

**U.S.G.**

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## ABOUT THE U.S.G.

The Union of Socialist Geographers was organised in Toronto in May 1974. The consensus of those gathered in Toronto was that an organisation - the USG - be formed to improve communication among those geographers who agree with the principles in the organisation's aims:

The purpose of our union is to work for the radical restructuring of our societies in accord with the principles of social justice. As geographers and as people we will contribute to this process in two complementary ways:

1. organising and working for radical change in our communities, and
2. developing geographic theory to contribute to revolutionary struggle.

Thus we subscribe to the principle: from each according to ability, to each according to need. We declare that the development of a humane, non-alienating society requires, as its most fundamental step, socialization of the ownership of the means of production.

The USG currently has members in Africa, Europe, Asia and Latin America as well as North America. Several active groups exist in both Canada and the United States, including academic and non-academic geographers, and non-geographers. An active section of the USG in Britain and Ireland plans to hold annual meetings at the time and place of the IBG annual meetings. The USG publishes a Newsletter several times a year and holds an annual meeting (in North America) in April or May each year.

The USG welcomes inquiries and new members. For further information, and the names of people to contact in your vicinity, write to:

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To become a member (except if you're in Britain or Ireland) send your name, address and \$6 to:

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# SOCIAL IMPERIALISM AND THE POLITICS OF REGION AND LOCALITY

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If the real organization of the Nation be by classes and interests -- and that is the alternative to organization by localities -- it is quite inevitable that the corresponding classes in neighboring nations will get themselves together, and that what has been described as the horizontal cleavage of international society will ensue.

(Mackinder, 1962: 184)

## Introduction

At a time when there is a rise in regionalism and other forms of localism, it may be useful to be reminded of some of the more reactionary aspects of these phenomena in an earlier period, especially since they are central to the emergence of a very important stream of geography, that concerned with regions. In particular, this article will deal with the late 19th and early 20th centuries, focusing especially on the work of Halford J. Mackinder (the father of academic geography in Britain) and briefly discussing interest in regionalism and locality amongst a wider circle.

The 19th century saw massive changes in the centres of capitalist development, including urbanization, the growth of the proletariat and the emergence of strong working class movements in Europe. The nation state (in some cases, with its empire) emerged as the basic building block of the merging world capitalist system, and associated with this there was the relative decline in the importance and cohesion of particular regions within the nation (regional economies, so called). At the end of the 19th century (the classic age of imperialism), there was a further development in the internationalization of capitalism, as well as challenges to the hegemony of the old established industrial centres, such as Britain, by those nations which had become new foci of industrial development (such as Germany).

Yet, it is precisely in this period, and in the first quarter of the 20th century, that there emerged an interest in "the region" within the social sciences, particularly in geography and sociology. There was interest in the region both as a unit of analysis (the regional method) and as "regionalism" -- regional consciousness and character, or local attachment.<sup>1</sup> Some of the origins of this concern with regionalism will here be explored, in the context of the broader movements of reform associated with what may be called, "social imperialism" (Semmel, 1968).

## General Context

It will be argued here that the context in which these ideas emerged is that of the rise and growing power of the working class in the more advanced

industrial nations of the 19th century. This shaped much social thinking in the period, demanding a focus on various aspects of the massive changes associated with developments in the nature of capitalism. Nisbet (1966: 72), writing of sociology, argues that the discipline itself developed in response to the problem of order created by the collapse of the "old regime" under the pressure of the bourgeois-democratic revolution. The five basic concepts which Nisbet identifies as being at the core of sociology -- community, kinship, hierarchy, authority and religion -- are expressions of this. Newby (1977: 92) has made similar observations with regard to the liberal-conservative sociology which was "forged in the nineteenth-century reaction to industrialization and urbanization". Like Nisbet, Newby emphasizes the nostalgia built into the structure of much sociology, especially its concern with tradition, spiritual values and the organic community in a hierarchically-organized society (Tonniés, for example).

The academic concerns of the period were but part of more general concerns on the part of the middle and upper classes. Fears were expressed over population growth, pauperization and urbanization. Such fears were, of course, not new in the 19th century. However, from the end of the 18th century they became increasingly significant, especially in Britain. As small producers and workers were pushed out of rural areas by changes in agriculture, they migrated to the cities to live in squalor. Middle class people feared the rapid urban growth which, resulted, from their point of view, in loss of amenity and the encroachment of unsightly, dangerous classes. There was also the fear of social unrest (fed by the French Revolution), as well as concern about health and danger of plagues. From the 16th century in England, efforts were made to control urban growth, and these efforts were much more widespread by the late 18th century. Rather than restraining growth and controlling the poor, however, these efforts tended to make matters worse by forcing people into rookeries and alleys and creating even more severe overcrowding than already existed.

The city was often viewed by middle class observers as a monstrous growth; a diseased cyst -- a metaphor which expresses well their fears. Against the evil city, the country was increasingly posed as the seat of innocence and virtue, in what became a powerful nostalgic (organic and corporatist) image of an ordered, settled life in which everyone knew his/her place and kept to it (Williams, 1975).

The changes of the period were not only seen as giving rise to various plagues and infections (influenza, smallpox and the great cholera epidemics) caused by increased contact and overcrowding. They were also seen as the carriers of another kind of epidemic, that of the spread of radical ideas. Certainly, Marx saw the positive aspects of urbanization and improvements in transport and communications affected by industrial capitalism. Such changes would, he argued, help the development of the struggle of the proletariat with the bourgeoisie. Local isolated struggles would become more and more centralized and unified, and a more general class consciousness and union of workers would result. The struggle between the two basic classes would come to take place on a national, and even an international, level. At the same time, many of the traditional forms of dominance in rural areas would be weakened and broken down. Howard Newby's book, The Deferential Worker (1977), gives a particularly good account of locality and community



in this context, especially as they relate to the ideology of traditional authority in the context of struggles to unionize agricultural workers in Britain in the 1870's, and of the efforts of land owners and local gentry to resist this process.

If there were those who saw the progressive side of these changes (particularly urbanization) alongside their concern for the mass of people living in misery and squalor, there were also those who feared such changes out of a similar concern<sup>2</sup>. A strong body of reformers, with varying political views, emerged towards the end of the 19th century, attempting, in different ways, to do something about the pressing social problems of the period. Halford J. Mackinder was one such person.

### Mackinder and Social Imperialism

Mackinder is an important figure, not simply as a founding father of academic geography in Britain and pioneer of the late 19th century "new geography", but also as the originator of the science and art of geopolitics and as an important political figure and theorist of imperialism (Dickinson, 1976; Semmel, 1958).

Mackinder's writings must be understood within the context of the rise of "social imperialism". Generally speaking, this was an attempt to provide a mass base for imperialism by means of social welfare concessions to the workers in the areas of education, housing and so on.<sup>3</sup>

The context for the rise of "social imperialism" is the growing strength of the working class in the 19th century, reaching its apex in England, for example, in the late 1880's with economic depression. Movements of agitation and reform became strong and included the Social Democratic Federation, the Fabian Society and, in the 1890's, the Independent Labour Party. Socialism in various forms became, in this period and up to the First World War, a powerful force in politics in Britain as in other European countries. The prevailing socialist sentiment was internationalist, a fact which itself was a great problem for the social imperialists.

In the climate of imperialist rivalry in this classic age of imperialism, the middle classes were strongly nationalist and patriotic, and their main concern was for national survival (and, of course, this meant their personal advancement). This was especially true of Britain, whose hegemony as an industrial power was increasingly challenged by the growing power of countries such as Germany. In the Social Darwinist struggle for "survival of the fittest" between nations, it was recognized that power was the root of the problem, both economic power and manpower. The quest was for national efficiency, and this provided the basis of the social imperialist's concern with reforms for the working class. The strong working class movement for reforms had to be channelled into the national interest. Many looked to the policies introduced by Bismark in Germany in the 1880's--his protectionist scheme to help develop German industry and his social programme designed to undermine socialism (coupled with repressive laws to limit its growth). Although not all social imperialists were protectionist in Britain (especially after the turn of the century), they generally accepted the social reform aspects of Bismark's strategy. The policies were generally designed to draw together all classes within the nation to promote the interests

of the nation and empire. The forces of socialism had to be countered in order to do this. A system of tariff reforms and imperial preference, and a coherent body of social reforms, were designed to achieve this.

Social imperialism covered a wide political spectrum, from Conservatives and Unionists to Liberals and Fabian and other "socialists". The latter were often nationalist, chauvinist, imperialist and racist, while also pressing for reforms and promoting the interests of the working class in Britain.

The dominant form of social imperialism was, however, that of Joseph Chamberlain (the Liberal turned Unionist) supported by persons such as Mackinder after his conversion from a Liberal-imperialist, free-trade position to a Unionist-protectionist one in 1903. It was his concern over what he saw as a growing German threat to Britain which led to his conversion. Protectionism was essential to defend the industrial might of Britain in a potential conflict, while his free trade position had been based on Britain remaining dominant as a centre of finance capital.

Mackinder's earlier concerns with empire and with social reforms and other ways of producing and maintaining an imperial race remained, however, as central ones: muscle and brain power, as well as industrial might, were essential to protect Britain's interests.

Many of Mackinder's early ideas can be summed up under the slogan, "Social Reform and Empire". His arguments were based on a mercantilist-conservative conception of an organic national community. The Empire was, he considered, essential in the struggle of nation against nation. England and London would remain the brain and financial centre of this body. The key to protecting national interests was power; hence, Mackinder was concerned with reforms and with the working class in Britain. Competition between imperial powers called for "national efficiency" which included the efficient use of "manpower" (a term he coined). Thus, much of Mackinder's time was taken up with thinking how to use men in the context of Empire. His position on reforms was directly related to this. He argued that an imperial race could not be reared in rookeries and slums, and that reforms were needed for the efficient production and use of muscle and brain power. Temperance legislation, better housing for the working classes, minimum wage legislation (to counter the spread of trade unionism and socialism), means to keep down unemployment (which he saw as a loss of efficiency), improved public education as well as an increased birth rate--all were part of his plans for strengthening "the camp state". These reforms would help provide a body of people to administer the Empire, as well as helping to counter the forces of internal dissent within the Mother Country (socialism and the growth of unions).<sup>4</sup>

### Geography and Regions

Mackinder's concern with promoting geography in schools and universities can be directly related to his political motives. He was especially concerned with the development of a "trained sense of geographical perspective" (Mackinder, 1962:22). Such a sense would certainly help in the preservation of Empire which Mackinder saw as increasingly essential as a counter to growing German power and militarism, as well as being directly useful in military terms.

Mackinder's interest in, and advocacy of, federalism, neighbourliness and attachment to locality is also very much a part of the reforming side of his politics. It was a concern to prevent internal dissent and antagonism by a corporatist strategy (this will be discussed more below). There are strong connections between Mackinder's ideas and concerns in this period and those of a number of other influential thinkers, although Mackinder was undoubtedly the most political of the group. An interest in regionalism became increasingly evident amongst geographers and sociologists, especially in France and Britain (Freeman, 1961:118-126). Regionalism shows a concern with local identity, an attachment to locality and neighbourliness. Geographers using the regional method of study played an important role in this movement as did social thinkers such as Patrick Geddes, Victor Brandford and others.<sup>5</sup> The Sociological Society founded by Geddes and Brandford in 1903 was intended to carry on the traditions of the French sociologists August Comte and Frederic Le Play and to study the actual processes and functions of definite regional societies. In France, such work was also being done by geographers such as Vidal de la Blache (Buttimer, 1978), and in England by the Oxford School of Geography (Mackinder, Herbertson and others).

There were, in the period of the war and after, then, attempts to maintain local attachment and individualism, both to avoid standardization and uniformity of culture thought to be arising with urbanization and internationalization, and as a counter to the "uncritical worship of the state" or "Prussianism" (Freeman, 1961:121). Regionalist and humanist ideas were to be a counter to the forces of "predatory imperialism" in a growth of what might be called post-Versailles idealism.

In their book, The Coming Polity: A Study of Reconstruction (1917), Geddes and Branford outline the core of their programme. They emphasize:

- (1) The strengthening of family life, contact with nature, labour and the interests of locality (showing the influence of Reformers like Rowntree and Booth as well as those interested in regionalism).
- (2) Progress as a concentration on ideas and ideals (humanism) rather than "the Prussian cult of force" (materialism).
- (3) Civism as the new art of civics. This was to be a new "social religion" and concentrated on planning reforms, the cultivation of civic responsibility and general improvement in the quality of life.<sup>6</sup>

These ideas are epitomized in the following:

As correctives of predatory imperialism, regional and humanist ideas naturally arise. But regionalism and humanism are not mutually exclusive. On the contrary, they are, for the awakened and educated citizen, the two necessary and complementary poles of his civilization. The needle of the mariner's compass gains stability by oscillating between the two poles of the world of nature. So regionalism and humanism indicate the two poles of man's world, and the art of civics is his mariner's compass.

(Branford and Geddes, 1917:x)

The programme of these social thinkers was that some form of local attachment was necessary for corporate living, and that this would balance and counter growing standardization, centralization, state influence and internationalization. It was as part of the Branford-Geddes series of publications on reconstruction that both Mackinder's Democratic Ideals and Locality (1919) and the geographer Fawcett's (1919) Provinces of England (suggesting a scheme of regionalization), were published.

Mackinder was particularly interested in decentralization and federalism. He saw that the urbanization and the move to centralization were favourable to what he called "organization by interests". In particular, he feared the development of working class organizations and internationalism, especially the rise of socialism and Bolshevism. He dreaded the organization of the nation by classes, the horizontal cleavage of society and class warfare at the international level. These fears were no doubt inspired by events in Russia. His interest in regionalism and regions was part of a programme to prevent this from taking place:

...the one thing essential is to displace class organisation... by substituting an organic ideal, that of the balanced life of the provinces, and under the provinces of the lesser communities.

(Mackinder, 1962:197)

Mackinder's ideas, then, point back to a rigid, hierarchically ordered society of regional economies. It is a vision of reactionary decentralization, an organic corporatist ideal which can counter the spread of worker's movements by divide and conquer policies.

Nor was Mackinder content to simply theorize about such problems. He was an active politician and a fierce opponent of socialism and Bolshevism. Both these he saw as attempts to organize by (class) interests rather than by localities and local communities (Mackinder, 1962:147-148). He saw an important element in the progress of organization by interests as the "levelling of natural barriers" by means of communication; certain conditions being especially favourable to the "march of militarism and to the propaganda of syndicalism" -- for instance, the uniformity of social conditions on the plains of eastern Europe. Here again a clue is provided to the importance of the maintenance and promotion of cultural diversity and regional identity.

Mackinder even took his fight against Bolshevism (which he saw as a combination of Jacobin violence and tyranny and syndicalist idealism) to the "heartland", when he was appointed British High Commissioner for South Russia by the Coalition Government of Lloyd George in 1919. The failure to overthrow the Soviet Government, however, led to his return in 1920 and to him being knighted for his services (Semmel, 1958:561).

Mackinder's writings still have considerable relevance for socialists and geographers. Current concerns with decentralization and organization by locality whether in the form of regional movements, the "small is beautiful" approach of Schumacher or discussions of Federalism in Canada all in various ways touch on the issues raised by a discussion of his work. decentralization often seems clearly to have a political motive: to stabilize society, by

limiting the growth of social unrest and the murgence of unified radical movements and ultimately the seizing of power by the working class. In the current crisis it is no accident that reactionary decentralization again comes to the fore as a political strategy of the right. In this context it is important to critically look at some of the recent calls in geography for "humanism" (Ley and Samuels, 1978) and for cultural geography to play a political role in current national and regional movements and attempts to "maintain identity" against "mass pressures" bringing about the decline in a rich variety of lifestyles and encouraging feelings of "placelessness" (Coull, 1980). According to such perspectives the current crisis of capitalism is a "crisis of identity", one which geography can help solve by promoting culture.

### Notes

- (1) Gilbert (1957:345-371) and Murphy (19 :93-107) are useful here. Murphy suggests that regionalism basically results from an awareness of areal differences and from people simply identifying with the attributes of their region. In many ways this view sees regions as the 'natural' bases for cultural differences.
- (2) Bismark, for example, was violently against the growth of large cities which he saw as hotbeds of radicalism (Bebel, 1904:317).
- (3) Much of this section is based on Semmel (1958; 1962), Mackinder (1962) and Gilbert (1972).
- (4) He was very much influenced by the programmes of Bismark in Germany. It is also important to point out the connections between his ideas and the more general revulsion against materialism and the revival of idealism in certain middle class circles at the time. For example, many of Mackinder's ideas are similar to the revolutionary conservatism of Germans such as Langbehn (Stern, 1965:188), who expressed a concern about the alienated and dissatisfied worker who was susceptible to the forces of democracy and socialism. Such people had to be given hope, and the antagonism between ruler and ruled lessened and made more harmonious, by giving the ruled a stake in society (prosperity), by a revamped paternalism, by improved wages and conditions (guaranteed income) and by the strengthening of local ties and hierarchies (a corporatist solution).
- (5) Geddes was an influential figure in the development of geography, especially the regional method of analysis (Dickinson, 1976:27-34). Mackinder met and worked with Geddes. The latter was also an important figure in the development of town and country planning and through his impact on Lewis Mumford on Ekistics (see Meller, 1973).
- (6) Geddes' programme bears marked similarities with what was later to become known as community development. These kinds of policies became popular from the 1930's in the colonies and have since become widespread. They place an emphasis on local development and initiative and represent attempts to ease problems of proverty without any fundamental change in political and economic terms. Such programmes have often explicitly been

used to counter radical political movements (Sacouman, 1979). It is worth noting the importance of education in such reform attempts. Both Geddes and Brandford as well as Mackinder were influential educators. Mackinder played a role in the development of the civic universities in England arguing that "local" universities should become the focus of "local patriotism" (Gilbert, 1972:146).

- (7) It is worth noting that many advocates of the regional method started life as biologists. Biological and organic ideas are popular in this period and Social Darwinism is a dominant philosophy. In some circles sociology and biology were seen as being essentially the same discipline according to Banton (1977).

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## TOWARDS AN HISTORICAL GEOGRAPHY OF CLASS STRUGGLE: THE CASE OF THE DE-INDUSTRIALIZATION OF THE CANADIAN MARITIME PROVINCES

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This essay represents an attempt to identify and criticize a few salient features in the study of the de-industrialization of the Canadian Maritime provinces at the turn of the 19th and 20th centuries. Furthermore, an alternative approach to the study of Maritime industrial "underdevelopment" is presented. This approach falls within the category of what Alan Baker has called an historical geography of class struggle.<sup>1</sup>

Two recent trends in the study of Maritime industrial "underdevelopment" are looked at in particular. First, the 'business approach' which tends to restrict itself to an analysis of only the leading social class elements - businessmen and politicians - in the course of politico-economic change. It is argued that this approach distorts history by ignoring the role which the dominated social classes - small producers and wage workers - have in affecting the course of history. Second, the 'structuralist approach', whose proponents argue, quite convincingly, that the social and regional disparities which exist in Canada are mere consequences of capitalist development. It is contended here, however, that the social processes, that is, the particular forms of class struggle which lead to these disparities, are ignored and unrevealed almost completely in the structuralist approach.

The business approach in the study of Canadian political economy has always held a prominent position but it is not until recently, and after

considerable revision, that it has gained enormously in popularity.<sup>2</sup> Central to the new version of the business approach, the so-called mercantile thesis, is the contention that the dominant class in Canada has been a mercantile-financial class which accumulates profits in intermediary and safe economic activities, such as banking, transportation, real estate and staple production rather than in the more capital-intensive and risky sphere of secondary manufacturing. In the case of the causes to the industrial "underdevelopment" of the Maritimes in the early stages of the present century, the proponents of the mercantile thesis argue that the mercantile-financial class in Central Canada - spearheaded by the banks and allied with its counterpart in the Maritimes - orchestrated a transfer of capital from an emerging Maritime industrial complex to the financing of foreign branch plants in Central Canada, as well as railway construction and primary production in the West.

There are several problems arising from the mercantile thesis. Some students have questioned the contention that the mercantile-financial class was qualitatively different and less inclined to invest in industries than the dominant classes in other capitalist countries.<sup>3</sup> The transfer of capital from the Maritimes to the West has also been called into doubt as something uniquely Canadian as similar flows took place in the United States. The investors may simply have responded to what they perceived as more profitable opportunities elsewhere.<sup>4</sup> The most serious flaw in the mercantile thesis, however, lies in the almost complete disregard for the dominated social classes in influencing the course of politico-economic change. Storey criticizes, quite rightfully, one proponent of the mercantile thesis in the following:

What is missing, and painfully so, is the set of alternatives that get posed and that have been posed in struggle - not struggle between 'fractions' of the capitalist class, although they are important to understand and should not be downplayed, but struggle between capital and labor in their developing and changing forms.<sup>5</sup>

While the previous example points to a tendency of writing history from the top down - and by doing so ignoring the force from below - there is another approach, which although recognizing correctly the social and regional disparities that are functional to capitalism, still fails somewhat to capture the actual social processes which result in these disparities. The 'structuralist approaches' referred to are they many formal theories of dependency, underdevelopment, unevenness of development, etc., which contain, explicitly or implicitly, the assumption that regional economic development can be understood by theories of universal applicability. It is the view of the present writer that although it is undoubtedly true that linked with the logic of capitalist development are such phenomena as a centralization and concentration of capital, unevenness of development, underdevelopment, dependence, proletarianization and the formation of a reserve army of labor; the application of any of these general categories to a set of empirical data is not sufficient to explain capitalist economic development. The historical processes and circumstances which lead to so-called underdevelopment have to be explored and "...we must avoid losing the specificity of history in a welter of vague abstract concepts".<sup>6</sup> If not, our analyses are bound to become mere exercises in formal reductionism.

A recent example of a mechanistic application of a logical abstract



concept to the so-called underdevelopment of the Maritimes is an article by Veltmeyer.<sup>7</sup> He writes from a structuralist perspective and claims that the centralization and concentration of capital in the Canadian context has resulted in a Central Canadian industrial heartland and a de-industrialized and poverty-stricken Maritime hinterland. Moreover, ... "the workings of capitalism has created in Atlantic Canada the conditions of a reserve army (of labor) for Central Canada."<sup>8</sup> While these deductions may be correct, the question still remains why and how this particular spatial pattern emerged. Why, for example, did not the Maritimes become the industrial heartland of Canada and Central Canada "the peripheral region"? After all, settlement, staple production and also secondary manufacturing emerged simultaneously in the two regions. Indeed, Nova Scotia was the first Canadian province to harbor an iron and steel industry. Another question which this structuralist analysis does not provide an answer to is, why did there not emerge two industrial heartlands in Canada, one in the Maritimes and one in Central Canada, and both feeding upon their own hinterlands for raw material and labor?

As an alternative or perhaps complementary approach to the 'business' and 'structuralist' interpretations of Maritime industrial "underdevelopment", the present writer would like to argue for an historical geography of class struggle pertaining to specific regions of Canada. This is in close correspondence with a recent call by the British geographer, Derek Gregory:

...geography should reclaim its traditional attachment to particular places and the people that live in them and we need to know more about the constitution of regional social formations, of regional transformations.<sup>9</sup>

Such investigations should concentrate on the class struggle in the regions in question and more specifically consider (1) the property relationships and (2) the social forces of production (the relations of production and the nature of the means of production). This is what constitutes the class structure of a society and it is through a solid understanding of this structure from which flows a comprehension of the economic development in any given place. Brenner, for example, goes as far as to argue that:

...different class structures, specifically 'property' relations, or 'surplus extraction relations', once established, tend to impose rather strict limits and possibilities, indeed rather specific long-term patterns, on a society's economic development (and further)... class structures tend to be highly resilient to the impact of economic forces...<sup>10</sup>

In working towards a better understanding of the so-called industrial development of Central Canada and the industrial underdevelopment of the Maritimes, it may prove very fruitful to look at the historical geography of class struggle within each region. In the opinion of the present writer, it may very well have been that the foundations of an industrial capitalist society emerged at a slower rate in the Maritimes than in Central Canada and this lag may have been the fundamental reason for the subsequent diverse patterns of development in the two regions.

Marx showed that in those countries (regions) where modern industry was first established, production 'acquires an elasticity, a capacity, for sudden extension by leaps and bounds' that contrasts with the conditions of production in the other countries (regions), whose industry is thus easily overwhelmed. (Furthermore and most important)...the appearance of large-scale industry first of all in some countries (regions) rather than others is itself to be explained by the transformation of the relations of production that had taken place in these countries (regions), which permitted and gave rise to the development of capitalist industry.<sup>11</sup>

The diverse patterns of development in the class struggle and in the evolution of social relations of production in the Maritimes and Central Canada may have been expressed in several ways. First, the development of what Polanyi has called an impersonal labor market - a definite result of class struggle whereby small and subsistence producers become dispossessed of their land and means of production - may have been slower in the making in the Maritimes than in Central Canada. More specifically, land consolidations, social stratification among small producers, the development of capitalist agriculture, and, resulting from these processes, the release of a rural and urban proletariat, may not have been as pronounced in the Maritimes as in Central Canada. Second, the creation of a home market for capitalist industries - a condition which follows from the fact that "the expropriation of the country folk,..., does not merely 'set free' the workers for the uses of industrial capital,..., in addition it creates the home market,"<sup>12</sup> - may have been slower in the Maritimes than in Central Canada. Third, the rise of factory production based upon a well-developed standardized system of machine production and what Veblen has called quantity production may have emerged at a slower pace in the Maritimes than in Central Canada. It is important to point out in this context that the rise of factory production is also a product of class struggle since direct producers and workers in smaller workshops and manufactures based upon craftsmanship rather than machine production, have traditionally resisted the introduction of machines and the employment of unskilled labor.

It may very well have been that this resiliency of small commodity and subsistence 'property relations' and 'surplus extraction relations' had a negative impact upon the technological progressiveness and economic viability of the industries in the region. This circumstance, in turn, made it possible for capitalist industries in Central Canada to invade the markets and thereby "block" the further development of the industries in the Maritimes.

In conclusion, an historical social class based approach to the study of so-called Maritime industrial underdevelopment is needed. This will not only add and go beyond structuralist and unidimensional class interpretations, it will also recognize how the social class struggle has modified and still modifies the political economy of the region. In the opinion of the present writer this is a more adequate approach to social scientific inquiry and certainly one which should be adopted by historical geographers. After all, Marx and Engels rejected the notion that history is made by only a "business class" by writing that "the history of all societies up to the present is the history of class struggles". Furthermore, and at a later stage, Marx stressed the importance of complementing structuralist analyses with the specificity

of history by pointing out that all laws are modified in their workings by many circumstances.<sup>13</sup>

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## HUMAN RIGHTS AND REPRESSION IN GUYANA, SOUTH AMERICA

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"Violence in Guyana is no longer sporadic or personal but generalized and predictable. For the first time in the Commonwealth Caribbean there is evidence that a systematically oppressive form of government has emerged. The appearance of this form of government must be a source of disquiet to the region as a whole." (Guyana Human Rights Association)

On October 6th 1980, the Dictatorship of Forbes Burnham, leader of the People's National Congress (PNC) was formalized with the introduction of a new constitution naming P.M. Burnham as Executive President, Head of State, and Commander of the Armed Forces. With his new office go sweeping constitutional powers comparable to those of an "old time king". Burnham now holds complete control over critical appointments in the Judiciary, Army, Police, and Election Commission. In addition, he can 1) suspend or dissolve the National Assembly, 2) refuse to sign laws passed by the Assembly, 3) change existing laws. Not surprisingly, Burnham can only be removed from office if he does not decide to dissolve parliament first.

On December 15, 1980, the elections held in Guyana repeated the pattern of massive election fraud committed by the PNC in the 1968 and 1973 elections and the 1978 referendum. Violations of the electoral process have been well documented by an International Observers Team headed by Lord Avebury of the British Parliamentary Human Rights Group. In a report issued by the team it is stated that:

"The attempt to manipulate public opinion by the ruling People's National Congress during the run-up to the general election in Guyana was both massive and blatant. The breaking and bending of laws by the PNC was on such a scale that opposition parties fought with both hands tied behind their backs. The right of association and the freedom of expression were repeatedly violated during the campaign. In the light of these facts and our observations on polling day itself..., we conclude that the elections in Guyana were not a free and fair test of Guyanese public opinion."

This brazen formalization of dictatorship, by which Burnham hopes to "legally" silence all opposition forces, is the most dangerous in a long list of repressive measures and illegal acts which have robbed the Guyanese people of representative government and their civil liberties.

Walter Rodney, in his speech "People's Power No Dictator", states that "The Burnham dictatorship crept up upon Guyanese people like a thief in the night. His violations of human rights were frequent, but they were sufficiently gradual that many persons did not realise what was going on until it

was too late."

The following excerpt from a CIIC (Catholic Institute for International Relations) pamphlet entitled GUYANA discusses the development of the current political and economic situation.

Guyana, first known as Demerara and subsequently British Guiana, is today officially described as the Co-operative Republic of Guyana. Its People's National Congress (PNC) government, under the leadership of Forbes Burnham projects a strongly socialist image. Its detractors, however, now dismiss the current government as a dictatorial regime originally imposed by the colonial power, Britain, in collusion with the United States.

Crucial to understanding the complex situation in Guyana today are two closely interrelated issues - sugar and race. From colonial origins to modern times sugar has been the mainstay of the economy, and the way in which the sugar plantations were operated laid the foundations for the country's ethnic and cultural diversity and for the racial tension and violence which have characterised its history.

#### Background

Located in the north-east corner of South America, Guyana covers 83,000 square miles, the greater part of which is uninhabited jungle and sparsely populated savannah, whilst 90% of its 850,000 people lives on a coastal strip about ten miles wide.

Although geographically part of South America, Guyana is culturally and historically closer to the Caribbean.

During the 17th and 18th centuries Guyana changed hands a number of times as Britain, France and Holland vied for possession.

Sugar cultivation on the Guyanese coastlines today require an enormous investment in drainage and irrigation. The establishment and maintenance of this system, together with the other tasks required by sugar cultivation, created a constant need for a large unskilled cheap labour force in the colony. This was provided in the first instance by slaves from West Africa and later by indentured labour.

The only indigenous people of Guyana are the Amerindian tribes who inhabit large areas of the relatively inaccessible interior. The expansion of mining enterprises in the interior is gradually eroding the structure of their communities. The Akawaio people are currently threatened by a major hydro-electric scheme planned for the Upper Mazaruni site. This is a joint project by the Government of Guyana and the World Bank.

After the abolition of the slave trade in 1807 and Emancipation in 1832, when many former slaves left the plantations, the

sugar industry was forced to seek alternative sources of cheap labour. Programmes for attracting immigrant and indentured labour brought to the Caribbean successive waves of Madeiran Portuguese, Chinese and finally, in greater numbers, Indians from Asia. This policy implanted the seeds of ethnic diversity which is reflected in the current racial composition of Guyana's population - 52% Indo-Guyanese, 38% Afro-Guyanese, about 2% indigenous Amerindians and the remainder of mixed, Portuguese and Chinese extraction.

#### Pre-Independence Political Development

Political development in Guyana and the West Indies had been continuously blocked for 300 years. The people lived under a very restricted franchise, with weak executive authority and in complete subservience to British interests until the 1950's.

In 1950, Dr. Cheddi Jagan and his wife Janet were among those who formed the People's Progressive Party (PPP), the country's first major political organisation. The Jagans, who were Marxists, had, in a surprisingly short time, welded together a multi-racial party whose leadership was drawn from the middle-class but whose roots were in the working-class. In the first election under universal suffrage in 1953, the PPP was swept into office. Attempted reforms by the new government prompted the British to intervene to prevent the establishment of a 'communist-dominated state'. Within 133 days the British government dispatched troops to Guyana, suspended the constitution to prevent 'communist subversion' and, through granting emergency powers to the British Governor, re-imposed direct rule. (These events must be seen against the prevailing climate of the cold war, in particular the posture of the United States and the interventions which it provoked in Guatemala and Mossadez's Iran in the same period.)

The natural 'infiltration' of Indians into the city and the administrative and professional jobs there provided a ready point of conflict between them and the articulate African middle-class. This uneasy period of transition from a mainly African bureaucracy to an Afro-Indian one coincided with the transformation of an Indian plurality in the population to a permanent majority, as well as with the transition towards independence and its inevitable transfer of central political authority from British to local hands.

In 1955 the PPP split into two. Forbes Burnham broke away and formed a separate party, later to become the People's National Congress (PNC), around black urban workers and professionals, leaving the rump of the PPP led by Cheddi Jagan with its base in the Indian plantation workers, peasantry and middle-class.

Nevertheless, Jagan and the PPP again won an overall majority in the next two elections - in 1957 and 1961 - but Burnham's PNC gained control of the black urban areas, including the capital, Georgetown.

The PNC-PPP split was by now confirmed on clear-cut racial lines. This period of PPP government took place against the backdrop of negotiations to secure independence and the British government's continuing reluctance to hand over power to a PPP government. Jagan himself describes this period as one in office but not in power. Real power remained firmly in the hands of the Governor with the Colonial Office assuming increasing control over the affairs of the state.

The impotence of the Jagan government culminated in April 1963 with an 80-day general strike called by the Trade Union Congress (TUC), supported by the Civil Service Association and financed through the American Institute for Free Labor Development in the United States.

The effect of the general strike crisis was not to bring down the government, as the PPP believe was intended, but it did succeed in forestalling the long promised independence of Guyana.

Beneath these activities, racial tensions had been stirred to the point of a racial war running the length of the coastlands. At its height mob violence became commonplace.

Thousands were uprooted from their homes as entire racial groups were expelled from their villages. The most notorious incident, on May 24, 1964, was the pogrom at the Indian village of Wismar across the river from McKenzie (later renamed Linden), the main bauxite town, which forced thousands to flee and settle elsewhere.

Despite protests from the PPP, elections were again held in December 1964 - this time under the newly imposed system of proportional representation. Nevertheless the PPP won 24 seats, the PNC 22 and the UF 7. Jagan was not invited to form a government; instead the Governor accepted a PNC - UF coalition government. Since the overriding concern of Britain and the United States was to ensure that independence, which could not be postponed much longer, did not take place with a Marxist government in power, this is hardly surprising.

Fear of black strength in the armed forces cowed the Indian majority, whilst the black minority, although wielding political control, felt economically vulnerable in the face of Indian dominance of local commerce. The fact that this dominance continued and even thrived in the early years of PNC rule was one reason for the change of course of that party in the last few years to the 'left', resulting in the widespread nationalisation of industry and commerce to give a stake in the economy to blacks.

## The Economy

Sugar dominated exports until the late 1960's when it was replaced as the major foreign exchange earner by bauxite. Guyana is now amongst the top five bauxite producers in the world.

By 1925, ownership of the majority of sugar estates had been consolidated by Bookers Sugar Estates Ltd. controlled by Booker McConnell, a British transnational company. By the time of its nationalization in 1976, Bookers was a highly integrated company with substantial interests in rum, shipping, fisheries, drugs manufacture, printing, advertising, office equipment and the largest retail commercial network in the country.

The agricultural sector is today still dominated by the large sugar plantations but other large scale agriculture includes rice (the staple food in Guyana) in the coastal areas and cattle ranches in the interior. The decline in rice growing has, however, meant that local production is insufficient to meet both domestic needs and export requirements.

The other major economic sector, bauxite mining, was, until its nationalisation in the early 1970's, in the hands of Reynolds (USA) and Demba (a subsidiary of the Canadian company, Alcan) and operated as an enclave industry set apart from the rest of the economy.

Between 1970 and 1976 the PNC government nationalised sugar, bauxite, much of banking, foreign and wholesale trade, together with a number of other industries, creating a state sector which now comprises about 80% of the economy. The state sector remains a form of state capitalism rather than, as its proponents would have it, an intermediary stage towards workers' or co-operative control.

Since 1970 there has been a steady decline in bauxite output and a four-fold increase in the work-force. The successful attempt by the government to control the bauxite workers' union, which has given rise to allegations of rigged union elections, together with rigid party control of management appointments, have created in many workers' minds the impression of belonging to a company union and having even less stake or say in the industry than in the days of foreign ownership. These factors have contributed to the industrial unrest which has transformed the bauxite towns, notably Linden, from strongholds of the ruling party into sources of serious opposition.

Guyana's economic trajectory since 1975 has been downward. The collapse of sugar prices and the fall in bauxite earnings have opened a yawning foreign exchange gap and eroded government revenue.



By 1978 political interference in managerial decisions had become commonplace, and the PNC was openly declaring loyalty to the party to be the overriding qualification for management personnel.

These severe economic measures left in shreds whatever popular PCN support remained. From being a minority government, it shrank to a leadership group with its power based precariously on the armed forces and a plethora of associated militias.

#### Political Developments since Independence

After independence was finally conceded in 1966, Burnham established political dominance by transforming the minority of the pre-independence elections into a majority in the 1968 elections, by widespread rigging of the electoral lists in a registration exercise which achieved international notoriety.

A special feature of the rigging was the creation of an overseas electoral roll, principally in Canada, the United Kingdom and the United States. A reputable London firm, the Opinion Research Centre, estimated in a survey that at least 72% of the entries on the UK electoral register were incorrect.

With support like this, Burnham easily won the 1968 elections and began to consolidate his power.

In the 1973 elections, ballot boxes were seized by the Guyana Defence Force and kept at army headquarters for an interval of 24 hours. It is widely believed that during this period the boxes were stuffed with the ballots required to produce the desired majority.

The PNC's dwindling support among the urban Afro-Guyanese was dealt with in a manner calculated to ensure permanent PNC supremacy. This necessitated a new political doctrine and a new constitution which would create a strong executive president and a party-dominated government. In line with this strategy, in 1975 Burnham formulated the doctrine of the paramountcy of the party. Henceforth, all organs of the state, including the government, would be considered as agencies of the ruling party and subject to its control.

The militarisation of society followed as an adjunct to the paramountcy doctrine through the creation of a National Service, the People's Militia and the arming of the Young Socialist Movement, the youth arm of the PNC. Other paramilitary armed forces include Special Police units. All of these forces are pledged to defend the ruling party. The ratio of military and para-military forces to civilians at 1:35 is the highest in South America.

Over and above this level of militarisation, a number of violent cults have been permitted to operate in Guyana, in return for loyalty to the PNC. The two most recent of these are the People's Temple and the House of Israel. The People's Temple, through bizarre mass suicide and murder, exterminated itself in 1978.

The Jonestown death camp and related controversy, including the existence of a People's Temple hit team, will probably never be fully explained. However, persistent rumors and abundant loose ends have led to the recent reopening of U.S. Congressional hearings into CIA linkages with the People's Temple. The following is a partial list of some of the factors which have fed flames of controversy.

- . Ryan aide, Joe Holsinger, reports that a White House official told him on the night of the Ryan murder that there was a CIA report from the scene.
  - . Large supplies of sophisticated behaviour modification drugs were found in Jonestown.
  - . Jonestown also was well supplied with sophisticated arms.
  - . Unduly large amounts of cash were found in the camp.
  - . A number of Jonestown residents were U.S. criminals on probation or parole.
  - . Larry Layton's father, who admits pouring cash into the People's Temple, was a U.S. government bio-chemist, raising the spectre of MK-ULTRA. \*
  - . First reports indicated only 300 dead and one week later the world learned of the 914 person death toll. We are asked to believe that 600-plus bodies were hidden under 300!
- \* MK-ULTRA: a CIA program research into mind control drugs.
- . The Justice Department attorney picked to handle the investigation, William Hunter, "coincidentally" had a personal relationship with Timothy Stoen, the former San Francisco Assistant District Attorney who for a time was Jim Jone's right-hand man.
  - . Leo Ryan's name appears in "Who's Who in the CIA" by Julius Mader.

The People's Temple were allowed to operate in Guyana for a number of reasons, not least of which was the diplomatic desirability of having American citizens settled in an area subject to invasion by Venezuela on the basis of a longstanding territorial claim.

The House of Israel, led by David Hill, a black American known as the Rabbi Washington, continues to operate. The political work of the House of Israel includes breaking up opposition party public meetings, acting as strike-breakers and staging demonstrations in favour of the government.

The House of Israel, has developed roots in Guyanese society, with black Guyanese membership and under the leadership of a black American 'messiah' claiming divinity and predicting an imminent Afro-Indian Guyanese Armageddon. The fact that its leader is wanted by the police in the United States makes the sect entirely dependent on the protection of the government. The fact that many of its young male members are drawn from the black unemployed and owe total personal allegiance to the 'Rabbi' makes them reliable instruments of political violence. The religious philosophy of the House of Israel is a blend of anti-Christian racism (seeing Christianity as a white religion and its own brand of pseudo-Judaism is black), anti-Indian apocalyptic preaching and pro-government chauvinism.

This naturally brings it into conflict with the orthodox Christian churches, which have increasingly opposed the government's manipulation of society; much of the rhetorical and physical violence of the House of Israel is directed towards them, particularly the Catholic Church, many of whose priests are white. The murder of Father Bernard Darke, an English-borne Jesuit, in July 1979 by House of Israel thugs was one particularly vicious incident in this campaign of hate.

Having declared the paramountcy of the party, the government introduced a bill in June 1978 to amend the constitution. Its stated objective was to vest a two-thirds majority in parliament with the powers to amend those provisions in the constitution relating to the political system which could only be changed by referendum. In order for the bill to end such constitutional referenda to become law, a referendum was required.

The rationale offered for the bill was that the existing constitution was foisted on the country at the time of independence and a number of its provisions were inappropriate for a socialist state. To avoid the cumbersome procedure of putting each proposed change to a referendum, the country was being asked to allow a two-thirds majority in parliament to make the required changes.

The Referendum Bill facilitated the longterm aim of the government to move towards a political system in which parliament was made subservient to a strong executive president. Under such a system, a nominated complement of members of parliament, a presidential veto and powers of suspension would act as permanent buffers against the loss of popular support.

During the campaign leading up to the referendum on July 10th, critics of the bill were denied access to the media, even in the form of paid advertisements, party meetings of the political opposition were violently broken up, the Guyana Council of Churches expressed grave reservations about the government's intentions and all civic and professional associations in the country condemned the bill.

All opposition groups, wary of another fraud, called for a boycott. The government announced a 71.45% turnout at the referendum and a 97.7% vote in favour of the bill. Opposition groups, including clergymen from various denominations, who independently monitored the polling stations, assessed the turnout at just over 14%.

The new constitution became law in February 1980 and on October 6, 1980, Burnham used his powers under the new constitution to declare himself President for life.

### Human Rights

Since the declaration of the paramountcy of the party there has been a gradual and systematic erosion of civil and political rights in Guyana. This has extended to the judiciary, sections of which have been publicly instructed by President Burnham on the question of sentencing policy in certain kinds of cases.

Having subjugated the state institutions, the PNC was in a position to curb other civil liberties, including the freedom of the media. Daily newspapers and two radio stations have been placed under state control and the only opposition newspaper, The Mirror, has been prevented from publishing through denying access to newsprint. The weekly Catholic Standard was forced out of print by the same method following its critical stand on the referendum; it now appears in cyclostyled form.

Severe restrictions on travel in the interior of the country have also been imposed by the present government. At certain period, travel to the interior villages was suspended to prevent access to the Amerindian people by those unsympathetic to the government. More recently, outspoken critics of the regime have been penalised by the withholding of their passports.

The deteriorating economic situation and the erosion of civil liberties have led to growing opposition to the government by the trade unions, especially the four unions independent of government control; GAWU, the sugar workers union; CCWU, the Clerical and Commercial Workers Union; NAACIE, the sugar estate clerks union; and UGSA, the University of Guyana Staff Association. Strikes and go-slows by the unions have been met with the violent breaking up of picket lines by government forces, in one case led by the Minister of Labour, and by victimisation, harassment and assaults on workers. Rights of assembly have been severely undermined by the continual breaking up of both trade union and political meetings.

### The Churches

The continuing erosion of human rights has led to increasing inter-faith activity in recent years. The Anglicans have taken a firm stand against corruption, and the Anglican bishop Randolph George is president of the Guyana Human Rights Associations. The Catholic Church has waged a constant campaign against infringements of democratic rights, especially the right to free speech.

### International Relations

Since the early 1960's, when its primary strategy was to oust the PPP, and its stand was therefore anti-communist and designed to gain American and British support, the PNC's foreign policy has changed considerably. Once in power, the party divested itself of its junior partner in the coalition government the UF, and has since taken a left-of-centre position on Third World issues, drawing closer to Cuba and Soviet Union in the process.

This has seriously worried successive United States administrations. However, faced with Jagan as a pro-Soviet alternative, Washington has not abandoned its support for Burnham as the lesser of two evils. Burnham's delicate foreign policy manoeuvring between the United States and Cuba was exemplified by his position at the recent non-aligned summit in Havana. There he declined to support Cuba and its allies on a number of crucial issues such as Puerto Rican independence and the Cuban-Yugoslav conflict on the role of the non-aligned movement. At the same time the government projects itself as part of the 'progressive' group of Caribbean countries, which includes Jamaica and Grenada, and has signed the recent joint declaration condemning the creation of a US military task force for the Caribbean.

### Recent Events and Conclusions

Nationalisation meant that the government became employer of both Indo-Guyanese sugar workers and Afro-Guyanese bauxite and urban workers. The fundamental change has, despite the efforts of the PNC to keep racial fears alive, in fact provided a basis for overcoming the racial divisions that have paralysed the country for a decade. The widespread belief of many black workers that a change from foreign white to local black management has not significantly improved their lot has result in a reappraisal of the politics of race and has re-opened the way to inter-racial co-operation in the labour movement. Action by bauxite workers in solidarity with striking sugar workers heralded the first breakthrough after a decade of racial defensiveness. Instrumental in generating class rather than racial consciousness among the workers have been the activities of the Working People's Alliance (WPA).

Officially announced as a political party in 1979, the WPA has been in existence for three years. It is a multi-racial alliance of Marxist-oriented groupings with a mainly academic leadership and is distinguished from the PPP by its independent MARXISM (i.e. neither pro-Soviet nor pro-Chinese). The multi-racial composition of the WPA perhaps marks the beginning of a new era in Guyanese political life. Attempts to incite racial violence in order to win back dissident blacks, and charging the leadership of the WPA with serious crimes are but two indications of the threat the government senses in the WPA.

One of the main differences between the present upsurge of popular activity and that of the early 1960's is the inter-racial unity of the protests. Despite the racist rhetoric of the House of Israel,

which has a daily spot on the government-owned radio, and the activities of racial provocateurs in the villages, there are clear signs of concerted protest by Afro-Guyanese and Indo-Guyanese. The crowds at WPA meetings come from all racial groups and at the meetings of the PPP, attacks on the government are cheered by Africans as well as Indians.

Over the last two years all the major opposition groups have taken public positions in favour of the creation of a broadly based opposition coalition to restore democracy and economic viability to the country. There is thus some optimism that the Guyanese people have broken the political strangle-hold created by racial division and have the impetus to build a political and social structure responsive to the widespread desire for racial unity and participatory politics. The conduct of the elections, which Forbes Burnham announced would take place December 15, will be indicative of the PNC's response to these new political developments.

### Conclusion

The hemispheric significance of Guyana lies not so much in the violence of its post-independence politics (Latin America provides many more extreme examples of this) but in the fact that the direction and pace of its political development threaten to make it the first chronic case in the Commonwealth Caribbean of a political system dependent on coercion rather than popular support. The recent emergence of widespread opposition to the constitution and political aims of the government, cutting across racial, religious, class and political divisions, is perhaps the best indication that the population as a whole is aware of, and reacting to, this threat.

The following is extracted from Covert Action 1980

Evidence of official terror was dramatically released on February 25, 1980 at a WPA press conference where government documents were revealed showing transfer of arms to the House of Israel. A top secret radio message transcription was also produced from "Moonbeam to Chief of Staff". It read, "Re Delta Serra, plans for attacks on known WPA members must be fatal" (Delta Serra presumably means Death Squad). The cable was dated November 20, two days after the fatal police shooting of Ohene Koama. (Covert Action)

On Friday, June 13, 1980, in Georgetown, Guyana, Dr. Walter Rodney, internationally acclaimed historian and political activist was blasted to death by a bomb concealed in a walkie-talkie device that he had been tricked into testing. Ironically, his murder, designed to silence his eloquent opposition, has ripped the last mask of respectability from the Guyana government of Linden Forbes Burnham. (Covert Action)

This text is based on a revised and edited version of Comment 40: Guyana published by the Catholic Institute for International Relations (1 Cambridge Terrace, London, April 1980), with additional information from Covert Action number 10, August-September 1980.

His murder was the fifth political murder in the past 18 months. Harrassment and beatings at opposition public meetings and torture of political prisoners is commonplace. The cost to the Guyanese people generally of Burnham's dictatorship has been the consistent violation of the freedom of expression, particularly media suppression; right to a fair trial; freedom of assembly, and the right to work.

The Guyana Resource and Support Committee (GRSC) is a Montreal-based group of Guyanese and Canadian WPA supporters who's primary aim is to inform the Canadian public of the human rights violations and repression of civil liberties in Guyana; and to encourage church organizations, trade unions, political parties and the general public to denounce the Burnham regime. GRSC sponsors public forums for discussion of the Guyanese political situation; and holds screenings of the few films and videos available on the development of the current crisis. Our present project, undertaken with two other groups concerned with international development, is the production of an information kit on the crisis in Guyana. Much of the material written on Guyana which analyses the political developments or updates the situation is widely scattered or has a limited distribution. The kit will include relevant information which is not generally available; a comprehensive bibliography of articles, audio-visual material and a list of support groups which distribute news and opposition publications in North America. Detailed contents of the kit are given in the advertisement on the following page and will be available by the end of March. Donations from primarily church organizations have made production of the kit possible. Proceeds of the kit's sale will be donated to the Guyana Human Rights Association.

## REVIEW NOTES: ASTRIDE THE IRON CYCLE IN QUEBEC - CANADA.

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Resource based regions in which companies and communities are associated with mining or forestry activities, have been shown to experience the effects of cyclical patterns of production and stability to a greater extent than more diversified regions (Cho and McDougall, 1978: 66-74; King and Clark, 1978: 289-90). While observations have been made of the end of cycles and phases culminating in boom or bust, little note has been made of intermediate fluctuations and the interaction of longer term business cycles, seasonal fluctuations, and short and long waves in a chosen region or in a selected industry. Markusen (1978) for instance notes that boom towns are a "...classic problem of development: the quick thrust followed by hasty withdrawal... sudden prosperity followed by premature stagnation." Markusen records the case of Gillette, Wyoming, the coal capital of the west which has been through the experience three times in the last century. Numerous examples of this phenomenon also exist in Canada. What is obvious is that cyclical patterns of expansion and contraction of production, and employment and unemployment, whether of seasonal annual or longer duration, are just as much a part of life in resource extraction regions as are the peaks of boom and bust.

The effects of boom and bust cycles have long been recognised in resource extraction regions. However the nature of these cycles and their implications for community and regional stability remains largely unexplored. The major focus has been on the threat of closure and withdrawal neglecting consideration of short term and seasonal swings customary in most resource based regions. There are a number of industries and regions which experience long and short term swings which while they may lead to critical situations do not lead to the immediate demise of the resource region or its communities. Such is the case in some mining regions in the province of Québec and in other mining regions in Canada. Some fluctuations are the result of extra-regional forces derived from variations in world prices of minerals, swings in a national economy, swings in investments, and changes in employment patterns by sector or by region. Other swings and cycles are derived from within the seasonal and daily dynamics of the resource extraction region and its communities. The important consideration is that such regions exist within a pattern of cycles which are incorporated as part of the daily lives of communities and of industry. Indeed seasonal, daily and cyclical patterns of investment, disinvestment or employment are an accepted fact in such areas and while the demise of an industry may not be unexpected it is often a phenomenon which communities and regions associated with primary industries must adjust to living with.

This paper attempts to identify industrial, seasonal patterns and iron-ore cycles, and then to juxtapose them in economic, spatial and temporal terms in the Québec-Labrador iron-ore region (Clark, 1980). The juxtaposition of these extra-regional and internal rhythms, is aimed at a deeper understanding of the dynamics and the pace of expansion and contraction of resource dependent regions. For our present purposes the region is defined as the spatial area of the iron-ore trough in Québec and Labrador occupied by iron mining



towns, operated by vertically integrated iron ore companies, However we are not concerned with arbitrary divisions of space, but a region defined by its functional characteristics within a national and international division of labour (Massey, 1978: 109). Hence the local areas referred to as the iron-ore region of Québec have counterparts in other nation states equally dependent upon large multinational companies and more or less equally cyclically sensitive. Similarly the oligopolistic structure of industries marks most regions and defines them as areas in which communities and people are affected very strongly by up-stream price structures, productivity changes, investment and disinvestment decisions, and general decision making performed by centrally located bureaucratic and corporate structures (Sant, 1973).

Probably the best known observations of cyclical behaviour are those made by Kondratieff (50-60 years), Juglar (10 years) and Kuznets (18 years). The length and intensity of these patterns have been observed but some debate exists as to their regularity (Cho and McDougall, 1978: 67). Cyclical frequencies are sometimes conceptually difficult to define, according to Cho and McDougall, because there does not exist a commonly agreed upon definition of the length of business cycles. The United States Bureau of Research considers for instance, that a suitable definition of business cycles lasts from one year to less than 10 or 12 years. Olson (1979) and Walker (1978) however, argue that variations in cycles have been recognisable for both regional and urban systems. Short cycles they suggest have more defineable periods, with the longer ones varying more in their periodicity and their magnitude. Other authors have been satisfied to use existing theoretical outlines of cycles (viz. Juglar seasonal or Kuznets) and to juxtapose their data against these models (Lewis, 1978: 72).

One of the earlier students of the subject, Roepke, distinguished between 'primary' and 'secondary' cycles or depressions. He considered the 'primary' depression the outcome of the excess of investments spending during a boom fuelled by credit expansion. Schumpeter's well known hypotheses about the cause of long-term cycles is that periods of secular growth are also periods of adoption of new techniques and inventions. Conversely, periods of long depression are periods of adaptation of existing techniques and a consequent slow-down of the spirit of enterprise. Mandel (1975) argues that the cyclical course in both long and short term swings is induced by competition. Swings and cycles take the form of successive expansion and contraction of production and of industrial facilities (Mandel, 1975: Chapter 4). The upward and downward movements of capital accumulation are characterized by a period of upswing in which there is an increase in the mass and rate of profit and a rise both in the volume and rhythm of accumulation. He suggests that cycles are punctuated by crises and that in any particular crisis, both the mass and the rate of profit will decline, and both the volume and the rhythm of accumulation will decrease. The industrial cycle, both short and long term, thus consists of the successive acceleration and deceleration of accumulation. During the phase of upswing the accumulation of capital accelerates but when this movement has reached a certain point it becomes difficult for the investment to be profitable. The entire industrial cycle, according to Mandel, appears to be the consequence of accelerated capital accumulation, decelerated accumulation and under-investment. The length of an industrial cycle may be determined by the turnover time necessary for the construction of all fixed-capital. Indeed, as Mandel suggests, it is the renewal of fixed-capital that determines the activity of a boom as entrepreneurs respond to the growth cycle. Mandel also dis-

cusses two phases of cycles of the stimulation of renewal; these are the extension of the scale of production on existing technology; and extension based upon a renewal of productive technology and of fixed-capital.

A number of geographers have utilized the particular theoretical formulation developed by Mandel in delineating urban and regional structures. Walker (1978) for instance argues that urban developments in the late nineteenth century in the United States followed readily identifiable cycles postulated by business cycle economists including Kuznets cycles (15-25 years) and Kondratieff cycles (50-60 years). Walker indicates that Kuznets cycles occurred in the United States from (circa) 1842 to 1859, 1860 to 1877, and from 1878 to 1846. He, like Mandel and Harvey, argues that growth builds up from a stable base at the beginning of a cycle and becomes increasingly rapid in absolute terms until the limits of growth result in checks along existing pathways; this yields to instability, crises, and to reforms and restructuring of an urban or regional economy (Walker, 1978: 184).

In two papers, Olson (1978 and 1979) advances the idea that cycles in investment can be identified in patterns of the built environment in North American cities. Olson places capital investments at the focal point of change in late nineteenth century American cities and argues that a number of cyclical patterns may be observed in their urban morphology. In Olson's intensive study of the city of Baltimore she was able to identify zones of urban change and morphogenesis with metabolic rhythms and spatial frontiers of investment. She concludes that periods of investment in urban areas involving short term cycles increase with the pace of capital accumulation. The cyclical deployment of capital in bursts in production units (viz. mining in resource based regions) effects the expansion of production, employment, output both local and regional, and has a strong influence on the supply of ancillary services and smaller local firms.

Long term investments have an influence on the viability of the cyclical regeneration of fixed assets and durables in a (resource-extraction) region. Both Olson and Walker suggest that the periodic (re)organization of industry and variations in levels of production have a strong effect on communities through trade cycles and through seasonal variations. Evidence drawn from the iron-ore region in Québec suggests that reorganizations of fixed assets and machinery used in production of iron-ore pellets occurred at a pivotal period in a business cycle in the industry. Reorganization was accompanied in this instance by a period of ripple investments, new growth in one settlement of the region, and decline in several others.

A number of cyclical patterns in investments and production have been observed in the Canadian context for the national economy for regions and for industrial sectors (Clark, 1979; King and Clark, 1978).

The work of Clark (1980) is an example of a geographer who has attempted to examine some of the regional (Canadian) circumstances of cycles, especially those associated with unemployment. He notes that while geographers have been interested in interregional differences and cycles they have tended to concentrate on spatial/causal relationships and upon neoclassical explanations (Clark, 1980: 175); both of which Clark suggests can be improved on. Clark's own work on labour markets and on unemployment in Canada have been notable and his 1978

papers in particular represent an attempt to collect regional information in the Canadian context. King and Clark (1978) note that in Canada certain areas which are dominated by resource extraction are cyclically sensitive regions. Sant (1973) also points out that the oligopolistic structure which is characteristic of such regions suggests that such firms are able to maintain prices in the face of downswings by decreasing production and hence cutting back on employment. Evidence from the iron-ore industry in Quebec corroborates these points but also suggests that stockpiling of ores and different production levels are related quite clearly to union contract negotiating periods and to corporate policies which may lead quite readily to increased levels of sensitivity and class conflict during industrial crises.

While long term cycles and historical patterns are of general theoretical interest, it is with the literature on short term swings and regional cycles of smaller amplitude that we are mostly concerned with here. The available theory suggests patterns of long swings (18 years, Kuznets), trade cycles (1-10 years?), seasonal cycles, and daily rhythms. These shorter term patterns are of greater significance to us here. The iron-ore industry in Quebec for instance has been in existence since about 1950. Despite this apparently short period there exists a number of cycles which can be identified and related to the global economy viz, the Bethlehem Steel Co. which is related to the growth of the iron-ore industry in Quebec, has invested heavily in a number of world wide projects over the years, including steel processing plants in Baltimore, and in Venezuela. These investments, including those in the Quebec iron-ore region, were related to the end part of a long-term Kondratieff cycle in which Bethlehem steel was intimately involved.

Of the short term patterns, daily rhythms are perhaps the least discussed in the cycles literature, largely because their magnitude has been assumed to be so small that they cannot be related to observable or longer term cycles. However, evidence suggests that daily rhythms and cycles, especially those related to work processes and to shift work, have an identifiable and cumulative effect which when multiplied and combined with other cycles have an influence beyond the perception of a simple daily or circadian rhythm. The daily rhythm contains periods of working, sleeping and related social activities. In resource dependent regions these patterns become compounded with seasonal work periods in the mines and with climatic periods of high and low intensity work periods. Daily rhythms associated with weekly or shift change periods, tend to influence social relations and periods of social interaction in regional communities. Satisfaction and dissatisfaction levels may also vary within and between these cycles, as well as between individual settlements in a region. Shift changes become part of an associated seasonal rhythm related to the pace of production and with the pace that people are able or willing to work at.

The concept of seasonal frequencies in the business cycle has been well documented in the literature. However little evidence has been produced towards aiding the understanding of the significance of the interaction of seasonal economic cycles, the national cycles, and the pace and rhythms of cycles in sectoral regions. It seems that the seasonal rhythms of production expected by firms are well established through production projections, stock piling practises, and the seasonal transporting of raw materials out of a mining region. The iron-ore community at Schefferville, Québec for instance

experiences work pace patterns which are adjusted seasonally, as well as to periods of expected layoffs in the union contract negotiation cycles. Workers anticipating layoffs at the end of a summer season of mine work may adjust their work patterns to slow down production. This is an obvious local variation to cyclical patterns which are not discussed in cycle literature. Other seasonal and climatically derived patterns are related to the technological limitations of mining in inclement weather. The mining industry in some regions for instance virtually closes down for the winter releasing workers onto the labour market, whilst mines in other areas continue to operate despite such disadvantages. Annual cycles have their own momentum which reflects local circumstances and their impact on extra-regional forces. As well there are local patterns which bear the distinct imprint of extra-territorial forces. Patterns of employment and unemployment for instance reflect the global economy (of iron-ore) as well as the particular linkages which exist between inputs and outputs of the industrial sector being examined, e.g. the influence of the United States steel industry and the "health" of the autoindustry are directly felt in iron-regions and communities. However, locally there are obvious variations and patterns which do not directly mirror the national economy. Layoffs, for instance, are preceded by work slow downs and the migration, often permanent, of workers and their families. In addition to annual cycles there are cycles in resource extraction regions based upon patterns of union contracts, layoffs and stockpiling. It seems that these factors can be readily correlated in time/events sequences of 3-4 year cycles depending on whether a company has maintained a sufficient stockpile to last through crisis periods.

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## REVUE DES ANALYSES DE LA GAUCHE QUEBECOISE FACE AU REFERENDUM

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Le référendum québécois portant sur la souveraineté-association (économique), nouvelle formule d'entente entre le Québec et le Canada voulant remplacer le simple statut de province, a certes été un moment important dans l'histoire du Québec. Son échec n'a pas pour autant tué le mouvement nationaliste, luttant depuis la Conquête contre l'oppression; il s'apprête à renaître sous d'autres formes. Cependant, il a profondément divisé la population québécoise, d'abord sur l'alternative qu'il offrait, et surtout, sur les interprétations des deux parties de cette alternative pour l'évolution du Québec. D'où vient la confusion des analyses politiques de la question nationale québécoise, confusion qui ne semble pas vouloir se dissiper?

Puisque la question régionale (et donc nationale) est un point fondamental dans l'étude de l'organisation et de la production de l'espace, un cas concret est ici présenté dans une revue rapide des analyses et des positions qu'a suscité, chez des groupes de la gauche québécoise, le référendum.

Une analyse matérialiste du référendum exige une analyse des classes sociales québécoises et des implications du référendum pour elles.

La pensée matérialiste historique québécoise n'a pourtant pas un consensus sur cette question. On peut cependant la regrouper en deux tendances, comme suit:

"Les mêmes travaux (Anne Légaré parle de la première tendance) seront portés à nier l'existence d'une bourgeoisie québécoise puisque la petite bourgeoisie nationaliste y tient lieu de class dominante québécoise opposée à la bourgeoisie canadienne... Ce schéma aboutit le plus souvent à deux classes proprement québécoises, une petite bourgeoisie d'artisans, de gestionnaires, de professionnels, de hauts fonctionnaires d'Etat et d'intellectuels de la reproduction et une classe ouvrière recouvrant le reste des salariés...

Dans un sens tout à fait différent (la deuxième tendance), d'autres travaux reconnaissent l'existence d'une bourgeoisie québécoise ayant une place politique propre et une petite-bourgeoisie qui est moins la condensation des intérêts économiques d'une élite qu'une classe profondément contradictoire, comprenant un vaste ensemble de salariés socialement démarqués de la classe ouvrière et polarisés à la fois vers elle et vers la bourgeoisie."<sup>1</sup>

Pour présenter la pensée des ces deux tendances sur la question du référendum, nous étudierons les analyses et positions du Centre de Formation Populaire (CFP), organe de réflexion socialiste relié aux syndicats québécois, et de deux importants groupes d'extrême-gauche, l'un canadien, le Parti Communiste Ouvrier (PCO), de tendance maoïste, et l'autre québécois, le Groupe Socialiste des Travailleurs (GST), de tendance trostkyste. Notons que ce ne sont que des tendances, et qu'aucun organisme québécois ne les représente de manière absolue.

#### A. Les Analyses

Les trois groupes s'entendent pour dire que l'Etat fédéral représente la bourgeoisie monopoliste canadienne (et américaine, ajoute le C.F.P.) et que son projet fédéraliste de réforme a pour but de résoudre la crise au Canada en maintenant l'oppression nationale qui sert ses intérêts. La s'arrête l'analyse commune.

Quelle est la nature de cette crise? Alors que le PCO et le CFP l'identifient à une lutte entre deux fractions de la bourgeoisie: monopoliste et non-monopoliste, le GST insiste sur la nature politique de cette crise, comme étant le résultat d'une montée des forces populaires dont une des nombreuses revendications est la solution de la question nationale québécoise. Outre le maintien de l'oppression nationale, le projet fédéraliste vise à nier le droit même à l'autodétermination revendiqué par le peuple et qui menacerait l'Etat. Mais qu'en est-il de la souveraineté-association? Signifie-t-il la reconnaissance du droit à l'autodétermination? De cela, le CFP ne parle point (nous verrons plus loin pourquoi), alors que les deux groupes

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1. A. Légaré, Heures et promesses d'un débat: les analyses des classes au Québec (1960-1980), Les Cahiers du Socialisme, no. 5, p. 76.

d'extrême-gauche concluent que, si le projet de souveraineté-association ne le nie pas comme fait le projet fédéraliste, il ne le garantit pas non plus; tout en se faisant le porte-parole du peuple, la démarche du gouvernement québécois sous-entend que "l'implication et la mobilisation générales du peuple dans le processus de définition de l'Etat, des constitutions et du gouvernement sont incompatibles (c'est nous qui soulignons) avec la préservation d'un gouvernement efficace et l'aménagement d'une nouvelle association économique dans le cadre du système du profit".<sup>1</sup> Donc, pas question de solutionner l'oppression nationale. Le PCO et le GST sont d'accord sur ce point de l'effet politique sur les classes populaires, de la souveraineté-association; cependant, alors que le PCO identifie le gouvernement péquiste à la fraction non-monopoliste de la bourgeoisie québécoise (dont une partie minime est actuellement monopoliste), et son projet à une aspiration à la monopolisation, le GST se confine à l'analyse purement politique; il n'identifie pas la classe représentée par ce gouvernement, et voit dans la souveraineté-association, à l'instar du fédéralisme renouvelé, un projet de résolution de la crise politique fédérale. Le CFP se distingue fondamentalement des autres groupes en ce qui a trait à l'évaluation de l'enjeu du référendum pour les classes populaires. En effet, le CFP ne nie pas l'influence, dans le gouvernement péquiste, d'une classe petite-bourgeoise qui, si elle est actuellement minoritaire, pourrait éventuellement jouer en faveur de la classe ouvrière. C'est donc dans l'importance qu'il accorde à la classe petite-bourgeoise dans l'organisation de la société québécoise, que le CFP se démarque des autres groupes. Il émet donc plusieurs hypothèses sur l'enjeu du référendum, qui en est un secondaire tactique servant son enjeu principal, son renforcement vers la libération. Ceci nous amène aux tactiques et positions découlant des analyses.

## B. Les Tactiques et Positions

Conséquemment à son analyse de la composition du gouvernement péquiste, le CFP joue à l'intérieur des limites que le pouvoir propose, sans oser parler du droit à l'autodétermination; le référendum peut, soit aider le renforcement des classes populaires vers leur libération, soit accentuer la répression qu'elles subissent; les scénarios positifs ou négatifs ne dépendent que de l'organisation et de la politisation du mouvement. En attendant que ce mouvement soit mieux organisé et plus politisé (quand? comment?), le CFP ne propose aucun programme, mais un oui "critique" au référendum. Finalement, l'analyse et la position du CFP partent d'un postulat, qu'un socialisme pan-canadien est improbable, ne méritant que des sarcasmes (par exemple, le renvoi de l'action politique à un "grand soir" prolétarien à travers le Canada<sup>2</sup>) et que, par conséquent, l'indépendance, étape vers le socialisme, sert les intérêts véritables des classes populaires.

Le GST également conclue que l'indépendance sert l'intérêt de la classe ouvrière québécoise, mais il ajoute que la classe ouvrière canadienne a intérêt à l'appuyer dans sa revendication du droit à l'autodétermination. Il ne parle pas de socialisme canadien (du moins, pas dans son Manifeste pour l'indépendance du Québec) mais il semble sous-entendu que l'obtention du droit à l'autodétermina-

1. Groupe Socialiste des Travailleurs, Manifeste pour l'indépendance du Québec, mars 1980, p. 15.
2. Centre de Formation Populaire, Le référendum: un enjeu politique pour le mouvement ouvrier, Les Cahiers du Socialisme, no. 4, p. 99.

tion pourrait être une étape vers un socialisme canadien. Il prône l'annulation au référendum ("pour refuser de plier contre la pression, pour maintenir la voie du combat... (pour) exiger que le peuple souverain décide"<sup>1</sup>) et propose un programme: Convoquer immédiatement l'Assemblée constituante du Peuple québécois et nommer un Gouvernement responsable devant l'Assemblée constituante.

Quant au PCO, il prône également l'annulation au référendum, contre un projet anti-démocratique et bourgeois, contre un autre projet, bourgeois également et traditionnellement oppresseur pour la nation québécoise; l'annulation pour éviter de diviser la classe ouvrière dans sa lutte pour le socialisme à l'échelle du Canada. Le PCO propose un programme de luttes contre l'oppression nationale, lutter qui ne constituent en fait que la suite des luttes que mène le peuple québécois depuis deux siècles et qui, essentiellement, ont assuré sa survie dans le cadre fédéral.

Ainsi, cest trois analyses de la gauche québécoise arrivent à des conclusions très différentes (soutien au "oui"; abstention et "pour un Etat national distinct"; abstention et socialisme canadien).

Ce cas parmi d'autres, devrait pousser la géographie socialiste à s'interroger plus profondément sur la relation entre dépendance et structure sociale d'un espace (région ou espace national) et sur les moyens de libérer un espace de cette dépendance.

Quant à nous, nous espérons que l'échec au référendum, de la proposition péquiste poussera la gauche québécoise à améliorer son analyse de la réalité québécoise et canadienne, ainsi que son combat pour l'avancement du socialisme au Québec et au Canada.

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## PRODUCTION AND REPRODUCTION

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"Historical demography is far too serious a subject to be left to the demographers", wrote Christopher Hill in 1978. Recent works by historians, economists and sociologists show what non demographers can contribute and illustrate the truth of his remark. Traditional demographers seldom ventured outside their technical questions. Did the falling death rate or the rising birth rate contribute most to demographic growth? What were the relationships between birth, death and marriage rates that brought about the much discussed "demographic transition"? Now the role of fertility and marriage rates in much more fundamental transitions is being studied. A growing number of researchers are examining the inter-relationships between production and reproduction both in the period of transition to capitalism and within capitalism. The components of population growth and their relationship to economic change are emerging more clearly out of the "fog of learned dispute" that made such issues seem purely technical both in form and meaning.

As historical research has begun to place a growing emphasis on the importance of rural and cottage industry, strangely named "proto-industry" by some, in the transition to industrial capitalist production, the role of the family has come to the fore. For, as Hans Medick has clearly pointed out,

"Proto-industry was domestic industry. It was closely tied to the inner dynamic which household and family of the rural artisans generated within a context increasingly determined by market and monetary relationships and by the capitalistic organization of trade, putting out and marketing."

In such peasant households where working the land and manufacturing were combined the logic of marriage and procreation are more easily discerned. The size and structure of families can be seen in their relationship to the nature of production. Thus, in a growing body of writing, population growth is being stressed less and less as an abstract, independent factor in history and more

and more as a result of people's responses to the particular mode of production in which they find themselves. Production and reproduction are thus, brought together. Much of the literature is not at all radical in its theoretical framework. Much is infuriatingly technical in its context. It is, however, of vital importance, I think, in any attempt to understand the dialectical relationship between production and reproduction - to understand some of the most fundamental actions and reactions of men and women in periods of transition.

Three relatively recent books address this relationship in different periods and from varying ideological perspectives. Together they highlight the vital link between the process and mechanisms of proletarianization and people's decisions to marry and have children. Less explicitly they answer feminist questions about the particular constraints and influences of different modes of production on a woman's experience, on the likelihood and age of marriage, on the number of children she would bear and the sphere she would occupy in production and reproduction.

David Levine's Family Formation in an Age of Nascent Capitalism is the most important and most interesting of the three books. He reconstructs the demographic experiences of four English towns between the seventeenth and nineteenth centuries using the family reconstitution technique. In contrast to most previous work of this kind he goes well beyond a description of his results and carefully links changes in fertility and marriage patterns both to the nature of the economies of the villages and to their role in the growing world system. It is explicitly marxist in the questions asked and in the analysis. His concern is the

ways in which the nascent capitalist system undermined the demographic bases of the peasant community and substituted a new set of imperatives.

Levine had begun by asking the more traditional demographic question - was the death rate or the birth rate the crucial disequilibrating factor in the industrial revolution? Quickly he became convinced that this was not the right question. The crucial factor was proletarianization. "Undermining a traditional economy and replacing it with one where capitalist agriculture or proto-industry held sway had identifiable demographic implications". A fall in the age of marriage was, he argues, crucial. Once people were separated from ownership and inheritance of property, incentives to late marriage disappeared. Wage labour enabled earlier setting up of a household. In putting out industries like framework knitting in Shepshed (Leicestershire), wives, children and husbands were all involved in production. Early marriage and quick childbearing meant family labour could replace hired labour in the home once the dependency bump was passed. But early marriage also increased the overall birth-rate, by reducing the gap between generations and by extending a woman's reproductive period. This led to rapid population growth, which, in turn, influenced production. While there was an ever-growing proletariat to turn to there was little incentive to undertake capital investments to re-organize production.

His arguments are much more subtle than this brief summary suggests. For each village, Shepshed, Bottesford, Terling and Colyton he shows how, over

time, strategies of family formation varied depending on the particular nature of the town's class structure and economic transformation. His careful examination of the four different villages shows how wrong demographers have been to extrapolate from the experiences of one place to the level of the nation. Yet, at the same time, he demonstrates that in all villages at different times and speeds depending on the particular nature of the local transformation "proletarianization was accompanied by a reduction in the age at marriage, and to a lesser extent, by rising fertility both within and before marriage." Increased family size created its problems in periods of involution. Then families shared housing or sent their children out to work at a younger age to increase the number of wage earners. Women began to restrict their fertility, but without a change in the new, younger marriage age, this seemed to bring only limited results.

Levine's work is an important contribution to much more than historical demography. It shows people responding actively to their changed position in production, yet not always able to deal with the repercussions. It adds new dimensions to the characteristics of proletarianization. Sometimes it is rather technical and dry, but I suspect that this is necessary to convince those who don't like his arguments. Many demographers would question the emphasis that he places on the importance of the changed marriage age in increasing fertility, yet his material seems to support it. Sometimes his conclusions don't quite seem to follow from the evidence presented. But the major conclusions stand. His stress on the importance of proletarianization is a welcome improvement over the usual use of "modernization" or "industrialization" as a catchall explanation for changing ideas and changing patterns of marriage and fertility. It is quite readable and I would recommend it to anyone interested in the whole question of the transition to capitalist production.

I would not recommend that anyone read Historical Studies of Changing Fertility from cover to cover, unless they really enjoy demographic model building. Published in 1978 it contains a wide variety of articles all purporting to address the question of "early industrialization, family structure and fertility". The papers are extremely variable in their quality, techniques and explanations. Several are based on what seem like horrifyingly simple cost-benefit analyses of the usefulness of having children. Many are very technical. Three articles are of interest, as much for the possibilities that they open up as for their actual content. The contributions by Berkner and Mendels, by Braun, and Tilly's introduction and conclusion deal, like Levine, with the process of proletarianization, although not so explicitly. The question is how in Europe during the last five centuries or so "a predominantly peasant population turned into an urban-industrial one".

Berkner and Mendels examine "Inheritance Systems, Family Structure and Demographic Patterns in Western Europe, 1700-1900". This is a topic of special interest, surely, to socialist geographers. For an examination of inheritance patterns in a period of transition involves dissection of the mechanisms of property transmission through generations and between classes. Well done, such an examination should show the process of proletarianization, of the emergence of one class with and one without property. This particular article is disappointing, especially in contrast with some of Berkner's other work. It does not aim to ask these kind of questions. The major point they make,

is however, important. Historians, demographers and geographers, they argue, have too readily assumed that a particular inheritance system, "partible" vs "impartible", for instance, has easily discernable implications for land holding and population growth. Peasants, they suggest, like anyone else, bent traditional and legal systems to fit their particular needs and wants at any time.

There are circumstances where what looks like the effect of the inheritance system will in fact be the result of economic and demographic factors. To find out one has to know the local patterns of land tenure, the village economy, and of course one has to know how the inheritance system actually operated in practice.

Braun's "Proto-industrialization and Demographic Changes in the Canton of Zurich" stresses the importance of the putting out system in the textile industry as laying the basis for later factory production in the Zurich area. The argument is that during the 18th century the small group of privileged burghers who controlled the textile industry were only able to establish cottage industry in certain communities. Predictably this was where there was already a body of landless poor or people on very small, poor lots. Cottage industry allowed people to make a living on minutely divided holdings, it also gave the "material pre-requisites for marriage". Younger marriage, the retention of people in areas because of local industry and the attraction of in-migrants from areas of farming only all led to rapid population growth in the putting out areas. There thus emerged a growing body of people in the countryside with little or no property, dependent mainly or exclusively on proto-industry for a living. He examines the complex interaction of old values and new ways in this context, showing instances of where in one generation families moved from dependence on the product of their small holding to reliance on the "Rast" (allowance) contributed by the working children. Braun's analysis is an amazing mixture of malthusian explanation, classical economics, gentle class analysis and historical empiricism. But it is interesting, and along with his other work, provides a good parallel to Levine's study.

Tilly's introduction and conclusion to this collection are useful. They provide a good introduction to an critique of research on the relationship between population and economic change. He nudges his disparate contributors toward a more radical interpretation of their material than they themselves would make. All the articles do, as he suggests, "minimize the importance of ideological and attitudinal changes as pre-requisites in the fertility decline". They also point to the limitations of the Theory of Demographic Transition. In its place Tilly posits.

...a sequence running from peasant society to proletarianization to embourgeoisement; in such a hypothetical sequence, peasant social arrangements effectively tune fertility to mortality, but restrict it nonetheless. Proletarianization tends to raise fertility. But the acquisition of property and the investment in children's futures among all classes of the population...checks fertility more decisively than ever before.

Whereas Levine and most of Tilly's contributors deal with the seventeenth and eighteenth centuries Michael Haines's Fertility and Occupation: Population Patterns in Industrialization, examines nineteenth and early twentieth century populations. It is a study of the particular demographic characteristics of peoples involved in regions where mining and heavy-industry dominate. "Particular economic structures", he argues, "lead to particular demographic behaviour patterns and differentials". It is based on analysis of published demographic data, of manuscript censuses and of the interesting 1890 U.S. Commissioner of Labor surveys of families. He draws on evidence from studies all over the world, but concentrates on the Pennsylvania Anthracite Region between 1850 and 1900, Durham and Easington and Merthyr-Tydfil, 1851-1871, and on mining and metal worker's families sampled by the U.S. Commissioner of Labor.

The book is both frustrating and fascinating. There are vast amounts of quantitative detail, which are of interest methodologically, but not necessary to his argument. Much is purely a statistical exercise in which variables appear to have explanatory power independent of the people involved. However, out of all this come some interesting conclusions.

Despite the fact that various geographic areas were studied at varying points in time, it does emerge that the demographic behaviour of mining and industrial populations was distinctive and was influenced by characteristic economic structures.

Historically, coal miners, as well as metallurgical workers... have appeared more to resemble their counterparts in other countries than their fellow citizens.

Consistently he shows that miners and metal workers had much higher fertility than virtually all other occupational groups. Wives of these workers in most places had more children during their reproductive years, and even had more survive despite often higher rates of infant mortality. Women married earlier and more married than in other areas. His explanations for this are simple and sensible. Most miners and heavy metal workers lived in areas where there was little employment for women and where there was a predominance of males over females. Their wage earning capacity peaked early compared to other occupations. The women thus had little choice beyond marriage or emigration. The men could afford to marry young. Many children ensured that some would survive and replace the father when his wages dropped or when early debility or death cut off his wages. Haines also thinks that the fact that most areas were not highly urbanized, that miners often had large gardens or small farms which also supplemented wages and conditioned people to higher fertility. This argument does not seem very convincing.

Haines, an economist, casts his explanations in fairly classical economic terms. The implications, however, can be taken further. Not only did the transition to capitalist production reshape decisions about when to marry and how many children to have. It also created differences between and within classes in reproductive behaviour. People occupying different jobs showed different patterns of marriage and fertility, at least in the nineteenth century, and these can be linked to the nature of their work. One thinks of the difference between a nineteenth century clerk, starting work at very low wages, working his way slowly up the hierarchy and only marrying when he had

saved sufficient to live in a style he deemed appropriate. The contrast with the experience of Haines's miners is clear.

To conclude. These three books illustrate different ideological and methodological approaches to the growing area of research into demography, the family and economic change. The aim here was not to critique them rigorously, but rather to present some idea of their content for those who don't usually peruse such literature. All go well beyond the confines of traditional demography. They attempt explanations, venture beyond description. Tilly's collection is most useful as a quick introduction to the field. Haines is more fascinating in its implications than its content. Levine represents an important step in the analysis of the relationship between production and reproduction.

All suggest explicitly or implicitly that proletarianization rather than "modernization", "industrialization" or "urbanization" is the crucial factor in explaining changed marriage and fertility patterns and hence demographic growth. This in itself attacks the idea inherent in the Theory of Demographic Transition of an early period of uncontrolled fertility in which deaths were the only regulator of population growth. In so doing they make individual and family strategies much more important as forces in history. They also suggest that industrial capitalism must be viewed not as a sudden break, but as something growing out of the patterns laid down earlier. All suggest too, that changing ideas about children, about women, etc., cannot in and of themselves be used as the explanation for either increases or decreases in fertility. This attacks theses such as that of Shorter who stresses the "wish to be free" which he believed stemmed from the capitalist marketplace, as the prime cause of changes in sexuality and the birth rate. Finally, together they hint at or point to, the demographic implications both of different modes of production and of people's place within the class structure. Production and reproduction are thus brought much more closely together and intertwined. The physical separation of home and work, of women's place and men's place that resulted from industrial capitalist production, is shown to be just that, a physical separation only. Capitalism clearly altered not only the rhythms of work life but also the very patterns of family formation.

1. Christopher Hill, "Sex, Marriage and the Family in England", The Economic History Review, Vol. xxxi, no. 3, August, 1978.
2. E.J. Hobsbawm, Industry and Empire, Vol. 3, The Pelican Economic History of Britain, Penguin Books, 1969, p. 44.
3. Hans Medick, "The proto-industrial family economy: the structural function of household and family during the transition from peasant society to industrial capitalism", Social History, 3, 1976, p. 297.
4. Hans Medick, "The proto-industrial family", is a good critical review of literature on this topic. Louise Tilly and Joan Scott's Women, Work and Family, Holt, Rinehart and Winston, 1978, also deals with this topic in broad terms.

5. David Levine, Family Formation, p. 10.
6. Ibid., pp. 146-7.
7. Ibid., pp. 11, 14, 80-84.
8. Ibid., p. 147.
9. Ibid., p. 79.
10. Charles Tilly ed., Historical Studies of Changing Fertility, p. 22.
11. Ibid., pp. 209-24. For more detailed and interesting articles by Berkner see "The Stem Family and the Developmental Cycle of the Peasant Household: An 18th Century Austrian Example", American Historical Review, LXXVII, April, 1972. "The Use and Misuse of Census Data for the Historical Analysis of Family Structure", Journal of Interdisciplinary History, v. 4, Spring, 1975. The most exciting book on this topic is Jack Goody, Joan Thirsk and E.P. Thompson, Family and Inheritance: Rural Society in Western Europe, 1200-1800, Cambridge University Press, 1976.
12. Historical Studies, p. 223.
13. Ibid., p. 332.
14. See, for instance, Rudolph Braun, "The Impact of Cottage Industry on a Rural Population", in D. Landes, ed., The Rise of Capitalism, Macmillan, New York, 1966.
15. Ibid., pp. 348-9.
16. Michael Haines, Fertility and Occupation, p. 245.
17. Ibid., p. 4.
18. Edward Shorter, The Making of the Modern Family, New York, Basic Books, 1975, p. 259.

Shorter's stress on ideas follows that of William Goode in his World Revolution and Family Patterns, New York, 1963. It continues in Lawrence Stone's Family, Sex and Marriage in England, 1600 to 1800, Harper and Row, London, 1977, and in Randolph Trumbach's The Rise of the Egalitarian Family; Aristocratic Kinship and Domestic Relations in Eighteenth Century England, New York, Academic Press, 1978.

## CONSIDERATIONS ON THE ORGANIC COMPOSITION OF CAPITAL

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During the fall term, 1980, a group of students and professors participated in a two day workshop at McGill<sup>1</sup> on the question of the organic composition of capital and the tendential falling rate of profit. In addition to selections from Vol. III of Capital, a number of other readings<sup>2</sup> were suggested, which were to be discussed. We hoped to determine whether the organic composition of capital necessarily rose and, if so, whether this necessarily led to a fall in the value rate of profit. Finally, we wondered whether the whole issue was of any use to geographers. Instead of answers, it seemed that we emerged from the workshop with only a clearer idea of the questions to be asked. Since that time, further reading and discussion has led to some of the answers we previously sought.

This is a working paper hoping to clarify and share some of these conclusions. We will be dealing with four subthemes which could be identified as follows: (1) What is the organic composition of capital and how have various authors misinterpreted its definition? (2) Why is the organic composition of capital an important category in Marx's theory of capitalist accumulation? (3) Does the organic composition of capital necessarily rise? and (4) What is the relation of the organic composition of capital to the tendency of the rate of profit to fall?

### DEFINING THE ORGANIC COMPOSITION OF CAPITAL

During the workshop it became evident that there was some confusion among the various authors as to the appropriate definition of the organic composition of capital, and this was reflected in the confusion concerning the relationship between the organic composition of capital and the rate of profit. Marx distinguishes three expressions of the composition of capital: the technical composition of capital (TCC), the value composition of capital (VCC), and the organic composition of capital (OCC). A careful reading of Marx (especially: Capital, Vol. 1, Capital, Vol. 3 and Theories of Surplus Value) reveals clearly the distinction and relationship among the three. To express changes in the productivity of labour, Marx uses the TCC.



This latter composition is determined by the relation between the mass of the means of production employed, on the one hand, and the mass of labour necessary for their employment on the other (Marx, 1977a:762).

The VCC indicates the ratio of the value of the means of production to the value of labour-power. This ratio is given as  $c/v$ , where  $c$  is the socially necessary labour time embodied in the means of production, and  $v$  is the socially necessary labour time required for the production of the means of subsistence used in the reproduction of labour-power.

While the OCC is given by the same notation,  $c/v$ , it expresses a slightly different relationship. Marx defines the OCC in the following way:

The value-composition of capital, inasmuch as it is determined by, and reflects, its technical composition, is called the organic composition of capital (1977b: 145-6).

Hence, the OCC is neither the TCC nor the VCC. It is a value relation, but only insofar as it is determined solely by the TCC. All other determinants of the value of  $c$  and  $v$  are excluded. However, Marx does not seem to use the OCC in the same way all the time, with the result that there is a continuing disagreement in the literature concerning the definition and use of the OCC. We hope to show here, however, that Marx's use of the concept is consistent with the given definition, as well as his theory of capitalist accumulation more generally.

Some authors see the OCC as an expression of the ratio of congealed, or past, labour to living labour employed in the production process. Others consider the OCC as synonymous with the VCC. Neither of these versions is correct, although the source of the confusion can be seen in Marx's use of the term. In Part 2, Vol. III of Capital, he considers varying OCC's while the rate of surplus value,  $s/v$ , is held constant. Here, Marx ignores the distribution of the product of living labour between capitalists and workers; he is concerned only with the total amount of living labour in comparison with the amount of labour congealed in the means of production. On the other hand, in Part 3 of Vol. III, changes in the rate of surplus value are allowed to affect the OCC. Here, Marx is concerned not only with the total amount of living labour in the production process, but also with the ratio of the value of constant capital to the value of labour power,  $c/v$ , insofar as this ratio is determined

only by the rising TCC. It appears that Marx has shifted the meaning of the OCC from a ratio between the value of capital and a magnitude of labour, to a ratio between the value of capital and the value of labour.

This transition in the use of the term is an illusion. In both Parts 2 and 3, Marx is using the OCC as a ratio between two values. In Part 2, Marx is discussing the role of differing compositions of capital across industries on the formation of prices of production and the general rate of profit, considered within a single time period. In Part 3, on the other hand, changes in the TCC and hence the productivity of labour over time come into view. Differences in the OCC across industries for one time period do not necessarily imply differences in rates of surplus-value.<sup>3</sup> Changes in the rate of surplus-value come about over time, primarily through the appropriation of relative surplus-value which accompanies changes in the productivity of labour, and the consequent reduction in  $v$ , the labour time necessary for the reproduction of labour-power. Hence, it is appropriate for discussion of varying OCC's across industries during one time period to hold  $s/v$  constant. Because here, Marx emphasizes the use value of labour-power set in motion by the variable capital, this leaves us with a use of the OCC which appears simply as a ratio of congealed to living labour.<sup>4</sup> In fact, the OCC is purely a value relation. For the discussion of the changing OCC over time, the necessary consideration of the increased rate of surplus-value reveals immediately the exchange-value side of labour-power and the value aspect of the variable component of the OCC. So Marx's use of the OCC is consistent, and in both Cases reflects his understanding of relative surplus-value and the derivation of the rate of surplus-value.

#### THE IMPORTANCE OF THE OCC

In both Parts 2 and 3 of Vol. III, Marx is concerned with the effect of variation in the composition of capital on the formation of surplus-value. But, why must he develop a category distinct from the VCC in order to make his case? Marx hoped to show that there exists, under capitalism, a tendency for crises and for the rate of profit to fall, which is independent not only of the division of surplus-value into profit, interest, and rent, but also independent of a rising real wage. The VCC does not abstract from the influence of changes in the real wage on the value of labour power. The OCC, on the other hand, is determined solely by the TCC, so the influence of culture, workers' struggles, etc., is ignored.

The OCC is a tool which enables one to see clearly a basic contradiction within capitalist accumulation.

The contradiction, to put it in a very general way, consists in that the capitalist mode of production involves a tendency towards absolute development of the productive forces, regardless of the value and surplus-value it contains, and regardless of the social conditions under which capitalist production takes place; while, on the other hand, its aim is to preserve the value of the existing capital and promote its self-expansion to the highest limit (ie., to promote an evermore rapid growth of this value) (Marx, 1977b:249).

The goal of capitalist production is to maintain an ever greater accumulation of total capital,  $c+v$ , and this is accomplished through the development of the productivity of labour (an increase in the TCC). This, however, leads to an increase in the rate of surplus-value,  $s/v$ , and, since relatively more  $s$  is accumulated than  $v$ , implies an increase in the ratio of  $c$  to  $v$ , or the OCC. (We are here jumping to conclusions yet to be demonstrated). Most authors recognize that the larger the OCC, or the rate of surplus-value, the more difficult becomes a further increase in the appropriation of surplus-value.<sup>5</sup> The greater the accumulated capital becomes, the more diminished in comparison becomes the basis for its further expansion. Thus, capital in general runs up against a barrier to ever-increasing accumulation. This side of the dilemma of capital accumulation may be avoided only by accepting the other side, which is the devaluation of existing constant capital. While this continually occurs through the cheapening of the means of production which accompanies the rising TCC, Marx points out that this devaluation does not occur without a struggle.

The periodical depreciation of existing capital - one of the means immanent in capitalist production to check the fall of the rate of profit and hasten accumulation of capital value through formation of new capital - disturbs the given conditions, within which the process of circulation and reproduction of capital takes place and is, therefore, accompanied by sudden stoppages and crises in the production process (Marx, 1977b:249).

The use of the OCC elucidates the basis of the contradiction in, and disruption of, the accumulation process.

THE NECESSITY OF THE OCC TO RISE

A number of authors have recently gone to great lengths to show, in formal terms, that the OCC does not necessarily rise. Philippe Van Parijs could be considered a foremost example among these, since his work draws together most of these arguments in one essay. Van Parijs defines the OCC in two ways in an effort to show that, regardless of the definition selected, it cannot be shown that there is a necessity for the OCC to rise. Unfortunately, neither of the definitions is entirely accurate. The first definition makes the OCC synonymous with the VCC, while the second uses the OCC simply as a measure of the ratio of dead to living labour. In fairness to Van Parijs, it should be noted that his essay is a 'reconstruction' of the arguments presented in the literature, and the definitions he uses have their origin with previous authors.

In order to show that the VCC need not rise, Van Parijs gives us the following theorem:

$$VCK = (\lambda_1/\lambda_2)(T/B)TCK$$

where  $VCK=VCC$ ,  $\lambda_1/\lambda_2$  is a ratio of the unit value of the means of production to the unit value of means of subsistence,  $T/B$  is the inverse of the real wage, and  $TCK$  is  $TCC$ . The value of the means of subsistence need not fall faster than the value of the means of production, and the real wage need not remain constant or fall. Consequently, Van Parijs argues that the VCC cannot be proven to rise. But, as Shaikh (1978b:250) has noted, it is not necessary for the unit value of products in the two departments to change at different rates in order for the increasing  $TCC$  to be reflected in an increasing OCC.<sup>6</sup> Secondly, as noted above, the OCC holds the real wage constant (in contrast to the VCC), precisely in order that the contradiction inherent to capital accumulation could be seen independently of the struggle for an increased real wage.<sup>7</sup> Hence, with these considerations in mind, the OCC reflects only the  $TCC$  and would then also rise.

The second variant of the definition of the OCC (ratio of dead to living labour,  $RDL$ ) which Van Parijs employs is, as we have shown above, inconsistent with Marx's notion of the OCC insofar as the  $RDL$  ignores changes in the rate of surplus-value over time. However, his argument here forms a useful point of discussion. Van Parijs argues that the OCC can be shown to rise only if the rate of growth in the productivity of labour in Department I (production of means of production) is slower than the rate of growth of the  $TCC$ . This he considers an overly strict restriction on the growth of productivity.<sup>8</sup> Van Parijs

is here setting up a variation of the "capital-saving technology" argument<sup>9</sup> which proposes that as industries become more fully mechanized, capitalists may select innovations which cheapen the value of accumulated fixed capital rather than reduce living labour. Van Parijs claims that the value of the means of production may fall at the same or an even faster rate than their mass increases, so that a continually increasing mass of constant capital use-values embodies the same or even less value. Since the "capital saving technology" argument is justified by its proponents on the basis of capitalists' decisions to combat rising costs of constant capital instead of high labour costs, the argument is hardly consistent with a period in which the real wage should rise to the degree that  $s/v$  is constant in spite of increased productivity. So, we should <sup>here</sup> reject Van Parijs' incorrect version of the OCC as RDL and use, instead, the correct definition of the OCC which permits changes in  $s/v$ .

Yaffe (1973) has already pointed out that there are important limitations to the effect of "capital-saving technology" on the OCC. Furthermore, it should be noticed that, while such innovations may lead to a temporary decrease in the OCC, they cannot remove the contradiction that the OCC was meant to elucidate. That is, even if (contrary to the doubts of Marx and Yaffe) greater productivity could be obtained as a general rule<sup>10</sup> without increasing the social division of labour and the industrial reserve army, the essence of the barrier to ever increasing accumulation remains. The increased productivity which Van Parijs and others envision, would necessarily increase the portion of the total value of production which could be reconverted into capital (an increase of relative surplus-value).<sup>11</sup> In order for accumulation to continue to occur in this manner without increasing the OCC, the devalorization of constant capital must also occur as rapidly as its production. (Here we distinguish devaluation from devalorization in that the former refers to the reduction of the socially necessary labour time for the reproduction of constant capital, while the latter refers to the removal of constant capital from the value production process). In other words, there has been no solution to the dilemma at all, rather, simply a speeding up of the process of production and devalorization. Furthermore, since the devalorization of constant capital does not necessarily occur smoothly, it may well imply, also, the ejection of workers from points in the production process. Hence, from the perspective of total social capital, the so-called "capital saving technology" is, except in the rarest of cases, labour-saving technology. On the other hand, if all labour remains employed, a fall in the OCC can only occur if a portion of the surplus-value fails to be accumulated

as capital. In short, continued accumulation without either a rise in the OCC or the expulsion of labour from the production process is not possible.

What is forgotten in the mathematical formulations of those economists proposing that a certain rate of growth of productivity in Department I will offset the rise in the OCC, is that constant capital is, in addition to a value, also a social relation and a use-value with a physical form. Marx was well aware that the cheapening of the elements of constant capital would lower the OCC. He also realized that constant capital has a physical reality which is set in motion by living labour. Devalorization, then, implies the discarding of machinery, the closing of plants, and the expulsion of workers from the production process. This forms the basis for renewed expansion and the further concentration of capitals. In this irregular manner, the necessity for the OCC to rise continues.

#### THE TENDENCY OF THE FALLING RATE OF PROFIT

The rising OCC is associated with a tendency for the rate of profit,  $s/c+v$ , to fall. But this will remain only a latent tendency as long as the rate of surplus-value rises sufficiently to compensate for the rising OCC. This latent tendency is not a problem for capitalists so long as the mass of surplus-value continues to increase. The problem comes about when existing capital grows to the extent that the portion of the surplus-value required for its maintenance leaves insufficient surplus-value for the increased expansion of capital. As Mattick has stated:

From the point of view of profitability, then, the crisis of overproduction represents a situation in which the existing capital is simultaneously too small and too large, <sup>it is too large</sup> in relation to the existing surplus-value and it is not large enough to overcome the dearth of surplus-value (1969:68).

The inherent structural tendency for the devaluation (hence, devalorization) of constant capitals serves as the solution to this problem for capital in general. But, the attempts by capitals to lower their individual OCC's through capital-saving technology cannot extract capital in general from its dilemma. If such innovations were general enough to counteract the necessity for the OCC to rise, its concomitant could only be devalorization and the expulsion of labour. This means a decrease in the basis for the expansion of surplus-value, and the heightened possibility of overproduction of capital relative to productive living labour.

An increasing OCC implies both a fall and a rise in the mass of surplus value which may be converted into capital: the former emerges from the associated fall in the rate of profit, while the latter results from the increased use-value of the means of production. A decreasing OCC also implies both a fall and a rise in that mass of surplus-value: here, the former comes about because of devalorization and destruction of capitals, while the latter arises from the increase in the rate of profit. Thus, as Itoh (1980) has indicated, the discussion of the OCC and the tendency for the rate of profit to fall would more aptly be described as an elucidation of the basic contradictions of capital accumulation. One cannot predict an actual fall in the rate of profit on the basis of these contradictions, and real crises "can only be deduced from the real movement of capitalist production, competition and credit" (Marx, 1975: 512).

Nevertheless, the importance of Marx's theoretical formulations on the subject remains. Discussion of the OCC and the tendency for the rate of profit to fall illuminates the basis and source of disruption and crisis in the reproduction of capitalist relations and accumulation itself.

Although incapable of predicting the end of capitalism in any specific sense, the recognition of the falling rate of profit as the immanent law of capital expansion destroyed the illusion that capitalism could ever reach the state of tranquility its apologists held out as the hope of the future. It implies that all the concrete contradictions encountered in reality cannot be considered accidental or remediable shortcomings (Mattick, 1969:61).

#### TENTATIVE CONCLUSIONS FOR SOCIALIST GEOGRAPHERS

In this essay, we have attempted to explain briefly the basis of Marx's distinction between the VCC and the OCC. Marx developed the OCC as a distinct category in order to show that the fundamental problems facing capital are logically prior to any rise in the real wage. Secondly, we have argued for the importance of seeing constant capital and labour-power as containing both use-value and exchange-value. The OCC, then, indicates a social relation with implications for the material and the value aspects of production. Accumulation and devalorization accordingly have value attributes and a physical reality.

It is this physical reality which exaggerates the contradictions and disruptions inherent in the value relations of the capitalist production process.

If these arguments are correct, then struggle over control of the built environment and the natural environment could augment the traditional struggle of workers for a rising real wage. In fact, since mechanization permits a rise in the mass of appropriated surplus-value simultaneously with a rise in the real wage, workers' struggles in this area would have a limited effect on the profitability of capital. Seen in this light, work being done on industrial location, regional decline, and disinvestment could form useful points of interaction for workers and university types in the struggle.

#### NOTES

1. Larry Barth, John Bradbury, Fiona Colgan, Ruth Fincher, Elizabeth Hess, Jan Penrose, Sue Riddick, L. Anders Sandberg and Michael Webber.
2. See the bibliography.
3. Increases in the relative surplus-value stem logically from the reduction of the socially necessary labour time required for the reproduction of labour-power, and not immediately from the increase in the amount of use values produced by a given amount of labour power. That is, commodities produced under different productivities of labour at the same time, under the same social conditions for the determination of necessary labour time, hold the same proportion of necessary to surplus labour.
4. Marx points out that an amount of variable capital,  $v$ , implies two things: its exchange-value, and, given  $s/v$ , its use value. A very essential distinction is thus to be made in regard to variable capital laid out in wages. Its value as the sum of wages, i.e., as a certain amount of materialized labour, is to be distinguished from its value as a mere index of the mass of living labour which it sets in motion. (Marx, 1977b:147)
5. See for example, Yaffe, 1973, p. 201-202; Wright, 1977, p. 206-207.
6. In fact, "Marx abstracts from any long-term differential movements in the unit value of the two departments— precisely because all capitals are subject to the necessity of technical progress" (Shaikh, 1978b:250.



7. Why should workers be blamed for the fix in which capital generally finds itself? In fact, Marx wanted to show that increases in the real wage and increases in the mass of profits could come about simultaneously through the rise in the TCC. See Shaikh, 1978b.
8. We could hardly disagree that such a restriction is overly strict, since it is precisely through the TCC that Marx chose to measure the productivity of labour. Our disagreement with Van Parijs stems from our position that, because of the accumulation of use-values, the OCC can rise in spite of a rate of productivity increase which matches or exceeds the increase in mass.
9. Others who share this perspective include Shaikh, Wright and Hodgson.
10. Marx considered that such innovations were not generally recurring, and so could have only passing significance. See Yaffe, 1973.
11. Van Parijs' use of RDL for the OCC would serve to obscure the effect of the increased productivity on the rate of surplus-value.

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## CLASS STRUGGLE IN EL SALVADOR AND GUATEMALA AND THE ROLE OF THE CHURCH

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The Church is occupying a unique place in Latin America at the present time. The historic role of the Church has always been that of undermining indigenous cultures and of supporting established authority. Nowhere has this function of the Church been more in evidence than in Latin America where, for four centuries, its past has often been a bloodied one. More recently we have seen strong evidence of certain individuals within the Church taking an alternative stand. Camilo Torres, a priest from Colombia, and Bishop Helder Camara, from the poverty- and drought-stricken area around Recife, in North East Brazil, were among the first actively to support those attempting to bring about change to the totally inegalitarian societies in which they lived. By 1968 the Conference of Latin American Bishops at Medellin, Colombia, had urged the Catholic Church to take up the struggle of the poor against the social, economic and political systems which were oppressing them. Hence, in some Latin American countries part of the hierarchy of the Church offers more than just charity and hope of a better life in the world to come. Archbishop Silva Enriquez of Santiago, Chile, with the lessons he had learnt at the coup d'etat in 1973, has since shown unstinting solidarity with the people. Bishop Leonidas Proana of Riobamba, Ecuador, sees his Church's mission as extending far beyond the traditional boundaries of charity and condescension; for his work he suffers considerable censure within his country, as befits a 'red Bishop'.

Along with this line of progressive Churchmen came Archbishop Oscar Romero of San Salvador. With a situation of escalating brutality and repression in his country, Archbishop Romero spoke out daily against violations of human rights and the poverty the people were forced to endure. He visited Washington to beg President Carter not to send arms to the ruling military junta of El Salvador. In his final address he called on the men of the army, of the National Guard and Police not to kill their own brothers, not to obey an immoral command to kill, but to listen to their consciences, to obey the Law of God 'Thou shall not kill'. He finished his address calling for an end to the repression. The next day, March 24th, 1980, he was gunned down by a sharpshooter at the altar in the Cathedral of San Salvador. The further

tragedy of his funeral, when shooting by the National Guard into the crowd of mourners left 41 bodies in the streets of San Salvador outside the Cathedral, was seen by dignitaries, Churchmen and the press from all around the world. Hence, the El Salvador Government report that leftist guerillas were responsible for the deaths, could be appreciated as the lie that it was. Since this time, a year ago, dramatic attacks on, and challenges to, the position of the Church in El Salvador have been continued by the Government and right wing death squads. In the last four years twenty-eight priests, four American nuns and a Quaker worker have been killed. The Jesuit Order as a whole has received a sentence of death...and the lists of the persecution which the Church has suffered in both Guatemala and El Salvador is seemingly endless. From the time the Church stopped ministering to the poor only in terms of preserving the status quo and began to help them as the persecuted majority that they are, it too had to suffer persecution.

But the escalating pressure of the United States involvement in El Salvador under the Reagan administration seems to be bearing the fruit which the military and right were obviously hoping for. As recently as March 15th, 1981, Archbishop Romero's successor, Archbishop Rivera y Damas, has halted the Church's moral support of the left and shifted it to support for the country's ruling military junta. Rivera y Damas was never as sure in his support of the people's struggle as Romero had been, but it is worth asking how much American pressure may have caused him to change his mind. His projected absence from the country on March 24th, the anniversary of Romero's assassination, is obviously a political move of considerable significance. Now the people will have to rely solely on the grouping of 'popular churches', C.O.N.I.P., if the institutional support of the official Church hierarchy is withdrawn. A jesuit priest is reported as saying, "Romero's line is still very much alive for priests, nuns and people of El Salvador." (The Gazette, Montreal. March 16th, 1981.

It is clearly apparent that the whole hierarchy of the Church in Central America is not yet ready to follow the theology of liberation, but the efforts of many individual Church workers and certain segments of the Church make them a worthy ally for the left in the class struggle. Nicaragua is attempting the reconstruction of its economy and society with a pluralistic government in which there are four priests. Such people should be welcomed for the solidarity they build among the people both in religious and secular gatherings; for the learning and expert-

ise they can bring to campesinos in the remote, rural areas of traditional farming or to the dispossessed in crowded, urban slums, for the aid they give to the deeply religious people, the descendants of the Mayan and Aztec Indians, who have over the centuries, through conquest and exploitation, still kept alive a rich, indigenous culture; for the practical material help they bring.

"There should not be first and second class citizens." The words of Archbishop Oscar Romero indicate an appreciation of the class struggle which he would have been aware of through a knowledge of the problems both of the intrusion of modern commercial demands into traditional, agricultural areas, and of emerging industrial society in the urban areas. From his official associations he would have been familiar with the 'first class' Salvadoreans and aware of their role in a society in which 2% of the population controls 60% of the land; a similar minority control 60% of sugar cane production, 75% of cotton exports and 85% of coffee. As possessors of the means of production, they control the lives of the rest of the population through their economic, judicial and military power.

In his ministry in the parishes, he would have had a clear insight into the reasons why the working class are involved in a class struggle to obtain a better way of life, to break out of the confines in which as 'second class' citizens they are imprisoned. He could understand why they struggle to get out of the prison of a life whose quality is indicated by statistics such as: malnourishment of children under 5 years, 73%; illiteracy rate 60%; unemployment rate, 50%. In Guatemala equivalent statistics indicate an even worse situation.

Romero was by no means the only churchman with a critical awareness of the situation within his society and other nuns and priests, who work with the people and share their lives in remote villages or urban slums, make worthy allies in the class war which presently unfolds in El Salvador and Guatemala.

Certain specific areas of the economy or geographical locations can be examined to highlight the tragedy which has become Central America in the 1970s and 1980s. The El Quiche region of Northern Guatemala provides a text book example of conflicting demands for the use of the land. A relatively stable, traditional type of agriculture has been practised by the population which has long occupied the region. But this stability was overturned in 1975 when the value of the region as a source of petroleum and valuable industrial minerals was discovered. The

petroleum discoveries across the border in southern Mexico had the Guatemalan bourgeoisie with its eyes on the possibility of such prizes beneath its own soil. To ensure free access to this land, despite the objections of farmers occupying the soil, military rule was established in the area. El Quiche is besieged by the troops of its own nation. The Church gave considerable support to the campesinos in their complaints about being driven off their land, stolen from, beaten, and generally terrorized, with many being killed. The peaceful occupation of the Spanish Embassy in Guatemala was a desperate attempt by these usually reticent campesinos from far El Quiche to get some hearing of their lawful complaints. The seizure of the Embassy by the military, the murder of all the protesting campesinos and even of one Embassy employee was strongly condemned by the Church. Back in El Quiche itself the Church came under stronger censure with continual death threats and murders of priests and Church group workers, until it was decided that all priests and nuns must be withdrawn from the area.

Inco, the International Nickel Company of Canada, has been one of the first of the welcomed, foreign companies to benefit from the freedom of the land which all the military activity in the northern region has permitted. The massacre at Panzon of 114 men, women and children was not too high a price to pay to ensure that modern capitalist development could proceed - at least in the minds of the military government which perpetrated the massacre.

To take yet another case, what horrors of repression and military harassment drove the thousands of people from the eastern corner of El Salvador to try to flee to the uncertain safety which might have been found in Honduras in May 1980? The Gazette, Montreal, was able to report by February 1981 that four hundred of these people had lost their lives as they tried to cross the Rio Sumpul. Much earlier, the Church press and independent reporters, much closer to the event, could tell how at least six hundred had been killed. Babies were thrown in the air and used for target practice; soldiers of both the Honduran and El Salvadorean army attacked the defenceless peasants of the region and tracked them down with helicopters and airplanes .... and, thus, gradually the total of over 12,000 dead was arrived at in El Salvador in 1980.

Midst all this violence and repression in Central America, the broad grouping of all the popular forces of the left has counted on valuable support from the Church - sometimes the individual nun or priest serves the people even until death,

sometimes broader institutional support is available. But the question remains very much unanswered now, just before the Easter of 1981; what will the future position of the Church as an institution be in regard to its support of the just aspirations of these suffering people? The true strength of progressive Church development seems to lie now, as it always has, in the grass roots support which the nuns and priests, the workers in the parishes, bring to the communities where they themselves live also.

Background research and reading is based on:

Publications of the Latin American Working Group, Toronto.

Publications of NACLA (North American Congress on Latin America), New York.

Publications of the Inter-Church Committee on Human Rights in Latin America, Toronto.

# THE BRETTON WOODS TIME LAG: MONETARISM IN ARGENTINA, CHILE AND AUSTRALIA. THIRTY YEARS ON

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Just after the second world war, the ruling Labor Party in Australia divided in its attitude to the Bretton Woods agreement. Although the Australian signature to the agreement was eventually forthcoming, blocks of strong opposition still remained within the governing party.

Some thought the IBRD was nothing more than a creature of Wall Street; others believed the IMF to be a conspiracy of 'International Financiers' against working people. E.J. Ward, a member of the Labor Party caucus, expressed his fears about the agreement, and the IMF in particular, in forceful language:

"I am convinced that the Agreement will enthrone a World Dictatorship of private finance, more complete and terrible than any Hitlerite Dream. It offers no solution of World problems, but quite blatantly sets up controls which will reduce the smaller nations to vassal States and make every Government the mouthpiece and tool of International Finance". (Cited by M. Beresford and P. Kerr, "A Turning Point for Australian Capitalism: 1942-52", in E.L. Wheelwright and K. Buckley, The Political Economy of Australian Capitalism, Vol. IV, Sydney, ANZ Book Co., 1980, p. 161.)

With a further statement, chilling in its accuracy for many Third World societies in the 1970s and 1980s, he predicted that the agreement would:

"...undermine and destroy the democratic institutions of this country...

World collaboration of private financial interests can only mean mass unemployment, slavery, misery, degradation and final destruction.'" (ibid)

The applicability of such phrases, however charged they might seem, is now in evidence three decades later. The goals of the Bretton Woods agreement were, to put it simply, to break down resistances and obstacles to the free movement of factors - capital and labour - throughout the international economy; to create a tabula rasa on which capital could move with the greatest possible facility, in its search for cheap labour and raw materials, and for available markets. In this the cutting edge



of capital's international expansion has been provided by the combined dynamic of transnational corporations and international financial institutions. The extent of their success in breaking down national and regional barriers to the movement of factors can in part be judged by the proliferation of free trade zones and industrial estate enclaves sown among the societies of Asia and Latin America in particular. Even more can it be observed in the open market strategies adopted by an increasing number of governments, and especially those in the underdeveloped countries, throughout the world economy.

Yet there has been nothing automatic about the opening up of national economies to the penetration of corporate capital. In fact, if there was a detectable trend in the early post-war years, especially in Third World countries, it was towards various forms of economic nationalism. In Latin America, particularly, tariffs and exchange controls were instituted to give some protection to fledgling manufacturing sectors, while in a few countries domestic monetary and fiscal measures were geared to subsidizing and promoting economic diversification.

With an amalgam of policies dealing with industrial location, wages and social infrastructure, the national state often intervened directly to provide the relevant structure and climate for the development of an import substitution manufacturing sector. In certain cases - as in Argentina, Brazil, Chile, Mexico and Uruguay particularly - the end result was the creation of a form of state capitalism with a significant role being played by urban industrial capital and an increasingly well organized working class.

Moreover, this strategy received the firm endorsement of the U.N. Economic Commission for Latin America which promoted import substitution industrialization as a deliberate development policy. It was seen as a means of effectively breaking out of an international division of labour which had relegated the capitalist periphery to the role of specialist producers of foodstuffs and raw material for export to the central capitalist economies in return for a wide range of manufactures, services and capital imports.

The failure of the model in the 1960s and 1970s - through its own internal contradictions, including the undermining effect of foreign investment, together with the growing global crisis of capitalism, neither of which can be studied further here - created a vacuum which has been increasingly filled by the latter day proponents of the Bretton Woods philosophy. In place of national diversification, state intervention with a touch

of welfarism, economic nationalism and populism, there has been posited a return to the laws of the free market and the open economy, an acceptance of the policy of comparative advantage with specialization of function within the international division of labour, and the promotion of unrestricted movements of trade and investment. And all this is taking place in an era of monopolistic domination of the world economy by corporate productions and finance capital. The rest of the paper will consider the implications of such change in three societies - Argentina, Chile and Australia.

#### ARGENTINA

The coup d'etat against Peronism in 1976 brought to power not just a military dictatorship, but also their backers, the traditional forces associated with the open staples export economy - landowners, merchants and, above all, financiers - in conjunction with foreign investors and bankers. The economic and social policies immediately adopted by the new government were as could be expected from such a collation of interest groups. The words of Martinez de Hoz (a financier and landowner), Minister of Finance in the military regime, and architect of its financial policies, best sum up the strategy:

"We had to attack the roots of the problem... We freed the economy from all constraints; no exchange controls; elimination of the tax on food exports... We restructured the financial system and have reduced import taxes... We welcome foreign investment and guarantee repatriation of capital and profits.... We have sold scores of government enterprises to the private sector and hope to sell the others.... And all this was accomplished by elimination of price controls, including rents." (Cited by Business Week, late 1979).

The beneficiaries of such a policy are as might be expected - foreign investors, the producers of raw material and foodstuffs for the export market and, above all on the local scene, the large banks which finance imports and exports, provide credit for such activities, and are extending their operations in money markets both at home and overseas. Both concentration and centralization of capital has proceeded apace in the past few years, thus creating a powerful domestic monopoly sector whose members are spreading their tentacles throughout the entire economy by means of mergers, takeovers of weaker competitors, and association with the public sector or foreign enterprise.

One such example is the conglomerate giant, S.A. Garovaglio & Zorraquin whose interests include:

1) estancias or rural estates of 120,000 acres raising pedigree cattle with sidelines of grain, sugar cane, citrus and seeds. This was the firm's original area of activity, but is now only a small part of the total conglomerate interest

2) banking, with important if not controlling shares in the Banco Comercial del Norte and the Banco Unido del Litoral

3) trading companies and investment firms connected heavily with export activities

4) manufacturing enterprises which link back into agricultural and pastoral production; associate with the military's Fabricaciones Militares (one public activity which is not likely to be turned over to the private sector) in chemical production; and produce a range of goods varying from jute textiles to steel drums

The interlocking of production and finance capital is thus complete in oligopolies such as Garovaglio & Zorraquin.

Similarly, foreign investors have benefitted from the sale of public enterprises at bargain rates. They take advantage both of the low stock prices for denationalized companies for sale on the Buenos Aires exchange, and of a strong U.S. dollar whose value has continued to appreciate against a devaluing Argentine peso.

The other side of the coin indicates a disastrous social and economic situation for the majority of Argentinians. In the first year after the coup, real wages fell by fifty percent, and have certainly not recovered since then. The economic position for scores of thousands more has also worsened; the 'shakeout' resulting from a policy of 'rationalization' in the public sector, and bankruptcy in private business has thrown them onto an already overcrowded job market. The situation is summed up by a 1978 NACLA report:

"Impoverishment together with the repression of the workers, the physical liquidation of political activists, the suspension of trade union activity, and the freezing of wages at starvation levels, must all be understood in light of the Junta's attempt to preserve and complete Argentina's integration into

international capitalism, subordinated to the dictates of the leading banks and transnationals."

(J. Martel, "Domination by Debt: Finance Capital in Argentina", NACLA Report, XII:4, July-August 1978, p. 32.)

While the working class has borne the brunt of the monetarist strategy, it is not alone. The reduction of tariffs and other forms of protection of the fragile import substitution manufacturing sector, together with a heavy fall in effective consumer demand - the majority can only afford the bare necessities of life - and a tight credit policy, have forced thousands of small- and medium-scale businesses into bankruptcy.

In general the economy has not responded very satisfactorily to the nostrums of the financial policy-makers. By late 1980, industrial production had fallen by five percent compared with the same period in 1979; imports had increased twenty percent; exports had declined by 23 percent, raw steel production had declined 11 percent; and the external trading account showed a deficit of over \$1 billion for the first eight months of the year. And, worst of all for everyone apart from national and international bankers, Argentina's foreign debt had reached \$30 billion. (X. Uscategui, "Argentine: Une Economie Dictatoriale", Le Devoir (Montreal), 17 Janvier 1981.)

That Argentina has become a financier's dream is demonstrated by the praise heaped upon the policies of Martinez de Hoz by banker David Rockefeller. That industrial capital is less than enchanted is indicated by the severe criticisms of the same policies by Italian auto maker Giovanni Agnelli whose Argentine branch of FIAT has been forced to sell out to Peugeot.

Within the country itself, the workers have resisted the retrenchment and political repression as best they can, even to the point of open strikes; the middle class has been increasingly critical of the regime, too, in the wake of economic recession and the flood of bankruptcies in the non-monopoly sector. Whether the internal contradictions emerging from imposed laissez faire policies will be resolved to any extent by the replacement of Martinez de Hoz when General Viola succeeds General Videla as president is not really predictable. Much depends on the degree to which the new administration is prepared, or forced, to listen to popular opposition and reconsider the strategy of the international and national financiers - the inheritors of the Bretton Woods agreement.

## CHILE

"For many economists who deplore its authoritarian government, Chile remains a model of what can be achieved in restructuring an aging, prostrate economy into a streamlined machine. The ironic reason for the success is that the dictator is allowing the economists to free business from state control." (Time January 14, 1980, p. 46.)

To put Time's apparent paradox into other words, the requirements of capital accumulation in the contemporary phase of monopoly has demanded political authoritarianism as the necessary foundation for the return to an open free market economy in Chile. There is no real irony in this: the two go hand in hand quite logically. A policy which has cut protective tariffs to a uniform and generally ineffective ten percent; has encouraged foreign investment by removing the restrictions on profits and capital, so granting them equal treatment with local capital (as in Argentine); has introduced a highly regressive tax system; has severely cut public expenditures on welfare, education and health; and has sold off more than four hundred nationalized enterprises and banks - such a policy can only be made to stick by an openly coercive military regime capable of physically repressing popular discontent.

This is particularly true of a society where urban workers and peasants had fought for an achieved significant social and political gains under the previous governments of Eduardo Frei, and even more, of Salvador Allende. Carlos Fortin, commenting on the regime's policies, observes:

"...the Chilean military regime is characterized by coercion as a basis for compliance to the almost total exclusion of both welfare inducements and ideological mobilization...this feature is linked...to the adoption of a model of accumulation based on the intensification of the exploitation of labour with an explicit rejection of an 'accumulator' role for the state and a rejection also of any 'interventionist' role...." ("The State and Capital Accumulation in Chile", in J. Carriere (ed.), Industrialization and the State in Latin America, Amsterdam: CEDLA Publications, 1979, p. 34.)

Only the Chilean monopoly sectors together with international capital can hope to benefit from the monetarism of Milton Friedman and Arnold Harberger and their local followers, those high-placed

Chilean officials and academics trained, in many cases, in Chicago.

The central aim of the free market strategy appears to be:

"...to generate a rapid and increasing concentration of capital. In this way, economic growth is based on the expansion of national industrial monopolies tied both to national and international financial capital and to exports." (A. Bastias C. "Chile 1973-1980: La Nueva Estrategia de Desarrollo y Su Aplicacion", Comercio Exterior (Mexico), 30:9, Septiembre de 1980, p. 974.)

In the attempt to erase the obstacles to capital accumulation which the more democratic redistribution of the surplus had created under Allende in particular, the military government is now channelling national resources towards the local monopoly and foreign corporate sectors in four major policy thrusts:

- 1) changing the pattern of income distribution
- 2) modifying the economic role of the state
- 3) using the market as the only regulator for resource allocation
- 4) opening the economy to international finance and commodity markets

So, states Bastias:

"The reduction of the workers' share in the income structure, the lessening of state management of the economy, and the opening of the country to imports achieves the aim of freeing resources through the commodity and finance markets which are under powerful monopoly control, and exempt from all state intervention." (ibid., p. 974)

In this way, the processes of modernization and concentration of capital can best be satisfied, especially within the privileged, large-scale financial and commercial sectors of the Chilean economy.

The consequences have been dramatic: labour's share of domestic product fell from a high of 62.3 percent under the Popular Unity government of Allende in 1972 to 41.1 percent in 1976; the index of real wages (1970=100), declined from 123.3 in 1971 to 87.2 in 1977, then rose to 100.3 in 1978; unemployment increased from 9.7 percent in 1974 (the year after the mil-

itary coup) to 16.7 percent in 1976 and 13.7 percent in 1978 (and the real as opposed to the official figures are undoubtedly higher); state expenditure on education, housing and health dropped from 35.2 percent of total expenditures in 1972 to 27.4 percent in 1978; and the industrial production index fell from 100 in 1969 to 85.0 in 1975, before rising to 103.1 in 1978. Only the export-oriented industries seem to have shown any capacity for growth. Others, directed more towards the domestic market have declined heavily - by 1977, on a base index of 1969=100, clothing was 68.8, transport equipment 59.6, and chemicals 59.2. (Figures from C. Fortin, op. cit., passim.)

The contradictions inherent in the free market policy are intense. As in Argentina, the fall in effective domestic demand combined with a virtual demolition of tariff protection and a tight credit policy, have all led to a severe crisis for small- and medium-scale business. Fortin writes:

"Capital was...drawn out of the industrial sector and moved into financial speculation and international commerce. Those sectors of industrial capital with strong banking and financial connections have been able to survive; they have in fact acquired plants and equipment from small and medium size capitalists who have gone bankrupt....As a result, an increasing monopoly concentration of the economy is taking place. The other beneficiary of the policy is, of course, foreign capital, whose exports to Chile have increased." (C. Fortin, *ibid.*, p. 43.)

Local non monopoly manufacturers have sought various ways out of the impasse; some have moved away from Chile to Bolivia, while others have begun to protest with increasing vehemence against the military government's policies. These responses, together with worker activity, including even some strike action, pose certain problems for a totalitarian regime whose only real support is founded upon the concentrated economic power of Chilean monopoly especially finance - capital, and foreign interests. The latter support, in any case, has not been as fulsome if levels of foreign investment are the measure. Direct investment has not responded to the strategy in the way it must have been hoped; moreover, the reduced capital inflow has been funnelled, not into a revitalized manufacturing sector so much as to the raw materials export sector where mining has absorbed half of all such investment. (C. Ominami, "Liberalisation' au Chili: Retour en Force des Capitaux Etrangers", Le Monde Diplomatique, Janvier, 1981, p. 12.)

Given the limited national support base for the Junta, it is clear that the monetarist policies are continuing to create severe tensions in Chilean society. Yet there appears to be little evidence of will be the triad military government-monopoly sector-foreign capital to change the emphasis of the policy. In the medium term, at least, the combination of political repression and free market economics will continue to operate and to exacerbate the already harsh divisions in Chilean society.

It now seems evident that, finally, after three and a half decades, the architects of the Bretton Woods system and their latter day acolytes have found converts in the two Latin American societies prepared to accept and implement the laissez faire formula to a degree that must exceed the wildest dreams of the economists and planners.

Yet, acceptance of the basic arguments of free market thinking has spread further than these totalitarian societies. This discussion started with a prediction by an Australian social democrat just as that country began on its quarter century 'long boom'. It concludes now with some further observations on that society as it enters into a new phase of its evolutions, marked by crisis in some areas, and a form of rapid restructuring in others which is leading to a new pattern of capital accumulation in Australia.

#### AUSTRALIA

G. Crough, in a 1978 study, (Foreign Ownership and Control of the Australian Mineral Industry, Sydney: Transnational Corporations Research Project), and M. Brezniak and J. Collins, in another article ("The Australian Crisis: From Boom to Bust", The Journal of Australian Political Economy, October 1977), indicates the basic changes that have taken place in the Australian economy since the second world war, and during the past decade in particular. As in Argentina and Chile, it appears that significant areas of the manufacturing sector which was gradually built up under tariff protection and other controls, together with a deliberate policy of state/federal promotion, are now under the threat of dissolution. Capital which had flowed into industrial development - admittedly, as Brezniak and Collins point out, much of it structurally weak and, by the late 1960s, suffering a profit squeeze (op cit., pp. 16-17.) - is now being channelled into the new growth areas of the economy - mining.

In place of a development strategy emphasizing the construction of an internally-oriented and diversified capitalist economy (although with an important foreign investment component), there



has been a reversion over the past decade to a free market, specialized export orientation. Import substitution industrialization has given way to open economy concentration on a new series of staples providing the raw materials input for the manufacturing industries of the U.S., Europe, and, above all, Japan.

Within such an international division of labour, accepted in its fundamentals by a largely laissez faire Liberal-Country coalition government (and even more by the conservative state governments of Queensland and Western Australia with their wealth-producing quarry export economies), a highly protected and fragile manufacturing sector is perceived as having only a limited role to play in economic development. The results have been predictable. Among the small and medium-scale industrial enterprises there have been closures; among the larger national corporations and foreign subsidiaries located in the country there has been a marked tendency to move 'offshore'. For the foreign firms, indeed, Australia has provided the springboard into the cheap labour markets of South East Asia and the South Pacific.

The loss of 20,000 jobs a year is only one aspect - albeit the most serious - of the deindustrialization taking place in the Australian economy. The reversion of the country towards a narrow specialization on a limited range of mineral export staples also has serious economic, social and political implications. Nevertheless, the logic of the process appears to be acceptable within the new free market strategy evolved by government and large-scale business.

"Comparative costs of production have shown that there is much more profit to gain by relocating production overseas, in cheap-labour countries, and importing consumer goods fabricated by one's overseas subsidiaries. That the export of employment is damaging the interests of their own national labour force does not cause too serious considerations for the corporations who have already relocated production internationally." (E. Utrecht, "Australian-based Investment in S.E. Asia and the Pacific", in E L. Wheelwright and K. Buckley, op. cit., p. 211.)

The attack on the non-monopoly sector of manufacturing, however, is only one facet of Liberal-Country economic and social policy. In addition to winding down industries such as shipbuilding, then, later, textiles, footwear, furniture and automobile production, the government has advocated a wider range of programs

to help restructure capital accumulation. According to K. Wind-schuttle ("Unemployment and Class Conflict in Australia: 1978-79-?", in E.L. Wheelwright and K. Buckley, op. cit., p. 255ff.), the four goals of the state since 1975 have been:

- 1) to restore the transnational corporations' confidence in Australia
- 2) to stop the expansion of social services generally, and cut back specific welfare items
- 3) to redistribute income away from wages and towards profits by reducing real wages
- 4) to make such changes politically acceptable by selling major cuts in living standards to Australian voters

In essence, these are identical to the aims of the totalitarian regimes of Argentina and Chile, the only real difference lying in the methods of applying them: on the one hand, the coercive dictat, on the other, the politically necessary hard sell of state and media propaganda.

The policy has been implemented: real wages have fallen absolutely, and also in terms of their share of national income over the four years, 1975-70; substantial welfare cuts have been made, especially in the field of health; unemployment has risen and benefits reduced; and all this sold through attacks on the unemployed. At the same time, deduction concessions have lifted the weight of company taxation, as part of the policy to attract new investment; this is apparently an area of keen interest to the Prime Minister who in 1978 was advocating the need for 'disciplined' economics - implying thereby, "...minimal inflation, strikes, wage rises and interferences in capital's prerogatives." (B. Catley and B. McFarlane, "Labor and Economic Crisis: Counter Strategies and Political Realities", in E.L. Wheelwright and K. Buckley, op. cit., p. 296.)

The nature of capitalist crisis-restructuring - or at least one variant of the process - is clearly illustrated in the case of Australia: there is evidently a severe structural crisis in the established yet vulnerable manufacturing sector, and, perhaps to a lesser extent, in the even more traditional rural staples export sector. This is the cause of social dislocation and economic hardship in broad areas of the working class and middle income groups. On the other hand, the minerals-export sector, local monopoly capital and especially finance capital, and foreign investment in the quarry economy are the major beneficiaries - as we might now expect. In this crisis-restructuring phase, monetarist policies serve as the handmaiden to help evolve a new

role for Australia in the emerging international division of labour. The effect is to:

"... liberate capital and create a reserve army of labour, both of which may be redeployed in industries more appropriate to the needs of the domestic and world capitalist market." (B. Catley and B. McFarlane, *ibid.*, p. 298.)

Yet Australia is still not Argentina or Chile; the historical evolution of the society has meant that the disposition of social classes is very different. The working class has managed to contain the ruling groups far more effectively, and the latter have not been able to impose their interests by physical force - usually. The state cannot, therefore, enforce its strategy coercively, and organized labour (and other groups) can still create a space for itself in which to build up opposition and evolve alternatives. That the Liberal Country federal government is still in part vulnerable to such political pressures, and, therefore, not totally converted to monetarism, is indicated by concern expressed over alleged government back-sliding. The Bank of New South Wales, for example, has found it necessary to admonish the government for its hesitation in applying certain monetary controls to reduce inflationary pressures, and its equal reluctance to carry out a much wider reduction of tariffs to help rationalize domestic industries. (Bank of New South Wales Review, No. 35, December 1980, p. 20.)

The monetarist tide is running strongly, though: without a clearly defined alternative strategy, the fears expressed by E.J. Ward, quoted earlier in this paper, concerning the new international monetary system of the 1940s would well prove correct: "'The very sovereignty of this Nation is in jeopardy....'", he claimed. They are strong words, yet, perhaps, not too strong for any of the three societies now caught up in the network of policies serving the basic interests of transnational corporate, and international finance, capital.

## DAMARIS ROSE REPORTS - THREE MILE ISLAND ACTIVITIES

FIRST LABOR ANTINUCLEAR MARCH CALLED FOR HARRISBURG ON MARCH 28  
UNIONS TO HOST RALLY ON SECOND ANNIVERSARY OF  
THREE MILE ISLAND ACCIDENT

Four international unions called on other unions, environmental activists, community groups and working people everywhere to join Harrisburg trade unionists in a march and rally against nuclear power and for full employment on the second anniversary of the accident at Three Mile Island - March 28, 1981. The sponsoring unions were the United Auto Workers, the International Association of Machinists and Aerospace Workers, the United Mine Workers of America and the United Furniture Workers of America. The Greater Harrisburg Labor Committee for Safe Energy and Full Employment and the national Labor Committee for Safe Energy and Full Employment were also sponsors of the march and rally which was called to ensure that the nuclear industry and government officials understood clearly that working people are prepared to march in the streets for safe energy and full employment.

The March 28 events marked the first national antinuclear and full employment march and rally called and organized by labor unions. Set for one day following the expiration of the of the United Mine Workers contract, the march demanded:

1. NO MORE THREE MILE ISLANDS: KEEP UNIT ONE CLOSED! NO DUMPING OF RADIOACTIVE WATER IN THE SUSQUEHANNA RIVER!
2. SUPPORT FOR THE UNITED MINE WORKERS IN THEIR EFFORT TO GAIN A DECENT CONTRACT!
3. JOBS FOR ALL: A SHORTER WORK WEEK AND MASSIVE PUBLIC WORKS PROGRAMS!
4. GUARANTEED ALTERNATIVE EMPLOYMENT FOR NUCLEAR WORKERS AT UNION RATES!

Jane Perkins, coordinator of the Greater Harrisburg Labor Committee for Safe Energy and Full Employment declared: "We know there are safe alternatives to nuclear power that will keep Americans on the job. This rally will send a clear message to the nuclear industry and the Reagan Administration that working people have had enough dangerous energy technologies and enough unemployment."

The announcement of the march came three months after the First National Labor Conference for Safe Energy and Full Employment held in Pittsburgh which was sponsored by nine international unions and attended by nearly 1000 unionists.

## 1981 U.S.G. MEETINGS AT THE C.A.G.

This year's Annual General Meeting and discussion sessions will be held at the Annual Meeting of the Canadian Association of Geographers.

The C.A.G. will be held at Memorial University of Newfoundland, Sir Wilfred Grenfell College at Corner Brook from Monday, August 10 to Thursday, August 13, 1981.

So, our U.S.G. meetings will be held, as usual, on the Sunday preceding the conference - Sunday, August 9, 1981.

ACCOMMODATION: Unfortunately we do not know people in Corner Brook on whose floors we could stay. Some of us will have to book rooms.

Dormitory rooms at Sir Wilfred Grenfell College are available, as are hotel and camping accommodation. Details (and reservation forms for the dorm rooms, at \$12.50 per night for a single) are available in the February 1981 C.A.G. circular, you could get a copy by writing to the coordinator of the C.A.G. conference:

Simon Evans, Department of Geography,  
Memorial University of Newfoundland,  
Sir Wilfred Grenfell College,  
Corner Brook, Newfoundland,  
Canada A2H 6P9  
Tel: (709) 639-8981, ext. 287

TRANSPORT: Information on air, road, rail, ferry travel is also available in the above C.A.G. circular.

SESSIONS: Various U.S.G. members are presenting papers in the regular C.A.G. sessions on Monday, Tuesday and Wednesday: Jim Overton, Damaris Rose, Bob Galois, Susan Williams, John Bradbury are amongst them.

If you would like to organize a discussion, give a paper or both to the U.S.G. group which will meet on the Sunday, please advise me\*as soon as possible. The U.S.G./A.G.M. will be held on the Sunday and there is a group of people willing to discuss Newfoundland issues with us.

PLEASE GET IN TOUCH WITH ME\* IF:

- a) you are planning to attend the U.S.G./C.A.G. in Corner Brook
- b) you are interested in organizing a workshop, presenting.

a paper, or participating in a discussion on the Sunday  
c) you need any other information

\*Ruth Fincher,  
Department of Geography,  
McGill University,  
805 Sherbrooke St. West,  
Montreal, P.Q.  
Canada H3A 2K6

Minutes from the USG Business Meeting, Louisville Kentucky, April 1980.

1. Elections. Corresponding Secretary: John Bradbury

Newsletter Editor: Eric Sheppard

Treasurer: Bryan Higgins

Conference Organizers: Ruth Fincher, Warwick Armstrong.

There was discussion concerning the location of the newsletter. Minnesota and Montreal were both willing. The decision was made to keep it in Minnesota for the time being.

Discussion about conference location. Should it be in Newfoundland where it is presently scheduled in conjunction with the CAG conference or should it be moved to L.A.? A strong commitment was expressed to continue the tradition of switching the conference between Canada and the U.S. The Newfoundland location was agreed upon.

Regional Contacts: These remain as before except that Michele LeFavre becomes the contact for the Mid Atlantic region in place of Neil Smith.

2. Re-organization of Antipode. Phil O'Keefe noted the informality of the relationship between the USG and Antipode, and as editor of Antipode asked for some advice. The present situation is that after the former editor (Dick Peet) left there was something of a political vacuum. A commitment to forming an editorial collective has been made but so far there is only an editorial board which is sporadically functional. Now the former editor wishes to return to the editorship, and Antipode has to begin to fill this vacuum. How should the future of Antipode look?

Cost is up, there are 10,000 back copies in stock. Subscriptions are being raised and a new category of sustaining member is being created.

The next issue is going to be in print.

3 new issues are planned for 1981: on food, cultural issues, and women.

There were two proposals as regards the future of Antipode

1) from McGill, some months earlier:

a) Antipode merge with the USG

b) An editorial collective be formed from students and faculty in the N.E. region

c) An Editorial Board to oversee editorial activity and provide other assistance

d) 3 editors at Clark to deal with week by week work and much of actual production.

2) A letter from Dick Peet in Australia which was read:

a) opposes merger with USG

- b) Editorial Board useful only if actually functions
- c) Dick Peet as main editor with two others at Clark.

There was further discussion about the political direction of Antipode (to what extent should it focus on marxist work), and on other proposals concerning production: should the journal remain independent or be taken over by Clark? should it be handed over to a publishing house to do all but the editorial work? Could another university handle production?

It was agreed that it was appropriate for the USG to discuss Antipode and that it was equally appropriate and, it was hoped, helpful, for the USG to offer constructive suggestions. As interested socialist geographers and as Antipode readers, the meeting put forward the following suggestions:

- 1) Endorse the move to print
- 2) Explore the idea of a publishing house
- 3) An Editorial Board is needed but it must be effective and used.
- 4) A production/editorial collective is a good idea. It could meet at Clark once a year to help with the production of one issue and assist in planning the next year's activities. This perhaps in conjunction with a USG regional conference. It would also meet at the USG annual meeting where most of the editorial collective would tent to be in attendance.
- 5) There should be a single managing editor and two Associates.
- 6) Antipode should not merge with the USG

These ideas are put forward as suggestions.

3. The Journal, Political Economy of Cities and Regions published in the UK by people in the Architectural Association, is looking for contributions. It was suggested by Neil Smith, who is acting as U.S. editor, that this journal would be a good way of making contact with U.S. planners who have balked at the idea of a radical journal. Send contributions to Malcolm Forbes, The Planning School, Architectural Association, 36 Bedford Square, London WC1. Some reservations were expressed about whether we needed yet another journal.
4. Report from the UK. There were about 50 people at the January 1980 IBG / USG conference. There were comments on Antipode: it was felt a good idea to hand it to a commercial publisher as long as this would not interfere with editorial control. There also seemed some confusion about whether subscriptions should be renewed to the U.S. or to the UK contact. The London group felt in general that it was off to an enthusiastic start despite some problems.



5) CIA involvement in the AAG. Jim Blaut explained that the Executive Director of the AAG, who was recently appointed (not voted on by the membership of the Association), has a history of employment by the CIA. Once a CIA member always a CIA member. After some discussion about what ought to be done, it was decided to prepare a resolution to be presented to the business meeting of the AAG by Jim Blaut and David Harvey. This resolution would ask the AAG to condemn any attempt by the CIA to interfere with the work of academics or that of the Association, or any attempt by the CIA to use academics to perform its activities. This resolution was passed at the AAG business meeting.

6) The Treasurer's Report was presented and is appended below.

Treasurer's Report

Vancouver U.S.G. account	31 August 1979	1091.90
Minneapolis U.S.G. account	7 November 1979	1000.00
Minus exchange on Canadian funds		153.80
Dues received until	1 April 1980	351.88
Total Revenues	Minneapolis	1198.08

Newsletter to U.S.G. International			
V-1	300 copies (64 pages)	printing 231.93	postage 87.27

Newsletter to U.S.G. Britain and Ireland			
V-1	100 copies (64 pages)	* 77.31	Eric express

Miscellaneous: telephone, checking charge, stamps, envelopes 28.68

Balance	Minneapolis	1 April 1980	U.S. dollars	772.89
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Bryan Higgins  
Treasurer

\* Amount Due - USG - Britain & Ireland