

# *The End of Utopianism*

IT IS INCREDIBLE that Marxism, a nineteenth-century doctrine formed from the utopian assertions of a German political activist, Karl Marx, could affect a major part of the world of the twentieth century for over 70 years. Only the totalitarian political structure, created by Lenin, led this doctrine to become the source of power in the Soviet Union and from there to spread into Eastern Europe, China and elsewhere, and thus create a political reality out of the fantasies of Marx. Now, and with rapidity, the house of cards begins to collapse.

What was wrong with Marxism-Leninism? Let us look again at the basics, the theory of Marx, his so-called value system, and the totalitarian structure of Lenin, created to enforce it. Marx believed that the labor applied to production determined the "value" of goods, and that the surplus price, pocketed by the "capitalists," was exploitation. It had to be abolished. In effect, Marx promised a Utopia for the future. He believed that he had cracked the "riddle" of history and that he had found in the problem of public ownership of the means of production the answer to an issue he regarded as the primary cause of a continuous class struggle throughout human history over the means of production. Finally, in his time, the workers, whom he called "the proletariat," would overthrow "capitalism" and establish the dictatorship of the proletariat, thus abolishing private ownership of the means of production forever and introduce the millennium, a utilitarian society where everyone would be able to receive what he needed.

It is this promise of a future Utopian solution that has enthralled intellectuals

worldwide and is still "spooking" the academic institutions in the United States, Europe, and the rest of the non-Communist world. Hitler, who copied Lenin's idea of totalitarianism, had a totally different ideology for his *Führerkult* and he is rightly condemned by all, but the idea behind Communism, this Utopia, is hard to renounce. Stalin may have been a tyrant, as were other Communist leaders, but to give up the utopian view of an egalitarian future is still a difficult problem for some lectern socialists, known as *Kathedersocialists* by an earlier generation. The people living in communist countries who have gone through the terror of the system, as well as the economic stagnation and decline, know better. It is Marx's theory itself that is totally wrong, along with its attempted application.

It has been pointed out that Marx started as a leftist Hegelian and that, as he claimed, he turned Hegel on his head by applying concepts designed by Hegel to be applied to the world of the mind to that of matter, in Marx's so-called "dialectic materialism." This materialism he took from nineteenth-century French philosophers and from the "Young Hegelian" Ludwig Feuerbach. This nineteenth-century materialism, dialectic or otherwise, is today out-of-date, since through Einstein's Relativity Theory and Plank's Quantum Theory, the dividing line between mind and matter has fallen, and the forced attempt at material transformation through antithesis to synthesis can be happily forgotten. Marx's economic ideas, however, were chiefly influenced by the work of David Ricardo, whose book *Principles of Political Economy and Taxation* (1817) was widely

noted because of Ricardo's ideas on taxation and inflation, important for legislation then as now. Ricardo's theory of value, as being proportional solely to the labor embodied in the commodity, was of no practical consequence except to Marx, who praised Ricardo and used his concept for his own idea on exploitation, from which he derived his interpretation of the class struggle that became Marx's human history. For Ricardo this mistaken assumption was a theorem that did not affect the system of the reality of the problem of supply and demand and of Adam Smith's invisible hand; but for Marx, Ricardo's view became a crucial part of his value system that was to play havoc with the economies of the communist countries.

Marx's doctrine would never have been applied were it not for Lenin's organization of a new form of government, totalitarian dictatorship. Marx knew the need for strong leadership to guide the working class which was to accomplish the revolution. This leadership was to be provided from Marx's Socialist followers. He called them "Communists" in the Communist Manifesto of 1848. They were, however, not to monopolize political power, impose a party line, and certainly not impose a dictatorship over the proletariat, nor even form a special monopoly party.

This was the work of Lenin who, convinced of the "truth" of Marx's doctrine, thought to enforce it through overwhelming power. However, by the time Lenin appeared on the scene, Marx's assumptions had been largely disproven. Rather than the predicted polarization of society in which a growing number of workers would become poorer and poorer, and a diminishing number of capitalists get richer, there was a growing middle class and working conditions greatly improved through unionization and government policies. The inhuman labor conditions of the early industrial age

began to disappear and socialist leaders turned to labor reform measures. But in 1916 Lenin reasserted Marx's call for a proletarian revolution. Lenin argued that the alleged respite from the Western crisis was caused by a new capitalist policy, the exploitation of colonies by the capitalist system. In his "Imperialism, the Highest Stage of Capitalism" Lenin accused the capitalist powers of global exploitation, renewed the claim for revolution, and added to it the global tool of "wars of liberation" for the emancipation of the colonial world.

Since the "proletariat" was seemingly unable to organize the Marxist revolution that would overthrow "capitalism" (actually a Marxist word, in this meaning unfortunately generally accepted) and introduced the millennium of a final just human order without any exploitation, a group of professional revolutionaries, the "vanguard of the proletariat" had to lead the way. This "vanguard of the proletariat" was to be the communist party. It was to have total power.

It was the breakdown of order in Czarist Russia at the end of World War I that gave Lenin the opportunity to seize power at the head of these "armed workers" and to destroy the democratic movement that had just overthrown the Czarist government. What Lenin created instead was a totalitarian dictatorship not only over the population of Russia but also over the communist party itself. In Trotsky's approving words of 1924, "the iron clutch of a dictatorship unparalleled in history" was to enforce the Marxist doctrine over the party as well as over the country.

Two measures taken by Lenin were of key importance in establishing this totalitarian system. His party was bound to absolute obedience of the leadership by the system of so-called "democratic centralism." This "centralism" meant the unconditionally binding nature of the decisions of higher bodies of the party

on lower ones. The so-called “democratic” element, by which all party members allegedly contributed to the final unchangeable decision at the top, was in practice annulled by the nomination of all lower members from above.

Totalitarianism always leaned towards domination by a single leader. This has been the history of the Soviet system from Lenin to Stalin on down to Gorbachev, in China from Mao to Deng, and in fact in all communist countries. Lenin himself has been quoted as saying that the will of the mass of people can only be ascertained through organization and that the will of hundreds and tens of thousands can be formed in one man’s mind. This concept pervades all of Lenin’s writings. As the basic Soviet textbook, *Fundamentals of Marxism-Leninism* defines it, there is a “social need” for “great men” whose presumed qualities are described in detail. After the experience with Stalin, however, the authors of a revised post-Stalin edition of the *Fundamentals* obviously felt the need to add a special section to distinguish such authoritative leadership from the “Cult of the individual.” They accuse Stalin of “unrestrained adulation,” “negative qualities,” and “negative consequences,” but still claim that “the people of the Soviet Union achieved in that period outstanding victories.”

The power that this one leader obtained was created by Lenin. By 1918 he had established the secret police apparatus, which from that time on served the communist leaders in their unrestrained campaigns of terror.

This absolute control from above, coupled with the use of terror through a secret police, have been used by many former dictatorships and tyrannies in human history. One may say that the one-party system of the Marxist-Leninists, or of a Hitler or Mussolini for that matter, add a distinguishing difference to the two major totalitarianisms of our time,

the communists and the fascists. But what really characterizes this twentieth-century totalitarianism is its revolutionary goal, which aims at a new and totally different society. This final goal, as indicated by Marx, remains intentionally vague, but it is global, in contrast to the fascist goal which is local and therefore unappealing to outsiders. Marxism fosters a revolution that does not balance existing social groups but aims at destroying society’s institutions and creating an altogether new world.

History has provided lists of characterization of totalitarianisms: an ideology as a source of power; a leader who controls it; a one-party system; a monopoly of all means of communication; an exclusive possession of all means of regular power - the army and the police; and a systematized terror by the secret police. All these are essential parts, but the revolutionary goal and the destructive force used to accomplish it are essentials that appear in the totalitarianism of our time and that especially characterize the Marxism-Leninism whose two creators provide that utopia, which has affected so many quasi-intellectuals.

Today that utopia is clearly failing. During this century it has engulfed over a third of mankind. It has destroyed millions of lives and caused a permanent and drastic economic decline in its territories. The oppression finally raised a massive protest of such dimensions that it overwhelmed the communist governments in Eastern Europe and is threatening to recast the Soviet Union itself. Mikhail Gorbachev, since 1985 the head of the Soviet Party and the new President of the Soviet Union, has with the slogan of “glasnost” opened the floodgates of free speech, and with the as yet unfulfilled promise of “perestroika” is moving into economic and political reform of as yet unknown dimensions. This collapse of the communist system means the end of the gravest threat of our time; but the

many possible dangers of the coming changes cannot yet be foreseen.

The first major attempt to save communism and with it the utopia of the dreamers was made at the other end of the global expansion, in the People's Republic of China. Nowhere had the internal crisis of the communist experiment reached such a dangerous state as in Maoist China. As in all Communist countries, the Chinese leadership of Mao Zedong applied Stalin's system of agricultural collectivization, an emphasis on heavy state-owned industry, a command economy and the monopoly of leadership by the communist party. This system created only "equality of poverty" as one Japanese economist described it to the author. What was more, it also created the formerly unknown "lazy Chinese," in the words from the same source. After Stalin's death, when Mao proceeded on his own, it became worse. The so-called Great Leap Forward, followed by the Great Proletarian Cultural Revolution, aggravated the evils in China to such a degree that at the time, shortly before Mao's death when China was opened to the Western world, the economy appeared to the informed visitor as a basket case. It was, therefore, no surprise that Deng Xiaoping, the communist leader purged by Mao, when he regained power in 1978, sought to reform China's economic and political order; but he attempted it in ways that, he hoped, would not interfere with basic communist concepts and the power of the party. For, Deng's reforms, so much discussed in the United States, aimed at changes only within the communist order, not a break with the system itself. Thus, they were bound to fail.

Deng started out by establishing the parameter within which his reforms had to remain. His Four Basic Principles were proclaimed at the outset of his new rule in March 1979. They were a restatement of basic communist principles: (1)

keep the Socialist Road; (2) uphold the Dictatorship of the Proletariat; (3) uphold the leadership of the Communist Party, (4) uphold Marxism-Leninism and Mao Zedong thought. Deng had an impossible contradiction on his hands. He wanted to retain the two basic fallacies of Marx and Lenin, both reasserted in his Four Basic Principles, and yet reform the economy and the political system. Within this framework Deng went as far as he thought he could. He took the extraordinary step of dissolving the agricultural collectives (by now in China the communes), distributing the land to the farming families according to the family size. But he did not, as a Peking professor called it, "give the land to the peasants." Torn between the opposing principles of private ownership of land and the public ownership of Marxism, Deng thought he had found a middle way by leasing the land through contracts to individual families, first for three and eventually for 15 years. But there is a great difference between tenancy and ownership.

In an excellent study in which he compares private ownership by peasants and small landlords (there were no large ones) before the war, with the results of the new tenancy system, Professor Feng-hwa Mah of the University of Washington has demonstrated that ownership by small working farmers or landlords is a necessary precondition for maintaining the productivity of agriculture as well as of industry. Comparing data from Lossing Buck's pre-war study with the situation of today he comes to the conclusion that "The incentive effect generated by the leasing system under the separation of ownership (by the state) and use-right (by the farmer) has already been exhausted. In order to promote further increase of agricultural production, outright private ownership of land is the next logical step."<sup>1</sup> To Professor Mah "the theory of property right" is the main issue on which the solution of China's

economic problems depend.

The same conditions apply naturally to industry and commercial enterprises. Yet in 1986, when the agricultural reform seemed to have increased production by 2-1/2 times over three years, Deng thought that he could now successfully apply the contract system to industry and trade. This was the time when the agricultural production began to stagnate. The publicly-owned works were neglected; in addition, state prices for farm products did not keep up with prices for fertilizer, farm equipment, and other goods, even as grain production declined.

The new application of the system to the urban sector did not work, of course. The absence of freely obtained prices, the problem of getting material and of selling through an increasingly corrupt bureaucracy precluded that free market which the Communists had hoped to achieve bureaucratically rather than through the invisible hand of supply and demand. Connections, in Chinese "*guanxi*," did not replace the free price system. Factory managers themselves were party members or appointees, with party committees in their factories, had party secretaries, and even in the contracts which they signed had to follow party policy; tardy laborers could not be dismissed. In a few cases, where prices were permitted to find their own levels, inflation led to panic buying, until the leadership, now again in radical hands, cut back on all so-called reforms. The new goal was "stability".

At the outset Deng had claimed that economic reform must be combined with political reform, but only within the party itself. He planned to divide the party members horizontally into two groups, the managers and the policy-makers. At the same time he was to divide party authority vertically between central and local party functions. A great deal of time and discussion was addressed to this division of authority within the party. In

actuality it weakened party authority and was partly revoked when the radicals resumed power. These measures had nothing to do with any limitation of the party's dictatorship. The lines between supervisory functions and management were hard to draw, and in any case all were party members or adjuncts and not in any way independent. The division of functions may have raised questions about authority within the party, but the power of the party and of the 14 families allegedly in control of it has been demonstrated again when they defended their rule with tanks and machine guns.

As a result the state- or, to a lesser extent, the collective-owned, industry in China remains in a sad state. Antiquated machinery, an overstaffed work force, corruption, problems of energy and transportation have made it largely noncompetitive with the industries of Japan or of the West.

There are, however, two measures which have contradicted this policy. These exceptions from the Marxist order are being excused by the claim that China follows "socialism with Chinese characteristics" and that she was only at the beginning of a long socialist road that could take up to a hundred years to complete. One such exception was Deng's permission to allow small-scale private enterprises in the cities, from repair shops to beauty parlors, from production of leather goods and even some machinery to private doctors. They were at first limited to a maximum of eight employees, but in practice many had more. They did well in their majority and brought their entrepreneurs and employees a much better income than state salaries, though not the guarantee of insurances. They were supposed to overcome unemployment in the cities; but with the hardening of the line after the Tiananmen massacre, many of these enterprises have been closed again. They were, in any case, always to remain a

small minority in the socialist economy.

The other major exception in the system is the acceptance of foreign enterprises. Chinese opening toward the West, already proclaimed at the end of Mao's days, means that some foreigners are permitted to do what the Chinese are not. After Tiananmen the Chinese leaders have immediately continued to invite foreign capital and enterprises, and indicate no change in this crucial policy.

The policy of accepting foreign enterprises and providing an acceptable legal frame work for them, at least in name, has been compared with the foreign economy that grew in China under the treaty port system of old. There is no longer any extraterritoriality, but this time foreign firms were not imposed on China, but were sought after and invited with special privileges in tax and money-transfer matters. This turning toward the outside "capitalist" world for economic support is in strange contradiction to the original concept of economic competition with "capitalism." It is excused by the fact that most industry, allegedly over 80%, is still "socialist." How important this foreign enterprise is to China can be seen from Deng Xiaoping's accurate forecast in his speech on June 9, 1989, after Tiananmen. With contempt he foretold: "The foreigners are still going to knock at our door."

He was, of course, right. A new *Realpolitik*, as we were told by the administration, demanded that contact with the Chinese "people" must be maintained. First, President Bush encouraged the Chinese demonstrators in their peaceful protest; but when they were shot, arrested, tortured, and executed, we toasted "friendship" with the butchers. Nowhere has the United States Government so miserably failed to defend the principles on which this nation was founded. In Eastern Europe where Gorbachev forbade the use of tanks, we were spared the necessity to demon-

strate with more than words where we stood.

Under the reaction to Tiananmen some military support has been cancelled. But existing corporations continue their work and new deals, as with Boeing, are carried out. Under United States' approval, Japan has renewed its negotiations for a \$5.6 billion credit to China.

United States or Japanese and Western companies cannot save a failing communist economy, but they can support for a time a regime interested only in holding on to power. Our attempt to modify the system by introducing some "kinder" mood, even if it should stop the executions, abolish torture and imprisonment, would not bring a free economy or government. We seem unable to grasp the need for a revolutionary change such as is occurring in Europe.

In China, after Tiananmen, a peaceful transition has become very unlikely. A disunity within the military leadership could be inferred from a removal of military commanders (for instance the head of the Beijing military region) and, in May 1990, from a shuffling of commanders and commissars of the 7 Military Regions. There were also rumors of court martials, but as of 1990 the military was controlled by Yang Shangkun, presently President of the People's Republic of China and close collaborator of Deng, and by Yang's family. Thus China, like North Korea and Vietnam, is still in orthodox communist hands. The claim that China can survive only under the leadership of the communist party has, nevertheless, worn thin, and even with foreign help, the failure of the economy and the subsurface discontent with the lies that the regime uses to cover up its brutality and failure, will in time destroy it.

There are those among Western intellectuals who bewail the fall of this utopia or even try to prevent it. The argument is that Stalinism may have been bad, but

“capitalism” needs a “socialism” counterpart to prevent its excesses. This view reveals an extraordinary ignorance of history. During the last century the chief evils of the early industrial period that affected Karl Marx had been removed or mitigated. Historians should remember, for instance, that in Germany Chancellor Bismarck hardly a Marxist or socialist introduced social legislation; and that the general policies were not whether to introduce what today is called the network to salvage those who have fallen behind, but how much and what could be done effectively. The socialist parties in European governments have long abandoned Marxism for a policy of reform. Social measures are still hotly debated in Western works, but not as a matter of Marxist utopia, let alone Leninist totalitarianism. What these utopianists do not seem to understand is the loose use of the term “socialist” for any measure that deals with assisting the role of the less advantaged. As a common economy in the Marxist sense, socialism has failed; a

policy of improving social ills will continue. How far a policy of increasing social welfare through taxation will be applied, as in Sweden, is for the people of the nation in question to decide. To confuse this with Marxism-Leninism demonstrates a disability to categorize.

I was told that the editor of the *Deutsche Allgemeine Zeitung*, Joachim Fest, asked why many West German intellectuals would like to keep marxism in place, obviously for such hazy reasons; and a statement by Raymond Aron accuses them sarcastically that “Marxism is the opium of the intellectuals.” I would except the true intellectuals from this condemnation, but at the same time have for years maintained that “Marxism is the opium for the half-educated.” It is high time for them to give it up.

— Franz Michael

<sup>1</sup>See his “Primary State, Leasing and Ownership: Mainland Chinese Economy at the Crossroads,” *Issues and Studies*, vol. 25, no. 1 (January 1989), 73-93.