

BEAT THE DEVIL.

Look Whither, Angel? The Prospect From Houston

The capitalist powers, minus Japan, gathered first for the NATO meeting in London on July 6, there announced that the First and Second Worlds are "no longer adversaries" and duly reaffirmed their "intention to refrain from the threat or use of force against the territorial integrity or political independence of any state." Then the capitalist powers, Japan



included, descended to Houston to consider how much in the way of credits to give the Soviet Union and to indulge in the customary seasonal handwringing about the great motor of the 1980s boom, the U.S. deficit.

Houston is as good a place as any to locate a capitalist summit. Its own hyperbolic skyline startlingly records the glories of the 1960s and 1970s, while the graph of its real estate prices in the 1980s shows what happened when the sky turned dark and the bottom fell out of the oil market. Conditions have since improved in the oil patch but the Angel of Death is still on assignment and, though barely acknowledged, his shadow hung over the Houston summit. If the great motor of the 1980s was the U.S. deficit, the most active component of that deficit was military expenditure. But if the First and Second Worlds are no longer adversaries, how can arms spending, a stabilizing force in the U.S. economy since 1938, be justified on anything like its present scale?

On July 3 *The New York Times* ran an interesting report by Robert Reinhold, showing that God's messenger has been active in Greater Los Angeles and in San Diego County to the south. Aerospace and high technology employ about 420,000 people in Greater Los Angeles, or 7 percent of the region's jobholders. One-fifth of San Diego County's gross output depends on military procurement and salaries. McDonnell Douglas, the huge aerospace firm, plans to lay off 17,000 workers. Lockheed has already said it will lay off some 2,500 workers and move one of its operations to Georgia, meaning 4,500 cuts in the San Fernando Valley. Northrop, which is the prime contractor for the Stealth bomber (being assembled at the old Ford plant in Pico Rivera), plans to lay off some 2,700 of its workers.

Reinhold cites one computer model of California's economy as projecting a shortfall of 151,000 jobs and a \$7 billion drop in the gross state product from previously anticipated totals if U.S. military spending drops by 11.5 percent in 1992. In Los Angeles the consequences are already being reflected in housing prices, in housing starts (in April down 29 percent from last year) and in vacancy rates in commercial property. As in New York City, where the securities industry saw a loss of some 25,000 jobs in two years, the housing boom is over.

The one bright spot for the big contractors is the space program. Thousands of engineers, consultants, software designers, programmers, analysts, etc. are now trying to cram themselves down the funnel of the space budget ("Have you heard, it's in the stars, this July we procure for Mars"). What

else is there? The wives can go into real estate and the husbands can become Amway salesmen but it still all adds up to economic downturn.

We Are the World: Injuries to All

For the large multinational firms whose representatives have been mustered in Houston the prospects are far more alluring. Under the sheltering sky of a world market and the open vista of free trade, the task is simply to roam the planet for cheaper labor. The idea of a social democratic Greater Europe stretching from Shannon Industrial Estate to the Urals, with a pan-German Social Democratic Party as its political heart and the U.S. Fortune 500 beating vainly at the tariff door, seems far too rosy.

Fortune's U.S. 500 is already, to a large extent, the World 500. Mergers involving Europe's thousand largest firms quadrupled over the past five years, with major U.S. participation. At present U.S. workers have declining wages, relatively low unemployment, low social services and declining unionization (heading toward 5 percent in the private sector). Workers in Europe, still highly unionized, have relatively stable wages, better social services and high unemployment. How long before the disciplines of the world market and the world firm compel the most attractive combination of all these traits in the form of low wages, low social services, no unionization and high unemployment, in Europe as elsewhere? Such are the consequences of free trade and free movement of capital.

It's a familiar story. In Watsonville, California, near where I live, the Green Giant frozen food plant recently laid off 300 of its 550 workers and moved its freezing operation to Irapuato, Mexico. Bulk shipments of frozen vegetables are then shipped from Mexico to a nonunion plant in Ohio and repacked. These decisions are ultimately traceable to Grand Metropolitan, the end owner based in London, which is under pressure to pay off the high costs incurred in its buyout of Pillsbury, which had previously swallowed Green Giant. Grand Metropolitan doesn't give a toss if Local 912 of the Teamsters pickets the Watsonville plant. It's no longer enough to say, "Think globally, act locally." For workers in the world market the slogan has to be, "An injury to one is an injury to all." Grand Metropolitan would give more of a toss if the Teamsters called on workers (of the world) to boycott another of its subsidiaries, Burger King, and to picket Grand Metropolitan corporate headquarters in London.

The Epstein Interrogatory

While the world firms' elected officers in Houston dream of skilled low-cost labor beyond the Oder, a powerful current in the U.S. security establishment sees the seeming surrender of the Soviet Union as fake. Typically, a group like the right-wing International Security Council poses the question of "whether we are witnessing a tactical zig in Soviet policies intended to bolster the grand strategy of achieving global hegemony" and concludes that yes, Red Bruin is still on the rampage.

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In less comic-book terms the idiom is that of a paper by Edward Jay Epstein, now circulating through the security establishment. Epstein, a heterodox thinker with plenty of friends on right-wing circuits and a familiar of the late crazed C.I.A. counterintelligence chief James Angleton, recently formulated "110 Questions" about what the Soviet Union is up to. The questions are detailed in an Angletonian manner, implying, like the I.S.C., that Red Bruin has plenty of malign life left in his body. Take Question 26 in Epstein's interrogatory:

Soviet officials have informed US Soviet experts that they are shifting Soviet warheads around the USSR to avoid them being seized by dissidents, military factions or criminals. . . . Is the purpose of this brief: A) To focus Western attention on the possibility that nuclear weapons could be seized, and thereby lay the basis . . . for both the US and USSR installing passive locks on all nuclear warheads? B) To provide a plausible explanation for the redeployments of Soviet warheads this winter that may have been observed by US satellites? C) To project weakness? D) To tell the truth?

If A) Would passive locks on US sub-launched missiles increase the possibility of a successful Soviet decapitation strike? If so, are they in the interest of the US? If B) Is hiding weapons still a part of Soviet military doctrine? If so, does this movement present a problem for the US effort to track Soviet stockpiles?

The American security establishment has been asking this sort of thing ever since Gen. Jack D. Ripper equated the cold war with the state of his precious bodily fluids, and the traditional answer to this particular set of questions has been a Congressional appropriation for a new satellite system and hence assured employment for aerospace workers in Greater Los Angeles.

By the time he reaches Question 100, Epstein has demonstrated that the Soviet Union is probably not as militarily weak, industrially depleted and politically at sea as the Western press suggests, at which point he asks:

If the USSR remains at least a potential enemy, is the policy of aiding it to modernize and thus make more efficient its industrial and communications infrastructure justified by the theory: A) The economic modernization of the USSR will decrease its incentive to continue the super-power competition? B) The economic modernization of the USSR will lead to the democratization of the USSR, and democracies do not threaten other nations or compete with the US?

If A, Is there any historic basis for this theory? Would the same logic have applied to helping Germany modernize in the 1930s? If B, Would that not be an argument for aiding China—and all other totalitarian regimes—modernize? Moreover, some democracies, such as India, do conduct aggressive foreign policies?

The logic of Epstein's interrogatory is simple enough. The Soviet Union will be down only when it's out, and the benchmark for establishing when it is truly out can constantly be moved, against the hostage of credits and high-technology transfer. Out? But it still supports the Afghan regime! Out? But it helps support Cuba! Out? But it does not permit the

inheritance of wealth and hence the creation of a property-owning class . . . From such analyses as Epstein's comes U.S. resolve, as expressed in Houston, to tie credits to Gorbachev's saying goodbye to Cuba and installing capitalism before fiber-optic technology is made available. (As Epstein points out, a capitalist Soviet Union could still be a threat, perhaps a greater one. Keep those Tridents coming.)

Contrast the coherent intention and bracing counterrevolutionary conclusion of the Epstein interrogatory with the passive acquiescence of the liberal-left to the modes of change in Europe and the Soviet Union projected in the corporate press. On this end of the spectrum there has been little interesting discussion of what the "reforms" are, or what they imply. *The Nation's* chief expert of choice on these matters, Stephen F. Cohen, has apparently been too busy advising CBS and President Bush to confide his opinion to *Nation* readers. *Workers Vanguard*, *Against the Current*, *In These Times* and *New Left Review* have run some spirited analyses. A couple of months ago the weekly *Guardian* ran a good provocative piece by James Petras asking some hard questions of the "anti-Stalinist left," which used to hold that it was only a matter of getting rid of the old Stalinist "bureaucracies" in Eastern Europe for true socialism to dawn, and which "committed itself to a condemnation of the totality of the experience during the Stalinist period, including economic, social, cultural and foreign policies." So what are those leftists saying now? How many of them are even prepared to contrast their hosannas to Polish Solidarity of only a few years ago with the reality that at least a large portion of Solidarity is today antiworker, anti-Semitic and tumbling toward Christian fascism under the urgings of Lech Walesa, the would-be Pilsudski who when he denounces a "leftist" actually means "Jew." Aside from some rather belated commentary here by Daniel Singer, one of the few interesting articles on such matters I can recall reading was in the March/April issue of *Tikkun*, by Tony Judt.

When I ventured some criticisms of Gorbachev's foreign policies in *The Nation* eighteen months ago I incurred a torrent of abuse from Howard Fast and others, reproaching me bitterly as a specter from the Stalinist graveyard daring to impugn the long-awaited socialist savior. So what are leftists like these saying now that the Soviet Union sat back with complaisance while the United States closed off Nicaragua's windpipe, or as officials in the Soviet policy establishment make their way to Miami to confer with Cuban émigré desperadoes, or as Soviet economic strategists hail the capitalist marketplace? As Petras put it, these leftists have basically surrendered the field to the neoliberals, who "conveniently bracketed police-state controls over intellectuals with full employment policies, food subsidies with bureaucratic commandism, national industrial policies with state mismanagement." So where now is the realistic, internationalist interrogatory of the left?

