

Chapter 14

THE TRANSNATIONALS

14.1 STATE OF THE QUESTION

Let us now proceed to an even more specific level of sin. Moving beyond the *essential* level (that of the relationship between capital and labor) and the *world* level (that of dependency, or competition among national supplies of capitals), let us turn our attention to a still more specific phenomenon—one that presupposes the other two.

In the course of the competition among total national capitals, certain of them gain the upper hand over developed and peripheral supplies of capital alike. They extract surplus life or surplus value from both.

We read in the daily newspapers of the latest exploits of the transnationals. We see that Fiat or Volkswagen profits have shot up, or that the General Motors budget is larger than that of entire nations. We are bombarded with Coca Cola, Ford, Shell, and Datsun ads. Philips is an international giant in electricity, Nestlé in foodstuffs. These are facts.

We read in holy scripture:

There was a rich man who had a good harvest. "What shall I do?," he asked himself. "I have no place to store my harvest. I know!," he said. "I will pull down my grain bins and build larger ones. All my grain and my goods will go there. Then I will say to myself: you have blessings in reserve for years to come. Relax! Eat heartily, drink well. Enjoy yourself." But God said to him, "You fool! This very night your life shall be required of you. To whom will all this piled-up wealth of yours go?" That is the way it works with the man who grows rich for

himself instead of growing rich in the sight of God [Luke 12:16-21].

In bygone times, the sin of accumulation was a "little" sin. Major accumulation was impossible. In our times, the financial capacity for accumulation, for the extraction of the life of others, is practically infinite. Thus we find the magnitude of the misdeed incomparably greater. After all, today we are dealing with "sin upon sin."

14.2 SOME NECESSARY DISTINCTIONS

It may appear to be a matter of great complexity, but we shall have to acquire a clear notion of the double role played by the so-called transnational corporations, and their consequent need of the capital of central and peripheral nations alike. Without this capital there could be no transnational profit.

First of all, *capital* "in general"-on an abstract or essential level-must be distinguished from "world" capital-the capital that operates in the world market. By world capital I mean the sum or empirical totality of all of the supplies of capital in the world-all of the supplies that exist, added together and considered as a unit. "Total world capital" is the sum total of human life objectified in a given moment of world history and accumulated within the capitalistic system.

The component parts of this total world capital are competitive. Hence we must distinguish *central, developed capital from peripheral, underdeveloped capital*. These are the essential analytic concepts of which we shall have need in order to construct our other empirical concepts. The total *capital* of any given central *nation*-the United States or Japan for instance-constitutes a *part* of this total central, developed capital.

Indeed, "transnational capital" (whether the totality of the capital of all transnational corporations taken together, or the particular capital of any one of these corporations), is, in the main, *part* of the capital of a *central* nation (or nations) that penetrates the ambit of the peripheral, underdeveloped total capital of a given dependent nation (or nations). Thus we must distinguish between the national capital (of a central country) that may be engaged exclusively *within* the market of that country, from transnational capital emerging

from *beyond* its borders.

A peripheral nation, for its part, can be the seat or locus of great private national capital, petty capital, and state capital-the component parts of a peripheral total national capital.

14.3 TRANSNATIONALIZATION OF PRODUCTIVE CAPITAL

Being basically part of central capital, then, these enormous conglomerations are able to control asymmetries among nations, technological levels (including the administration of entrepreneurial or financial management), and salaries. Their purpose is to boost the rate of surplus value and profit. Were nations to disappear-were national markets, with their country-by-country differences, to disappear-the transnationals that profit by the prevailing situation would also disappear .

Until the time of the Second World War (1939-45), "central capital" transferred beyond its borders was used only in non-primary productivity or let out at interest. From then on, however, it began to play the role of *productive* capital as well-the factory, the productive process-outside its national borders. Under the pretext of reducing the need for imports on the part of the southern nations, and thus affording the possibility of an accumulation of currency, productive central capital was transnationalized into the dependent countries. Thus the fourth and last step was taken in the development of a North-South relationship of capitalistic "dependence."

In the first stage (see Diagram 7), capital destined to become "central" accumulates wealth by commerce and colonial thievery. In the second and third stages, this central capital "sells" industrial products produced in factories located within the *central* country.

In the fourth, transnational, stage, central capital locates its

Diagram 7

Historical Stages in the Development of Dependence

Colonialism		3. Imperialism	4. Transnationalization
1. Mercantilism	2. Free Trade		

factories (the productive stage of capital) within peripheral countries.

14.4 SUPPORT NATION AND HOST NATION

With the transnational supplies of capital (of General Motors, General Dynamics, Siemens, Toyota, and so on) now deposited partly beyond the borders of the central country, the relationship between transnational capital and the "*support nation*" (between General Motors and the United States, for example) is made "flexible" or it is diminished. But it by no means disappears. This relationship has need of the protection or "security" of, for instance, the United States (in extreme cases, by application of that ultimate instrument of coercion, "armed intervention"). Furthermore, the greater part of the "profit" flowing from the foreign investments in question is transferred to the "*support nation*," where it vitalizes, transfers life to, the population of the central country (even to the dominated classes of the "center").

The "*support nation*" is constituted of the totality of the population of the state or country where a given transnational capital has originated. The level of "patriotism" exhibited by this capital is outstripped by its need to increase in value, to realize profits, to accumulate more capital. Hence the frequent complaint, voiced by the population of the central country itself, of a lack of national solidarity on the part of the transnationals. Before it is North American, German, or Japanese, transnational capital is *capital*.

By contrast, the transnational reinforces the relationship of its capital with that of the "*host nation*"-Mexico, Brazil, or Argentina, for example. Until now these peripheral nations have simply provided a market. But now they are the preferred locus of "labor power" (thanks to low wages), of raw material (which is frequently cheaper to obtain there), and of underdeveloped banking, as well as the point of departure for sales to the home market (*in* the host country) and the export market (*from* the host country).

In the second and third steps in the development of its dependence-the stages of free trade and imperialism-the peripheral nation has indeed spent its currency in the "purchase" of central industrial products. But it was relatively free with respect to central

capital itself. Now, however, the *productive phase*, in the form of factories, for example, has penetrated the peripheral country like a Trojan horse. Now foreign capital has access to political power, massive advertising and other propaganda, and the cultural configuration of thousands of workers. Suddenly foreign capital is no longer exclusively an economic force in the peripheral country. Now it has ideological and political power as well.

14.5 HOW DOES TRANSNATIONAL CAPITAL EXTRACT SURPLUS LIFE?

Far from suppressing differences between central and peripheral nations, transnational capital actually needs them (13.2). It simply could not function without a difference in, for example, the technological components of the value of capital (more developed in some nations and less developed or underdeveloped in others). If the "law" of dependence is ultimately the determination of a transfer of surplus life (13.7), the case of transnational capital will constitute a specific instance (with variations) of the *overtransfer* of surplus life or value—and at the expense not only of a weak peripheral capital, but of the central supplies of capital, to the extent that they happen to be in competition with the transnational capital in question.

Where supplies of underdeveloped capital are concerned, transnational capital can place products on the market of a peripheral nation at lower prices (13.5) and thereby make excessive profits (overaccumulation due to unequal competition), thereby proving the centro-peripheral aspect of the "law" of dependence. But inversely as well, where developed central capital is concerned, transnational capital can place products on the central market at lower prices simply by importing them from the periphery, where both wages and material components are cheaper, and once more reap excessive profits.

As we see, reduced to its essence, the phenomenon of the transnational corporation is the verification of a special corollary of the "law" of dependency: the transfer of surplus value from the periphery to the center. There is no such thing, then, as a single world capital. The notion is empirically contradictory, for we would then be dealing with a unique, solitary capital that would have no competitors. Nor are national markets abolished, even though

transnationals circulate their products within themselves. We have the transfer of surplus value from the periphery to the center (thanks to the unequal competition between central and peripheral capital, and the transfer of profit to the center), and we have the annihilation of the various non-transnational supplies of central capital. We have concentration.

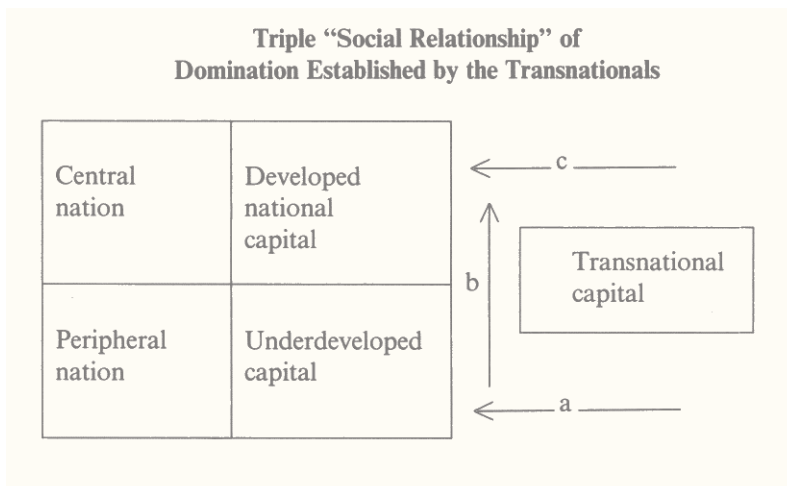
14.6 WHERE IS THE INJUSTICE?

One might ask, by way of objection, where is the injustice? Where, in the following triple relationship, is there anything unethical? (1) We have the relationship obtaining between transnational capital and underdeveloped capital (in the form of excessive profit). (2) We have the transfer of surplus value (surplus life) from the periphery to the center. (3) And we have the relationship between transnational capital and developed central capital (excessive surplus profit: the concentration of capital). What could be immoral, what could be sinful, about this complex mechanism? It all seems a mere product of technology, administration, and human intelligence.

Once again, evil is invisible (12.7).

Even if the capital-work relationship (3.9, 12.5) is taken to be "natural," and even if the extraction of surplus life from the periphery (13.7) is likewise "natural" (in any case both, although

Diagram 8



antiethical, are perfectly "moral" for the bourgeois system-3.6), there is still plenty of room to speak of injustice or sin in many forms.

In the first place (Diagram 8, arrow a), transnational capital competes with peripheral capital on an unequal basis, for we are dealing with a situation of classic "dependence" (steps 2, 3 of Diagram 7). Because it wields a better technology, and produces products at lower cost, transnational capital produces merchandise at a lower price or of better quality. In the second place, far from creating employment opportunities, transnational capital actually wipes out traditional sources of production. The twenty employees of a Coca Cola distributor throw thousands of others out of work—fruit vendors (who had put fruit juice on local markets), employees of small soft-drink companies, and so forth. We are dealing with *unequal competition* in the market of a peripheral country.

14.7 SECOND INJUSTICE: OVERTRANSFER OF SURPLUS LIFE

The second aspect (Diagram 8, arrow b) represents the alleged "loan" of technology to "replace imports" and thus spare the exportation of currency. In reality it is converted into a channel for the extraction of life, and one of unprecedented proportions. The transnational corporations develop and fine-tune new methods of removing wealth from the poor nations. As a result, instead of "developing," as the blueprints of "developmentalism" expect them to, the poor nations grow ever more deeply impoverished.

Functionally, the transnational corporation consists of a circulatory exchange between a *parent company* and a *peripheral subsidiary* (Ford Detroit and Ford Buenos Aires). The question is how to "send" currency (money with an international value—for example, American dollars) from the subsidiary in the peripheral country to the parent company in the central country. This currency, this *money*, we recall, is human life (11.8).

One way of doing so consists in making "payments" by the subsidiary to the parent company—often enough fictitious or unnecessary, and in any case massive. For example, production plans are "sold," and at a high price. Or "royalties" are paid. Or the parent company can be asked for international "loans" (counter-signed by the peripheral state): interest will now have to be paid on

this "credit" (actually an investment by the transnational corporation in the peripheral country). Or the subsidiary can "buy" parts from the parent company-state-of-the-art technology, and correspondingly expensive (indeed, artificially overpriced).

Another way of transferring peripheral surplus life is by "exporting," to the central parent company, products manufactured by the peripheral subsidiary. The parts of a Volkswagen motor will be sent from Brazil to Germany to be assembled and sold. In this case the product is underbilled-sold for less than its actual value, by billing it either at less than cost, or even at cost but thereby at a price below its "product value," which will include gratuitous surplus life (11.5). Furthermore, the "market price" in the central country will be a great deal higher than it would have been in the peripheral country by reason of the low wages paid the peripheral worker. Thus we have a direct transfer of surplus value from the peripheral country to transnational capital-from the periphery to the center without the necessity of passing by way of market or circulation. The surplus value is "produced" in the periphery, but "realized" in the central market.

Here, then, is a concrete case of broadened, enlarged "dependence," accompanied by a corresponding increase in the degree of "invisibility." Sin loves concealment.

14.8 THE THIRD LEVEL

In "dependence," taken as a whole, the sum total of the profit of a total central capital is equal to (and is the realization of) the transfer of surplus life from a total peripheral capital, as we have seen. Now, in turn, the transfer of surplus value from the peripheral subsidiary to the transnational central parent company is equal to the profit obtained through the advantage of transnational capital over the merely national central capital (keeping in mind the products "exported" from the periphery)- arrow c in Diagram 8.

Transnational capital has at least two competitive advantages over other supplies of capital in their native land. First, the transnational corporation acquires money, profit, from its subsidiaries (by way of overaccumulation) that it is able to use in research, advertising, and so on. Coursing through its body is the blood of the workers not only of the central country, but of the peripheral

countries as well. The transnational corporation has become an international idol (12.10).

Secondly, the peripheral product has been produced at a lower "cost price," thanks to the lower average wage in the periphery (and so at the "price" of the hunger, poverty, and death of the overexploited peripheral worker). This product can therefore be offered for sale at a more favorable "market price," occasioning "extraordinary profit" in the game of competition with merely national central developed capital.

As we see, in the case of the transnational corporation as well, *homo homini lupus*. The transnational victimizes the human being of periphery and center alike. Universal competition extracts unjust gain wherever it can. And it is more than clear that without "dependence" there would be no transnationals. Transnational capital is "overdetermined" sin: "sin upon sin." How childish other forms of domination now appear-including those described in the Book of Revelation! The whole of the wealth ever stolen by the Roman empire was dozens of times less-if indeed comparison is possible-than the accumulated value of General Motors. That apocalyptic Beast is an innocent kitten by comparison with the "beasts" of our time.

14.9 ARTERIES OF LIFE

By way of summation, let us turn our attention to the complex, invisible "arteries" by which the "blood of the poor" circulates in the capitalist system at the close of the twentieth century.

First (chap. 12), the life (surplus value) of the worker flows vertically (without returning) from the worker to capital. This is the essential, abstract relationship of the phenomenon in question-the "social relationship" that has constituted the sin of the modern age, first in Europe and now throughout the world.

Secondly (chap. 13), on a more concrete level, the developed, central capital extracts life (surplus value) from underdeveloped peripheral national capital, obliging the latter to exploit its workers even more intensively, and thus enabling central capital actually to improve the quality of life of the workers of the central countries (even enlisting them as accomplices). The "international social relationship" of sin is thus less visible and more complex than the

"social relationship" of sin.

On a third level-more complex and more specific than that of either of the two preceding levels -a *part* of the developed central capital now establishes a *direct* and essential (hence without the intermediary of circulation and merchandise, as heretofore) capital-work relationship with the peripheral worker (while seeking a reduction in this worker's wage), without abandoning the level of *competition*. While still competing with peripheral and central supplies of capital, it simultaneously effectuates an "overdetermination" of the "law of dependence" through the transfer of surplus life from the periphery to the center-no longer merely through the unequal exchange determined by the differing organic composition of the two supplies of capital, but thanks to a wage difference as well. Thus we have a direct increase in the rate of surplus value (that emerging from the "wage -work " relationship) as the basis of a new increase in the rate of profit. All this permits a disproportionate accumulation of human life by transnational capital vis-à-vis that of all non-transnationalized individual capital or branch of capital. And structural sin makes a quantum leap.

14.10 "CIVILIZING" POWER OF THE TRANSNATIONALS?

Certain writers-Michael Novak, for example-make a Christian apologia for the transnationals. We are told they are the great producers of goods and services, the creators of wealth worldwide, the inventors of technology , and the roaring engines of human progress. The old logic of the industrial revolution, the logic of the invention of the machine, springs to life anew in the current age of the technological revolution.

If the transnational corporation actually placed its enormous concentration of technological and financial capital, with its fantastic skill in planning and administration, at the service of human kind, it would be the greatest benefactor of humanity the world has ever seen. But the fact is that this gigantic conglomerate operates in the service of capital alone. Its exclusive aim is the augmentation of surplus value and capitalistic profit. As a productive, effective cell of capital, the transnational corporation is subject to the limitations of the phenomenon that subsumes it and incorporates it into its logic: capital.

Operating as it does in the sole interest of an augmentation in the rate of profit (and hence functioning in the relationship obtaining between all profit and all capital, and in that relationship alone), so that its all-compelling interest is the basis of all profit and all capital-surplus value, surplus life-the transnational is simply incapable of responding to the urgent, basic needs of the peripheral world. On the contrary, if it hopes to boost its profits, it must expend all its energy and apply all its sophisticated technology to the production of superfluous goods-luxuries, fashions, the distortion of national crafts and technologies, and so on-thereby precisely impairing the production of the goods and services required by the great majorities. It also reduces the number of workers required for the production of its goods and services, through the application of advanced technologies-but fails to raise wages, for the labor pool remains the same.

Far from being instruments of "civilization," the transnational becomes the universal vampire, extracting blood, "surplus" human life, from the periphery of the capitalist economy. "Thou shalt not steal. Thou shalt not kill." And yet theft and murder only penetrate more deeply and spread their tentacles even further as they become technologized and universalized. To boot, they now do this in the name of democracy, liberty, and civilization. Humanity's mighty potential benefactor has become its pitiless predator .

CONCLUSIONS

As the reader will easily believe, these brief pages have been insufficient even for a rough sketch of the questions confronting us, to say nothing of an exhaustive attempt at an answer. My only intent has been to initiate a discourse to be followed, step by step, in specific theological tractates. My treatment of the transnationals, however, has served to exemplify the sort of specific subject that must occupy the concern of a theology of community ethics, inasmuch as it has shown that this institution of domination (and hence of sin) operates in the interests of the Prince of "this world," as a mechanism of the "sin of the flesh," or the "law of sin." Will it not therefore be in the interests of the reign of God to oppose its machinations? Is the liberation of the poor from these "*social* relationships" of sin not a matter precisely of theological concern? Are not these profane

structures, these economic and political structures, also the great Babylon? Will not the attempt to fetishize "religious" sin or otherwise separate it from "secular economic structures" be the hallmark of a theology of the concealment of sin-a theology of domination, then?

Chapter 15

INTERNATIONAL LOANS AND WEAPONRY

15.1 STATE OF THE QUESTION

Let us consider another aspect of the transnationalized structure of sin/domination. Our new considerations will bear not only on the productive level of this sinful domination, but on its financial or monetary level as well.

We read in magazines, and in all our dailies, of huge international loans that have been made to poor nations. How did this come about? In 1967, world capitalism entered a state of crisis. The demand for goods and services in the central capitalist countries had suddenly dropped, resulting in restricted production. But this caused unemployment, so that now still less money was available to consumers for goods and services. And the vicious spiral proceeded apace.

Now financiers needed a new way to use the money left over from production. One of the ways they found was to lend it irresponsibly to needy countries. Another way consisted in increasing arms production. And so we have two types of investment that reproduce not life, but death.

We read in holy scripture:

At the end of every third year you shall bring out all the tithes of your produce for that year and deposit them in community stores, that the Levite who has no share in the heritage with you, and also the alien, the orphan, and the widow who belong to your community, may come and eat their fill; so that the

Lord, your God, may bless you in all that you undertake.

At the end of every seven-year period you shall have a relaxation of debts, which shall be observed as follows. Every creditor shall relax his claim on what he has loaned his neighbor; he must not press his neighbor, his kinsman, because a relaxation in honor of the Lord has been proclaimed. ...If one of your kinsmen in any community is in need ...you shall not harden your heart nor close your hand to him in his need. Instead, you shall open your hand to him and freely lend him enough to meet his need [Deut. 14:28-15:2, 15:7-8].

In Hebrew and Christian tradition, for the Fathers of the Church, for the popes, for Thomas Aquinas, the lending of money at interest was regarded as *contra naturam*, against nature, a sin: usury. Accordingly, it was condemned. Since Calvin and Knox, however, the practice has become universal. Just so, it is "against nature" to produce instruments for the murder of one's neighbor: weapons. Yet Christian countries are the primary producers of these instruments of anti-life.

15.2 SOME NECESSARY DISTINCTIONS

The question of international loans, then, is a current, central issue for theological ethics. The whole operation might appear to be "natural," moral, objectively planned out in advance and scientifically executed. But we must understand, first of all, that capital has many "members," parts, or functions. The human body has a digestive, circulatory, and locomotive system, all in the unity of one comprehensive system. So also capital has a variety of dimensions, different products, various movements, apparently contradictory but actually bound up in the unity of its overall organic life.

Thus we must distinguish *industrial*, commercial, and financial or monetary capital. Industrial capital is capital tied up in wages and means of production (factories, the productive process that culminates in the industrial product). Its profit arises from an unjust "social relationship" (12.6), inasmuch as workers objectify *more* value in the product than they receive in wages. To put it another way: the product is worth more than the money or value that the capitalist has invested in its production. Industrial profit is the

worker's life, robbed. This is sin.

Commercial capital, for its part, is capital that is no longer tied up in production itself. Capital buys merchandise with money and sells it at a *higher* price than it has paid for it. What is the source of this "commercial" profit? It is simply a part of industrial profit. That is, commercial profit is merely a part of the surplus life for which workers have not been paid. (We must not think that this profit comes out of consumers' pockets, even though consumers pay a price *above* the value of the merchandise.)

Thus commercial capital, as well, is participation in sin, the sin of industrial injustice.

15.3 INTEREST ON CAPITAL

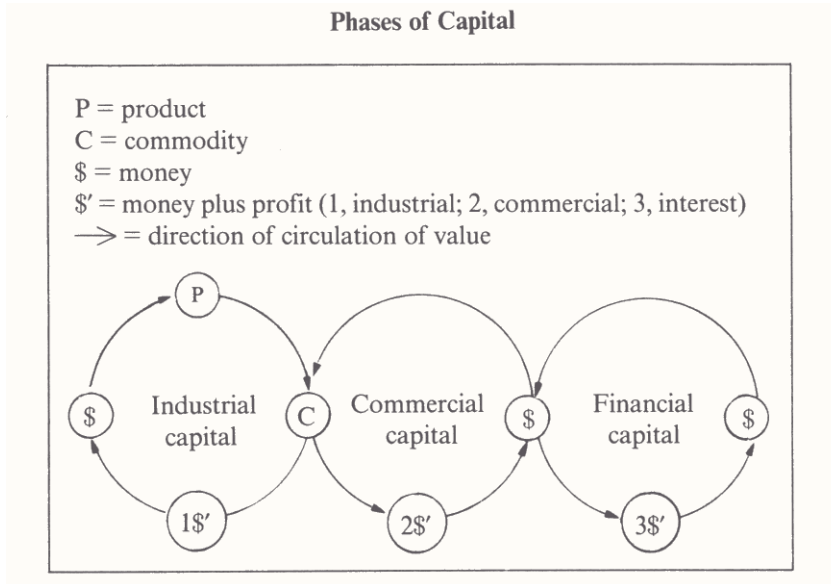
Financial capital sells money. Without producing products or selling another type of merchandise, financial capital nevertheless "turns a profit" in the form of interest. From what source might *financial* capital draw its "profit," or the interest it gains by delivering over or selling money? The relationship between this surplus money (interest) acquired by the financier, the banker, and the life objectified by the overexploited peripheral worker is now so remote that it might appear nonexistent. At last we have the total absolutization or fetishization, the perfected idolatry, of capital. Capital is a god, representing itself as having proceeded from nothing (*ex nihilo*).

We must understand, then, that the wage-earner's surplus life (12.4), the time of his or her unpaid work, passes through the "blood vessels" of capital until it coagulates (2.8,3.10,11.2) as interest on money lent. (If we consider money simply in itself, we shall never be able to explain where the interest comes from.)

Industrial capital must "transubstantiate" its merchandise into Money as quickly as possible, in view of the time factor inherent in the cycle of capital. Time is of the essence. The more quickly industrial capital sells its merchandise, the more quickly it will be able to invest its money in a new cycle of capital (that is, the more quickly it will be able to pay wages and buy the means of production for new products/merchandise). One way of accelerating the sale of this merchandise is to sell it to commercial capital.

Another way for industrial capital to have the money for its product more quickly is to buy this money from monetary or

Diagram 9



financial capital. Without having sold its merchandise yet, industrial or commercial capital already "has its money back"-the money for that anticipated sale. But this anticipation, the bridge across this time gap, has a price. How is this price paid? It is paid by delivering over to financial capital some part of the industrial (or commercial) profit obtained once the product is actually sold. But this "profit" is purely and simply unpaid (and hence unjustly obtained from the worker) surplus work or surplus life. The interest on a loan, then, is once more a participation in the structural sin of capital as such (12.4).

15.4 MONEY CREATING MONEY?

For Aristotle the creation of money by money was an act against nature (*Politics*, I, 1, 1258b). Similarly, we read in Deuteronomy: "You shall not demand interest from your countrymen on a loan of money or of food or of anything else on which interest is usually demanded" (Deut. 23:20). And Saint Thomas added: "The Jews were forbidden to lend at interest to a brother ...whereby we are given to understand that usury extracted from *anyone* is sinful"

(*Summa Theologiae*, II-II, q. 78, a. 1, ad 2). Until the sixteenth century it was traditional to identify lending at interest, or usury, as sin. It was avarice, and avarice was a vice. Calvin, as we have said, permitted loans at interest.

How can capitalism have arrived at an interpretation so far removed from Christian tradition? An ideological process of fetishization is the culprit. Capital was absolutized. The process was rather as follows. Capital was identified with wealth, and regarded as a factual *given* (12.4). The "*social* relationship" of inequality or injustice (12.3) that lurked here remained undetected. Thereupon profitability was ascribed to capital without further ado, as proceeding from or attaching to its essence naturally-as something simply belonging to it (with a wide variety of explanations).

But once capital and profit had come to be regarded as factual givens, exempt from any ethical judgment, the "original sin"-the injustice constituting their essence (12.5)-was concealed. And once this had been accomplished, a further step could be taken. Instead of being invested in *industrial* production (whence the surplus value was actually extracted), money could be invested in *commerce*. If money in the form of industrial capital (Diagram 9) makes an (industrial) profit (1\$), why would not this other money (commercial capital) also make a profit (2\$)?

Finally, why would not actual, financial money make a profit (in the form of interest-3\$), just as other money (that of industrial or commercial capital) makes its profit? Thus profit would appear to emerge "from nothing" (*ex nihilo*), and be justifiable on the basis of the sheer existence of capital.

15.5 THE NEW MOLOCH

The current international monetary system based on the dollar originated in 1944 at Bretton Woods. Shortly afterward the International Monetary Fund and the World Bank were born. These institutions were founded for the purpose of making loans to underdeveloped or poorer countries so that they might buy the products of wealthy countries.

As already indicated, from the moment of the beginning of the crisis of capitalism in 1967, and especially since the "great recession" of 1974-5, a great deal of monetary capital simply "floated."

Overproduction (or a weak market; poverty; lack of money) produces recession. Money that would have been invested in production was instead lent at interest. The floodgates of interest were opened in the United States as well. Big interest attracted big capital (oil capital, Eurodollar capital, and so on).

But the day of reckoning arrived: the interest came due. How did the banks acquire the necessary money to pay the high interest rates they had promised their clients? By lending the money invested in them at still higher rate. Thus money was lent to Third World countries (via their corrupt governments, and with the monetary mirages of the Chicago School of Economics, for example, shimmering before their eyes), but in such a way as to attract it back to the center (by selling off superfluous, stored merchandise, or even simply by offering corrupt peripheral bourgeoisies bank accounts in the central countries).

As we know, Mexico, Brazil, Venezuela, and Argentina alone were \$300 billion in debt by 1983. Mexico was to pay \$12 billion in annual interest beginning in 1984 (a country whose dominant class kept some \$70 billion in North American banks). A Mexican worker earned about a dollar an hour that year. Twelve billion human "life-hours"! A half-million persons sacrificed annually to the god Moloch (calculating the average working life of a laborer at eight hours a day for forty-five years to support a family of four). Human blood spilled in torrents, in sacrifice to the modem Huitzilopochtli (the god to whom human victims were immolated)!

15.6 NEW TRANSFER OF SURPLUS LIFE

Forgotten is the sin piled upon other structural sins: "sin upon sin." Compound sin hides in the shadows, never to be seen. When all is said and done, who pays the interest on international loans?

Money is merchandise or a sign of merchandise (gold, for example). It is universal equivalent *value* (11.8). The value residing in money is that of objectified work: the value of money is the value of the time of human life that such and such an amount of money could acquire in order to reproduce this life (with food, clothing, housing, health services, and so on). But money cannot of itself produce more money. How, then, is "more money" made out of bank interest? How does money "make" surplus money? As we have seen, interest

on loans is paid with part of the value proceeding from industrial profit.

In the case of international loans, where could peripheral capital (state as well as private), still as feeble as ever, obtain the money to pay the interest on this debt? In the last analysis peripheral capital's only profit comes from the application of peripheral industrial capital itself. But the profit on industrial capital is only the realization, on the level of circulation-the realization in money in the market -of the surplus life that has been acquired on the level of production thanks to a wage that has *underpaid* the value objectified in the product by the worker who produced the product. In other words it is life stolen from the worker (unpaid-for surplus life) by over-exploitation-which permits peripheral capital to make a profit and pay the interest on its international loans.

In conclusion, then: it is the workers, the dominated classes, the marginals who pay the interest on the loans that central and peripheral capital find so necessary if poor countries are to have the wherewithal to buy from them, if the dominating classes of the peripheral countries are to have the means to make their profit. And at long last an enormous and very complex mechanism, a gigantic "social relationship" of domination, appears, based exclusively on the exploitation of *life*-based on sin.

15.7 WAR AS BUSINESS

For the pre-Socratic Greek philosopher Heraclitus it was "war," strife, contention that generated all things and systems. "War is the origin of all," said this philosopher of domination. In the same fashion, capital thinks: competition, this death struggle waged by all against all, is the source of life and wealth. Indeed, in the United States today, for example, war is a *business*. A number of gigantic corporations (among them Lockheed, General Dynamics, McDonnell Douglas, Boeing, United Aircraft, and Grumman) billed the Pentagon more than \$10 billion (as much as 88 per cent of their sales) in the years from 1961 to 1967. And in doing so they made incomparable profits, for they were in a monopoly position.

Military expenditures have multiplied twenty-five times since the turn of the century. Since 1945 they have quadrupled. In 1982, \$650 billion, or 6 per cent of world production, was spent on arms. In

1986, 36 per cent of the U.S. national budget went for arms. One could think that war were the locus of great scientific progress, to borrow Hegel's concept. In 1968 the Massachusetts Institute of Technology received \$119 million from the Pentagon, Johns Hopkins University \$57 million, and the University of California \$17 million (the "mandarins of the Empire," sneered Chomsky). The hope was that these investments would yield "great benefits for humanity." A mirage.

The destructive capacity of today's nuclear weaponry outstrips that of conventional armaments thousands of times over. For the first time in history, and the first time in the life of our planet, we face the possibility of the *total extinction* not only of the human race, but of all life on earth. The human species is at the mercy of a force too great for it. Should that force be activated in error, or by a fanatic or terrorist, or by way of a "preemptive strike," it would drag us all down to death. Christian ethics faces the possibility of our suicide as a species, and the North American bishops addressed this threat in their pastoral letter of 1983, *The Challenge of Peace*.

15.8 SINFULNESS OF THE ARMS RACE

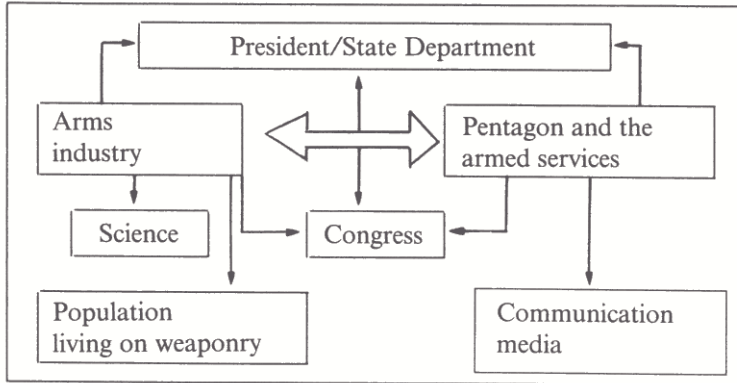
The "arms-race complex" represents sin, and this in various aspects of its structure. In the first place the industrial production of arms is an activity performed by capital in order to make profit. This profit, as we have seen (12.5-6), is extracted from arms industry workers and scientists as "surplus life." "The population lives on weaponry."

In the second place, in the United States for instance, the arms race syndrome takes on a particular physiognomy (see Diagram 10). The fulcrum of all the other relationships is the unit formed by the Pentagon with the weapons industry. The Pentagon assigns 80 per cent of its contracts directly to industrial corporations without public bidding. A good part of the citizen's budget, then, is spent on instruments of destruction without any competition. It is all done behind the public's back. This is another aspect of the sin in question.

The Strategic Defense Initiative, or "Star Wars," which the Reagan administration has proposed to Congress and the countries of Western Europe, would compound the sin. It would call for unheard-of expenditures incurred for the sake of enormous new

Diagram 10

The Arms Industry, U.S.A.



profits on the part of the weapons industry. In 1968 President Reagan's home state of California hosted 17 percent of the war industry, followed by Texas (where so many chicanos are pressured to work in war factories) with only 9 percent. The North American episcopate went so far as to say that "those who in conscience decide not to participate in defense activities will find support in the Catholic community" (*The Challenge of Peace*, IV, C: "To the Men and Women of the Defense Industries").

Worst of all, poor countries fall into the same vices. There are countries with workers who earn less than \$200 per year, and nevertheless the government invests less in agriculture than in military activities.

15.9 UNPRODUCTIVE INVESTMENT: INSTRUMENTS OF DEATH

The implicit contradiction of weapons production carries the seeds of its own rejection. Let us consider a few figures:

	Military Spending: Percentage of National Budget, 1966	Percentage of Rate of Increase of Production, 1950-65
United States	8.5	2.4
West Germany	4.1	5.3
Japan	1.0	7.7

Source: Melgan, *The Capitalism of the Pentagon*, p. 296

The difference between the figures for the United States and Japan is arresting. The United States *wastes* on weaponry what Japan spends *usefully* on increased production. Evidently there is a direct correlation between military spending and negative economic effects.

After all, weapons (instead of Isaiah's plowshares) are tools and means precisely for the elimination of life. A plow is a tool for working the land-for acquiring the "bread of life" that produces life as it is consumed. Jet fighters, bullets, nuclear warheads detonated or stockpiled, reproduce no life, serve no useful purpose. They all represent a recessionary, inflationary investment, producing crises in production and consumption, and wiping out wealth acquired by the blood of the worker and bought with the work of the people.

Military production in the United States grew by 2.3 percent in the first half of 1983, and industrial production fell by 1.6 percent. There is evidence that military expenditures currently exert a harmful effect on the productivity of labor. Such expenditures compete for scarce resources with capital employed in civilian industries just when they are being so mightily pressured to increase their level of production in view of the threat posed by international competition, especially by Japan and Europe.

Hunters used their weapons to hunt animals. They needed to eat. But soon they were using them to wage war-to hunt their human enemies. And "the military" was born. Jesus "died *under* Pontius Pilate"-a military man-as have nearly all the martyrs ever since.

15.10 ARMED MIGHT OF THE BEAST

In the Book of Revelation the Beast is invested with power; and all of its might is in weaponry:

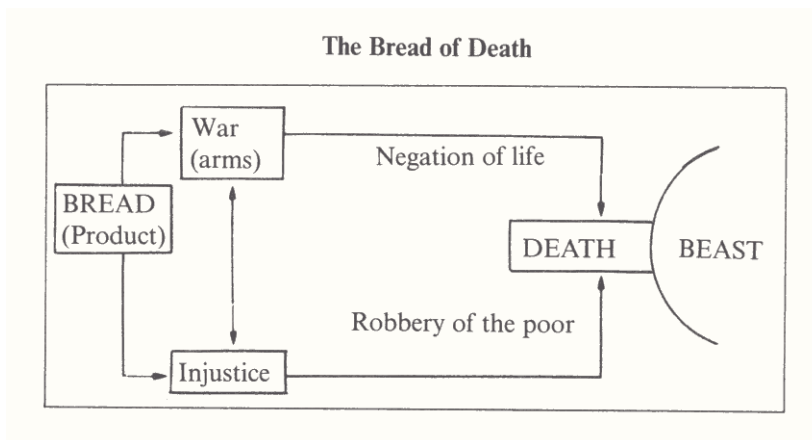
The dragon conferred upon it its power. ...Who shall be able to *fight* against it? It has been permitted to *wage war* against the anointed and vanquish them, and has been given authority over every race, people, tongue and nation [Rev. 13:2,7].

When all is said and done, the strength of the Prince of "this world" (2.10)-the way in which Satan in fact exercises power-is through coercion by the instruments of death, coercion through weaponry. The martyr's "cross" (3.10) is the actual use of the weapon that kills the innocent, the people (an innocent civilian population fanatically defined in advance as "the enemy").

There would be no *real* sin if it were not effectuated by the use of arms. It was Pilate's soldiers, once more, who crucified Christ.

The sin of the violent murder of one's neighbor by the use of weapons of war is intimately bound up with economic and social injustice. The mighty, the dominators, must control the oppressed,

Diagram 11



must keep them subdued, keep them "pacified," by means of weaponry. "Bread," that biblical symbol of all productivity, has become the "bread of death" (see Diagram 11).

The circle of death is complete. Sin is domination, and as domination of the life of the other (2.2) it is the extraction of surplus

life (12.6). But now this structure of sin (2.6) must be guaranteed. It must be endowed with permanency. Weaponry and military power constitute the highest court of the effectiveness of sin. Arms and armed might are the ultimate demonstration of the power of the reign of the Prince of "this world." The torture of heroes and martyrs, then (9.3), and their actual death on their "cross," is the consummation of sin upon earth. And yet this torture and death are also the means by which the glory of the Infinite is made manifest. Crucified by the military power of his age (the Romans), Jesus manifests the absolute contradiction of history.

CONCLUSIONS

In this chapter I have been able to draw two conclusions from the behavior of the social relationship known as capital. First, loans are made at interest under the pretext that this profit is earned by the intrinsic value of capital itself. Secondly, this capital, as productive industrial capital, is invested, not only in useful products but in destructive ones as well. For capital, however, it is indifferent whether it is "bread" or weapons that are produced. Value (the life of the worker) can be objectified (11.5), and profit gained or surplus life accumulated (12.5), in either or both. The surplus value of the product, whether it be food, a plowshare, or a weapon, is profit; and though profit mean the death of the worker, it is the life of capital. Here the social relationship of sin appears in all its brutality.

Interest is ultimately the surplus life of the poor, distributed by industrial capital in financial, monetary capital. War, the war of domination, is coercion of the poor on the part of the Beast, whose end and aim is to keep them locked up in the structures through which others can extract their surplus life. Institutional violence, then, is the other face of sin. Here sin shows its true face. Off comes the mask.

Chapter 16

"CLASS STRUGGLE," VIOLENCE, AND REVOLUTION

16.1 STATE OF THE QUESTION

We frequently hear in the church, both in the documents of the social teaching of the church and in the mouths of individual Christians, that neither the class struggle nor violence may be approved or practiced by Christians. Like so many other questions, however, this one too is fraught with confusion, both terminological and conceptual, especially at the theological level.

The daily newspapers carry news stories of strikes, worker demonstrations, and police repression of these expressions of a struggle on behalf of workers' interests. We likewise read of wars, guerrilla actions, air hijackings, and attempts on the lives of industrialists or politicians. All around us we see violence, and sudden social change.

We read in holy scripture:

I saw no temple in the city. The Lord, God the Almighty, is its temple. ...Nothing deserving a curse shall be found there. The throne of God and of the Lamb shall be there, and his servants shall serve him faithfully. They shall see him face to face and bear his name on their foreheads. The night shall be no more. They will need no light from lamps or the sun, for the Lord God shall give them light, and they shall reign forever [Rev. 21:22,22:3-5].

For the Christian, the reign of God is to be the perfect community

(1.5). In the reign, injustice, social classes, inequalities, sin, violence, will be no more-only a continuous movement from the new to the newer, from discovery to exciting discovery .Revolution will no longer need to be fostered; it will be ongoing and permanent. After all, in perfect love, newness prevails; no structure is ever needed but the ongoing creativity of new structures. And this is to be "forever," as our text from Revelation tells.

16.2 WHAT IS MEANT BY "CLASS STRUGGLE"?

It has already been explained, if in very abstract and introductory fashion, what "classes" are (8.4). Their existence is undeniable. All through the history of human societies, from the neolithic age to the urban civilization of today, humanity has been stratified in classes. Obviously the classes of capitalism cannot be those of feudalism, nor of a slave society, nor of tributary regimes of the most varied types, nor of socialism, and so on. But classes are a *fact*.

Neither-as we read in the Vatican "Instruction" on the theology of liberation (1984)-can one deny "the *fact* of social stratification, with the ensuing inequalities and injustices" (IX, 2). Here, then, is a first meaning of the expression "class struggle": the tensions, contradictions, and practical confrontations that de facto exist among these "social stratifications" or classes of society.

Thus the historical *fact* of a struggle among the classes is as patent as the *fact* of the classes themselves. What some are so concerned to deny is the "theory of the class struggle as a fundamental structural law of history" (ibid.). It will be in order, then, to engage in a theological reflection on the difference between the *fact* of the class struggle and the *theory* of that struggle.

At once we encounter two contrary positions. Some simply deny the existence of classes or of class confrontation or struggle, despite the objective evidence. Many Christians are prone to adopt this ideological stance. But at the other extreme there are those who, driven by a purely anarchistic zeal for complete destruction, are desirous of revolution for the sake of revolution, and hence exaggerate class contradiction in order to foment hatred among the classes. Both positions are obviously wrong and to be rejected. The community ethics of a Christian theology sees things differently.

16.3 CAUSE OF CLASS DISTINCTIONS: SIN

Had there been no sin-had Adam not fallen-there would be no classes. It is as simple as that. But this is altogether different from denying the *current* existence of classes. Theologians who would deny the current existence of classes deny precisely the current existence of sin. In other words, they are theologians of domination: they attempt to conceal domination by declaring it non-existent, prematurely proclaiming the eschatological nature of the reign of God when the structures of the reign of "this world" still prevail. Thus they confound God with Satan.

It is because there is sin-because there is domination of one person over another (2.2ff.)-that some appropriate the product of the work of others and thereby-institutionally and socially-establish an inequality of class. Inequality, historical and hereditary injustice, the death of the poor (2.8), the existence of a *dominated* class (after all, if there are classes, there must be at least two-in fact there are a 1 ways many more-and if there are at least two classes, then at least one must be more wealthy than the other, leaving the other poor, poor because dominated)-is *always* the fruit of sin, of domination, of forgetfulness of the fact that one's sister or brother is the manifestation of God in history and is Christ himself-Christ who in his bodily need lays claim, as a matter of justice, to the bread stolen from him.

If the existence of a dominated class is the fruit of sin, then in the reign of God, where "nothing deserving a curse shall be found," there will be neither sin nor sinner. Nor, then, will there be classes. The reign of God will be a *classless community*, the positive utopia of Christian hope.

To assert, therefore, the existence of classes is not only not anti-Christian, it is *essentially Christian*: it is the simple assertion of the existence of social sin (3.6) and Satan. To deny the existence of classes is to deny the existence of Satan. Such a denial is a serious fault, and a fault committed by a good many Christians.

16.4 CAUSE OF THE CLASS STRUGGLE: SIN

If it be admitted that the existence of classes is the fruit of sin, then the *fact* that these classes counter and oppose one another, the fact of their struggle, must likewise be the fruit of sin. But let us be very clear: the precise element of this struggle that is the fruit of sin is the

struggle of the *dominating class* to exercise its domination over the underclass, the dominated. The *sinful* struggle is the domination. After all, the suffering endured by the dominated classes is the effect of the struggle of the sinner (the dominator, the "rich" as a biblical category) to dominate the poor (the underclass, the biblical Job).

When the dominated class suffers in silence, and patiently endures, the contradiction and opposition of the classes will not appear openly. The sin of the dominator will remain invisible. This is the hour of the "hegemony" of the dominating class. For the time being the "struggle" is *latent*, not actual and current. This is the "classic" age (9.6), when "it would appear" that there is no injustice. Many a Christian would like to see this situation eternalized, in the hope that the latent struggle will never surface, in the hope that the prevailing "harmony will be prolonged in peace." What such Christians fail to understand is that the prevailing "harmony" and "understanding," the apparent "reconciliation," is predicated and based on *an unjust relationship*-the sinful relationship of domination. In other words, a "peace" is preached that tolerates the sin of the domination committed by a dominating class *now* oppressing the dominated, the impoverished-oppressing those who must live in misery *now*.

If the poor, the dominated class, become aware of this sin, of the domination exercised upon their person, their structures, their group-if this exploited class gets up on its feet, demands its rights, and defends its life, then, and only then, does anyone presume to judge the "class struggle" as a *theory*, as ethical sin, as the interpretation beyond the raw fact. The "judges" forget that the struggle of the poor is directed *against sin*, whereas the struggle of the rich is *against the person* of the poor.

16.5 THE REIGN OF GOD: WITHOUT CLASSES OR STRUGGLES

It is often forgotten that the struggle of the rich, of the dominator class, is the very praxis of sin: that it is the struggle of the Prince of "this world" to establish his lordship. This class struggle passes itself off as the very "nature" of things, and morality guarantees its goodness (3.6). But the truth of the matter is that the struggle of the poor, of the dominated class, is the very praxis of the reign of God: it is struggle *against sin*, against domination, struggle to establish the

New Jerusalem (5.5). The first struggle is perversity and sin. The second is good, holy, and virtuous. The first is morality. The second is ethics (5.3).

Sin, the cause of class differences, struggles to maintain those differences. Here is the struggle of the dominators to dominate (a struggle waged by their armies, their police, by Pilate, by Herod, by the crucifying soldiers). Holiness, which strives to establish the reign of God, struggles with sin, that it may eradicate class differences, and, in all justice, strike an equality among persons. Holiness is the love that struggles, that "divides everything on the basis of each one's needs" (Acts 2:45). Sin builds inequality. Holiness builds the equality of the reign of God.

After all, in the reign of God, in the "face-to-face" of the community-without-differences-or rather with the sole difference of the fullness of each member's personhood in proportion to the degree of his or her commitment in history-"the night shall be no more": there will be no work, no economics, no ecclesial or political structures, no ideologies, no sin, no classes.

The construction, here and now, of this *classless community* is the construction of the reign of God *here and now*-in the realization that, in history, in *this* history, this perfect community can never be realized completely, but is always inaugurated when two persons constitute community in its name, or when some inequality is eradicated in the name of justice.

16.6 REFORMISM AND DEVELOPMENTALISM

Let us face facts. First, the concrete, simple daily "changes" that we make very rarely touch the essence of our structures. In the second place, it is almost impossible that it should be otherwise. The fact is that it is very difficult to go beyond mere "reforms." Even the social teaching of the church, in its central aspect, merely proposes the reform of already existing systems (19.6). But this is not *reformism*. By "reformism" we must understand the extreme position of those who regard reform as the only thing *ever* possible. Franz Hinkelammert has shown that Karl Popper's thinking is "reformist" in this negative, pejorative sense. But the frank, realistic admission that one must live in a situation that is merely "reformable" because reforms are the only thing actually possible here and now, is simply the daily

practice of the prudent, realistic, even revolutionary militant who knows full well that revolutions are not a daily occurrence.

In this same spirit of realism, the development of productive forces, the development of a society's wealth, should be the ongoing intention of those who opt for the poor and the oppressed.

"Development" enables the needy to have more goods so as to fulfill their needs-provided, of course, that the development in question is a *human* development, not merely the development of capital, as it is in most cases in Latin America, Africa, or Asia. "Developmentalism," on the other hand, is the pretense that the *only possible development is capitalist*, and that therefore money must be borrowed, and technology-the technology of the transnationals-employed.

With the collapse of populism, Latin American nationalistic capitalisms decided in the second half of the 1950s that the only hope for Latin American development lay in borrowing North American capital and technology. Ten years later the error of this notion became clear: instead of development, we had a still greater dependence, and the still wilder flight of our own capital-a greater loss of "surplus life" (13.7) than ever before.

"Reformism " is a mistake, a sin against the reign of God. Its only ambition is the everlasting reproduction of the *same system*.

"Developmentalism" is a transgression against the Spirit, for it believes only in *current means*, which are those of the system. It lacks the patience to seek new paths when necessary. It places its only hope in the "means" offered by the Prince of "this world."

16.7 DEPENDENCE, BREACH, AND REVOLUTION

Let no one think that an ethics of liberation is *revolutionaristic*. *Revolutionarism* would be that anarchism that, here and now, before all else and always, come hell or high water, in season or out of season, would launch a revolution. Quite the contrary-only the patient, the humble, only those who hope, like our oppressed peoples over the years, the decades, the centuries are called in the *kairos*-the "fullness of time," the "Day of Yahweh "-to work the mighty deeds of the heroes, the prophets, the martyrs.

Our situation of dependence in the underdeveloped, peripheral nations (13.5) points to a double sin: the social relationship of capital

with workers (12.3-5), and the relationship of the developed North with the underdeveloped South (13.3). When the *kairos* is reached, the struggle with sin will no longer consist in the implantation of reforms. It will launch an attack upon the very essence of the structure of sin.

It is this breach with *essential structures*, which is possible only at rare moments in history-having ripened and matured over the course of centuries, suddenly to materialize in a matter of mere weeks or months-that is called "revolution." Cromwell's revolution in England in the seventeenth century, or the French Revolution in the eighteenth, or the Russian or Cuban revolutions in the twentieth, are *essential* social changes. In our own case, in the Latin America of the close of the twentieth century, the "*social relationships*" of domination that we have found to be constitutive of capital and dependence are being breached and dissolved, whether by way of the struggle with sin waged by the workers (as a class) against capital (the capitalists), or by way of the struggle of the poor countries with the rich nations-in other words, in a "class struggle" against the sin (13.9) constituted by the vertical capital-labor relationship, or in a "struggle for national liberation" against the sin (13.10) constituted by the horizontal relationship of a developed country with an underdeveloped country.

Revolution is essential breach with the structures of sin-sin as injustice, sin as anti-community, alienative, social relationship. Such a breach or rupture is necessary and possible only at certain moments in the multicentennial history of a people. It is a "once and for all" happening, perceived and exploited by the heroes and prophets of a people only once every so many centuries.

16.8 VIOLENCE

As Paul VI declared in Bogotá, Colombia, on August 23, 1968, "violence is neither evangelical nor Christian." Of course, the pope was referring to the violence of force, in Latin *vis*, the coercion of the will of others against their rights, against their justice. He spoke of the violence of sin. "It is clear," said Medellín, "that in many parts of Latin America we find a situation of injustice that can be called *institutionalized violence*" (Medellín Document on Peace, no.16). This is the more visible violence, the violence of every day, the violence of

sin (2.2), institutional violence (2.5), the violence that produces weapons (15.10) or obliges the poor to sell their work (12.3).

This violence, that of the Prince of "this world," is frequently practiced with the consent of the oppressed. There is an ideological hegemony and domination in which the poor *accept* the system of domination, as something natural, as an obvious, eternal phenomenon (3.9). But the moment the oppressed (oppressed classes, oppressed nations, the poor) get on their feet, the moment they rebel, and oppose the domination under which they sweat and strain—this is the moment when *hegemonic* violence becomes *coercive*. Oppression becomes repression. All repression is perverse. There can never be a "legitimate" repression, as a certain conservative, right-wing group of bishops and others in the Latin American church say there can be.

Confronted with the active repression or violence of sin, many adopt the *tactics* or stance of "non-violence," as Mahatma Gandhi in India, Martin Luther King, Jr., in the United States, or Miguel D'Escoto in Nicaragua. This courageous position cannot, however, be elevated to the status of an absolute theoretical principle, an exclusive strategy for any and all situations. To the violence of sin the martyr opposes the valor of the suffering servant, who builds the church with his blood (9.2-3). But this martyr, this prophet, is not the political hero.

16.9 JUST DEFENSE AND A PEOPLE'S RIGHT TO LIFE

The exact contrary of the repulsive, unjust violence of the oppressor is the active *defense of the "innocent,"* of the oppressed poor, the repressed people. Saint Augustine teaches us that it is a requirement of charity or Christian love to re-act to unjust violence: "matters would be still worse, after all, were malefactors to lord it over the just" (*The City of God*, IV, 15). Saint Thomas likewise teaches that struggle is not sin (*Summa Theologiae*, II-II, q. 40, a. 1) if its cause is just. Further, he adds, "force is repelled with force" in the case of defending *life* (*ibid.*, q. 64, a. 7).

The church has always held the "just war theory" where the authority of governments is involved, even in the Second Vatican Council (*Gaudium et Spes*, 79). But it happens that an innocent person or a people can be oppressed, repressed, colonized by a

government. In that case the war is not a war of one state with another, but a liberation struggle between oppression and the defense of the innocent. Joan of Arc against the English, Washington against the established order, the *Résistance française* against Nazism, Bolívar or San Martín against Spain, Sandino against the North American occupation—none of these heroes (9.3) represented the established *governments* of a state (9.8). They have their legitimacy in virtue of their *just cause* and their *right intention*, in virtue of their right to employ *adequate* means (even arms, as a "last resort") for the defense of the people—keeping in mind the principle of due proportion, of course, and not using more force than necessary to attain the realistic ends at stake. These are precisely the requisites that church tradition, including Saint Thomas, has always demanded for the use of force in defense of the innocent, the poor, the oppressed, in order that the use of force be just and legitimate. The Sandinista National Liberation Front, for example, complied with these requirements in its struggle with Somoza. And yet its members were labeled "subversives," "violent," and so on. In his Peace Day Message of 1982, Pope John Paul II asserted: "In the name of an elementary requisite of justice, peoples have the right and even *the duty* to protect their existence with *adequate means*" (no. 12). Peoples, then, and not merely governments, have this right and duty, and the means they are allowed to employ are "adequate means," in other words, even force of arms when necessary as a last resort to "repel force," as Saint Thomas put it—the force of sin and oppression.

But although the hero has need of "adequate means" to build the *future* state (9.4), the prophet and the martyr never need these means to build the present church, the Christian community (9.2). But political heroes cannot be forced to use the same means as do prophets and martyrs. A Camilo Torres will be a hero and an Oscar Romero a martyr. Their historical options were different. But both options can be legitimate. The political *legitimacy* of the actions of citizen Camilo will be judged by the future liberated state, not by theology or the church. In two encyclicals the popes condemned Latin American emancipation from Spain in the early nineteenth century. They committed the error of venturing into politics, and thus overstepping the bounds of their specific authority. Heroes are judged by heroes (7.6). Nor must we forget that there is such a thing

as the charism of heroism, bestowed by the Holy Spirit.

16.10 REVOLUTION, MORALTY, ETHICS

I have already observed that daily life is a tissue of innumerable little repetitive acts, including, at best, "reforms," that may or may not enjoy transcendence (become institutional). Thus we have Christian moralities (3.6)-prevailing moral systems that have taken their inspiration in Christianity, like the moralities of medieval European or colonial Latin American Christendom. Today, however, Latin America is caught up in a special stage of its history: that of its second emancipation. The first Latin American emancipation was its deliverance from dependence on Spain and Portugal, in the early years of the nineteenth century, or, in the Caribbean, from England, France, or Holland. In the first emancipation the agent and beneficiary of the revolution was the Creole oligarchy. Today, in the second emancipation, the subject or agent is the people of the poor as the "social bloc" of the oppressed (8.5).

As already indicated, revolution is not part of a people's normal experience. A revolution takes centuries to mature and materialize. But when a revolutionary process does break out, as in Nicaragua beginning in 1979, certain Christian ethical principles can function as norms to regulate and guide that exceptional praxis (5.6-7). The poor are the subject (agent) both of the reign of God, and of the revolution of liberation being conducted in Latin America here at the close of the twentieth century. Thus there will be an *essential* change in structures here. Prevailing "*social* relationships" (see chap. 13-15) will give place to other, more just structures and relationships (although they will *never* be perfect in human history before the Parousia, the Lord's return-Rev. 22:20).

As Moses abandoned the *morality* of Egypt only to find *ethical* norms to guide his praxis (5.9), so the heroes of the future homeland, along with the prophets, who frequently become martyrs (and this is why there have been so many martyrs in Latin America since 1969-because there are prophets), must have at their disposal a Christian ethics of revolution, a community ethics of liberation, an ethics capable of justifying "the *struggle* for social justice. This struggle must be seen as a normal dedication of the genuine good," says Pope John Paul II (*Laborem Exercens*, 20).

CONCLUSIONS

It might appear that the Christian may not theologize upon such current questions as class struggle, violence, or revolution. Those who do theorize upon these themes only too obviously do so in terms of their own ideologies, quickly taking sides in order to justify their daily praxis, be the latter one of domination, indifference, liberation, or what have you. But all these questions must be examined dispassionately, in the light of the principles sketched in part 1 of this treatise on community ethics.

Sin produces ethical discrepancies between persons-between dominator and dominated, hence between the dominating class or the "rich," and the dominated class or the "poor" (the oppressed as a social bloc). To deny the existence of classes is to deny the existence of sin. To deny that dominators struggle to institutionalize and eternalize their domination is the earmark of a naive mentality-if not of the bad faith of connivance. To deny the dominated their just right to defend their lives, defend the innocent, and rescue the people, and to call this defense sin, stigmatizing the "class struggle" as "hatred and nihilism" (for it is, after all, a movement to *annihilate* sin), is the praxis of a theology of domination. Just so, to regard the revolution of the poor as "sin," and the institutional violence of coercion and repression practiced by the dominators as the "nature of things," is to establish a diabolical morality and call it gospel. Values today are reversed, and the worst of principles and movements are presented as the Christian ethics of Jesus, the ethics of the gospel.

Chapter 17

ETHICAL PROBLEMS OF CONTEMPORARY SOCIALISM

17.1 STATE OF THE QUESTION

Once a revolutionary process has been initiated, a profound social change must follow, in the form of an institutionalization. But any institution opts for a certain type of praxis and rejects others (5.10). The New Jerusalem dreamt of by the exiles of Egypt, the utopia that slaves yearned for, can come to be the very organism that represses and murders the prophets and Jesus. Christians, therefore, without becoming fifth-columnists or anarchists, and yet without scepticism or automatic rejection of any and every process of change, will always maintain a certain critical exteriority, an "eschatological reserve," that will afford them more realism and political prudence.

Each day the newspapers carry reports of protests against restrictions of freedom in socialist countries-in the Soviet Union, in Poland, in Tibet. We read of the violence, the absence of democracy, the bureaucratism, the totalitarianism, and the out-and-out brutality of the "eastern bloc" or "iron curtain" countries. At all events, for some Christians at least, Christianity and socialism *as practiced today* are intrinsically incompatible. Christianity and socialism are as different as day and night.

On the subject of "institutionalization" holy scripture teaches:

The rights of the king who will rule you will be as follows: He will take your sons and assign them to his chariots and horses, and they will run before his chariot. ...He will use your

daughters as ointment-makers, as cooks, and as bakers. He will take the best of your fields, vineyards, and olive groves, and give them to his officials. He will tithe your crops and your vineyards, and give the revenue to his eunuchs and his slaves. ...He will tithe your flocks and you yourselves will become his slaves [1 Sam. 8:11-17].

The dialectical prophetic community, set in confrontation with the tributary institution of the king, becomes, as we have seen (9.6, 9.10), a demonstration of the tension that must obtain between the struggle with sin (waged by the prophet) and the institution (which will always have something of domination, something of sin, about it).

17.2 THE INSTITUTIONALIZATION OF SOCIALISM

I am not speaking, at this point, of the socialism of the Jesuit "reductions" of eighteenth-century Paraguay, which certainly underpinned and served as a utopia for the bourgeois socialism of the same century. Nor am I thinking of the utopian Christian socialism of a Saint-Simon or a Weitling. Indeed, I do not refer to the socialism proposed by Marx or Engels. My discourse in these paragraphs bears upon no ideological or theoretical movement at all. Rather I am speaking of *de facto socialism*-socialism as it has actually existed in the Soviet Union since 1917, socialism as we see it today in China, Vietnam, Angola, or Cuba, the socialism of today's Poland, Hungary, or Yugoslavia. I am speaking of real, concrete socialism. Of course the differences among the various socialisms are legion. But I shall proceed in my customary fashion, and obviate this potential difficulty by limiting my discourse to an abstract, general, essential level.

De facto socialism did not spring full-tledged from the Czarist regime in the Russian October Revolution. It is a matter of historical record that, in the years from 1917 to 1921, the "Soviet" revolution strove to implant a so-called natural economy, one that would transcend the law of value, and do without money, prices, or a market. In a word, the Soviet revolution attempted to realize the Marxian utopia.

But in 1921, Lenin himself was forced to recognize the ineffective-

ness and failure of many of the elements of the Soviet utopian project. On that October 17, Lenin acknowledged:

There can be no doubt that we have suffered a very serious defeat on the economic front. The challenges of the economic front are a good deal more formidable than those of the military front. ...This defeat has been manifested in the higher spheres of our economic policy [We] have not succeeded in improving our productive forces. ...In its direct approach to the tasks involved in organizing the economy ... the communist system has retarded the growth of our productive forces, and was the principal cause of the deep economic and political crisis that we suffered in the spring of 1921 [Selected Works, 12:176-7].

Actual socialism, then, will have to reckon, after all, with market, money, wages, and prices, with the so-called law of value, and so on. *Something new* had appeared on the face of the earth, something undreamt of and unimagined. The new system was not the re-establishment of capitalism, to be sure. But neither was it communism. It was simply "de facto socialism"-socialism as it really exists.

17.3 ...AND THE "LA W OF V ALUE" ABIDES

In 1928-9 the Soviet Union inaugurated centralized planning and the socialist system of property-the latter replacing the old institution of private property and legitimated today by *Laborem Exercens*, 14: "...Common access to the goods destined for humankind ...the *socialization* of certain means of production." But individual workers, far from being members of a *community* (which the "Soviets," anarchists, and the like, longed to establish), have forever after been regarded as an abstraction, as a kind of discrete, autonomous "producer," the subject and object of various mercantile relationships. In other words, the "transmission belt," as Isaac I. Rubin called it, is still "value," which continues to link the work remunerated by an enterprise in wages, the wage received, the subsequent purchase of merchandise produced by other enterprises, and so on. Even with regard to production itself (17.4), the "law of

value" maintains its status as the required point of reference. Money is still the means of purchase: the value of merchandise continues to be expressed in its price. True, the distribution of productive agents-the division of labor-is determined beforehand by *planning*, as are production quotas and the price of merchandise. But it is *value*-the character of the product precisely as something produced for the market (albeit for a socialist market-11.5)-that affords the commensurability, the relationship, and exchange, of all the terms of the socialist economy.

Thus it comes about that, from the revolutionary process responding to real ethical exigencies (5.6), a new *morality* (3.6) arises. I am not suggesting that the moralities of capitalism and of socialism are more or less the same, any more than I would equate eighteenth-century capitalist morality with the feudal reality it replaced. The chimerical "third way," some "other way out," is anti-historical. The "Christian way" is politically nonexistent. In asserting the qualitative superiority, for the underdeveloped Third World, of an economy based on planning (and admitting its unavoidable imperfection, its everlasting perfectibility) rather than on a "perfect market equilibrium" under the law of the growth of the profit rate, I simply desire to recall, as do theologians of liberation, that *no* real, historical system can escape de facto constitution as the prevailing system. Every system will produce its *morality*, its practical legitimation (3.7). This explains (not: justifies) Stalinism.

17.4 THE RATE OF PRODUCTION GROWTH

The supreme commandment of Christian love is to "give the hungry to eat." But to this purpose "bread" must first be produced (6.7). The first intent of a revolution that has overthrown the exploitation and poverty of the wage-earning class has necessarily and essentially been not merely to effectuate a change in the regime of appropriation (that of the means of production, and even of the distribution of goods), but, earlier still, to attempt to *increase* the availability of the existing "satisfiers," the objects of the people's need. The capitalist rationality is essentially governed by growth in the "rate of profit"-meaning growth not only in the gross quantity or total amount of profit, but also in the ratio of surplus value or surplus life to the total capital employed. The new rationality of socialism is based on the

growth of the economic "rate of production"-again, an increase not only in the gross quantity of the product, but also in relative productivity. This second principle of rationality is much more humane. It seeks to measure the economy from the standpoint of the human needs of the majorities (and thus employs the product, the "satisfier" as its yardstick), rather than exclusively from the standpoint of potential profitability, or accumulation (in terms of valorized realization) of capital.

Nevertheless, the rate of the economic growth of production is *still a market criterion*. I am not saying that it is capitalist. Production, in terms of the totality of products, cannot be measured physically. It must be measured in terms of the value, the price, of the products. On the basis of the law of value, albeit consciously controlled, socialist planning has utilized the rate of increase of production as its criterion of evaluation. This formal, mercantile criterion, which is not the "*direct* satisfaction of needs" (although that satisfaction is its limit), can become the new mystification of a factor that is not the actual human being-*living work* as a person, as Marx would say. *Laborem Exercens* is correct, then, in warning against "the danger of considering work ...a mere anonymous *force* needed for production" (no. 7)-or, still more clearly: "the sources of the dignity of work are to be sought principally not in their *objective* dimension, but in their *subjective* dimension" (ibid., 6). The sin of capitalism is to have taken work-which is an actual, living human being-and turned it into merchandise. The sin of socialism is that the human being is transformed into an "instrument of production" (ibid., 7) of the *social*-but not the *communal*-whole.

17.5 INDIVIDUALITY IN COMMUNITY

Laborem Exercens frequently criticizes aspects of socialism on the basis of Marx's own theoretical principles. The encyclical speaks of "subjectivity," for instance. Marx called it "individuality." Let us use the same method.

In the *Grundrisse* (1857-8), Marx puts forward certain propositions with a decidedly non-Stalinist ring:

Free individuality founded on the universal development of individuals in the subordination of their communal productiv-

ity ...as social patrimony, constitutes the third stage. ...
Communal production ...is subordinate to individuals, and
controlled in community fashion by them as a patrimony[of
 their own]. ...[It is a] *free* exchange among individuals,
 associating on the basis of community appropriation and
control of the means of production. This last association has
 nothing of the arbitrary about it. It presupposes the develop-
 ment of material and *spiritual* conditions [Grundrisse, 1974,
 pp.75-7].

Marx speaks not of a "collectivity" (*Kollektivität*) but of a
 "community" (*Gemeinschaft*). His would be a "communitarian,"
 not a collectivistic, thinking. Furthermore, contrary to general
 misconceptions, he identifies the perfect community as the full
 realization of the particular *individual*, or subjectivity fulfilled. This
 is the utopia of an ethical thinker whose criticism must be leveled
 against socialism today. Marx's utopia has not been realized. It
 retains its challenging currency.

Full "individuality" or "subjectivity" calls for total community
 participation at every moment. In the first place, community is
 constituted of the "face-to-face" of its component individuals.
 Secondly, just as there can be no community without individuals, so
 neither can there be fully constituted individuals without commun-
 ity. In mere *society* (3.2)-and I am speaking of a socialist society at
 this point-the isolated, solitary, abstract individual (in a different
 manner than in capitalism, however-12.5), would not be a *really*
 realized individual. In the *society* of real socialism, then, the
 individual will require the organization of the *community-as-*
subjectivity (11.10), the utopian horizon of a community constituted
 in the exercise of *democratic* freedom, full *participation* in or
 conscious personal management of the productive process, *control* in
 planning-in the total *responsibility* of fulfilled members of a human,
 organic community, and a human community that means to move
 toward the future, not to return to the past.

17.6 SOCIALIZATION OF THE MEANS OF PRODUCTION

As for the social teaching of the church on this point, *Laborem
 Exercens* initiates a new approach to the question of property. Now
 the basic criteria are: work and the human person:

One may speak of the antinomy between work and capital... but behind the one and the other are human beings-concrete, *living* human beings: on the one hand those who perform work *without being owners* of the *means of production*, and on the other hand the entrepreneurs who are the owners of these means [*Laborem Exercens*, 14].

Human beings are the owners of the fruits of their labors (11.6). God is the creator of nature. On the basis of these two principles, the traditional teaching of the Bible and the church is that "the right to private property [is] subordinate to the *right to common use*, to the universal destination of goods" (*Laborem Exercens*, 14). This teaching had been obscured over the course of a number of recent decades by a certain absolutization of *private* property. But no Christian can take scandal from the Pope's teaching that "the socialization, in appropriate conditions, of certain means of production" (*ibid.*) is not only feasible, but positively to be recommended. To be sure, certain requirements must be observed in order to have the *full realization* of this socialization. The socialization of certain means of production is not being criticized, then, but rather its perfection is being called for:

One must keep account of the fact that the simple withdrawal of those means of production [the withdrawal of capital] from the hands of their private owners *is not sufficient* to socialize them in a *satisfactory* fashion [*ibid.*].

How may these means of production, this capital, be partially or unsatisfactorily socialized? The "administration and control" of the socialized means of production, the pope explains, may remain in the hands of a group of persons:

The group responsible for direction may fulfill its commission in a satisfactory manner. ...But then again it may fulfill its commission in an unsatisfactory manner, by reserving to itself a monopoly over the administration and disposition of the means of production. ...And so the mere transfer of the means of production to the ownership of the state, within the collectivistic system, is certainly *not equivalent* to the *socialization* of property [*ibid.*].

As we see, then, the social teaching of the church no longer criticizes socialism *from the standpoint of capitalism*. It now points to the shortcomings of socialism *on the very premises* of Marx. To be sure, the principle remains a Christian one, however fully it may coincide with the thought of the historical Marx: "One may speak of socialization only when the *subjectivity* of society has been assured" [ibid.].

17.7 CONSCIOUSNESS OF THE PRODUCTIVE PROCESS

Socialism is defined from the standpoint of work. But it is "living work" itself, and its rights, that constitute the concrete, real source of the *ethical* critique of de facto socialist *morality*. Marx himself demanded, for the full realization of individuality, the worker's exercise of a conscious control of production. Hence the protest of the working world in actual socialist societies that it is deprived of an adequate "awareness" of the productive process itself. This protest is not only a practical, but a theoretical necessity as well. *Laborem Exercens* speaks to the point:

Workers want more than remuneration for their work. They also want society to consider the possibility that, *even while working on something owned in common*, they could enjoy the awareness of working on something of their own, right in the productive process. This consciousness is snuffed out in them in a system of excessive bureaucratic centralization, where they feel themselves to be no more than a gear in the transmission of a mechanism whose "driver" is "upstairs somewhere." ... The socialization of the means of production, if it is to be *rational and fruitful*, must take workers' complaints under careful advisement. Everything possible must be done to ensure, even within this [socialist] system, that persons be able to maintain a consciousness of working on something of their own. [*Laborem Exercens*, 15].

It is understandable, then, that certain theologians working within a socialist state, such as Józef Tischner in Poland, should ascribe such importance to the "meaning" of work. The question of

"meaning" has a direct relationship to the realization of full individuality, full human subjectivity, responsible, free, cheerful participation in the personally managed construction of a better community, in the production of the "bread" to be "divided ...on the basis of each one's need." Unfortunately, planned production has often simply excluded any *conscious* participation on the part of workers in the productive process, as if the two were incompatible. This is one of the sins of socialism-socialism as actually practiced. Instead of being a "living community" of joy, the "great workshop" or factory becomes the melancholy place of abstract "production." It is not a place where "working men and women can participate in the management and control of their companies' production" (*Laborem Exercens*, 8).

Marx himself anticipated the plight of individual freedom under the despotism of a production that would simply ignore it. Thus he criticizes certain utopian socialisms:

The bank, then, besides being the universal buyer and seller, would be the universal producer, as well. It would actually be ...*the despotic government of production* and the administrator of distribution. ...The Saint-Simonians made the bank the papacy of production [*Grundrisse*, 73].

Marx demands that the "material process of production" be in the hands "of persons associating freely who have subjected it to their *planned and conscious control*" (*Das Kapital*, I, 1, 4).

17.8 PLANNING AND AUTONOMOUS ENTERPRISES

The socialist rationality far surpasses the capitalist rationality with regard to the real exercise of the right to work, to the annihilation of unemployment, and so on. *Laborem Exercens* teaches:

In order to guarantee employment for all ...they must provide for across-the-board planning for the availability of concrete work. ...They must attend to the correct and rational organization of such availability of work. The responsibility for this comprehensive solicitude rests ultimately on the

shoulders of the state. But this must not entail a unilaterally implemented centralization on the part of public authorities. Rather it is a matter of a *just and rational coordination*, within whose framework the initiative of persons, of autonomous groups, of centers and work enterprises, must be guaranteed, while keeping account of what has been said above about the subjective nature of human work [no. 18].

We must be very careful not to misinterpret the Pope here. He is not directing the members of a socialist society to return to the capitalist system. He is simply defining the terms of a struggle for a more humane, more just, more democratically socialist system.

In order to overcome the imbalance of the capitalist market (the "socialist market" is another matter), planning is once again indispensable. In 1939 L. V. Kantorovitch proposed the theoretical framework of a "total planning," a planning that would be "perfect" within its parameters. Neo-liberal capitalism criticizes all planning, simply on the grounds that perfect, total planning is impossible. But perfect planning is not the issue. What is at stake is *approximative* planning. Inasmuch as perfect, total planning is empirically impossible, socialist planners must admit the existence of, and ascribe a relative autonomy to, the productive *enterprise* itself (just as capitalism tolerates the state as a lesser evil). In other words, a tension, a contradiction obtains between planning on the one hand, and the socialist mercantile decision of the relatively autonomous enterprise on the other. The plan stipulates to the enterprise how much and what the latter must produce (its "goals"), as well as how much it may consume (its "costs," or the ratio of its expenditures to its product). The enterprise makes its decisions within those limits. But it can make these decisions in terms of its own goal of such-and-such an increase in its rate of profit. And so intermediate institutions appear between the central plan and the entrepreneurial level of the implementation of that plan. This phenomenon is referred to as a "conscious control of the law of value."

As we see, the new socialist economy, with its new concepts, such as "consistent prices," "calculated prices," "revenue prices," "planned prices," and so on, poses new ethical problems. Ethics may endorse the plan as a rationality that strives to create an economic balance superior to that of the liberal capitalist market, while

nevertheless insisting on the rights of the enterprise-"that great workshop, as it were ...those living communities" (*Laborem Exercens*, 14).

At the same time, ethics will remind the autonomous enterprise of the importance of eliminating the implicit selfishness of exalting the increase of the rate of profit ("maximal profit"-*ibid.*, 17), even in the Yugoslavian regime of "self-management," over the common good of the socialist society as a whole-and hence over and above the plan. After all, only the latter can regulate the relationships of the whole.

17.9 AMBIT OF NEGOTIABLE CONFLICTS AND DEMOCRACY

"Democracy" is not an attribute of capitalism. Quite the contrary, democracy can be realized more fully in socialism-within the necessary limits of historical situations. The popular sovereignty to which the socialist state must be subordinated-in other words, "socialist liberty, or a human freedom in a socialist society" (Franz Hinkelammert, *Crítica a la razón utópica*, p. 251)-"can only be realized in the hypothesis of a criterion of demarcation between planning and business autonomy" (*ibid.*). The social teaching of the church today, though admitting the legitimacy of "a reasonable planning and an adequate organization of human toil" (*Laborem Exercens*, 18), nevertheless insists on the importance of the concrete realization of workers' freedom in the exercise of an autonomous personal management of the productive process. But the socialist regime has failed to create and institutionalize the political organs by which workers and self-managed enterprises can defend their rights or register the conflicts that inevitably arise, where it may well be possible to "negotiate" a problem without impugning the legitimacy either of the state as a whole or of the system. "An excessive bureaucratic centralization" (*Laborem Exercens*, 15), a so-called democratic centralism, has not afforded citizens *sufficient political room* to express their concrete individuality , their full subjectivity. Freedom to express their ideas, freedom of religious conscience as a public act, dissidence within the limits of justice, personal management-these are things not easily institutionalized in a state or nation committed to "total planning."

This is a sin that socialism, socialism as it is really lived, must give up. I make this assertion not in the name of capitalism-not to urge a return to the past-but in simple recognition of the need of reform, for the sake of the future of socialism itself. Christian prophecy, coming out of three thousand years of tradition that began with Abraham of Ur of the Chaldeans, has a word to say in the building of a new socialist society, especially in Latin America.

17.10 MYSTIFICATION OF TECHNOLOGY AND SOCIAL PROGRESS

But perhaps the basic criticism to be made against certain socialisms (Stalinism, for example, which is far from being a dead letter at the present time), is that they conjure up the image of a utopia consisting of a simple projection of its own self-image into an unlimited future, where total planning, by way of a development *ad infinitum* of science and technology, in a demiurgic optimism with respect to social progress and the perfection of society as an economy of production, leads to the construction of a new fetish, a new apocalyptic Beast. Here future communist society is simply socialism without flaw or blemish, intact and immaculate, without problems or contradictions-the "reign of a god" on earth, the absolute justification of socialism and the total denial of its historical crises and contradictions. "Dialectical materialism," as the pantheistic ontology of an eternal, infinite matter, is the central ideological-nay, philosophical- support of this mystification.

For the realization of this "perfect society," an immense development of productive forces is necessary, an unprecedented technological and scientific development. Marx explicitly placed the "kingdom of freedom" *beyond* all sovereignty of need, *beyond* any possible mode of production. Mystified socialism, by contrast, asserts the "technological myth": the possibility of realizing this ideal. In this case, "perfect planning" and the infinite development of technology are the only conditions required for this communism-which is nothing but the "idea" of present-day socialism projected, in anticipation of a correction of its current contradictions-the "god" of Feuerbach, the "perfect idea of humankind."

The concept of "communism"-which in Marx was a utopian, not a factual, concept, a horizon (an ethical limit *in function of which* its

non-reality in the prevailing system can be criticized)-is suddenly transformed into an immediate, *historical* goal justifying the institutionalization, with all its contradictions, all its inescapable injustices and sins, of socialism. And behold, Stalinism.

CONCLUSIONS

Far be it that I should be seeking some "third alternative" between capitalism and socialism-as if I championed "another way out," a politico-economic system that would be neither capitalism nor socialism but the "Christian solution" to the economic and political questions of humankind. A concrete, positive Christian economic-political project does not exist. An ethical or prophetic criticism exists, but this is at most a moral criticism or a demand for reforms-not a positive "third way" political project. On the other hand, we are not simply indifferent where a choice between capitalism and socialism would be concerned, especially for Latin America. We as Latin Americans suffer under capitalism. Ours is the misfortune to have to suffer capitalism in its essence (capital itself-chap. 12), dependence (chap. 13), the transnationals (chap. 14), and so on.

Socialism may well be a more rational system for righting the imbalances of the capitalist market system with its unemployment, overproduction, hunger, exploitation, and so on, all the product of the triumph of growth in the rate of profit as the sole criterion of praxis and rationality. By contrast, application of the criterion of a growth in the rate of economic production, under a system of approximative planning, would appear to be a better solution for the present imbalances. But in itself it will never be the reign of God on earth.