

Continental Vietnam

***Monopoly Capital.* Paul Baran and Paul Sweezy. Monthly Review Press, 1966. 402 pp. \$8.75.**

One of the more startling items of recent news was that dark confusion about the war in Vietnam has subverted even the lily-white Daughters of the American Revolution. Rarely among the first to cavil at war efforts, the good ladies at their April convention nevertheless passed a resolution opposing any further commitment of troops to Vietnam "unless the aims and goals of the Administration's strategy are fully explained." But who is going to do the explaining? Leaving aside the Administration, which has shown itself singularly untalented at this art, only the teach-in movement has even made an attempt, feeble as it is, to find out what this war is for. Here are only three examples of recent efforts:

At a mass meeting of antiwar people in Boston, Harvard historian H. Stuart Hughes told the audience that the war in Vietnam was "a mistake" in American foreign policy, an "error" that needs to be pointed out with sufficient forcefulness so that the President can "correct" it.

Professor J. K. Galbraith, and Hans Morgenthau before him, said that American policy is the result of "bad advice," and that if only the "bad advisors" could be replaced, we would soon see a change.

At gigantic teach-ins not so long ago, such widely different individuals as Norman Mailer and Staughton Lynd could be heard proclaiming that the war in Vietnam is proof of Lyndon Johnson's insanity.

Additional examples of this sort of "explanation" of the war must be familiar to everyone. People who would not stoop to explaining the American Revolution as a reaction to King George's idiocy, or Truman's decision to drop the atomic bomb as the product of "bad advice," suddenly revert, when confronted with the Vietnam war, to an almost illiterate level of historical analysis. Perhaps this picture is exaggerated, and perhaps it is too early to expect a deeper understanding of so recent an event. Still, at nearly every meeting where the war is debated, there is some intelligent and sincere

person who pops the embarrassing question: "Well, if we're not in Vietnam to defend the people's freedom, tell me -- why *are* we there?" It would be a big step forward if one knew how to reply with something more than a few mumbled phrases about "bad advice," a shrug of the shoulders, and an honest confession of ignorance.

Monopoly Capital, the new book by the Marxist theorists Paul Baran and Paul Sweezy, was designed to answer a similarly embarrassing question. It was put by Robert Kennedy in 1962 to an Indonesian student who had described the United States as a system of monopoly capitalism. "What do you mean by that phrase?" asked Kennedy; and nobody in the audience knew.

Baran and Sweezy begin by noting that Kennedy had legitimate reason to gloat over the anecdote. While no one reasonably expected a thorough treatment of what is meant by "monopoly capitalism" from the compartmentalized and overspecialized world of American universities, one would expect socialist theorists to have some sort of comprehensive answer. Unfortunately, as Baran and Sweezy point out, for the last twenty years Marxist social science has been pursuing the big truths about the social order with notable lack of results. The depression of the thirties fit admirably into the Marxist theory, but the ensuing postwar prosperity has left Marxism in a state of "stagnation ... lagging vitality and fruitfulness." The authors argue cogently in this book that if Marxist ideology is not to be altogether discredited, its analytical underpinnings must root themselves more firmly in American history since 1940.

One could say the same thing about any other ideology that attempts to explain the big problems of the contemporary world. Probably one of the fundamental reasons why the "New Left" in the United States appears so distrustful of ideologies in general is that none of the available ideologies has been able to predict or to understand the war in Vietnam, none has dealt systematically enough with the question of imperialism, and none has achieved more than a rudimentary analysis of the modern American economic and power structure. Baran and Sweezy set out to fill the gap, at least in a preliminary way.

The most important problem of the American economy, they write, is its embarrassing wealth. The giant corporations that dominate the scene produce, as open or hidden profits, a vast surplus of capital (money). How to invest this surplus, estimated by the authors to consist of more than one half

of the Gross National Product, is for the corporations as well as for the economy generally a question of life and death. Unlike the ancient kings, the corporations cannot stash their surplus capital away in their coffers for a rainy day, because uninvested capital falls victim to inflation and taxes, yields no profit, and will therefore cease to be produced. In contrast to a socialist system, the corporations cannot plow their surplus capital into large-scale social welfare expenditures, for such expenditures are not profitable and given the present political structure are not possible. But if the surplus is not invested in some profitable way or other, the corporations must cut back their operations: factories become idle, unemployment rises, demand lags, and the economy spirals into another depression. Absorption (profitable investment) of the surplus is therefore the key economic problem.

The authors' discussion of the various ways in which surplus is absorbed domestically (research and development, advertising, waste, civilian government spending) have little to do with foreign policy and need not concern us here. More important are the surplus outlets represented by foreign investment and by military spending. The former, the authors argue, is a minor factor; but military expenditure is by far and away the most important single outlet for surplus capital in the American system. Had it not been for the economic stimulus of World War II, there would probably have been no meaningful recovery from the Great Depression. War spending accomplished the economic boost that welfare spending had failed to provide. This historic circumstance has since 1945 become the sustaining principle of the economy. Permanent mobilization for war has become an economic necessity for the survival of the American capitalist system.

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Turning then to the international scene, the authors ask whether the huge military establishment is necessary for any other reason. Their answer is both no and yes. On the one hand, the notion that the military is needed as a deterrent against potential Soviet aggression is exposed by the authors as a myth in which not even serious American statesmen believe. But on the other hand, and this is perhaps the most important thing the authors say on the subject of foreign policy (to which they devote unfortunately only one out of eleven chapters), the American military apparatus is needed as an occupation force to maintain the status quo in the "free world," more properly known as the American empire.

The idea that America has an empire is not new, Baran and Sweezy point out. The ambition of empire was present even before independence, and the fact followed soon after, as the Monroe Doctrine testifies. Now, however, because the U.S. has inherited for a variety of reasons a great many fragments of the old colonial empires and integrated them into its own "neo-colonial" system, maintenance of the present empire requires a huge military force. The political expression of America's postwar imperial policy is the Cold War with its thinly veiled goal of destroying wherever it appears. The economic basis of this policy can be found, according to Baran and Sweezy, in the needs of the giant corporations. Big business could tolerate socialism abroad if trade and commerce were the only needs; socialist nations can be and are good markets for capitalist products. But the corporations need more than markets, they need monopolistic control over foreign sources of raw materials, labor, and capital. That is why American policy has been hostile to Cuba; not because a socialist Cuba would not buy American products, but because a socialist Cuba refuses to do business with American corporations on their terms. The corporations need a system of client states, such as all the countries of Latin America (except Cuba) and many other nations of the world (Baran and Sweezy list them) have become. These nations, in the grip of American control and service to the demands of Big Business, make up the American empire. Baran and Sweezy provide an analysis of one of the biggest of the giants, Standard Oil of New Jersey, to illustrate the dynamics of the process.

Unfortunately for this theory, which has a familiar ring, not one of Standard Oil's 54 tentacles (as listed in the book) have a grip on South Vietnam, nor on any other country of Southeast Asia. Neither did any of the other corporate giants possess more than negligible investments in South Vietnam until this year. Diem, after all the bad things that have been said about him, was distrustful of modern industry. He laid a barrage of red tape in the path of any investor foolish enough to try to establish a foothold there. Not until General Khanh's short-lived reign was the first Vietnamese stock exchange opened in Saigon. Total foreign investments in South Vietnam have until quite recently been entirely trivial. Nor does the country contain important deposits of raw materials for the sake of which an ambitious corporation might urge the American government to make war. There are no investments to protect, no tin, or copper to grab: Why then should a corporation like Jersey Standard display the least interest in Vietnam?

Vietnam is not Cuba, and one wishes that Baran and Sweezy had discussed the former more extensively than they do. As their analysis stands, the only lesson one can draw about Vietnam from the book is a modified version of the old domino theory, which has nothing to do with economics:

For the United States to defend its empire today means to fight socialism, not only in the empire, but wherever it exists; for socialism is by its very nature an international movement which gains strength everywhere from a success anywhere.

One easily recognizes here the official logic of the Vietnam counterinsurgency experts, only in reverse. The experts fear, while Baran and Sweezy hope, that a victory for the National Liberation Front in South Vietnam will give a gigantic boost to similar liberation movements throughout the world, thus confronting the American empire with so many insurgencies at once that it will collapse. It is this logic (based on the absence of investments in Vietnam) that has given rise to the phrase that Vietnam is an "exemplary war," a war fought not for material interests but as a pedagogical demonstration of the impossibility of revolutions. Because socialism is an international movement, the American planners say, an American victory in Vietnam will demonstrate once and for all to the other revolutionaries that their task is hopeless; conversely an American defeat would demonstrate that the American empire cannot be maintained anywhere.

It is unfortunate that this quaint theory, based on the assumption that power struggles follow the rules of geometric proof, has found its way into this otherwise unsentimental book. A victory for the NLF will no doubt make the Guatemalan guerrillas feel good, and will deepen the frown on the U.S. ambassador's face for awhile, but will in no way alter the relationship of forces between them. As co-editor of the unaffiliated socialist periodical *Monthly Review*, which has given extensive coverage to the Cuban situation, Sweezy should be aware that one revolution does not spawn others everywhere like a chain reaction. If anything, the Cuban revolution has warned American policy-makers to tighten their controls elsewhere, thus decreasing the chance of further revolutions, at least for the present. Perhaps in the long, long run, the domino or reverse-domino theory will be an apt metaphor, but it is hardly an adequate description of contemporary reality (and should it ever hold true, it is more likely to apply to successive uprisings against successive tightenings of American controls, rather than to a

spontaneous chain reaction to an "exemplary war"). To assume that the war in Vietnam is being fought for such a flimsy reason is to impute to American strategists a degree of irresponsibility and naivete that not even Norman Mailer would grant them. Of course American interests are hostile to socialist revolutions everywhere, but to assume that the U.S. would launch a major invasion and risk world war only to put down a revolution for the principle of the thing seems unrealistic.

There is then, in *Monopoly Capital*, an outline of the political economy of that part of American foreign policy which serves to protect established investments abroad, but there is little more than rhetoric to shed light on the case of Vietnam. Yet the various American interventions that can be classified as investment-protective (Guatemala 1954, Bay of Pigs, Dominican Republic, etc.) have been little more than minor skirmishes compared to the war in Vietnam and the Korean war (another war without previous investments). It does Baran and Sweezy little good to cite example after example of American imperialism from Latin America. Since 1945, practically nothing except a revolution on one small island has changed in Latin America compared to the scale of change in Asia: 1949, China; 1951, Korea; 1954, Indochina; 1960, Vietnam. While Latin America has been nearly stagnant, the world has been shaking in Asia. There, in Asia, is the real face of American imperial policy in the post-war period; there is where the major American interventions have been; and there we do not find the familiar figure of the U.S. ambassador telephoning for the Marines to put down a strike at the United Fruit plantation.

If one were to write about the strategy (quite apart from the political economy) or American imperialism today, one would have to begin not with the breakup of the wartime Soviet-American alliance in Europe and the beginning of the Cold War, but with an analysis of American war aims in the Pacific during World War II. What motives underlay the American drive on Japan? What role did Japan's refusal to open the door to China to the U.S. play in those motives? Were the goals of American strategy fulfilled with Japan's surrender, or was a larger ambition left frustrated? What were the aims of the American intervention in the Chinese civil war on the side of Chiang Kai Shek? Why did we intervene in the Korean War? Can U.S. China policy really be characterized by so mild a word as containment? Is the war in Vietnam really a war in the *defense* of the "free world" (read: American empire)? Are American aims in Vietnam really very different from our long-standing Pacific policy?

And if one were then to proceed to write the political economy of American imperialism in Asia, one would have to consider the following facts about Vietnam: There has never been a conservative investment interest in American policy toward Vietnam, as there is in Latin America. Whatever entities the United States now fights to preserve in Vietnam -- a client government, military bases -- exist there only because the U.S. government installed them there originally. The striking thing about American policy has been its aggressiveness; not the determination to hold on to what was gained, but the will to capture new territory is the outstanding characteristic of American strategy in Vietnam. That is to say, Vietnam is not an example of imperial preservation, but an example of imperial *penetration*. (And the Philippines, pre-revolutionary China, Korea, Indonesia, Malaya -- what of them?)

If, then, one were to write the political economy of this process, one would have to identify within the American economic structure the source of this dynamic, expansionist urge. Baran and Sweezy have laid the essential groundwork for such an identification with their theory of the ever-growing capital surplus that must be absorbed. One can envision, in an imagistic way, the pressure of excess capital thrusting into Asia; but Baran and Sweezy have done very little to clarify the economic mechanisms that might be involved. In fact, they have made the task more difficult by assigning to foreign investment an unimportant role in surplus absorption. I find their reasoning peculiar when they write: "foreign investment must be looked upon as a method of pumping surplus out of underdeveloped areas, not as a channel through which surplus is directed into them."

They seem to me to be saying that foreign investment is an unimportant outlet only because it is so hugely profitable, because many more dollars are taken home than were invested. Should one not argue instead that foreign investment is likely to play a *major* role in American economic planning precisely *because* of the high profit involved? It may be that in the long run the high rate of return from this type of investment will swamp the economy with far more surplus than it began with, but there is no reason to suppose that, for the present, American corporations are aware of the danger. If this difficulty in Baran and Sweezy's theory of surplus absorption can be removed, then it becomes possible to formulate a hypothesis about the Vietnam war which may make sense in the terms of political economy: that the war is no more than a continuation of past American policy deigned to remove from

Asia any obstacles to the future exploitation of the area by American capital. The key word, of course, is *future*. To sustain this hypothesis, it would have to be proved that the economy's need to export capital is much greater than had been supposed, that Asia is the most promising (or only remaining) area for potential investment today, that American strategists were and are capable of planning farther ahead than the next election, and a whole host of other things. It is a pity that Baran and Sweezy have not raised this hypothesis and discussed it. Their book, insofar as it deals with foreign policy issues, is an excellent outline of the political economy of a static, conservative empire; but the dynamic, expansionist drive of the system as it appears in Asia has escaped them, and badly need exploration. The whole book should not be judged, of course, by these remarks alone. The other ten chapters of the work, which deal with domestic and historical problems, are well worth reading for their own sake; we have here been concerned only with the chapter on imperialism.

These defects in *Monopoly Capital* underline even more sharply the need for a solid, theoretical and historical study of the political economy of American foreign policy, particularly as it applies to Asia. A work that can turn the word imperialism from a slogan into a coherent, graspable image of reality -- or else show why the slogan should be discarded - - would make an invaluable contribution. Then at last it may be possible for critics of the war to reply to the recurrent question "why Vietnam?" with a reasoned answer. The answer may not be very pleasant, but at least it will fill the unwholesome intellectual vacuum that this war is creating in its wake.