Theoretical Notes

by James O'Connor, Department of Economics, San Jose State College

SOCIAL PRODUCTION

Bourgeois economics uses theoretical categories based on individual behavior, reflecting individual (private) ownership of the means of production. Yet production itself is profoundly social in character. Two centuries ago, the vast majority of mankind lived in comparative isolation, and it was possible to calculate more or less accurately an individual's contribution to production. Today, few men live in societies unshrunken into the world market, the objects men use are made of materials drawn from dozens of countries, and no man would be "worth" the equivalent of 

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CONFRONTING THE AEA

Should URPE demand ten million dollars in reparations from the AEA for the brainwashing its members have received at the hands of the profession? This question and other possible actions will be considered at a general meeting of the URPE membership on Saturday evening, December 27 preceding the AEA convention in New York. If possible, the meeting will be held in the New York Hilton hotel. Contact the URPE suite in the Hilton (reserved in the name of Lawrence Tharp) for time and place of the meeting. Critiques of the official AEA papers one or two pages in length are in preparation. If you would like to assist in this effort, contact the URPE Cambridge office immediately.

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NEW ENGLAND REGIONAL CONFERENCE

The construction of an alternative paradigm arose as a dominant theme of the regional conference held at the MIT Student Center on November 1 and 2. In his critique of orthodox economics at the opening session Paul Sweezy considered the relative success of Marxism in providing this alternative. In Sweezy's view, Marxist research, because of its essentially critical view of society, has been denied adequate support not only in capitalist countries but also in the Soviet Union. In addition, Marxist scholars have been so involved in political actions that they have not had the respite necessary for scientific inquiry. Sweezy offered the Marxist analysis of imperialism as an example of a successful development which has occurred in spite of these limitations, one which stands out in contrast to the inability of neo-classical economics to offer any explanation of the growing gap between the rich and the poor nations.

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SOCIAL PRODUCTION
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Even a few dollars yearly were his labor not "mixed" or combined with the labor of millions of other men. Thus "gross national product" is not a measure of production at all, but rather of distribution—it measures that part of the world social product which is appropriated by one country.

As with production, so with needs; social production creates social needs. True, the individual decides what commodities to purchase, and in what quantities, but his decisions originate in his socially-determined needs. By way of illustration, nearly all workers in the U.S. require fast ground transportation, as a result of the increased separation of places of work, residence, and recreation. It would be impossible for society to reproduce itself in its given material condition were social needs not satisfied.

During the late 19th and 20th centuries actual social production has pressed hard upon bourgeois economics' basic theoretical categories—individual utility, etc. In place of a thorough revision of these categories, bourgeois economics has "tacked on" new so-called social categories. Examples of new categories invented to comprehend the fact of social production and social need are: social costs, social benefits, externalities, spill-over effects, wash effects, linkage effects, etc. That "social" categories are introduced merely to modify the basic analysis is reflected in the language of modern micro-economics: according to Bronfenbrenner, "In addition to the direct productivity of a skilled man's abilities, conceptualized in the economist's 'marginal productivity,' we should not overlook his indirect influences upon the productivity of others, and of non-human resources as well (emphasis added)." The foundations of microeconomics thus remain unaltered, and the "maximizing individual," individual commodity demand, individual marginal productivity, and private production still lie at the center of bourgeois economic theory.
NEW ENGLAND CONFERENCE (continued from page 1)

In commenting on Sweezy's remarks Sam Bowles expressed his view that neo-classical economics is to be rejected not only because it inadequately describes the world we live in, but because we wouldn't want to live in the world it imagines in any case. Thus Bowles considered traditional economics to present inappropriate models for the economic development of poorer nations regardless of whether such models could produce economic growth.

In the ensuing discussion Sweezy noted that since radical economists have largely been produced by the movement we have an obligation to the movement. He cautioned us not to see scientific research and movement activity as being antithetical. On the contrary, the left today does not have a good theoretical basis, and political economists can assist the movement greatly by attacking this problem.

In the afternoon Sam Bowles presented his approach to the history of social thought. According to Bowles, a new theory reflects the values of particular social classes. As conditions change, however, this same theory provides a basis for attacking the new order; when this occurs, the theory is purged. That portion which tends to validate the status quo is retained, while those elements of the theory which support a criticism of it are rejected. Bowles illustrated his ideas with the justification of property rights, Ricardian theory and utility theory.

Herb Gintis followed with a critique of contemporary welfare thought. In his view, the essential purpose of utility theory was to justify capitalist institutions. Arguing that supply and demand relations could as well be derived without reference to individual preference functions, Gintis went on to attack the validity of individual utility theory. Gintis rejected the traditional welfare assumption that people are happier when they consume more, arguing that tastes change in the process of consuming any bundle of commodities.

In the following discussion Sweezy emphasized the need for each of us to carry our thinking beyond a critique of orthodox economics. We must all pass through a stage of ridding ourselves of the brainwashing we have received in graduate schools, but new theoretical research must free itself from the framework of traditional economics to construct the convincing alternative which is essential to the success of any radical movement. (For more on the construction of alternative paradigms, consult Thomas S. Kuhn, The Structure of Scientific Revolutions available in a paperback edition from the University of Chicago Press.)

At another seminar Arthur MacEwan chaired a discussion on imperialism with Harry Magdoff, Michael Tanzer, Stephen Hymer, Stephen Resnick and David Schecter as the discussants. MacEwan's background notes on imperialism are included in this Newsletter.
Sunday morning the following seminars were held

American Capitalism and Personal Income Distribution
   Carl Gotsch and Stephen Michelson

Economic Growth and Personal Income Distribution
   Rich Weiskopf and David Barkin

Capitalism and Racism
   Mike Reich

Economics for Labor and Community Action
   Elliott Sclar and Les Boden

Inflation and the Working Class
   Jay Mandle

Multinational Corporations
   Stephen Hymer and Stephen Resnick

International Oil Exploitation
   Michael Tanzer

Research on Imperialism for the Movement
   Danny Schecter

Teaching Radical Social Science
   Ralph Pochoda and Jim Weaver

At the business meeting Dick Thoreson announced that the con-
ference had been a financial success, and that the URPE
 treasury contained about $2,000 after payment of the expenses
of the summer conference. A discussion of the URPE Review
indicated that one of the greatest needs of the organization
was for good writing involving a radical analysis. A second
was for URPE members to undertake their own activities (and,
report them to the Newsletter so that others may share the ex-
perience). What we need are not more ideas but more people
willing to do something. As examples of projects underway, a
Western New England group of URPE has been formed and is meeting
every two weeks. Persons in the area should contact Bob Hinckley
at the University of Massachusetts. Bill Tabb of the University
of Connecticut at Storrs is organizing a group of traveling
seminars to be presented at various campuses in his state.
Paddy Quick of Harvard is organizing the collection of abstracts
of radical economic articles for publication in the Newsletter.
Similarly, Tom Weisskopf is collecting abstracts of research
in progress. Persons wishing to assist or to supply information
may contact them through the Cambridge office.

About 175 persons registered for the conference and still more
were in attendance. Although many of these were from the
Cambridge area, others arrived from New York, Pennsylvania, and
Washington, D.C. By any criterion the conference was an over-
whelming success. The high quality of the papers and the dis-
cussion showed that URPE has come a long way in just a year.
In his opening remarks, however, Dick Thoreson reminded us that
building a sense of community is a sine qua non of any radical
movement. The discussions, the "unstructured get-together"
Saturday evening, and the personal contacts between sessions
gave evidence to a URPE community alive and well in New England.
The following notes were prepared by Arthur MacEwan of Harvard University for the Imperialism seminar held at the New England regional conference. They are reproduced here for use in other seminars and in the hope of stimulating discussion and research on this critical subject.

IMPERIALISM

The imperialist policies of the United States throughout the world have always been a focus of analysis for radical economists. Our argument has led us to the following general conclusions:

1. The international economic integration of capitalism is a necessary, or at least a natural, part of the development of the system. Businesses in the dominant capitalist nation will continually seek profitable business opportunities throughout the world (new markets, cheap labor, raw materials).

2. The increasing rate of internationalization of the capitalist economy in the post-World War II period is explained by some of us as a result of increasing difficulties in the domestic economy -- e.g., investment is pushed abroad because of surplus absorption difficulties. Others of us would argue that the rise does not represent a qualitative change in the nature of the system but simply a speed-up of the process of capitalist integration. Regardless of such differences, we would agree that the post-World War II trends make an analysis of imperialism a central element of any radical critique of the U.S. economy.

3. The economic penetration of poor countries by business interests based in the capitalist metropolis has detrimental effects upon economic and political progress in those countries. These detrimental effects are manifested in several ways, for example:

   a) through imposing a world market system which tends to operate against the interests of the primary producing, labor abundant, economies;

   b) through economically and politically strengthening the power of reactionary elites (including counter-insurgency work);

   c) through distorting the structure of the economy towards the foreign sector and towards production for luxury consumption;

   d) through the general exploitation of the economy, especially of natural resource sectors, by using variously power and political pressure (the latter
e) through the social and economic preemption of the development of a dynamic industrial bourgeoisie.

4. International political operations of the U.S. government are best understood when viewed as efforts to preserve and protect the needs of U.S. business in its international operations. Obviously, not all international political operations can be seen as direct or "rational" outgrowths of economic needs; the role of the ideology of anti-communism, for example, is often important. But that ideology itself is best understood as serving the international needs of big business.

5. The general policy of the U.S. government is to use whatever means necessary to protect U.S. business interests. Diplomatic intervention, economic and political advisors, the leverage of "aid," the CIA, and military intervention are all tools of that policy. The willingness of the U.S. government to use military intervention has resulted in few major operations, primarily because the other side was so weak. (Cuba, where the other side was so strong, is the exception.) While the system continues to operate, more interventions are bound to occur, and other wars like Vietnam are more than likely.

These are the bones of our conclusions. However, our research is sparse on all fronts. We often rely on the writings of an earlier period as a basis for our analysis and isolated horror stories for our facts. Thus our approach is often questioned by those who cite "important recent developments" which we are challenged to explain. Some of the items cited are:

1. There has been the rise of the multinational corporation. It is argued that the multinational corporation rationalizes the system, eliminating the ethnocentric orientation of business which existed in an earlier era. The interests of these corporations, it is argued, coincide with those of the developing countries.

2. Several poor countries have undergone significant industrial growth while under what we call imperialist domination. Brazil and Mexico are examples given. Thus the argument that imperialism prevents development through industrialization is challenged.

3. Similarly, some poor countries have undertaken agricultural programs which are reaping considerable success. The output of wheat and rice in West Pakistan, for example, has risen as a result of the introduction of new seed varieties.
4. The huge post-World War II defense budgets have led to the development of a military establishment which, it is asserted, has power and interests of its own. Many foreign policy decisions -- seemingly unwise military interventions, for example -- are best explained by Pentagonism rather than imperialism.

5. Recent seemingly right-oriented military juntas in Latin America have nationalized large American businesses (Peru and Bolivia). The Frei government in Chile recently nationalized the copper interests. Yet the U.S. government is reluctant to take any strong counter-measures. Two contentions result: first, that a new, good sense policy is developing which will keep us out of more blunders; second, that imperialism is not the threat we argue it is, if such dramatic events are allowed without retaliation.

6. Foreign investments of the U.S. in manufacturing, including manufacturing for sale in the poor countries themselves, are growing. Thus to conclude that imperialism hurts the poor countries, we cannot rely simply on arguments about "enclaves" and "extraction." Nor can we argue that foreign investment simply does not contribute to the growth of an industrial sector and the transformation of the labor force.

To varying degrees, these and other issues represent challenges to the radical imperialism thesis. I suggest that today we focus our discussion around these and other recent developments which may alter the nature of U.S. imperialism.
ECONOMICS AND THE INNER WORLD

Dan Leibsohn

Man's loss of psychic unity and his subsequent development into an outrageously unbalanced personality in Western society forms the theme of some extremely valuable articles by Walter Weisskopf. An economist at Roosevelt University in Chicago, Weisskopf attempts to explain the meaninglessness of contemporary life.

Human nature is, basically, dialectical. As each human becomes aware of himself (that is, gains consciousness of himself as being distinct from all others), he splits his experience of the world into antinomies, or opposites. Intellect and intuition, utility and expressiveness, and so on are some of these divisions. In turn, they set in motion man's eternal striving to gain unity once again, to create meaning out of a bifurcated existence.

This dialectic has become much less intense in Western culture. While every individual and all cultures have varying balances of these antinomies, "Western industrial society [is]
...suffering from a gigantic repression of important dimensions of human existence." 1

the inner world is repressed in favor of the external world; intuition and intuitive reason is repressed in favor of the analytical weighing, measuring intellect; expressive behavior is neglected in favor of purposive, utilitarian action; play is ignored at the expense of labor and work; activism directed towards the exploitation and control of the external world is preferred to a receptive, contemplative orientation towards nature and universe; conscious, deliberate, purposive (so-called rational) action is preferred to behavior that springs intuitively from the unconscious. 2

This irrationality of our rationality can be traced to the productive apparatus. We stress efficiency and the achievement of full employment of resources in order to increase constantly our standard of living. We repress potential experience that might interfere with this process. And we measure our progress in statistical, linear terms. The goal is economic growth ("more is better"), but there is no measure of its capacity to fulfill real needs nor of its destructive costs. There is no balance.

What are the conclusions to be drawn from these articles? 3 For one thing, we must begin to make our explanations of capitalism (actually, all of centralized, bureaucratized, industrialized society), bear directly on man. Man, and not institutions or political processes, must become the focus of our study and energy. In other words, to develop any criticism of what exists and to outline any changes, we must show how these structures affect people. What are the affects of economic growth (a political decision about economic institutions) on human interrelationships, the family, growth of neurosis, and the like? How have tax incentives to get married and buy a home, coupled with VA, FHA and highway subsidies affected the family and work roles, and influenced child rearing? Why do people like power? These questions cannot be answered by assuming a rational,
The National Conference in August revealed the necessity of a greater understanding of Marxism, if for no other reason than to facilitate discussion among members of URPE. The following talk given by Dave Levy of Yale University a year ago remains very much to the point. A Marxist reading list drawn up at the summer conference follows.

MARXISM

I'd like to introduce myself as the house Marxist at Yale. I recommend that position to almost anyone: it's really wonderful. I want to give you some of the reasons why, after a quite standard Harvard neoclassical training, I came to believe that, with Marxism always as the fundamental presupposition of my work, I could get a handle upon the structure and process of American society at this particular time.

Now Marxists at the present time suffer on the one hand from a severe disadvantage and on the other hand from great hope. The disadvantage is that the stagnation and deformation of Marxism which extended from the late 1920's into the 1960's meant that all of us who learned our economics in graduate school learned it from professors who had been trained in a period in which Marxism could not be considered fairly or comprehensively, for Marxism is not just a science, it is a world revolutionary movement. And insofar as you learned your Marxism in the period of the cold war what you learned was terribly deformed and misrepresented. I experienced this myself many times with the faculty at Harvard. When I got into discussions about Marxism with them I realized that they had read a tiny part of the Marxist corpus, perhaps the Communist Manifesto, but very little else. Although they had absorbed most of the anti-Marxist literature, they had never studied Marx seriously and had never given him a chance to speak for himself. Certainly they had never attempted reading Kapital, an absolute necessity for which there is no substitute.

Now the hope is the revival of Marxism as a moving, continuing, and developing body of thought. That revival has only recently hit the United States. It began in the last ten years in Eastern and Western Europe. I refer to such brilliant Western European Marxists as Bettelheim and Mandel, and to the flowering of Marxist thought in many countries of Eastern Europe. This wave is just starting to reach us. Many students are becoming interested in Marxism, but we Americans suffer from a severe ethnocentrism. The Anglo-Saxon empiricist tradition in philosophy and economics has kept us prisoner for a long time, and our own linguistic inability has prevented us from finding out what the alternatives were. But finally that's all changing. My own teaching experience at Yale reveals that there are veritable hoards of undergraduates interested in learning Marx, many of whom can read foreign languages. And this I consider a new era.

Now Marxism is not an economic theory. Marxism is philosophically and methodologically opposed to the concept of economics as a formal universal discipline saying something about all
economic systems in the traditional terms of the allocation of scarce resources to competing ends. That kind of formal definition of economics is in the Marxist view an ideological disguise for eternizing the relations which are particular to the capitalist economy. That is, by taking the structure of production and the social relations under capitalism and extending them to formal concepts like capital and labor, land, and the other factors of production, the relations of production under capitalism are made universal and eternal, and all historical specificity of particular periods is lost. So the first point is that Marxism is not an economic theory; it is not a branch or a type of economic analysis. You cannot simply pose Marxism against neo-classical analysis. They are not at the same level, they are not doing the same thing.

The second important point is that Marxism is not simply a body of thought, it is a unity of theory and practice; it is a revolutionary movement. You cannot be an armchair Marxist; some have tried, but it makes no sense whatever. A Marxist is unavoidably a revolutionary, or his Marxism will invariably be deformed by the absence of revolutionary practice. So you cannot make someone a revolutionary or a radical by convincing him of the validity of Marxism. I don't think anyone has ever developed that way. What has happened is that people have become political radicals and then have learned the value of a particular body of theory as a tool in their radicalism. And that's the way I think most people come to Marxism.

Marxism is an attempt to grasp the totality of a society; that is, it deals not only with economics, but with politics, ideology, culture, with all the branches of social relations. But it doesn't attempt to grasp that totality in an empirical fashion. That is, it doesn't simply say well there's an economy and there's political structure and there's a body of ideology and so on, and let's look at them in their visible character. Marxism starts out with a fundamental presupposition which is verified or not verified only by the course of history itself: that the production of man's material existence determines, in the last instance (the fundamental phrase of Marxism), the whole structure of social relations and thought. Now that doesn't mean that everything else is a reflection of the economy; that would be economic determinism. What it means is that the interaction of the parts of the society, corresponds to the basic structure of production. Thus you have not simply an idea that society is a totality (an idea which is common to much of the social sciences, as in Talcott Parsons, Durkheim, and many non-Marxists), but a particular conception of the way that totality is structured, and one which provides a methodological principle for doing research.

Now naturally that means all concepts which are used in Marxism, both at the economic and political level, are historical concepts. That is, they are concepts which are limited to particular historical periods; they are not universal formal concepts. They are abstract, and yet at the same time they are historically limited, just as the systems of production which they attempt to grasp are historically limited. The fact that capitalism is not eternal, but has a beginning and an end, is reflected in the fact that those concepts which are appropriate
for understanding capitalism cannot simply be picked up and transferred to pre-capitalistic economies. And economic anthropology (which is, by the way, one of the most interesting and vital areas of social science) is slowly learning the lesson that distinct concepts have to be created for the understanding of primitive economies. You simply cannot pick up concepts like capital, labor and land, transfer them, and get any meaningful results.

Another fundamental presuppositions of Marxism, one which is of particular concern to economists, is the distinction between that which is social and that which is technical. The distinction that Marx makes in Kapital between use value and exchange value is one version of this. Of course, there are certain technical characteristics of production which are true whenever man interacts with nature. These are laws not of economics, but of physics and chemistry, that is, the laws of material production. A production function is not part of the science of economics. A production function is simply a technical relationship between inputs and outputs. In the Maxian view, a production function has nothing to do with the economy as such. Even though it is at the center of much of bourgeois economics, it is not part of the social science of economics. In the same way, concepts like marginal productivity, contribution to physical output, and others derived from that production function are also not part of the understanding of the economy, but of technology. The fundamental basis of Marxism points at the real weakness of bourgeois economics, which is its inability to distinguish between what is technological and what is social.

If those things are not about the economy, what is the economy about? The economy is about the social relations between men, as they engage in the act of production, the social relations man enter into with one another to produce their material subsistence. And this conception of the economy introduces all of the fundamental Marxian concepts—the relations of production, forces of production, mode of production, and so on.

Take capital for an example. The traditional economist uses capital in the sense of produced means of production, but in the Marxian view that concept is an ideological distortion. Man embodies his labor in tools to increase the efficiency of production and in human capital for the same reason. Thus, the labor theory of value does not deny the role of capital in production. How could Marx deny that? The point is that the traditional concept of capital tells you nothing about the nature of the social relations into which man enters; it doesn't tell you whether the means of production are owned by the workers themselves, or whether they are someone else's property. It doesn't tell you who owns the product or who has a right to the surplus product.

Nothing of this sort can possibly be derived from bourgeois economics, that is why I would be willing to say that neoclassical economics is completely incapable of providing any kind of knowledge which could be of use to a radical in making a revolution.
That doesn't mean that neo-classical economics is totally useless. When you get to the end of your education in neo-classical economics you realize that neo-classical economics is nothing but a branch of applied mathematics, in which certain mathematical entities have been given names which relate to the economy—x is called capital input, y is called labor input, and so on. In terms of empiricist methodology, it is a formalism that has been interpreted to refer to the functioning of the economy. But it really is nothing more than a mathematical formalism, a formal theory of choice under conditions of constraint. Now it turns out that such a formalism is very useful if you are planning a socialist economy, not because it tells you anything about the economy as such, but simply because it reflects certain basic choices that have to be made in any economic system. But it is useful only when you have stripped away the interpretation based on the categories of bourgeois economics.

This is where people get so confused about categories like profit and interest in socialist economies. If you look, for example, at the work of Novozhilov, Kantorovich or of some of the Russians who use formalism you will find no incompatibility between that formalism and Marxist economics. How can there be a contradiction between a social theory and a mathematical formalism? There can only be a contradiction between Marxism and a particular ideological interpretation of that mathematical formalism which we call neo-classical economics.

I want to impress on you my strong feeling that anyone who takes himself seriously as a radical and who wishes to act as a radical, but has not acquainted himself with Marxism in a serious way to start doing that. Considering how much time you have spent as a student digesting those garbage cans you ought to invest a little in the reading of Marx. You're surprised how far you can get with a small expenditure of time, and I don't think that anyone who wants to be a radical can avoid doing that. You can come to your own conclusions as you read Marx. You may or may not be convinced. But anyone who has not made the effort really cannot be taken seriously.

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NATIONAL CONFERENCE

The following reports by Bob Hinckley and Stephen Michelson
present two views of the URPE National Conference held at
Charlevoix, Michigan from August 24 to 31. Bob's report is
that of an "outsider," while Stephen was a member of the National
Committee which planned the conference. Members of URPE who may
or may not have attended the conference are encouraged to send
comments on these reports to the National Committee, P. O. Box
287, Cambridge, Massachusetts 02138 to assist in the planning
of the National Conference next summer.

PERSONAL RECOLLECTION OF THE URPE CONFERENCE

Bob Hinckley
University of Massachusetts

The URPE Conference turned out to be quite successful,
for it enabled a lot of us to really get to know one another. I
believe this was the major accomplishment of the week and was
perhaps the most important thing which could have been achieved.
Those of us who attended left the Conference with a feeling of
unity which could not have been attained in any other way.
Because of this the Conference contributed importantly to the
strength and vitality of URPE.

With a few exceptions, I personally did not find the
schedule group discussions to be particularly useful as they
tended to be loosely organized, dominated by the more vocal
participants, and, for the most part, rather aimless. Some
sessions were enjoyable, but I thought few of them were especially
productive.

It seems to me that the Conference was quite limited in
two important aspects. First, it did not fulfill the needs of
those people who were new to radical economics. There was no
organized basic critique of bourgeoisie economics and no organ-
ized discussion of the rudiments of radical thought. I believe
that some people who were new to both economics and radical
thinking left the Conference dissatisfied. Second, more time
and concern should have been given to considering the help URPE
and its members could give to the Movement. We should be in
positions both as individuals and as an organization to offer
support and analysis, and it would appear as if we have not been
especially fruitful in this respect. The Conference could have
provided the opportunity to pool our experience and knowledge in
order to generate ideas as to how we could be effective in
aiding the Movement.

To summarize my personal reactions, I arrived at the
Conference more or less as a skeptical outsider who expected
nothing and left with a warm feeling of friendship and unity.
To me, therefore, the Conference turned out to be quite success-
ful. The week in Michigan has made me hopeful that all of us
together can be effective in our struggle against the failures
of bourgeoisie economics and the sickness of capitalism. As
each of us does what he can, it is nice to know there are others
with us.
Instead of a descriptive report, I will make the following suggestions, defending them below by reference to the 1969 Conference.

1) There should be an annual conference, a good time being toward the end of summer vacation.

2) A week is too long. Three and a half days, with a preceding night for arriving, might be best.

3) It should not be held in such a remote place as Charlevoix, Michigan, but neither should it be held in an urban area with many distractions. Above all, it should be in a place with swimming and other athletic facilities.

4) The first day of such a conference should be devoted to description and use of radical economics -- an openly educational session for new URPE members, and for people who are not in active radical environments or have not had much experience in such environments.

5) Prepared papers would be given on the second day, not read, but presented, with equally informal comment, and then open discussion. These should be on substantive issues, and selected before the conference by the URPE steering committee.

6) The business meeting should be on the morning of the third day. The rest of the third day would consist of informal gatherings around topics -- such as curriculum, content of courses, and for those who want it, "What is Marxism?"

7) The morning of the fourth day can be reserved for discussing URPE strategy at the AEA convention, Newsletter and Review content, design, editorial policy, etc.

8) Recreation would be allotted each day, the 1:30 - 3:30 time having proved popular and, with a swim before lunch and late at night, sufficient.

It is the economist's manner -- both bourgeois and Marxist -- to classify before discussing. Two classifications of participants at the Camp Sea Gull Conference come quickly to mind: avowed Marxists, avowed non-Marxists (not, let me emphasize, anti-Marxists), and agnostics; people committed to URPE as an important organization, and agnostics on that issue. All six cells of this two-way classification have members, though I would judge the Marxists committed to URPE to be the smallest, and the agnostic-agnostics to be the largest. That being the case, too much time in the first few days was spent on arguments among avowed Marxists as to what was really Marxist method, who were the great neo-Marxists writing today (those of us who had not read all the best from one camp or another were scolded for our sins of omission), and how one could possibly claim to be a radical economist without being a Marxist.
URPE by its very existence must be dominated by people in areas where radical discussion has a presence. Such a presence in the air points up to the dissatisfied economist not just that the analysis in his field fails to explain the world around him, but why it fails, and in whose interest this failure works. The dissatisfied economist, student or instructor, talks with his fellow economist, and begins to formulate (or, by suggesting references to each other, begins to read about) concepts about allocation of resources which are not found in traditional texts. Such questions as how is "autonomous" government expenditure determined; why should investment decisions be made to maximize income, and indeed, whose income do they maximize; do "nations" trade to their mutual advantage (as in Bowley boxes), or do people (in fact, certain people, as defined by their ownership of the means of production) engage in trade, and if so, though the Bowley boxes show that both sets of people benefit, what can be said about the nations in general -- such questions as these are continually the focus of discussions in Cambridge, Ann Arbor, New York, the S.F. Bay area. It was people from these areas -- myself as much at fault as anyone -- who set up the conference as if all people who attended had also been in on such discussions.

Not only was this not true, but it should not be true. URPE's potential service is much greater to those people from Iowa, Toledo, Fort Worth, etc., where few other radicals -- fewer yet radical economists -- live within an hour's drive. People from institutions which are not centers of radical activity need to experience the self teaching and mutual discovery of the core of radical economics. The URPE conference can provide the setting, the rationale, and some leadership. The assumption of a background which possibly most of the participants did not have was one failure of the conference; but the greater failure was not to recognize and emphasize that the URPE conference is mostly for just those people it ignored, the agnostics in one or both categories.

Lastly, since not all attenders at an URPE conference will be committed to be active in URPE, specific activities and policies of the organization should be discussed when others have a chance to leave. There was some argument that you can't hold elections before discussing policy, but in fact the abstract discussions did not work and in more important fact, what happens during the year will always depend on the people in office. We did successfully elect a steering committee and Review editorial board in the middle of the week, and had a very interesting session on Saturday morning concerning their (and our) activities. The abstract discussion about "What is URPE?" achieved little, and will always achieve little. If you want URPE to go in a direction, nominate, speak for, and vote for, someone who is of like mind. URPE will survive if it services people -- providing them outlets for their ideas, feedback from others, and information about what can and should be done by radical economists. The annual conference could be a major vehicle for that service: getting us to know each other, talking with each other. More active and more radical politics will follow from a good conference without being an overt part of it. Perhaps we shall only know in New York in December whether this conference was a success.
Advanced industrial society has transformed the class struggle. Internationally, it has produced the system of imperialism dominated by the United States. Within America it has transformed the nature of work and therefore the nature of the working class. Although resorting increasingly to force, the long range tendency of its bourgeoisie has been to rely on ideological hegemony. Proletarian challenge to this hegemony calls for the deepest comprehension of the transformation of capitalism in our time. To help build the theoretical perspective prerequisite to the development of mass socialist consciousness is the purpose of Socialist Revolution.

Socialist Revolution will begin publication as a quarterly and will move to a bi-monthly schedule as quickly as material and money will allow. The price of the journal will be $1.00 and a subscription (4 issues) $3.50.

A POLITICAL ECONOMY ISSUE OF RADICAL AMERICA

Radical America is a journal with a present circulation of 4000. It speaks to the movement and tries to generate an American revolutionary theory through the examination of the tools of theoretical analysis developed both here and abroad and through an examination of the American experience. This issue will hopefully familiarize the readership of the journal with the concepts used by political economists and pose the key questions that the movement asks of political economy. Several examples of work along that line will then be presented.

The prospective contributor is solicited for all three of these sections and for an extended bibliographical essay which will round out the issue. He should not think of this as popularization. The readership of Radical America is sophisticated in dealing with the social sciences. What is needed is clarification of terms and questions, and also articles addressed to specific questions that the movement asks of those with special skills and knowledge in political economy.

Send all correspondence to Mike Meeroopol
C/O Radical America
1237 Spaight Street
Madison, Wisconsin 53703
AMERICAN CAPITALISM AND SOCIALIST ALTERNATIVES

I. The necessity of a political economics (1-2 weeks)

Lecture 1 - Science as the elaboration and empirical testing of a maintained theoretical structure; science: an evolutionary or revolutionary process?; a critique of the amoral scientists (positivist).

Lecture 2 - The special problems of a social science; the philosophical background and assumptions of liberal politics and neoclassical economics.

Lecture 3 - Social modification and control of the economy requires knowledge of the objectives and values that guide governmental policies for control; need for a theory of fiscal politics and a general economic theory of the state.

Recommended readings for lectures 1-3 (Note: the individual sections will decide which of these readings shall be required.

Arrow
Baran, Ch. 1 and 2 (pp. 22-31 only in Ch. 2)
Baran and Sweezy, Ch. 1
Downs, Ch. 1-7, 11 and 15.
Friedman, Capitalism and Freedom, Intro. and Ch. 1, 2, and 5.
Friedman, "The Methodology of Positive Economics," in Essays in Positive Economics
Hayek, Studies, Ch. 11 and 15-18
Keynes, Ch. 24.
Knight, Ch. 1, 5 and 7.
Kuhn, Ch. 1-3 and 9-13.
Lange, Ch. 1 in Political Economy
Lindbeck, "The Economics of the New Left - An Outsider's View"
Myrdal, preface to the English edition and Ch. 1, 2, 5 and 8.
Robinson, Economic Philosophy, Ch. 1, 3, 4 and 6.
Samuelson, Ch. 1-3, 8 and 9.
Sweezy, Intro. and Ch. 1 (pp. 11-22 only) and 13.
Weber, "Objectivity in Social Science and Social Policy," in The Methodology of the Social Sciences

II. A critique of American capitalism (5-6 weeks)

A. Class structure of America

Lecture 4 - The distribution of wealth in the American economy; the separation of ownership and control: fact or convenient fancy?

Lecture 5 - The nature of work in a capitalist society.

Lecture 6 - Structure of the U.S. labor force: who belongs to it?
Lecture 7 - The distribution of income in America; what has happened to real income per capita over time?

Lecture 8 - Future of the American economy: mainstream views.

Recommended readings for Lectures 4-8

Bain, selected chapters (SC)
Baran, SC
Baran and Sweezy, SC
Domhoff
Galbraith, Ch. 5 and other SC in the New Industrial State
Goode, Ch. 9-10.
Gorz
Heilbroner
Kelso, Intro., Ch. 1-8, 24-25 and 27
Kerr, SC
Kolko
Lundberg, Ch. 1 and 4-7
Marx, Capital, SC
Mason, Ch. 1 (pp. 1-19)
Soltow, SC

B. Economic policies of the state and a theory of their development

Lecture 9 - The uses and limitations of Keynesian economics; importance of the kinds of goods on which government spends as well as the magnitude of those expenditures.

Lecture 10 - The nature of the tax structure: how progressive is the federal income tax?

Lecture 11 - Critique of liberal reforms and their net effect on the distribution of wealth and income.

Recommended readings for Lectures 9-11

Arrow
Baran and Sweezy, SC
Downs, Ch. 1-7, 11 and 15
Friedman, Capitalism and Freedom, Ch. 2 and 5
Galbraith, The New Industrial State, SC
Goode, Ch. 9-10.
Kelso, Ch. 24-25 and 27
Keynes, Ch. 24 and other SC
Kolko, SC
Lange, Political Economy, SC
Lundberg, SC
Robinson, Economic Philosophy, Ch. 4 and 6
Robinson, An Essay on Marxian Economics
Samuelson, Ch. 8, 9 and 11-13
Soltow, SC
Sweezy, Ch. 13
C. Basic Contradictions in the American economy

Lecture 12 - Imperialism and militarism: issues in the debate

Lecture 13 - Alienation and the one-dimensionality of man: Galbraith, Marcuse, and Marx versus the Council of Economic Advisers.

Lecture 14 - Micro-rationality and macro-irrationality: the meaning and limitations of "economic efficiency."

Lecture 15 - Stability and the possibility of depression: the decisive issue in political economy.

Recommended readings for Lectures 12-15

Baran, SC
Baran and Sweezy, SC
Cook
Galbraith, Affluent Society, SC
Galbraith, The New Industrial State, SC
Gorz
Heilbroner
Kelso, Ch. 24-25 and 27
Kindleberger
Lenin, Imperialism
Lerner
Magdoff
Marcuse
O'Connor
Ogelsby
Samuelson, SC
Servan-Schreiber, SC
Steindl, SC

III. A vision of a socialist America

Lecture 16 - Integration into the world economy and an economics of ecology.

Lecture 17 - The nation of socialist man: prospects and historical realities.

Lecture 18 - The nature of the socialist economy and society: Prospects and historical realities.

Lecture 19 - The economist as a political human being.

Recommended readings for Lectures 16-19

Eastman
Engels
Guevera
Hayek, et.al, SC
Heilbroner
Lange, On the Economic Theory of Socialism
Lenin, State and Revolution
Mandel
Marx, Economic and Philosophical Manuscripts of 1844
Marx and Engels, Communist Manifesto
Marr's "The "Modern" Proletarian of the "Old" Revolution"
REFERENCES

Arrow, Social Choice and Individual Values
Bain, Industrial Organization
Baran, Political Economy of Growth
Baran and Sweezy, Monopoly Capital
Burns and Saul (ed.), Social Theory and Economic Change
Cook, Warfare State
Domhoff, Who Rules America?
Downs, An Economic Theory of Democracy
Eastman, Reflections on the Failure of Socialism
Engels, Socialism: Utopian and Scientific
Friedman, Capitalism and Freedom
Friedman, Essays in Positive Economics
Galbraith, Affluent Society
Galbraith, New Industrial State
Goode, The Individual Income Tax
Gorz, Strategy for Labor
Guevara, Notes on Man and Socialism in Cuba
Hayek, Studies in Philosophy, Politics, and Economics
Hayek, et al., Collectivist Economic Planning
Heilbroner, The Limits of American Capitalism
Kelso and Hetter, Two Factor Theory: The Economics of Reality
Kerr, Labor and Management in Industrial Society
Keynes, The General Theory
Kindleberger, American Business Abroad
Knight, On the History and Method of Economics
Kolko, Wealth and Power in America
Kuhn, The Structure of Scientific Revolutions
Lange, On the Economic Theory of Socialism
Lange, Political Economy
Lenin, Imperialism
Lenin, State and Revolution
Lerner, Everybody's Business
Lundberg, The Rich and the Super-rich
Magdoff, Age of Imperialism
Mandel, Marxist Economic Theory
Marcuse, One Dimensional Man
Marx, Capital, Vol. I
Marx, Economic and Philosophic Manuscripts of 1844
Marx and Engels, Communist Manifesto
Mason (ed.), The Corporation in Modern Society
Myrdal, Political Elements in the Development of Economic Theory
O'Connor, Radical Education Project Pamphlet
Ogelsby, Containment and Change
Robinson, Economic Philosophy
Robinson, An Essay in Marxian Economics
Samuelson, Economics
Servan-Schreiber, The American Challenge
Soltow (ed.), Six Papers on the Size Distribution of Wealth and Income
Steindl, Maturity and Stagnation in American Capitalism
Sweezy, Theory of Capitalist Development
Trotsky, The Living Thoughts of Karl Marx
Weber, The Methodology of the Social Sciences
Wright (ed.), The First Five Years of the Communist International.
NATIONAL COMMITTEE MEETING

The five members of the National Committee present at the New England Conference convened a meeting on Saturday afternoon, November 1. Since Jim Weaver carried the proxy votes of Larry Sawers and Howard Wachtel, a quorum was present, although all financial decisions taken were to be subject to the approval of other National Committee members. The meeting, as all National Committee meetings, was open to anyone who wished to attend.

To assist him in the efficient operation of the Cambridge office, Elliott Sclar was authorized to hire a part-time secretary for a period of six months, for which a maximum of $2,000 was allocated. An advertising rate for the Newsletter of $30 per page was set for institutions; advertisements for members of URPE and movement organizations are to remain free of charge. Since an insufficient number of high quality articles had been received for the URPE Review, a proposal was approved to publish articles as occasional papers until such time as a sufficient number of acceptable articles is received.

The Cambridge office was given responsibility for writing a one or two-page brochure describing the purpose and activities of URPE for distribution at the AEA convention and for national recruiting. The contents of the brochure is to be subject to the approval of the entire National Committee. In addition, Cambridge is to prepare a more extensive packet of materials describing URPE and the state of radical economics. Jim Weaver's paper prepared for the Southern Economic Association's convention is to be included, if appropriate, as would be other materials, such as representative reading lists of radical economic courses.

Dues notices are to be sent to all members of URPE. Since records have not been kept of the dates of payments of dues, all memberships will be considered to expire on December 1. In the future records will be kept of the date of payment of dues and membership will expire one year from that date.

Participation of URPE in various movement activities was also discussed. Arthur MacEwan argued that URPE should work closely with NUC. Since this matter concerns the activities of all members of URPE, rather than any action by the National Committee, MacEwan agreed to write an editorial to appear in the next issue of the Newsletter presenting his views. Participation of URPE members in the March on Washington and the conference on U.S. Imperialism and the Pacific Rim being held in Washington November 13 and 14 was also discussed.

The possibility of setting up a women's caucus within URPE to stimulate research and action relating to women in the profession was considered. While the members of the National Committee approved of this step, the men on the committee felt they should not be responsible for establishing such a caucus and that the situation called for endogenous leadership. Women in URPE interested in establishing such a caucus should contact
Lourdes Sürkin, 240 West 102nd Street, New York, N. Y. 10025. Future issues of the Newsletter will also contain a "women's news" section; contributions and information about women's liberation activities should be sent directly to Lourdes.

Finally, preparations for the AEA convention were discussed.

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**Staff Notes**

As a result of the decentralization of the national secretariat, decided upon at the URPE summer conference, this issue of the Newsletter has been edited in New York, in particular at Columbia University. In the future, contributions to the Newsletter may be sent directly to the staff:

c/o Lawrence Tharp
713 Hamilton Hall
Columbia University
New York, N. Y. 10027

Undoubtedly inspired by his experience at the national conference, James O'Connor of San Jose State College has offered to write a regular column for the Newsletter entitled "Theoretical Notes," with the first contribution appearing in this issue. Others who may wish to write short articles are encouraged to submit them to the Newsletter. New items, analyses prepared for Moratorium activities, book reviews, course reading lists, cartoons or artwork, or other materials of general interest are always welcomed. If nothing else, write to tell us what you are doing. You may give someone an idea!

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**WANTED: ASSISTANT/ASSOCIATE PROFESSORS**

The economics department of the State University of New York at Geneseo is seeking three or four faculty for next year in the following areas: quantitative methods including statistics, labor, industrial, welfare, urban, international trade and growth theory. We are a teaching oriented department with a particular emphasis on using economics to study social problems and innovation in instruction. We are now made up of six faculty who are all under thirty, at least in spirit. Students participate fully in all of the decisions of the department and have an independent budget for their programs. We are currently recruiting at the Assistant and Associate Professor levels and will pay AAUP-A salaries for persons holding the Ph.D. degree. Interested persons contact:

David A. Martin
Professor of Economics
State University of New York
Geneseo, New York 14454