with enthusiasm for the union dues of the blacks and women they once shunned. Greed, not principle. The confrontations at Grunwicks occurred because the Left and the official labour movement were being clobbered by a Labour Government they were committed to support - and did support - and wanted to channel their anger into a harmless and safe event.

Terminator Two

The current situation of the Left needs little comment, but the timing of the ANL's reappearance is revealing. Kinnick's onslaught on the Labour Left - of which the SWP is really the external faction - and the Tories' attack on local government financing crippled radical politics. The Poll Tax - which could not have come at a better time - gave the Left two years of meaningful existence. Its 'abolition' robbed the Left of the best piece of agitation since the 1970s. Luckily, something else turned up; the Gulf War. The SWP started the Gulf War with a militant anti-imperialist approach, though 'imperialism' meant Yankee imperialism. Within a month it change tack in order to participate in the liberal CND-run Committee to Stop the War in the Gulf. Participation in the Committee was a fiasco since it irritated supporters and the SWP got nothing. In fact, it became clear that the SWP by itself could mobilise larger numbers than the liberals, particularly outside London.

Despite workerist pretentions, the SWP operates by harvesting what is left of the radical petit-bourgeois milieu at each year's new intake at colleges and polytechnics and losing them in the third year. Millions of people must have passed through the SWP in this way. At the beginning of every academic year the SWP is faced with the same problem, particularly in these barren times, of finding a campaign. Student poverty has not been successful since students do not believe the SWP can change student finances. Keying in to local issues has been a non-starter - at least in recruitment terms. In the autum of 1991 the SWP was stuck for an answer. The relaunch of ANL, which focused heavily on events in Europe, had an added attraction. It took the heat off the SWP by focusing on the negative aspects of the collapse of 'Socialism'.

Labour's spectacular defeat in June has allowed the SWP to ignore the other casualty of the elections. Despite entirely bogus SWP claims that the BNP and the NF were to field 50 candidates, they could manage no more than 20. Their support averaged 200-250. Only in two London constituencies did the BNP manage to get 2000 votes. Judging by the fact that the BNP has to bus its activists in from West Ham, Plaistow, Ilford, and even Edmonton and Luton to ensure a minimal presence in the area, it is doubtful whether the BNP has even 20 supporters in Bethnal Green. Apart from the lumpen vote, support for racist thugs in Tower Hamlets is due to a Liberal council which has consistently used the race card, and to the activities of the Left which has turned the fascist vote into a protest vote for some backward workers.

The Fringe Theatre

The ANL is not the worst of a bad bunch. The race industry has set up shop in the form of the Anti-Racist Alliance. Since the mid-1980s a number of factors have undermined the bargaining power of the race industry's many grant entrepreneurs and their fortunes have declined accordingly. Local authority funding has been cut. The local government Left is in disarray. In addition, this parasitic clique exists only to provide the authorities with an early warning of ethnic unrest - see Bernie Grant's latest warning on Broadwater Farm - to develop policies and measures to quash discontent, and to help out when things get out of hand. The problem is that 'no disturbances = no cash'. Though a repeat of the 1980s riots cannot be ruled out, rioting and 'lawlessness' in white communities are now a greater priority for the state. The ARA clique can make nothing out of 'anti-fascism' and its promise to organise black self-defence is just another empty radical gesture. An organization which boasts in print of having the support of TUC leader Norman Willis cannot be taken seriously, and one that continually hankers for institutional approval is as effective in dealing with fascists as the police. The ARA's main motivation in jumping on the 'anti-fascist' band-wagon is that inactivity would expose its irrelevance.

At the extreme end of the market are the *Pasionarias* of Anti-Fascist Action, who specialise in 'Rent-o-Kill' anti-fascism. AFA is made up of the anarchist Direct Action Movement and Red Action, a 'squaddist' by-product of the SWP's last anti-fascist binge, and is also linked to Gerry Gable's anti-fascist monitoring organ *Searchlight*. AFA is British 'anti-facism' at its purest. Comprising confused refugees from the radical Left, who are unable to understand the nature of the Left's failure, they have decided that politics itself is to blame. AFA therefore concentrates on the uncomplicated business of pest irradication and control.

Anti-Racism

Peter Fryer, in his impressive book *Staying Power*, describes the naked racist violence directed at black workers since the beginning of large scale post-war immigration. During the 1950s white gangs and Teddy Boys roamed black neighbourhoods beating up, 'razoring' and terrorising black people without the slightest idea that they were fascist. It was not that long ago that giving a 'paki' a good thrashing or abusing a chinese waiter was considered an acceptable way to round off a good Saturday night out. In many parts of the country it still is. Even the most casual experience of society - buying a hamburger, passing the doorman at work, shopping at Sainsburys, driving around - shows that the British system is deeply racist. This world seems a million miles from that inhabited by 'anti-fascism'. I have no idea what black people think about the Left, but I cannot help feeling that they must find us a peculiar bunch.

A. Chris Harman 'Some Prospects for 1977' *International Socialism* 1977.
B. See *International Socialism* August 1977.
idem
3. A recent 'public access' broadcast by AFA claimed a '99 per cent rise in fascist attacks over the previous year' in the East End. 99 per cent! The Left cannot even bother lie intelligently.d

do something now!

Frank Füredi
Mythical Past, Elusive Future:
History and Society in an Anxious Age
Pluto, 1992

'Our generation is like one which comes home again from years of distant wandering. We discover affinities with earlier generations of English... who felt no country but this to be their own... Backward travels our gaze, beyond the grenadiers and the philosophers of the eighteenth century, beyond the pikemen and the preachers of the seventeenth, back through the brash adventurous days of the first Elizabeth and the hard materialism of the Tudors, and there at last we find them, or seem to find them, in many a village church, beneath the tall tracery of a perpendicular East window and the coffered ceiling of the chantry chapel. From brass and stone, from line and effigy, their eyes look out at us, and we gaze into them, as if we would win some answer from their inscrutable silence. "Tell us what it is that binds us together; show us the clue that leads through a thousand years; whisper to us the secret of this charmed life of England, that we in our time may know how to hold it fast."'

Enoch Powell's speech from the '60s provides a perfect example of the conception of the past which is the target of Frank Füredi's book - what he calls 'History' with a capital H. 'History' is the perpetuation of a nation's intangible but essential character, its unique identity, from generation to generation, independently of individual wills in it. We are just tiny parts of a tradition far greater and older than ourselves, which we can sense intuitively, but never grasp rationally - a tradition which it is not for us to question or reject, only to inherit and pass on. 'History' gives the past both power and authority over the present.

The connection between Powell's lyrical appeal to an age-old Englishness and his distinctive contribution to modern racism is obvious. But Füredi's argument is that the implications of 'History' go farther than exclusive nationalism. 'History' implies an acceptance of the status quo and a lack of confidence in the ability of human reason either to understand the past or to make a better future. Its political consequences are both conservative and irrationalist.

In a sense, 'History' has always been with us. It is a continuation of the mythical concepts of the past in the earliest societies. But for Füredi its fully-fledged version appears only in the 19th Century, particularly in the German 'historicist' school associated with figures like Leopold von Ranke. These historians reacted against the potentially revolutionary universalism and rationalism of the Enlightenment. Their outlook was consciously conservative. Like the British 'Whig historians' and the French republicans of the same period, they incorporated progress into their view of history, but only as a gradual unfolding of principles inherent in the national tradition. They saw history as 'History' in order to sustain a conservative sense of national identity and an orthodox moral consensus.

The death of 'History'

'History' is therefore more than a reverential attitude towards the national past; it is a source of moral values. In fact, Füredi effectively assumes that in the modern world it is the *only* source of the values which sustain the social order. The collapse of 'History' would be the collapse of this whole system of values. Füredi argues that this is just what happened in the West in the first half of the 20th century. Two world wars and a world depression thoroughly discredited the national self-righteousness and complacent optimism of 19th century 'History'. Meanwhile the 'historicists' themselves came to see that if the only source of values is a particular cultural tradition then all values are relative - and if they are relative to a single culture why shouldn't they be relative to the single individual and his choices? The result was a 'crisis of values'; a widespread sense amongst the intelligentsia of meaninglessness and of the complete relativity of all values.

Meanwhile the Soviet Union was propagating a more dynamic version of the idea of progress, making it a problematic concept for the Western intellectual establishment to use. The result was that the 19th century version of 'History' had to be abandoned. It could no longer effectively legitimate the Western social order. According to Füredi, an alternative was developed by liberal thinkers in the early 1940s. It was a compromise between traditionalist absolutism and sceptical relativism; some basic values of the Western tradition were to be retained, but other values were declared relative and a matter for individual belief and decision. Meanwhile, common-sense moderation was made into the chief virtue, in opposition to every extremism whether of left or right. This pragmatic compromise fitted well with the idea of a middle way 'mixed economy' that was being developed at the time. The whole package was projected as the 'end of ideology' and became the political orthodoxy of the West for the next 30 years.

Trying for a comeback

However, Füredi continues, this was a makeshift arrangement that could not last. It could not inspire real loyalty, and it could not contain scepticism and relativism. Once room was made for moral scepticism, 'it was only a matter of time before all values would be questioned', and this was what happened in the 1960s.[1] Scepticism towards official values broke out and affected wide sections of the population. Student radicals openly ridiculed every traditional institution.

The student revolts of the 60s showed how shallow beliefs in traditional values had become, and, says Füredi, gave conservatives both the motivation and the opportunity to launch a comeback. Since the late 70s they have been assiduously trying to restore the idea of 'History' and the supremacy of traditional values. The New Right's incessant diatribes against the 'liberalism' of the 60s and the 'moral anarchy' it unleashed are really disguised attacks on the compromise of the 40s. Just as conservatives have attempted to wrest back the economic concessions made then, so they have been trying to reverse the *moral* concessions made to relativism. This is the substance, Füredi says, of the recent controversies over the writing and teaching of history. When conservatives rail against 'multiculturalism' and demand that history teachers get 'back to the facts' of history, they are really demanding a return of 'History'.

Füredi's view is that with increasing uncertainty about the future the appeal of 'History' has grown in the West. Our

culture is more and more dominated by a yearning for the past. Yet so far conservative attempts to reestablish a 'History' that can overcome the lack of moral cohesion in society have failed. The reason, it seems, is that the relativism and irrationalism implicit in every nationalist history can no longer be evaded, so that 'History' can no longer pretend to provide a rational basis for moral values. Yet conservatives have nothing else to appeal to apart from an equally irrational religious revival. The 'Western capitalist intellectual tradition' is exhausted.[2]

The result is an *impasse* which, Füredi claims, more broadly typifies the whole of the 20th century. The sense of 'History' is powerful enough to paralyse efforts at rational change, but it inspires no positive loyalty to existing traditions or institutions. Talk of 'the decline of the West', 'the end of history', 'post-industrial society' and 'postmodernism' - which has recurred throughout the century - is a symptom of this *impasse*. An old world is dying, but a new one is powerless to be born. Against all this, Füredi sets his own call for a restoration of the Enlightenment's beliefs in reason, progress and the human potential.

History and moral values

Füredi provides a provocative introduction to 20th century thought on history. He successfully illustrates that something like his 'History' has been an important part of conservative ideology. His underlying propositions are also surely correct: that a society's concept of the past reflects its attitude to the future, and that during the 20th Century, thought about the past has been haunted by a pervasive *anxiety* about the future.

However, Füredi's history of the rise, fall and attempted rebirth of 'History' has some major problems. He has to engage in massive simplification in order to tell a single story. In particular, he imposes aspects of the German tradition on the whole of Western thought when he identifies 'History' as the central foundation for moral and political values over the period. Apart from religion, this ignores natural law philosophy, which has been a more important foundation for morality in most Western countries.[3] In Britain, after all, Enoch Powell's kind of historical rhetoric adds decoration and splendour to orthodox moral values, but it is not their *foundation*. There are also plenty of conservatives around, such as John Gray, who view history as 'a succession of contingencies, catastrophes, and occasional lapses into peace and civilisation'[4] - hardly a sound basis for moral values.

Füredi argues that Labour History, Black History and Women's History are all based on the same inherently conservative assumption.

Füredi's terminology is slapdash. For example, he uses the term 'historicism' as a rough equivalent for his 'History' and so as a term of abuse (74, 81, 85). He never points out that as a result of the early 20th century crisis in historical thought the word has gained a common alternative use, to mean the view (which Füredi himself shares) that everything in human life is essentially part of its historical epoch and so is liable to change. When he quotes other writers who use the term in this alternative way the result is confusion (195, 210). His treatment of sources is also cavalier. No one figure is examined seriously; instead, a huge number of liberal and conservative thinkers are raided for isolated quotes, which Füredi stitches into his narrative. Worse still, virtually every non-Marxist thinker is treated as a secret or overt apologist for capitalism, whose only real motivation is to find new ways to shore up the status quo. This gives the book a tiresomely repetitious quality.

Déjà Vu

In addition, the structure of the book is confused. Successive slabs of text are often unconnected. Füredi tracks backwards and forwards through the middle of the 20th century pursuing different themes, so that at times the reader does not know whether he is in the 30s or the 50s. At least ten quotes are used twice, on each occasion as if it were for the first time: from Roger Scruton (14,120), the Chair of the Adenauer Foundation (16,154), Edmund Burke (120-21,196), Isaiah Berlin (125,287), Arthur Schlesinger (132,175,132,176), Karl Mannheim (132,178), Raymond Aron (133,172), F.A. Hayek (159,204) and a whole paragraph by Alan Bloom (104,213). In a book which champions the idea of progress, the result is a blurry sense of directionlessness, like being trapped in the one-way system of an unfamiliar city. Not only quotes but vaguely familiar arguments keep coming round again, each time as if the earlier tellings had not happened. A conference in Milan in the 1950s and its conclusions are described twice (190-1,222), the conservative attack on liberal education gets three playings (33-36,99-102,180-188), and so on. It is as if Füredi has taken the advice he quotes from Gramsci, to 'never tire of repeating the argument', a little too seriously.

On one occasion Füredi not only repeats a discussion, but comes to opposite conclusions the second time around. Discussing the 'moral compromise' response of the 40s, Füredi outlines Karl Mannheim's proposal to combine an insistence on some basic Western values with a *laissez-faire* approach to other values. 'Mannheim's project,' he concludes, 'failed because it sought an artificial solution to the crisis of legitimacy.' Instead, a proposal from Arthur Schlesinger, based on the idea of moderation and anti-extremism, became 'the main ruling-class response to this problem in the 1940s and 1950s' (132). But, in the next chapter, Schlesinger and Mannheim change places, as Füredi discusses the 'moral compromise' again from scratch. This time the conclusion is that Schlesinger's solution 'could not resolve the ideological problems facing Western societies' (177), and that 'in fact Mannheim's model would come to prevail in postwar Western capitalism' (179). Since the shape of the 'moral compromise' is central to Füredi's account of Western establishment thought over the next 50 years, his failure to get his story straight borders on the farcical.

What is 'historical thinking'?

In the end, though, the strength of the book does not lie in its history of establishment thought. In the penultimate chapter Füredi goes on to argue that paradoxically the left has embraced another form of the right's 'History'. Labour History, Black History and Women's History are all based on the same inherently conservative assumption: that the past holds authority over the present. Even figures such as the French postmodernist Lyotard, scourge of historical 'grand narratives', only replaces them by 'small narratives' which reproduce conservative assumptions. The same goes for the new 'localist' and 'everyday' histories now popular with radicals. Füredi is at his sharpest here, and the chapter is easily the best in the book.

Yet by turning the attack on 'History' against the Left, Füredi raises the question of just what his own position is. Throughout the book, the alternative which he proposes to 'History' is what he calls 'historical thinking'. Instead of seeing history as tradition and continuity, 'historical thinking' sees it as change and progress.[5]. Instead of something mystical, it sees it as rationally intelligible.[6] Above all, it sees history not

as an inevitable autonomous process but as something made by human subjects.[7] While 'History' is inherently conservative, 'historical thinking' is the attitude of revolutionary times.

Although he is retiring on the matter, Füredi clearly considers himself a Marxist, and at first sight the idea of 'historical thinking' seems to be inspired by Marx's aphorism at the beginning of the *Eighteenth Brumaire*, 'The social revolution of the nineteenth century cannot draw its poetry from the past, but only from the future.' But Marx's statement is made in the context of a Hegelian theory of history, in which class oppression develops through forms that are cloaked in ideological delusion and culminates in a transparent form in capitalism. Just as earlier forms of class rule were opaque, so the revolutions against them could take deluded forms and yet still be successful. The French Revolutionaries could deceive themselves that they were resurrecting Roman republicanism and still win. But the revolution against capitalism could not be based on such backward-looking dreams. Whereas 'earlier revolutions required recollections of past world history in order to drug themselves concerning their own content', the next revolution could only be based on the working class's sober understanding of its own situation. So Marx's rejection of particular historical precedents as the basis for the socialist revolution in fact *depends* on an overarching theory of history. Marx's objection to 19th century historicism was not that it was a theory of history, but that it was the wrong theory.

By contrast, Füredi's complaints against 'History' are so wholesale that they imply a rejection of theories of history *as such*. 'History', he says, belittles human subjectivity[8] and denies that 'the actions of human beings are decisive'.[9] It turns the past, a mere series of facts, into a source of authority over us.[10] It imposes a false, nationalist identity on people.[11] It provides an illusory security which enables them to evade the challenges of the present and avoid responsibility for making the future.[12] It prevents them from 'experimenting with new ideas' and condemns them to an endless sameness.[13] Or else it subordinates their lives to a religious or metaphysical preordained purpose; a 'teleology'.[14]

Over and again, Füredi uses themes which have more in common with the revolt of the living individual against the dead weight of the past than they do with Marx's sober awakening of working-class consciousness. The contrasts he appeals to are the existential contrasts between authenticity and inauthenticity, action and passivity, life and death, rather than the Marxist contrast between rational social freedom and brutish alienated exploitation.

The 'revolt against history'

The tradition that Füredi draws on here is one of a 'revolt against history', which runs from Nietzsche through the early Modernists and Futurists, Heidegger and Paul Valéry, Karl Popper and Albert Camus, to today's poststructuralists and postmodernists.[15] Its crudest slogan is Henry Ford's. It is really not a revolt against the past as such, but against the past in so far as it weighs upon the present. Therefore it automatically involves hostility to any general theory of history which brings the present under the same principles as the past. And it usually involves an intense individualism. Its complaint against a theory of history is its complaint against every 'system': that it reduces the individual to a passive cog and denies life and spontaneity. It has always been particularly hostile to Marx's theory of history. In fact, many of Füredi's arguments were first pioneered by Nietzsche and Popper against Marxism.

For example, in 1874, Nietzsche attacked 19th century historicism for burdening the individual man of the present with an indigestible mass of history, stifling his life-instincts and paralysing his capacity for great actions. History which does not serve present-day life, he said, must be 'seriously hated by us'.[16] The present must take absolute precedence over the past. But Nietzsche did not limit his attack to the orthodox historicist school with its nationalist outlook. In fact it was Marx's universalist theory of history that he condemned most violently as 'life-denying'. He declared that 'writing history from the standpoint of the *masses* and seeking to derive the laws which govern it from the needs of those masses' would only prepare the way for a future of 'utilitarian vulgarity', and added:

> 'What, can statistics prove that there are laws in history? Laws? They certainly prove how vulgar and nauseatingly uniform the masses are: but are the effects of inertia, stupidity, mimicry, love and hunger to be called laws? Well, let us suppose they are: that, however, only goes to confirm the proposition that so far as there are laws in history the laws are worthless and history is also worthless.'17

According to this kind of history, he went on, whatever 'has moved the masses for any length of time and has become what is called a 'power in history' is then accorded the name great.' Such a theory of history has the same effect as Hegel's, a 'naked admiration for success' and 'an idolatry of the factual'.[18]

In *The Open Society and Its Enemies* (1945), Karl Popper followed the logic of Nietzsche's position by widening the classical definition of 'historicism' to include any general theory of history.[19] His attack on it elaborates on Nietzsche. Historicism, he says, makes masses and collectivities everything, while the individual alone is 'nothing at all'.[20] It subordinates the individual to the nation and the state and breeds totalitarianism.[21] It makes factual success in history the only criterion of what is right.[22] It is a kind of metaphysics or religion.[23] It closes off the future, putting an end to the 'open society' and destroying our belief 'that by the use of reason we may change the world'.[24] Above all, it is a comforting myth, a way to 'relieve men from the strain of personal responsibility'.[25] Historicism is 'born of fear, for it shrinks from realising that we bear the ultimate responsibility even for the standards we choose ... it tries to shift our responsibility onto history.'[26] Popper leaves us in no doubt that, along with Hegel's, it is Marx's historicism which he considers the most dangerous of all, although he introduces a new note by suggesting that Marx's followers were heavily to blame for it.[27]

Marxists against Marxism

What is strange is that from World War ll Marxists themselves, especially in the Frankfurt School, joined the attack on the Marxist theory of history. Like Neitzsche and Popper, they accused it of orienting itself to the masses and not the individual, of equating might with right, of encouraging totalitarianism and of closing off the future. Walter Benjamin's 1940 'Theses on the philosophy of history' included all these elements.[28] Like Popper, but more seriously, Benjamin argued that this theory was not really Marx's at all, but a product of his followers.

Marx's rejection of particular historical precedents as the basis for a socialist revolution in fact *depends* on an overarching theory of history.

Even Althusser, the arch-antihumanist, can be seen in this light. His chapter 'Marxism is not a historicism' in *Reading Capital* implicitly echoed Nietzsche and Popper. The orthodox Marxist theory of history 'homogenises' and 'flattens out' everything that is 'peculiar', 'specific' and 'different' in history, turning everything into manifestations of a totality that unfolds teleologically towards its own self-completion.[29] It failed to allow for different and discontinuous 'temporalities' to interact in 'peculiar relations of correspondence, non-correspondence, articulation, dislocation and torsion'.[30] Like Nietzsche, Althusser saw the same sins in Hegel's theory of history, and he even repeated Nietzsche's accusation that such a history is debilitating to action when he argued that it makes political action impossible.[31] Like Popper, he blamed historicism mainly on Marx's followers. A theory of history genuinely consonant with Marx's thought still had to be constructed.[32]

Hiding behind Althusser's tortured prose was a single accusation against the orthodox Marxist theory of history: that it did not sufficiently respect the individual fact. Individual facts are engulfed by its totality just as individual human beings are engulfed by the totalitarian state. Not surprisingly, Althusser's followers had no difficulty in turning this line of attack against the structuralist history of 'decentred totalities' with which Althusser had tried to rescue Marx. If individual difference and discontinuity are ultimate, then no theory of history can contain them. The result was the well-known self-detonation of Althusserianism in the late 1970s.

Since the Althusserian experiment, Marxists who have rallied in support of the 'individual facts' and continued the attack on the Marxist theory of history have recognised the implications of their position. They have declared themselves post-Marxists, and turned directly to Nietzsche and Heidegger for further inspiration. In fact they have outdone even Popper in the violence of their attacks on Marxism and its theory of history. Totalising, homogenising, imperialist, marginalising, logocentric: they have piled the indictments high against it in the name of the individual and his/her 'difference' and 'heterogeneity'.

Nietzsche's aristocratic attack on historicism has migrated steadily to the left, first to liberal democrats like Popper, then to radicals like the poststructuralists and postmodernists. Meanwhile, the grand conservative theories of history have disappeared from the scene. Marx's remains the only serious theory of history left to attack.



Füredi's 'historical thinking' turns out to be a ragbag of elements from Marx, Nietzsche and Popper.

Nietzsche or Marx?

Füredi is heavily indebted to this tradition. His attacks on 'History' repeat all Nietzsche's and Popper's themes, and he does not flinch at using them against every general theory of history.[33] Even his trick of writing 'History' with a capital H, subtly suggesting divinity, was popularised by the postmodernists in their attack on Marx.[34] Yet Füredi calmly combines borrowings from a heavily anti-Marxist tradition with a clearly visible (if unobtrusive) allegiance to Marxism, and he retains several classical Marxist components in his 'historical thinking'.

The result is an odd mixture. On the one hand Füredi denies that history is susceptible to any general theory, yet on the other he insists that history has a rationally explicable pattern.[35] Similarly, he denies that there is any teleology to history, yet he defends the idea of progress and asserts that history is 'meaningful' and 'purposeful'.[36] He constantly defends the 'subject' and 'subjectivity' against the dead hand of 'History', and yet keeps reverting to the orthodox Marxist attack on 'subjectivity' as a sign of individual irrationalism.[37]

In effect, Füredi's 'historical thinking' turns out to be a ragbag of elements from Marx, Neitzsche and Popper. Some of its contradictions surface when he comes to deal with Popper himself. Here he suddenly has to introduce the concept of 'history' with a *small* h, in order to accuse Popper of 'renouncing history'. Yet the 'history' that Popper renounces looks indistinguishable from the 'History' that Füredi attacks elsewhere. The ad hoc and unexplained insertion of a small h only signals his difficulties here - it certainly does nothing to resolve them. But the crunch really comes when in the last chapter Füredi turns to Marx himself. Here he is forced by his Nietzscheanism, which is incompatible with any general theory of history, to deny that the standard 'Marxist' theory of history belongs to Marx at all. Instead, like Althusser, he claims that Marx's followers (as well as his enemies) have turned Marx's own historical materialism into a general theory of history, and thus into 'History'.[38] But whereas Althusser, after denouncing the orthodox Marxist theory of history, tried to give Marx an alternative theory, Füredi heroically denies that Marx had any 'general theory of history' at all.[39] Although he hides this assertion amongst uncontentious ones about unilinearity and prediction, he repeats it often enough that there can be no doubt: Marx, he says, had no 'unilinear and general theory of history';[40] the orientation of his analysis was 'very much against prediction and general theories';[410] terms such as 'inevitable', 'rigid' or 'uniform' were alien to him.[421] Indeed Füredi affects astonishment that everyone could have misunderstood Marx so badly as to think otherwise.

Bending the evidence

It is hard to know who Füredi is trying to fool. Anyone who knows Marx's work is familiar with his frequent use of words like 'inexorable', 'inevitable' and 'inescapable', and anyone who has read the *1859 Preface* or the first section of the *German Ideology* will sense that Füredi has some explaining to do. Yet he completely ignores these texts. Instead he supports the claim that Marx had no general theory of history with

some obscure quotes of the kind which, when the reader takes the trouble to check them, turn out to prove nothing of the sort.

For example, to show that Marx repudiates a 'unilinear sense of history and of progress' Füredi gives a two-line quote from *The Holy Family* (1844): 'In spite of the pretensions of *'Progress'*, continual *retrogressions* and *circular movements* occur ... the category *'Progress'* is completely empty and abstract'.[43]

Let's leave aside the fact that this was written before Marx had developed what is normally considered his theory of history in the *The German Ideology*. The quote is snatched from a polemic against Bruno Bauer, a Young Hegelian who explained the shortcomings of his own highly idealised and unilinear view of progress by blaming them on the disruptions of a 'spiritless' working class. It was this 'Mass' which was responsible for 'retrogressions' and 'circular movements' in history. Marx's attack on the 'pretensions of progress' was directed against Bauer's idealist conception of progress. He was not defending the idea of 'circular movements' in history, which is alien to Marxism, but pointing out how Bauer's idealism forced him to resort to such ideas. Marx's interest was not in undermining the idea of unilinear progress but in rejecting Bauer's view of the working class as the adversary of progress.[44]

Again, to suggest that Marx opposed any general theory of history, Füredi quotes his complaint against the Russian Narodnik, Mikhailovsky: 'He insists on transforming my historical sketch of the genesis of capitalism in Western Europe into an historico-philosophic theory of the general path of development prescribed by fate to all nations, whatever the historical circumstances in which they find themselves'.[45] The impression given is that Marx is opposed to *all* generalising theory, but Marx's very previous paragraph shows that he was not condemning general schemas as such, only the direct application of a Western model of the transition to capitalism to Russian conditions. Quoting *Capital* himself, Marx states that: 'At the end of the chapter the historical tendency of production is summed up thus: that it 'itself begets its own negation with the *inexorability* which governs the metamorphoses of nature; that it has itself created the elements of a new economic order, by giving the greatest impulse at once to the productive forces of social labour and to the integral development of every individual producer; that capitalist property, resting already, as it actually does, on a collective mode of production, *cannot but* transform itself into social property' (emphases added). These are rather strong statements for a man with no theory of history.

> Füredi supports the claim that Marx had no general theory of history with some obscure quotes which, when checked, turn out to prove nothing of the sort

If Füredi argues that any general theory of history, and especially one that uses terms like 'inexorable', means subjugation to the authority of the past, then surely he should do the decent thing and join the post-Marxists. They have concluded that Marx's theory of history was mistaken, and abandoned. To pretend instead that Marx did not even have such a theory is close to ridiculous.

Subjectivism in history

At some points Füredi goes even further, apparently acquiescing in the current postmodernist conceit that any objective knowledge of the past at all is impossible, or else somehow politically incorrect. The subjectivist implications of a passage like the following, in the context of a culture so inclined in this direction, do not need emphasising:

> 'The very attempt to discuss history and to inspect its essence implies that it exists in some objectified form. But what are the objectivities of history? Chronology, time and the passing of time can be objectively measured and discussed. But the passing of time is not necessarily the same as history. The passing of time is certainly not the same as change. In many societies, seasons can come and go without there being a conception of past, present or future. The passing of time, or time itself, is not synonymous with history. History clearly cannot have a fixed character or essence. *History is about the consciousness that people have about time,* the passing of time, the past, the changing present and the future. So any discussion of history is really a shorthand for a consideration of different consciousnesses towards the subject.'[46] *(emphasis added)*

The dismissal of an 'essence' of history here owes much to Popper's famous attack on essences.[47] But the passage really relies for its effect on two conflations of meaning. The first trick is a slide between the concept of the 'objectified' and that of the 'objective'. Füredi generally uses 'objectified' history to mean history that has been turned from human activity into a thing or a quasi-natural process, 'reified'. Such objectification is a defining feature of his 'History'. So by conflating the 'objectified' with the 'objective', with that which exists in reality as opposed to the subject's imagination, Füredi allows the reader to infer that the very ambition to establish objective historical knowledge is just another symptom of conservative 'History'. The rest of the passage then trades on another conflation, as Füredi slides from the banal point that different societies have different conceptions of history to the quite different proposition that there is nothing *to* history beyond these conceptions.

Elusive Marxism

If Marx did not have a general theory of history, then what *was* distinctive about his approach to history? Perhaps Füredi's view is that it was a certain method for explaining specific historical phenomena, one that looked to technology, economic relations and class struggle for the sources of change. But even with this generous interpretation it would be difficult to see Füredi's account of 20th Western thought on history as a particularly Marxist one. Central Marxist terms like 'working class', 'exploitation' or 'class struggle' do not appear, while others like 'imperialism', 'bourgeoisie' and 'capitalism' are used in a vague general sense rather than a specifically Marxist one. Explanations of new trends in thought rely on sociological concepts like 'loss of consensus', 'atomisation', 'unresolved tensions', or the 'breakdown in the old world order'.[48] Or else they simply depend on a kind of phenomenology, attempting to understand how liberals or conservatives came to think by looking at the world through their eyes. The resulting impression is that these paid ideologues' systems of thought, a kind of priestly deceit, are the key to historical change and stagnation. What is there that is specifically Marxist in any of this?

Füredi does make one attempt at using Marxist concepts to give an account of the historical process in the final pages of the book. Using ideas from Lukács' *History and Class Consciousness*, he suggests that it can be understood through a 'critique' of 'History', in other words by an analysis of how people come to misconceive the historical process as 'History'. This misconception occurs, Füredi argues, when the 'historical subject' is suppressed. This

is what happened to Marx's historical materialism when it was turned into 'History' by his followers.[49] History is then 'objectified' into a natural process, and now it can only be seen as purposive and meaningful if it is seen as the gradual realisation of some pre-given goal outside history, as a teleology. It would follow that the way to get back from 'History' to a proper conception of historical process, to liberate history from teleology but still allow us to see it as purposeful, would be to re-introduce the 'historical subject'.

But what is this 'historical subject'? For Lukács it is the proletariat, and Füredi himself hints elsewhere at the idea that the 'history-making human subject' is a 'social aggregate'.[50] But the implication of this is that the whole of history is the story of the formation and coming-to-self-consciousness of this 'macro-subject', and this brings us back to a general theory of history of the kind that Nietzsche and Popper reviled, and Füredi has already renounced.

Rather than deal with this issue head-on, Füredi scandalously deserts Lukács at the crucial moment. He blandly rephrases the 'historical subject' as simply 'men and women', and 'humans bringing about change through the making of history'.[51] Yet if *this* is all that he means by the 'historical subject', then how can it give history as a whole any purpose? The only purposes are the multiple purposes of individuals, and there is no way to decide which matter more than others, beyond perhaps the intensity of the individual's will. History as a whole is meaningless. This was the conclusion of Nietzsche's far more intransigent critique of classical historicism, and Füredi offers nothing against it.

Instead he winds the book up with a mild appeal for us to regain a belief in 'reason', 'change' and the 'human potential'. This is like Norman Lamont stating that 'confidence is the key to recovery'. Let us not talk ourselves into a historical slump. But why should we have faith in this reassertion of Enlightenment values when the whole tendency of Füredi's argument has been towards an assertion of action for action's sake? For if all that matters is to *act* then it doesn't matter what kind of action you engage in. Why should we believe in reason, change or the human potential when he has done nothing to explain or justify what *kind* of reason, change or human potential we should believe in; when in the last 100 years human beings have probably used their reason more destructively, made more changes for the worse, and extended the human potential for mass violence, than in the whole of their previous history? As Füredi himself has argued, if people are increasingly taking refuge in the securities of 'History', it is partly because they fear the future, and if they fear the future perhaps they have some reason to. There is no point in telling them they are being irrational. This is whistling in the wind.

The emptiness of Füredi's conclusions is only the reverse of the lack of substance to his subject. When all is said and done, the idea of 'History' may have a powerful hold on people, especially in difficult times, but it does not have much content. A 'critique' of it will not produce much positive content either. Against 'nothing can ever be done' Füredi can only assert 'do something now'!

Out of the grey

Nietzsche lamented 'the fulfilment of Hesiod's prophesy that men would one day be born already grey-haired'. To this 'old age of mankind', he said, 'there pertains an appropriate senile occupation, that of looking back, or reckoning up, of closing accounts, of seeking consolation through remembering what has been'.[52] Füredi begins his book with much the same sentiment: 'Society has adopted that well-known characteristic of the aged of always going on about the past, ignoring the present and steadfastly ignoring the future.' Nietzsche's response at least had a perverse heroism: let us rejuvenate ourselves by recognising frankly the meaninglessness of life and deciding to impose our own meanings on it. His conclusion was Popper's: 'although history has no meaning, we can give it a meaning'.[53] Füredi, unwilling to embrace such subjectivism outright, succeeds only in producing a pale imitation of this stance.

Yet he adopts enough of it so that by the end of the book he has virtually annihilated Marx's theory of history. Marx's thought on history has certainly been grossly misrepresented. There are also difficult tensions in it between the 'objective' (forces and relations of production) and 'subjective' (class struggle) elements. But the solution is not an injection of Nietzsche and Popper, supplemented by vague appeals to 'the subject in history'. What is needed is a clear statement of Marx's conception of history, one which faces its difficulties rather than glossing them over with ambivalent phrasemaking. Above all, what is needed is to show how the working class - the 'subject of history' whose name Füredi dares not speak - can be revolutionary. Signs of movement in the working class would soon dispel illusions about the impersonal and autonomous nature of history, or the authority of the past. Such a book has still not been written. In the meantime, part one of the *German Ideology* remains the best response to songsters of tradition like Enoch Powell. **Andrew Chitty**

1. Füredi, p.156.
2. Füredi, p.189.
3. See George C. Iggers, 'The dissolution of German historism', in *Ideas in History*, eds. R. Herr & H.T. Parker, Duke UP, 1965, pp.288-95.
4. 'The end of history - or of liberalism?', *National Review*, October 27 1989, p.35.
5. Füredi, pp.59-62, p.70, p.193.
6. Füredi, p.62, pp.169-72, pp.236-8.
7. Füredi, p.viii, pp.69-71, p.218, p.266.
8. Füredi, p.71, p.218, p.266.
9. Füredi, p.70.
10. Füredi, pp.vii-viii, pp.67-69.
11. Füredi, pp.62-63, p.66.
12. Füredi, p.66, p.73; p.69; p.viii.
13. Füredi, p.vii, p.270; p.viii, pp.62-3, p.70.
14. Füredi, p.27, p.195, p.232.
15. See e.g. Hayden White, 'The burden of history', *History and Theory* 5, 1966.
16. 'On the uses and disadvantages of history for life' (1874), in *Untimely Meditations*, CUP, 1983, Foreword, p.65.
17. Ibid. sec. 9, p.113.
18. Ibid. sec. 8, p.105.
19. *The Open Society and Its Enemies*, 2 vols., (1945), 5th ed. 1966, RKP. C.f. *The Poverty of Historicism* (1944-45), RKP, 1961.
20. *The Open Society and Its Enemies*, 1:9 (i.e. vol.1, p.9).
21. Ibid. 1:86-119.
22. Ibid. 2:66-72, 2:199-211.
23. Ibid. 1:3-4, 1:25-34, 2:279.
24. Ibid. 1:169-201, 2:198.
25. Ibid. 1:4-5, 1:200-201.
26. Ibid. 2:279.
27. Ibid 2:198.
28. *Illuminations*, Fontana, 1970, pp.255-66.
29. *Reading Capital* (1968), Verso, ch.5; c.f. ch.4; *For Marx* (1965), Verso, 1979, pp.200-217.
30. *Reading Capital* p.110.
31. *For Marx* p.204.
32. *Reading Capital* p.110.
33. Füredi, p.211, pp.217-219.
34. See eg Robert Young, *White Mythologies: Writing History and the West*, RKP, 1990, ch.1.
35. Füredi, pp.77-78, pp.236-7.
36. Füredi, p.27, 232; pp.170-2, p.196.
37. Füredi, p.71, p.67, p.122, pp.242-3.
38. Füredi, p.1, p.264.
39. Füredi, p.261.
40. Füredi, p.262.
41. Füredi, p.263.
42. Füredi, p.264.
43. quoted in Füredi, p.264 from, Marx and Engels, *Collected Works* vol.4. p.83.
44. Marx & Engels, *Collected Works* vol.4, p.84.
45. quoted in Füredi, p.263, from 'Letter from Marx to *Otechestevenniye Zapiski*,' November 1877, Marx and Engels, *Selected Correspondence*, Progress.
46. Füredi, p.265.
47. *The Poverty of Historicism*, pp.26-34.
48. Füredi, p.88; p.260; p.267; p.22.
49. Füredi, pp.264-5.
50. Füredi, p.232.
51. Füredi, p.265.
52. 'On the uses and disadvantages of history', sec.8, p.101.
53. *The Open Society and Its Enemies*, vol.2,

capitalism & crisis

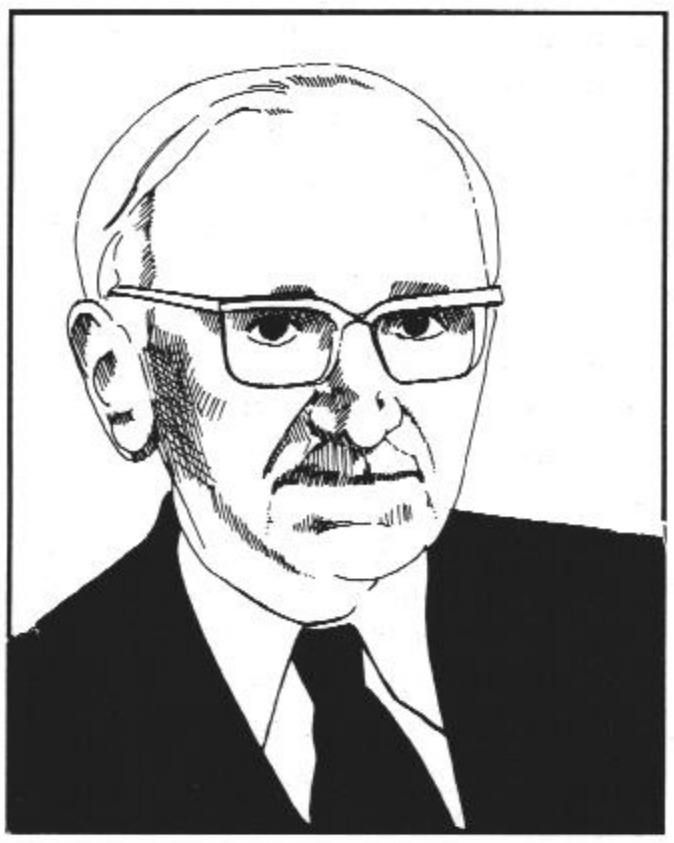
Jim Tomlinson
Hayek and the Market
Pluto, 1990

Henryk Grossmann
The Law of Accumulation and Breakdown
Pluto, 1992

Friedrich August von Hayek's recent death came at the right time. Having suffered decades of neglect by the very society he worked to save and serve, Hayek enjoyed a short period of approval during the Eighties. 'I am a great admirer of Professor Hayek,' Mrs. Thatcher lectured the Commons, 'Some of his books are absolutely supreme - *The Constitution of Liberty*, and the three volumes of *Law, Legislation and Liberty* - and would well be read by almost every honourable member.'(quoted by Tomlinson). It is doubtful whether Mrs. Thatcher ever read the three volumes of *Law, Legislation and Liberty*, or that her colleagues blew the dust off Hayek's works, but few writers of hefty tomes - apart from Marx, Gibbon and Churchill - could boast such a mention in Hansard.

For Hayek the economist, individualism and the free market were reverential categories. No tampering with its mechanisms could be countenanced. Hayek went as far as advocating the privatization of money, though this was more rhetoric than policy. However, as a political thinker Hayek was closer to the reactionary anti-capitalist rejection of unbridled competition and showed a concern for the continuity of social institutions that does not sit comfortably with extreme neo-liberalism. As Tomlinson points out, Hayek rejected the *negative* concept of liberty - the 'absense of constraint' - which is at the heart of liberal economics. Consequently, he could not accept the immorality of Keynes', 'in-the-long-run-we-are-all-dead' opportunism. No great nation would ignore the future consequences of its policy.

It is hard to define in simple terms Hayek's contribution to bourgeois theory. For Marxists, perhaps the most fruitful, and the most neglected, is his understanding of capital and the nature of crises. Hayek saw crises as originating in excessive credit expansion during periods of boom. This leads to excessive investment, particularly in fixed capital. The economy then becomes distorted because the regulative effect of the credit market is impaired. Hayek was one of the few bourgeois economists to see crises as corrective movements which tend to restore imbalances and abnormalities introduced by booms. His



opposition to state counter-crisis intervention - either by monetary expansion or demand management - was based on the idea that it would only prolong and worsen the crisis. Although the economic policy pursued by the Treasury during the 1930s was far closer to Hayek's than to Keynes', the terms of public *discussion* were closer to Keynes', 'In the 1930s this battle [with Keynes] was clearly lost by Hayek, and the Keynesians came to dominate the agenda of theoretical economics.' Nevertheless, for Marxists, Hayek is a useful antidote to the myth of Keynesianism which still has much influence on the Left. It is extraordinary how many activists believe that the 1930s marked a turning point in government intervention and that three decades of postwar stability were due to Keynesian 'crisis-management.'

As anyone who has ever attempted to read Keynes *The General Theory* will know, it is a hotch-potch of contradictory ideas that could not possibly serve as a guide to government policy. On publication, Keynes himself admitted that many of the measures he thought flowed from the book had already been implemented by European governments - particularly in Germany - who were unaware they that they were even pursuing a different economic policy, let alone a revolution. 'If you ask five economists the answer to a problem they will come up with six solutions, two of them held by the Keynesian.' The most hackneyed joke in economics shows 'Keynesianism' as a piece of theorising adaptable to, as Tomlinson puts it, the 'passing needs of policy'. Hayek was quite right to complain that he was discouraged from making a thorough critique of Keynes because he was not sure that the man wouldn't change his mind before he had completed the book.

Jim Tomlinson describes himself as a democratic socialist who adheres to 'traditional socialist objectives - egalitarianism, democracy, co-operation, fraternity.' Such concerns are not exclusive to socialism. He also declares himself to be 'sceptical of the ambition of providing a complete "alternative" world outlook' and of those trying to provide 'an hermetically sealed set of theories, wholly independent of non-socialist social and political thought'. It is unclear whether this term, 'hermetically sealed', refers to Stalinism or Marxism, but I suspect that it is the latter. It is heartening to see that Marxism is still credible enough that attacks on it have to use innuendo. For readers who are happily unfamiliar with the tortured consciousness, and tortured writing, of socialists who have turned liberal, all this means is that Tomlinson is a liberal for whom the market is 'the key institution of a free society' but who finds some of the ghastlier aspects of capitalism repugnant and unacceptable. Though Tomlinson's 'market socialism' is not obtrusive, it does colour some aspects of his book. He is right to point to Hayek's contradictions, but he does so in a formal manner - like a man looking for a useful policy - rather than explaining why such contraditions exist. Surely the reason why Hayek is forced to adopt a *positive* definition of freedom which is incompatible with the market relates to the fact that capitalism requires a panoply of non-market and even

counter-market institutions to survive? Surely the fact that generation after generation of businessmen and politicians have been forced to seek government intervention - particularly at time of crisis - is a sign that the market requires state intervention. Is it then the non-market aspects of capitalist society which begin to expose the shortcomings of the market? The problem with market socialism is that discussion has centred largely on avoiding the market's nasty bits and providing society with values that go beyond the soulless culture of the market. The allocational and organisational capacity of the market - albeit with certain imperfections and rigidities - is taken for granted. Such an approach draws its legitimacy from the failures of the Eastern Bloc, and to a lesser extent from the success of capitalism in comparison to previous social forms, and from society's individualism. Rarely is capitalism subjected to the kind of scrutiny one would expect from a cold-eyed marketeer. It is courageous of Tomlinson to have chosen Hayek as a focus for his discussion on the market because in the latter's attempt to save capitalism from itself, no other non-Marxist writer has shown its shortcomings so well. In this context it is a pity that Tomlinson did not give more space to Hayek's work cycle theory and the Depression.

Despite these criticisms this is a useful and recommended book, particularly if it encourages Marxists to be less dismissive of serious right-wing thinkers.

Henryk Grossmann was born in 1881 in Galicia, part the Austro-Hungarian Empire which later became Poland. Like Marx, he was fortunate to have as his father a wealthy Jew who provided his son with a broad and cosmopolitan education. In addition to law and mathematics, Grossmann studied political economy under Eugen Böhm-Bawerk, who introduced him to Marx's more 'economic' work, and economic history under Carl Grünberg, founder of the Frankfurt School. Between 1908 and the end of the First World War, Grossmann worked mainly on economic history to which he applied modern statistical methods. Unhindered by the fogged vision of Polish nationalism, which blindly rejected everything Austrian, Grossmann was also able to show empirically how Poland had been able to partially industrialize as part of the Empire.

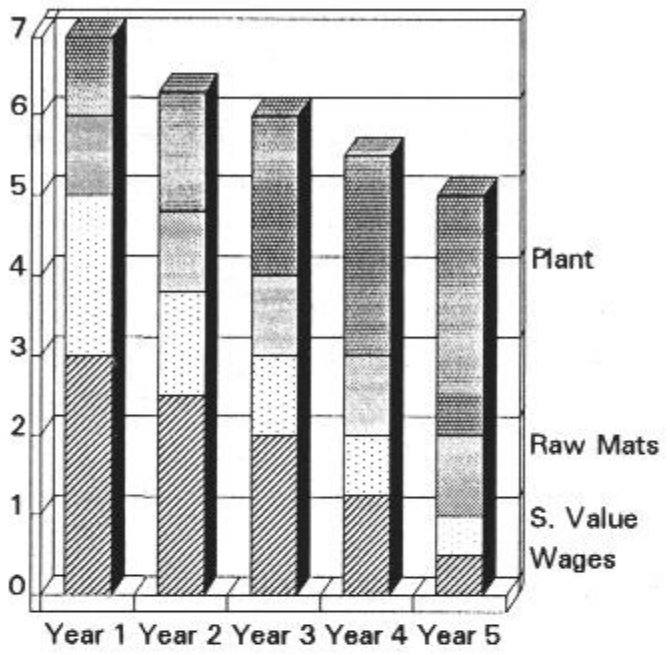
It is impossible to say when Grossmann became a Marxist since intellectual enquiry in 'Mittel Europa' at the time was dominated by a radical and sociologising materialism. Even Marxism's fierce enemies were 'marxismising' to a degree that would be unthinkable today. The First World War, the Russian Revolution and the upheavals which followed were to change all that.

After the signing of the Versailles Treaty in 1918, which created the Kingdom of Poland, Grossmann became the country's first Chief Statistician and undertook its first census of population and economic resources. A meticulous and thorough man, Grossmann was honoured by the Polish state and his statistical work was recognised internationally.

The admiration did not last long. During popular disturbances in 1921 Grossmann openly sided with the protesters. Forced to resign his civil service post he became Professor of Statistics at the Free University in Warsaw. It was here that Grossmann first developed his explicitly Marxist work. In 1925 Grossmann was arrested after demonstrations in defence of the Soviet Union and was accused of Communist Party membership (almost certainly untrue). Carl Grünberg, then head of the Institute for Social Investigation at the University of Frankfurt, offered Grossmann a post. Until Max Horkheimer became director in 1930, the Institute's work focused mainly on political economy rather than on the 'critical theory' with which the Frankfurt School was subsequently associated. *The Law of Accumulation* was published as a special issue of the Institute's journal.

Grossmann's book is consciously divided into three parts to mirror the development of Marx's own political economy and is an expression of Grossmann's close attention to methodology. The first part is a systematic critique of the existing literature on crisis theory. Just as Marx's critique of classical political economy provided him with the main analytical concepts for his critique of capitalism, Grossmann uses the critique of the dominant theories of crisis to single out for the reader the key concepts of Marxist theory of crisis.

In the second, most substantial, part - which methodologically mirrors volume I of *Capital* - Grossmann outlines the theory of crisis in its most abstract form. The nub of Marx's theory of crisis is the idea that in capitalist production only one ingredient - labour power - *adds* value to commodities. All



other factors of production, machinery, raw materials, buildings, etc, which are the product of earlier productive efforts, simply transfer their value to the product as 'costs', and are collectively termed 'constant capital'. Only the labourer can introduce into the production process more than he or she gets in wages ('variable capital'). The disparity between what labour puts in and what it receives in wages - *surplus value* - is the only source of genuine profits. One man's *surplus value*, or unpaid labour, is another man's profits. Expressed as a ratio this gives us the *rate of exploitation.*

Given that there are very definite limits to reducing the input of machinery, raw materials, etc, and that such savings are quickly adopted throughout industry, the only real scope for increasing, or even maintaining profits, is to cut labour costs. The problem is that as labour is shed the amount of *surplus value* created by workers in relation of the level of overall investment must also diminish. The point can be illustrated with a simple graph, which represents the major components of a firm's annual input over a number of years. As the businesses struggle to remain competitive the proportions change. Expenditure on machinery rises while labour decreases. Even if the rate of exploitation is increased, either by driving down wages or reducing the price of consumer products, it does not compensate for the declining proportion of labour. The scope for profits diminishes. In the middle section of the book, Grossmann uses a 35 year model to show how this occurs.

It should be noted that this is only a crude and exaggerated model, a preliminary illustrative device, the purpose of which is only to explain the workings of the key concepts involved. *Grossmann's 35 year schema is not the Marxist theory of crisis,* just as Grossmann warns us that volume I of

Capital is *not* a theory of capitalism - only an exposition of key concepts. The problem with almost all Marxist writing on the subject is that it has always attempted to develop a comprehensive theory of crisis on the basis of this abstract, and therefore crude and provisional, schema. This is akin to attempting to understand capitalism simply on the basis of the analysis of volume I of *Capital.* Such attempts, laudable as they may be, always end in either dogmatic assertion, confusion, or eventual abandonment of Marx's *Capital* as inadequate. Grossmann's schemas are only a necessary, provisional, abstraction. A comprehensive theory of crisis can only be based on an understanding of how capitalism *as a multitude of productive concerns* manages to function as an organic social system.

Such an analysis is not included in *Law of Accumulation.* Grossmann gave notice in his opening sentence that he intended to publish a larger and more extensive book to deal with such questions. It was never published. One reason may have been the publication of one of the most important works in Marxist political economy, Isaac Rubin's modestly titled *Essays on Marx's Theory of Value.* Like Hayek, whom Grossmann respected as one of the few bourgeois economists who really understood capitalism, Rubin argued that crises were not abnormalities in the system but corrective and stabilising movements. Such a conclusion was only possible from an 'organic' approach. Although Rubin was more interested in how capitalism managed to survive than how it might collapse, Grossmann argued that Rubin had provided the essential structure for such a theory. The elementary analysis of crisis in *Law of Accumulation* must be subsumed to the higher 'organic' understanding outlined by Rubin. Here the Marxist theory of crisis *is* empirically verifiable and the chaotic world of capitalism becomes intelligible.

This does not mean that Grossmann's *Law of Accumulation* is wrong. The book is an indispensable preliminary analysis, and one from which the reader must move on. Discussion of crisis theory has usually been stuck at this stage. Unfortunately this abridged version of the book has cramped some of its methodological aspects.

The third section of *The Law of Accumulation*, which corresponds methodologically to volume III of *Capital,* deals with the countervailing tendencies which modify capitalism in crisis. It should be noted that this section is not - as is often supposed - a qualitative higher level of concreteness which overcomes the 'abstractness' of the schemas and therefore provides a complete analysis. It is still dealing with basic and very abstract categories.

The above points are made to discourage fruitless discussion and overcome the mistakes of the past. The reappearance of major economic crises during the 1970s saw a revival in crisis theory. Marxism is indebted to people such as Elmar Altvater, Lucio Colletii, Mario Gogoy, Jurgen Hoffman, Willi Semmler and David Yaffe who fought to reestablish the key concepts for a theory of crisis. However, much of this invaluable work never went beyond the 'falling rate of profit' and the 'organic composition of capital' - a necessary and unavoidable one-sidedness. By the mid-1980s, these concepts had been done to death, algebrised, transformed into their bourgeois similes, mystified into metaphors of social decay or empirically 'proven' and 'disproven'. Today, with rare exceptions, crisis theory is the preserve of cranks and mystifiers. Hopefully the reappearance of economic crisis, and the publication of Grossmann's work, will lead to work anchored in a higher and more fruitful level of understanding.

Tony Kennedy has provided a useful introductory essay which tackles the main points in the book. There is one lamentable omission; no mention of Lenin's work on imperialism. While Lenin's *Imperialism, the Highest Stage of Capitalism* was not primarily concerned with crisis theory, the omission leaves the historical and conceptual validity of Marx's crisis theory open to be attacked as valid only for the 19th century. In addition, at a time when Lenin is vilified in all quarters, revolutionary marxists should not allow him to fade away like a disgraced uncle everyone avoids talking about, particularly when his work remains the best guide to the world economy.

The appearance of *The Law of Accumulation* should be celebrated - and the book read! - by all Marxists, and the RCP is to be congratulated for sponsoring its publication. A translation of the concluding chapter could have been included* and the hideous German title could have been dropped in favour of a more marketable one.

Grossmann's book ranks as one of the half dozen fundamental Marxist works of the century. That it is virtually unknown in Britain, where it is circulated as a mimeo, is testimony to the paucity of Marxism in this country. The situation is not much better abroad where interest in Grossmann has been restricted to small circles of devotees in Germany and Milan, and a small group of intellectuals and economists at the University of Mexico City led by Juan Arico.

Over the next decade, revolutionary Marxists will have to become accustomed to a near solitary existence. Having a copy of *Das Kapital* and the *Collected Works* of Lenin as a matter of course, I couldn't think of a better desert island luxury. **Susil Gupta**

* Available from *Analysis*. Please send a large s.a.e. and small donation.

Andrew Hacker
Two nations: Black and White, Separate, Hostile, Unequal
Macmillan International, 1992

It was almost thirty years ago that thousands of blacks, and many whites, from across America marched on Washington to demand equal rights and to hear Martin Luther King's unforgettable 'I have a dream' speech. That little has changed for blacks, and indeed much has worsened, is now a complacent cliché which ignores the new attack blacks face in the midst of the collapse of America's economy and her position in the world. Written with this sense of danger, and addressing a mainly white audience that knows little about blacks except that they are a problem, the first part of Hacker's book is a subjective appraisal of the race issue which seeks to make the reader aware of the paucity of his knowledge and of his prejudices - whether he be a liberal or radical. It is not only overtly racist assumptions which Hacker seeks to challenge, but also the complacency of liberal attitudes. Racism is inherent in American society and not just the product of ignorance or the unpleasant legacy of slavery, "Black Americans are Americans, yet they still subsist as aliens in the only land they know... America's version of *apartheid,* while lacking overt legal sanction, comes closest to the system even now being reformed in the land of its invention."

It is significant that while there is an impressive bibliography on race - much of it 'ideological' and 'anthropological' - there is a real dearth of good, reliable information in the subject. Hacker's book is a refreshing reminder that debates about society should be

anchored in evidence, rather than in the half-baked 'concepts' and clichés that dominate academic discussion as much as journalism, and of how social science should be written. Hacker's use of statistics as a tool of explanation and enlightenment is exemplary - he never tries to con the reader with bogus statistical devices which give the impression of mathematical certainty.

For example, the idea of a specifically black family culture, 'the matrifocal family' is a good example of the kind of myth which both racists and radicals share and which Hacker deftly destroys with simple statistical techniques. The persistent failure of blacks, compared to other immigrant communities who have managed to climb up the ladder, is explained by the absence of a father figure and the strong family structure is responsible for instilling the kind of values and experiences that triumph in American society. The matrifocal family, where a loose grouping of women mind a group of children who do not know their fathers, is the product of the slave plantation.

The problem is that such an explanation doesn't fit the facts. Hacker provides statistics to show that while illegitimacy among blacks has traditionally been higher than for whites, there is no 'matrifocal family'. In 1950, 17.2% of black households were headed by women, against only 5.3% of white households. This is a ratio of 3.2 to 1. In 1990, the figure for blacks had risen to 56.2% and for whites to 17.3%. Over four decades the ratio has remained exactly the same. This suggests that black 'matrifocalness' cannot be the legacy of plantation slavery since it is rising; blacks are subject to the same trend towards female single-parenting prevalent in all Western societies. Although Hacker does not mention it, many of the differences in family structure can be explained by class; blacks are almost exclusively working class and lower working class, where single-parenting is highest in all industrial societies. In addition, Hacker argues that the structure of the welfare payments system discourages the presence of males - a phenomenon prevalent in Britain as well. In much the same fashion, Hacker works his way through seven chapters on the racial income gap, employment, education and segregated schooling, and crime, to rout out one misconception after another.

While Hacker provides the vital statistics of race, particularly in relation to blacks, a major shortcoming is the lack of any attempt to understand race in the context of the specific nature of American capitalism. "It is revealing that so much information about ourselves is classified according to race. We publish separate black and white breakdowns on whether mothers breast-feed their babies, and for persons who have been arrested for embezzlement. The census even has separate racial columns for people who bicycle to work". Hacker does not ask why the State must collect such detailed racial statistics and only relates it to the degree of public ignorance.

Yet ultimately only a 'structural' analysis,



not sociology, can explain the nature of racism in the US and provide an effective strategy to overcome it. Ethnicity in American is class structure. It forms the different sections of the ruling group as much as those of the working class; the WASPs dominate economic and political power backed up by the 'Germans', while both rely on the 'Irish' and increasingly on the 'Italians' to run local government. Different ethnic groups also make up different sections of the working class, with Irish, Germans, Italians and East Europeans dominating skilled jobs and Hispanics and blacks in unskilled and insecure occupations.

The book concludes with a chapter titled 'A Politics Based on Race' where a jaded Marxist might expect to find a list of lame or pie-in-the-sky liberal proposals which spoil an otherwise excellent book. But Hacker - a Professor of Political Science at Queens College, New York - does not disappoint. While proposing no solutions nor programmes, he undermines every liberal illusion. Hacker's book is a good example of how honest and clear thinking liberal scholarship can be so much better than the work of radicals and Marxists. **Susan Woods**

Peter Marshall
Demanding the Impossible
Harper Collins, 1992

Anarchism in Britain has a bad press, identified in the minds of most with beer-sodden punks who hate the Queen, anti-social behaviour and a conspicuous neglect of personal hygiene. After the London poll tax riot in March 1990, the official organisers of the demonstration, largely from *The Militant,* eagerly boasted of their cooperation with the police in identifying the "violent anarchist element." Peter Marshall - an anarchist who lives recluded in the Welsh mountains - has written a book which attempts to challenge popular misconceptions and argues that Anarchism represents a long and constructive tradition which can offer solutions to contemporary problems. Marshall devotes a substantial part of his work to tracking what he claims to represent some sort of libertarian tradition from earliest times to the present day. Throughout the 650 solid pages, Marshall's genealogy of Anarchism begins with Buddhism, runs through early Christianity and the Renaissance, and emerges in the form of an assortment of contemporary thinkers, none of whom would readily identify with Anarchism. Indeed, Marshall's Anarchist 'tradition' brings under one ideological roof everything from libertarian capitalists to Tolstoyian pacifists.

While Marshall succeeds in showing that Anarchists have more often been the victims of state repression than the perpetrators of mindless violence and that they have been more preoccupied with creating new social arrangements rather than destroying them, the attempt to construct a 'history' of Anarchism cannot be taken seriously, not least because the only genuine 'continuity' in Anarchism has been its staunch anti-intellectualism. Like the product of those rich Americans who hire unemployed Oxford graduates to have their ancestry traced, and who always come up with illustrious connections, Marshall provides a suggestive medley of themes, *but no history*. Concepts such as 'freedom', 'equality' and 'power' have very different meanings for different people.

Marshall's 'history' of Anarchism falls into Anarchism's traditional error of discussing ideas without reference to their specific historical and social context. For example, while claiming to consider history and social conditions, Marshall does not explain Bakunin's theories with reference to politics in a pre-industrial society, the peculiarities of peasant agitation, the absence of an urban proletariat etc, but to his subconscious. "His intimate relationship with his sisters" - Marshall tells us - "especially to Tatiania, may also have accounted for his sexual impotence owing to an incest taboo. Certainly his later fantasies of fire and blood would appear to offer an outlet for his sexual frustration, or at least a partial sublimation of his repressed libido. His apocalyptical visions undoubtedly fulfilled some profound psychological need." A crude example perhaps, but

one that exemplifies Anarchism's theoretical backwardness. With very rare exceptions Anarchism has been incapable of producing a systematic theory capitalist society or its economy. Devoid of a theory of history, or of ideology, its approach has always been instinctual, moralistic and emotional. Even where Anarchist writing is at its strongest - the critique of bureaucracy and the state - there is no real theory, just a list of denunciations and preventive maxims. If there is a common denominator between the divergent ideologies Marshall reclaims for Anarchism, and this seems far from being the case, it is a moralistic opposition to society as it is, and one which identifies 'authority' and the state as the root of oppression and injustice. It is therefore not surprising that the libertarian critique of authority is a central theme of Marshall's book. However, Marshall is in hot water even here. One need only consider the varied, and often contradictory, views on authority held by leading Anarchists such Bakunin, Kroptakin and Malatesta to realise that 'authoritarianism' is no organising concept, just an *ad hoc* label applied to is considered most objectionable

It was this confusion about authority, which in essence is an inability to distinguish between repression and leadership, which led to Anarchism's biggest defeat and which has also given rise to the biggest chestnut. "The defeat of the anarchist movement in Spain" - Marshall argues -"did not result from a failure of anarchist theory and tactics but rather a failure to carry through the social revolution." From a strictly formal point of view, if theory and practice can be so casually separated, then one does not have much of a theory. Practice has harsher lessons. Spanish Anarchism during the 1930s was neither *defeated* by Franco nor stabbed in the back by the Stalinists - it betrayed itself. It was Anarchism's inherent inability to confront the problem of power and leadership which led it to be dragged by a group of petit-bourgeois has-been politicians who at least had half an idea of politics. Such confusion was not new. It is often forgotten that in October 1934, when the Spanish Republic dispatched General Franco to crush the Asturian Commune, the Anarchist trade union, which organised most rail workers, refused to paralyse the transport system. Such an act, the syndicalists argued, would have been 'politics'. Not only does Marshall refuse to examine the connection between apoliticism and such betrayals, he covers up this disgraceful episode by claiming that the Anarchists *did* support the Asturian uprising.

Marshall ignores historical contexts. He has no eye for the big picture. After all, one cannot take seriously a 'history' of a political movement which has 30 entries for 'absolute freedom' and not a single one for imperialism. Finally, Marshall sees Anarchism's future in the 'growing green movement', which stresses the 'benefits of self-reliance and self-sufficiency'. Apart from the small fact that the green movement is receding, such ideas are the domain of the right and will not help the working class meets its future tasks. **Barry O'Brien**

Oliver MacDonagh
States of Mind:
Two Centuries of Anglo-Irish Conflict, 1780-1980
Pimlico, 1992 *Reissue*

The recent media orgy over Ireland's abortion laws, coming fast on the heels of the election of Mary Robinson as Ireland's president, has thrown the Irish liberal intelligentsia into a spin. No sooner have the Irish made one step forward towards "civilization" than they make two steps backward into the mire of priestcraft and superstition. While the opposition between progress and reaction in this case may seem clear from a British perspective it is far less clear in Ireland. The dominant strategy of the Irish intelligentsia has always been to disguise reactionary economic and social policy under a veneer of cultural progressiveness. Cultural debates in Ireland should be understood in this context.

Oliver MacDonagh fits this general trend. A highly esteemed Irish academic, MacDonagh is a quintessential establishment figure in the Lewis Namier tradition which sees itself as standing aloof from party politics. He first made his reputation as a historian of 19th century English administration, where his contribution was to deny the influence of Benthamism on the development of government in Victorian England. Ideas, he argued in *Early Victorian Government*, counted for nothing, compared to English' native common sense. As one historian put it, MacDonagh "took the mind out of nineteenth century administrative history".

One might, therefore, be forgiven for anticipating that MacDonagh would be equally dismissive of the role of ideas in Irish history. Not a bit of it. On the contrary, he sees ideas as playing a crucial role - and the book is indeed closer to the 'history of ideas' genre than to mainstream historiography. It seems ironic that while MacDonagh should minimise the role of ideology in British social change, it should become the vital ingredient in the Irish case. It is as if entirely different paradigms operated on either side of the Irish Sea.

In common with most Irish nationalist historians, MacDonagh refuses to accept that there is any material basis to the nationalist struggle for independence. Irish nationalism is a purely political phenomenon, not to say purely 'ideological'. A clash of two *Weltenschauung*, a "battle between two civilizations", as the Irish nationalist propagandist D. P. Morgan put it.

Such a view has its uses. It fits in very neatly with the 'establishment view' which is dominant today in the Irish Republic; that the conflict in Northern Ireland has little to do with material issues and everything to do with the potency of old worn-out myths. Indeed, MacDonagh's book can be seen as part of a larger project of the Dublin middle class intelligentsia to redefine Irish nationalism by excising those aspects of the ideology which render closer European integration difficult. In the context of the collapse of the Eastern Bloc, this essentially reactionary project gains its significance. If the Russian Revolution can be reversed, then so can the Irish revolution.

States of Mind is divided into two main parts. The first examines what MacDonagh obviously considers to be the foundational concepts of Irish nationalism - Time, Place, Property - while the second concentrates on its four institutional strands - constitutional politics, physical force movements, clerical politics and cultural nationalism.

As every Englishman knows, the Irish never forget their history. On this stereotype MacDonagh erects a ponderous truth to the effect that: "the characteristic Irish time-frame inclines Irishmen to a repetitive view of history". Thus the Irish are trapped by the idea of an old anti-imperialist struggle which no longer exists. Things have moved on. Of course, MacDonagh fails to ask himself why the Irish retain this 'repetitive' view of history, and a supposedly outmoded belief in imperialism. Even figments of a national imagination require a historical explanation. On a purely superficial level, and from an Irish viewpoint, the persistence of endemic emigration and unemployment, continued economic dependence on Britain and the influence of the Church, all contribute to make a cyclical view of Irish history appear eminently sensible.

Having reassessed the Irish mind on one dimension, MacDonagh turns to another; space. The concept of place in the Irish nationalist outlook has been the cause of great problems, he argues. The Irish nationalists of the 19th Century mistakenly fused the concept of island with that of a single national unit, a concept they took from 18th century Republicans. This was a tragic mistake since it cut across another territorial nationalist identity; Protestant Ulster. It is on the basis of this insight - Irish nationalism's mistaken mythic political geography - that MacDonagh is able to deliver the banal observation that "the respective geographical images of the Irish Republic and Northern Ireland are responsible for the present frontier between the Irish Republic and Northern Ireland".

On purely historical grounds such an argument is dubious to say the least. The idea of Ireland as a separate cultural and political entity goes back far beyond the 18th century. Furthermore, it was the British government in the 19th century which decided, despite legislative union, to retain a separate and single Irish administration. But why allow historical evidence to spoil a seductive argu-

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ment? The nub of MacDonagh's argument here is that by redefining the concept of the national territory, i.e. by removing articles 2 and 3 from the Irish Constitution, the conflict in Northern Ireland could be resolved and life would be much easier for the Southern political establishment.

Property is MacDonagh's third fundamental concept; the historical clash between a communal and an individualist conception of property. The attempt to introduce English notions of private property into Ireland conflicted with a native 'moral economy' which placed the occupying tenant's right of access to land above the landlord's right of disposal. The triumph of the communal mode over the individualist mode led to the defeat of landlordism and the apotheosis of the peasant in Irish culture. Again, MacDonagh's formalistic approach mystifies the agrarian problem and entirely misses the point. The agrarian problem in Ireland, as everywhere else, can only be understood in terms of a conflict between antagonistic agrarian classes of which the struggle between communal and individualist property forms is only an expression.

The second half of MacDonagh's book deals more directly with the institutional strands which have influenced Irish nationalism. Each chapter traces the lineage of each institution through the 19th century; the parliamentary constitutional tradition, the contribution of militant republicanism, associated today with the IRA, the Catholic church, and the cultural nationalist movement, particulary in terms of language. The central problem for MacDonagh is the extent to which the constitutional parliamentary tradition can be preserved while abandoning the other three.

This book shares some shortcomings which are common to much of Irish historiography; the almost complete absence of any sociological theory. MacDonagh is a good example of Keynes' dictum that practical men who think they are free from 'theories' are usually prisoners of an outdated one. Take the concept of nationalism itself. We find no reference here, explicit or implicit, to any of the major work of social theorists in this field. Yet an understanding of this literature is crucial to understanding both 19th century Irish nationalism and MacDonagh's revision.

The central idea in this literature on nationalism is that nationalism is a response to uneven cultural and economic development. The development of capitalism in the early 19th century, outside the core areas in Western Europe, involved a destruction of the native economy and culture in the peripheral areas. Nationalism, the establishment of a separate state with all the trappings of the big states - language, literature, industry - was a response to this. Nationalists carve out or "invent" a state because it is the *sine qua non* of other developments.

But if nationalism can be invented under the pressure of economic change it can also be reinvented. My point here is that MacDonagh, and those like him among the Irish intelligentsia, are reinventing a nationalist ideology to suit the new economic realities of Ireland in the 1990s. A national identity, that is, which is compatible with foreign ownership of the means of production, cultural dependence and an abandonment of the Northern Republican community.

In addition to the absence of any notion of the social conditions that give rise to nationalism, MacDonagh's outlook is restricted to events within the British Isles. Changes in the world arena do not impinge on Ireland's development. And yet they are crucial. It is hardly a coincidence that the two revolutions which became the crucible of Irish nationalism - 1798 and the Easter Rising of 1916 - both took place in the middle of international conflicts. Similarly, the current realignment of states in Western Europe is equally important for understanding the problems of Irish nationalism today.

A third problem is the overarching voluntarism and absence of any structural explanation of historical change. MacDonagh's historiography is firmly in the 'Great Men of History' School. Daniel O'Connell and Charles Stewart Parnell stride through its pages while structural change simply provides a platform for these exceptional figures. While individuals in history cannot be totally dismissed as simply "bearers of structures", the influence of the individual is related to his/her ability to move with the current of change. This can certainly be shown in relation to Ireland's Great Men. Parnell's "greatness" was of as little use to him as was Mrs Thatcher's when sthat, herehe fell foul of the party.

MacDonagh argues that history can be understood in terms of competing ideas or "states of mind". A central advantage of this school of history, from the viewpoint of the establishment, is that, here, a change in ideas or states of mind does not necessarily involve winners and losers in material terms. The Irish can abandon their archaic ideology and nobody will be any worse off. Yet states of mind are intimately related to states. The question is, who controls the production of ideas or states of mind? The changing state of mind in Irish establishment circles, which MacDonagh reflects, is intimately connected with the question of state control in Ireland.

In Ireland at present a solid corporatist power block of the political parties, the Catholic Church, the trade unions and the state has emerged. As a consequence, the old monolithic nationalist ideology is giving way, in a glacial-like movement, to an equally monolithic "pluralist" ideology. The real question in Irish politics today is whether the political elite in Ireland can carry off this daring manoeuvre. At the moment they seem to be encountering little resistance but there is one issue which may yet prove their undoing; the national question. Jettisoning this may not prove as easy as they anticipate if recent events in Eastern Europe are anything to judge by.

Terry Mulhall

Stephen Dorril, Robin Ramsay
Smear: Wilson and the Secret State
Fourth Estate

Stephen Dorril and Robin Ramsay, editors of the counter-spook magazine *Lobster,* set out to tell the story of Harold Wilson; in their view a genuine radical and "brilliant politician". In undertaking this "major revision", they describe in vast detail the machinations of the secret services from the time of Wilson's appointment as President of the Board of Trade in 1947, through to his governments of the 1960s and 70s and to his resignation in 1976. For the periods of 1963-66 and 1974-75 in particular, a huge amount of evidence is adduced to show that Wilson suffered a relentless barrage of smears, innuendos, leaks and disinformation - much of the time emanating from government departments of which he was formally in charge. The main thesis of the book is that the "permanent government" (essentially what used to be called the "establishment": i.e. the City, the higher levels of the Civil Service, senior Conservatives etc.), through its agency the "secret state" (i.e. the intelligence services and Special Branch), impeded Wilson's radical strategy for Britain, eventually sending the country on a disastrous rightward shift, from which it still suffers. For Dorril and Ramsay, Wilson was very much a heroic figure, the man of white-hot technology who almost rescued the post-war Keynesian consensus. In conclusion, the authors appeal for a return to Wilsonian politics.

Dorril and Ramsay do not always critically evaluate the evidence they produce in support of their arguments, but their exposure of the idiocies and lunacies which have passed for the conduct of political affairs in contemporary Britain makes the book essential reading for anyone interested in the *minutiae* of parliamentary government in the Wilson/Heath period. Many of the anecdotes in *Smear*, while not always having the importance that the authors suggest, do succeed in epitomising the illusions and fantasies of that era. Thus, in 1975, David Stirling, leader of the private "army" GB75, reconnoitred the House of Commons with some ex-SAS chums, the plan being to flood the chamber with sewage from the Thames as a statement (straight out of Situationist International) on the state of British government. Another "plot" which sadly never came to fruition emerges from details of a secret meeting, also in 1975, between certain unnamed Army officers and the managing director of Cunard. The shipping line was asked to provide the QE2 as a prison ship for the Cabinet in the event of a coup: even in the country's darkest hour, it seems, the creature comforts of politicians were worthy of consideration.

This very British coup did not take place. Instead, Wilson made it through to his resignation, to be succeeded by Callaghan (who, as *Smear* recounts, had been plotting against his leader for several years) and the decline into recession continued. It is in the light of this unscathed survival that one of Dorril and Ramsay's key themes - that Wilson was a political radical - must be questioned. They explicitly admit that Wilson was never a socialist. From his early Oxford Liberal Club membership (friends were astonished when he stood for Labour in 1945) and onwards, he had no time for class politics or economics; this brilliant academic and politician often boasted of having read no Marx except for the first few pages of *Capital.* Rather, his political vision was corporatist; the government as facilitator and handmaid of big business. Wilson could only be distinguished from his Gaitskellite opponents (Anthony Crosland, Roy Jenkins, Douglas Jay, William Rodgers, David Owen *et al*) on personal grounds; the endless internal plotting against him was purely careerist. One aspect of the complete lack of radicalism in Wilson's governments was that while some minor social benefits were introduced - Dorril and Ramsay cite free school meals and the Open University - the fundamental problems of economic decline and class division were not addressed. Wilson's one major attempt at something like an industrial policy, Barbara Castle's anti-working class *In Place of Strife,* which imposed tight legal limitations on strike activity, were torpedoed (for personal political reasons) by Callaghan, only to be implemented in large measure by Heath.

By the time of Wilson's return to office in 1974, the grim reality of Britain's economic situation was apparent. It is significant that the authors' claim for Wilson's radicalism takes no account of this period. Instead, they focus on the now well-known activities of Peter Wright and similar nutters as parts of MI5 ran amok. However, while the capacity of the so-called security services to intimidate individuals and damage reputations should not be underestimated, perhaps the most astonishing feature of this period is the near-total passivity of political leaders in response, a silence and lack of will to take any action which persist to this day. Admittedly the severe deterioration of Wilson's health in recent years excuses him personally, but there are many other politicians of all parties who continue to be petrified of spooks.

There has been a marked tendency of writers on these issues over the past five or six years to exaggerate and over-dramatise the roles and status of various individuals and agencies within the "secret state". The most prominent manifestation of this tendency could be described as the belief that "Thatcher was an MI5 plot", a myth which has gained widespread acceptance. Dorril and Ramsay provide the fullest elaboration of this belief to date, and yet have to admit themselves that there is virtually no evidence (and little likelihood of any) to substantiate the claim. Rather, the process is one of establishing guilt by association: Airey Neave



Wilson, dangerous radical?

(Thatcher's manager in the leadership election against Heath) knew someone who on a certain occasion met someone else ... and so on. Ironically, this is exactly the same kind of flimsy reasoning which apparently led some (though by no means all) agents in MI5 to believe that Harold Wilson was a communist.

The kind of intelligence which concerns much of the security services is based on the principle that nothing is unimportant, there are no chance meetings, no-one is just a friend, everyone is always under suspicion, everything relates to everything else. The logical outcome of this frame of mind is that anything (Harold Wilson, for example) can be made to mean anything else (worldwide communist conspiracy directed by the KGB). The clinical term for this is paranoia.

That members of the security business are incurably paranoid is of course no big deal. That, after all, is their job; their trade is tittle-tattle. The infectiousness of this condition, however, requires some explanation. Until the mid-1980s, spy-writing was very much the preserve of the old Right; essentially the kind of people who worked in this area themselves. With the emergence of the Colin Wallace story and the Spycatcher case, interest in such matters grew rapidly amongst many on the Left. The timing of this is not fortuitous: with the Conservative victories in 1979 and 1983, the defeat of the miners in 1985 (in which the security services played an intelligence gathering role), and the chaos in the Labour Party, the parliamentary road to socialism virtually disappeared as an operative concept. The collapse of cherished beliefs (that the working class naturally vote Labour, for example) led inescapably to the conclusion that there was a right-wing conspiracy which had hoodwinked the entire country. A similar way of thinking can be seen in colonial governing classes where national liberation movements are consistently seen as motivated by external agent provocateurs: the natives couldn't possibly want power for themselves.

The fundamental problem with Dorril and Ramsay's thesis, then, is that the so-called "secret state" is itself the creation of a conspiracy theory which, as all such theories do, replaces analysis of the real state of affairs with mystification and myth. The Kennedy myth - Saint Jack martyred by the forces of reaction and conservatism - appears to have become inviolable: but the martyr's mantle

Dustbin of history

Dear Analysis,
Alison Costello's article on Green politics is misleading and seriously inaccurate. On racism, the Green Party has had a detailed policy for five years and has supported human rights for all peoples since its earliest history. We have specifically extended our support to people in Hong Kong, urging that they be allowed to come to Britain if they wish before the territory is turned over to the Peoples Republic. Green policies on nationality and immigration are more liberal than those of any of the three major parties. Charges of racism cannot be sustained and are no more than libel.

Opposition to racism is not an isolated phenomenon of the British Greens. The recent electoral successes of the Green Alternative in the Vienna city elections and of the Belgian Green Parties Ecolo and Agalev which campaign together across the ethnic divide in Belgium were based in part upon their overtly anti-racist stance.

It is one thing to criticise the Green Party at the difficult point of our autumn 1991 conference; it is quite another to present this as a decline in the Green Movement as a whole. Lumping all Green organisations together makes for very weak analysis. The Green Party has experienced a decline in membership and in financial stability similar to that being experienced by the Labour Party, and the SDLP in Northern Ireland. In a recession, this is to be expected. In the Green Party's case, our overtly political approach and especially the grind of electoral effort do not appeal to people who want the softer, less demanding approach of environmental pressure groups. However, numbers of Green Party candidates standing in local elections in 1991 were greater than ever before and there is no appreciable evidence of a decline in the number of local parties either. The core base of activists remains intact and there are still new members coming in as a result of Labour's Gulf War and pro-nuclear policies.

Comments on population policies are equally misinformed. Population policy has never been a party priority: it has always been more of an issue for people other than Party members. I know of no local party activity on this subject. As the person responsible for drafting the existing Third World policies, the issue of population was certainly not a factor, and was primarily concerned with the inter-connection between ecology and poverty, given the present global economic system. We do not, however, ignore the population issue as other parties tend to. The general views of Party members on the subject are close to those expressed by Francis Moore Lappe and Rachel Schurman in *Taking Population Seriously* . Essentially, population cannot be seen in isolation from approapriate Aid policies, support for primary health care, policies which support women according to their wishes etc.

The references to the Green Movement's use of data which scare people need no apology. The ecological crisis is undermining the survival of many species. Humans are not exempt and indeed suffer as environmental refugees when the environment is rendered inimicable to life. There are perhaps 10m such refugees in Africa alone; not to mention those fleeing from the 'scorched earth' policies of the Serbian armed forces within what was formerly Yugoslavia. Some sections of the traditional Left may feel that the quality of their analysis protects them from the enhanced greenhouse effect or acid rain, or the effects of combined poverty and ecological decline in many impoverished countries. It would be wonderful if they were right. But the scientific evidence suggests urgency, rather than complacency, should be a guide to appropriate political action. Similarly, the political priorities of all groups need to reflect ecological realities, rather than a curious, and very conservative, "culture shock" when confronted by green ideas. Alison Costello may wish to consign herself to the nearest available "dustbin of history", but examination of the actual state of the Green Party or the Green Movement seems unlikely to suffer in consequence, should she do so. (letter slightly abridged)

Steve Dawe
International Committee, Green Party

Gay ghetto?

While pursuaded by Susil Gupta's argument that powerlessness and poverty in Africa have contributed to the heterosexual spread of Aids there, I must challenge the contention that his statistics put an end to the possibility of a sizeable spread of the disease in the west. Where our society has herded its poor and dispossessed into ghettos, Aids will surely establish a presence there too, much as crime does. And, ghettos are apt to persist in spite of all the efforts of liberals to legislate them away. Maybe now we can begin to face the fact that these incubators of crime and disease persist for one very ugly reason - institutionalized racism. In the marketplace of ideas, this one's hard to sell because it implicates so many of us.

Gupta refers to the situation in Africa as a holocaust and maybe "holocaust" with its implications of genocide is closer to the miserable truth. Maybe such a term implying a generalized spread of AIDS is incorrect for the west, yet if we are careful to define "holocaust" by its historical precedents, in which certain groups are systematically oppressed and even annihilated (if only by neglect), then the term applies to the American underclass too. While gays have taken measures to stop the spread of AIDS, drug-takers and ghetto poor are not yet inclined to take similar measures.

Gupta also contends that gays are forced to gather in ghettos because they find their "sexual and social circumstances" intolerable elsewhere. But this is to conflate the gay experience with the impact of Aids on the underclass, especially blacks. I don't know about the U.K., but here a gay white male can purchase property anywhere he chooses, provided he has money. The gay subculture in New York and San Francisco, and to a lesser degree in other cities, is largely self-selected, not imposed.

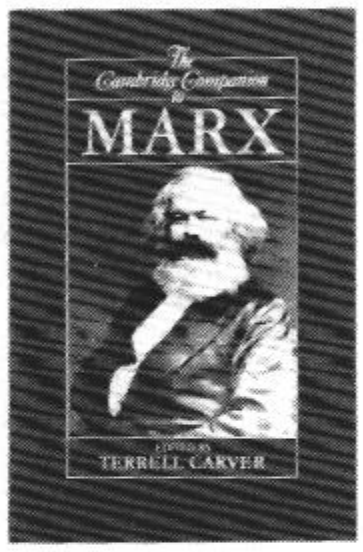
Finally, his dismissal of the AIDS hoax doesn't really square with what an Aids service worker sees each day at a hospice, and what in turn engenders much of the outrage that gives Safe-Sex campaigns their indisputable power. I don't think it would hurt to acknowledge the needless deaths from Aids while still making the point that the pattern of mortality contradicts some fund-raising tactics. Gupta goes to great lengths to avoid the taint of homophobia or racism, yet at the same time he discounts the experiences of those who come into direct contact with Aids. "The narrow and ignorant always cling to 'personal experience' by which of course they mean a reflection of their own selective prejudices." It'll be hard for someone who has watched a loved one waste away from Aids to see his grief as "narrow and ignorant" or to see his dedication to fighting the condition as a matter of "selective prejudice." Yet these are the foot-soldiers of the Aids service industry, the people whose personal testimony is so powerful a tool for raising funds. You need to enlist such people in your cause, not drive them away.

From a reading of the AIDS article a casual reader could be forgiven for mistaking *Analysis* for a neo-conservative publication engaging in the favorite blood-sport of the day - liberal-bashing. Perhaps one reason lies in the fact that you lay waste to the liberal impulse without offering much in its place.

John McQuaid, Philadelphia, Penns.

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Radicalism and the Origins of the Vietnamese Revolution
Harvard UP. 1992



In France and in the US, a surprising amount of scholarship has been dedicated to reconstructing the history of the movement against French rule in Vietnam, though sadly not in Britain. Given that a compehensive account is still not available in English, Professor Tai's contribution is more than welcome. We tend to read history backwards. As the author explains, "the process through which Marxism-Leninism triumphed over radicalism, after it had brought so many young Vietnamese into the revolutionary cause, remains obscure," especially since "this triumph can be attributed to a peculiar conjunction of international trends and domestic problems." Professor Tai's book sets out to challenge the assumption so prevalent in earlier works which compressed the history of the Vietnamese revolution into the history of Communism. In her quest she marshalls an impressive range of material - much of it unknown in the West - perhaps not difficult given the impressive range of ideas which influenced Vietnamese radicalism. Disgruntled Confusionism, the French Enlightenment, Social Darwinism and Anarchism all gave Vietnamese anti-colonialism its distinctive features, in what Gabriel Kolko called "a cacophony of ideas". However, in its formative years Vietnamese radicalism remained very much an "elitist affair."

Anti-colonialism only sank popular roots after disturbances provoked by the French authorities in their attempt to prevent the Vietnamese from publicly mourning the death of nationalist figure Phan Chu Trinh. The ban led to a series of student strikes which soon gained support from the women's movement. They marked a turning point in Vietnamese nationalism. The youth movement initiated a mass exodus towards Europe in an effort to acquire the cultural experiences that would regenerate their country. As Ta Thu Thau, a student leader who later became a prominent Trotskyist, put it "we students must amass and conquer the education that they deny us in our country."*

However, Tai argues that it was by no means inevitable that the student movement's ideas would lead them to Marxism. The difficulties of engaging in anti-colonial activities under conditions of severe repression favoured a more militant and disciplined political approach, particularly in Tonkin and Annam. By the 1930s the two major anti-colonial organizations, the Thanh Nien and the VNQDD, had been smashed by the French security services. "At the beginning - Tai argues - the chief appeal of Socialism lay in the Leninist organizational doctrine, which directly addresses the quest for an effective movement of opposition to French rule; interest in the Marxist theory of history came later." Whether the triumph of this 'Marxism' to a Stalinist or a Trotskyist form was largely accidental: activists in Annam and Tonkin usually travelled to China, where the Comintern's apparatus directed them towards Ho Chi Minh and Stalinism; those from Cochin China, where French radical ideas were more influential and repression less severe, generally went to France. Given the French Communist Party's miserable anti-colonial record - the PCF has always boasted its patriotism - many nationalists turned to Trotskyism.

It is here that Tai is at her weakest. She claims that the doctrinal differences between Stalinists and Trotkyists were not wide, "the well publicised hostility between Trotskyist and Communists" - she argues - "had more to do with differences of organizational style and strategy than fundamental disagreements over theory." While it is true that both "were unanimous in their agreement on the primacy of the class struggle," such a view tends to trivialise the very real differences between both camps. The anti-colonial policy of Stalinism was dominated by its preoccupation with finding a relationship with the nationalist middle classes on the basis of purely liberal demands and forms of organization. While the Trotskyists were not opposed to working with middle class anti-colonialists, they argued that the backbone of the anti-colonial struggle were the peasantry and the working class. In addition, given that the middle classes were prone to wavering, and seeking a compromise with imperialism, anti-colonial movements could be disrupted by reliance on this class.

Tai's dismissal of the importance of ideological difference is disappointing. There are few people better equipped to deal with this period than Professor Tai for she turns out to be none other than the daughter of Ho Huu Tuong, leader of the Trotskyist *International Communist League* and whose unpublished memoirs she possesses. More detail from these, in place of the earnest disquisitions on feminism, at times amounting to substantial chapters, would have been greatly appreciated, though I suppose this is the price to be paid for any book on such a subject that has to find its way through American academe at present. **Al Richardson.**

* Ta Thu Thau was leader of *La Lutte*. He had studied in France during the 1920s where he had also been part of the Left Opposition. The other major Trotskyist organization before WWI was the *International Communist League* led by Ho Huu Tuong.

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