

Questions for April 27

1.) Barnett and Muller remark on page 77 of Global Reach:
 Both Adam Smith and Karl Marx believed that a crucial characteristic of capital was that it was international. For Smith it was a matter of common sense that capital should be freed from national political barriers. For Marx the progressive expansion of the market through the internationalization of capital was a historical necessity for capitalism. The World Managers are the most active promoters of this Marxist prediction: the nation-state, which in the nineteenth century marked an advance over previous political organizations, is inadequate to the challenge of the global market.

Does the rise of the global corporations help to verify Marx's theory?
 Muller

Are ~~HARR~~ and Barnett implicitly relying upon Marxist theory to explain what they describe?

What are your views on the international character of capital?
 Was the rise of the global corporations a matter of historical necessity? Was there some kind of immanent push in this direction in the emerging probability of recurrent economic patterns?

*all history is contingent
 perhaps a bad push*

all abstractions

2.) Can you give some guidelines as to how one sorts out the authentic and inauthentic in Marxist thought? On the one hand, much of the relevance of your work in economic theory comes from the attempt to save Latin American liberation theologians from error caused by inadequate economics (Marx). On the other hand, as you said last time, there are occasions when "Marx works." Surely a Christian must be wary of Marx as crypto- or anti-theologian. Yet there is much to be learned from Marx the economist, is there not?

*too demanding about
 of that kind of
 grounded in theory of
 economic &
 military*

3.) If "Thrift and enterprise" were appropriate maxims for the surplus expansion, have you identified similar appropriate maxims for the basic expansion?

raise wages, foster labor initiative, encourage surplus

4.) At the last class, you indicated that the global market had not yet arrived: the differences among people even in the same nations remain great enough to create different needs, different values, different common sense attitudes. Yet Muller and Barnett describe the global managers as if the global market were already here. Do you think the residual differences in the common sense worlds of mankind will thwart the further development of the global corporations? Or will the mass media advertising techniques succeed in selling a way of life as well as a product? Are there any countervailing forces on the current economic scene which might be able to thwart or curtail the global corporations?

Ther (low)

*More than price thinking in his service has become etc / less than 1% of revenue actually
 they do sell - but as Barbara Bailey did - many of our most common economic
 mechanistic solutions are more of the same. (Observations on Institutional Kt)*

- 1) 4: "for Adam Smith it was a matter of common sense that capital should be freed from national political barriers"

for Adam Smith everything was a matter of common sense; he was one of the Scottish school dedicated to a phil of c. s.

moreover, common sense is not a department of knowledge as is maths science history, etc., it is unthematized human intelligence, open to various biases which have to be thematized before they can be eradicated, etc.; it is multiform, a different brand flourishes in each village and when you go further afield the differences become more palpable; historicity

"freed from national political barriers,"

ie against government-directed mercantilist practice; which was a dead end in itself even apart from bureaucratic control

In fact, England was the first to have a takeoff, and with that advantage, had everything to gain from free trade

But Germany and the US had their takeoffs about 60 and 70 years later; they could not develop industrially without protectionist doctrine; the terms of trade would be against them

When the terms of trade against you, you have to keep the looters out; that is the first lesson the UND's have to learn.

- 5: "For Marx the progressive expansion of the market.."

The expansion of the market is the gradual absorption of all economic activity within an exchange economy: as much as possible everything is a matter of earning and paying.

When I was a boy canned goods were coming in, but they were a novelty and an exception in towns and most cities

The farmer's ideal was to be self-sufficient as far as possible; he produced a surplus of some things for sale in order to buy others; he bought clothing but not food.

Modern famines have other causes, but a root cause is the extension of the exchange economy: when all the land is property (even the Indians' hunting grounds), it becomes impossible to live off the land without paying rent, and the rent easily becomes exorbitant.

Immanuel Wallerstein, "Rural Economy in Modern World-Society," Studies in Comparative International Development, 12 (Spring 1977) 29-40. *(C) Kulaks and Moyiks.*

Land perhaps first became property with large scale agriculture in the Temple States. More became property with the enclosure of the English common by the wool merchants.

7: a historical necessity for capitalism

History is contingent through and through; its intelligibility is not necessity but realized possibility; what are named historical necessities risk being mistakes unsupported by solid argument.

Rosa Luxemburg argued that colonialism was a necessity for capitalism; when when colonial exploitation reached its inevitable term, capitalism would vanish

9: the nation state which.. marked an advance over previous political organizations

The nation state was conceived by Marx as ^{run by} the committee of the bourgeoisie; cf. Nixon's financial ^s ^o puppeters (Barnet and Müller, p. 249)

10: 'is inadequate to the challenge of the global market'

it is inadequate in many ways to what is worse and not superior

the GC's leave the UND's poorer, with worse terms of trade, than they ~~in~~ found them

they leave the US a dual economy with smaller corporations ever being gobbled up, with people who have saved, systematically robbed by inflation (and taxes that rise with inflation)

QQ

Does the rise of the GC's help to verify Marx's predictions?

The GC's are a revolt against the ~~new~~ imperial bureaucracy of the welfare state (which Marx did not predict) and a return to dreamland of ~~laissez~~ faire and laissez passer ~~it~~ (which Marx condemned in favor a dictatorship of the proletariat

GC's part of modernistic world view. Religious Studies Review 8 (1986) 11-25. Schmidt
Are B and M implicitly relying on Marx to explain what they describe?

I have found much description in B and M, and some of it I tried to report. The only explanation I recall is what they term the globaloney of the world managers.

The argument for the internationalization of the whole economy stems from theorems based on Walras and Pareto. Under perfect equilibrium and pure competition there would be an optimum allocation of resources and no possibility of improving anyone's lot without ~~it~~ worsening the lot of others.

The root of industrial capitalism is W W Rostow's takeoff; it has occurred at a series of dates in a series of countries; enormous political and educational development is needed before it can be adapted and adopted by other countries. General talk about internationalization has been ruining the UND's and the/

There are intelligible historical sequences but they are not instances of strict necessity but realized possibilities with a higher or lower degree of probability

The GC's follow from the welfare state, as an outrageous piece of insolence from an economic blunder

- 2) The guidelines are the analysis of history in terms of progress, decline, and redemption.

One examines his idea of history from the vp of authenticity and unauthenticity

One examines his life-long campaign for revolution worldwide

One examines his economic theories

One has to examine them in detail and so one must begin by knowing them in detail; one also has to have firm ideas on what is correct and incorrect, moral and immoral,

Marx was correct in urging that the workers were not getting a fair show. Many others did so too.

Marx had a theory why this happened: the one and only ground of value is labor; hence all the value of all products belongs in justice to the laborers.

The theory of value is ridiculous; yet /revolution it is the basis of Marxian

The real reason why the workers did not get a fair deal was that the basic phase was curtailed in a series of different fashions and manners. When the workers' turn came, it was called off.

The so-called dictatorship of the proletariat has never been more than a transparent hoax.

Study Marx? Anything you get by your own effort is worth while. But some efforts are more fruitful than others.

- 3) Raise wages. Better: lower prices.

Increase labor-intensive enterprises.

Confine exchange economies to areas in which the populace can stand the racket and the pace. Cf. Rostow, Politics and the Stages of Growth, CUP 1971

- 4) Are there any countervailing forces on the current scene that might thwart or curtail the GC's.

The Soviets can crush them or exploit them as they choose. ^{pick their brains, then put them in an asylum}

But the appeal to "force" is not highly intelligent: cf. Insight, pp. 238 f. It is the root of the longer cycle of decline. Friedman