

On some level all Marxists must agree that capitalism is a changing structure. This is implied in the appreciation of its historically finite role and emphasized in Marx's well known reference to its 'revolutionizing' impact on the forces of production. Past changes in capitalism which have had a qualitative epochal nature; the development of imperialism--the introduction of mass assembly line production--are widely recognized. Nevertheless there appears to be a general feeling in the revolutionary left in the U.S. that however much capitalism changes in appearance, its underlying essence remains the same. And that it is to this essence that revolutionary politics must be addressed--'there are only two classes...'; '...the state is an instrument of class rule...'; etc.

There is a certain validity to this stance that I do not want to deny. It is certainly true that each new generation of reformists essentially coalesced around a substitution of some aspect of capitalist appearance for its essence. Nevertheless, remaining at this level of generality has outstanding dangers to the left. Politics must deal with the concrete whether it wants to or not. Preoccupation with the general truths about capitalism as a social system will lead the left to either a messianic utopianism or, more likely, a series of impasses and divergences as it develops political approaches based on ~~various~~ the assumption of various aspects of capitalism--or particular national capitalisms--are necessary and inevitable when, in fact, they are in the process of disappearance. Then the key to current political questions is searched for in past analyses and debates, as if the process of history were either illusory or only a circular reversion to earlier states of development. In my view this characterizes much of the approach of the U.S. left. It is grounded in assumptions about capitalist reality that capital either has superceded or is in the process of doing so.

The position advanced in this paper argues that qualitative changes in the world capitalist system are occurring and that these dictate major changes in political estimate and perspective. These changes are in the context of, and a consequence of, a system-wide crisis that is universally regarded as comparable to those of the mid-seventies of the last century or of the thirties in this. My view is that this crisis is not only quantitatively more severe than the downturns in the capitalist business cycle have been for generations, but that it is qualitatively distinct as well. It is a secular crisis, a crisis of capitalism as well as a crisis ~~in~~ in capitalism, a crisis in which the historical limits of capitalism are manifested in ways and to an extent that has not been the situation previously.

I confess to an underlying apocalyptic view. I doubt that capitalism has the capacity to emerge from this crisis and embark on another extended period of expansion. My basis for this view and what I see as its consequences will become clear, hopefully, in the course of this paper. I realize that there is a solid historical basis for scepticism about such predictions. Similar ones have been with us as long as there has been a working class movement and capitalism is still embarrassingly present. Indeed, the failure to predict revolutionary changes is far easier on the reputation than the prediction of such changes which then refuse to materialize. When Lenin remarks, a few months before February 1917 that his generation might not live to see the social revolution, he was dramatically wrong, but we are tolerant. After all, when the revolution arrived he knew what was to be done. But all of the 'scientific' announcements that capitalism was due to collapse seem in retrospect to merit only scorn and ridicule.

It is easy for a healthy scepticism about grand projections to become a reluctance to make a systematic overall analysis of processes and trends, and, more specifically, reluctance to act on the political consequences of such an analysis. This is sometimes buttressed by another justified reaction against 'official' marxism--the rejection of simplistic ~~deterministic~~ determinism

and its baggage of overblown claims about the ability to objectively predict historical development. But here again, just as in dealing with capitalist collapse, it is important not to go too far. While the elements of consciousness and organization, the development of a collective will and project, cannot be reduced to the economic and social circumstances, neither can they be abstracted from them. Subjective factors do reciprocally determine the socio-economic context, but the changes in this context are decisive in limiting, shaping and motivating the subjective factor. This process doesn't make the future predictable in the usual sense, but it does determine the range within which the future will emerge.

In the rest of the paper I intend to elaborate on my conception of the current crisis and its strategic implications following with a series of more specific points--the erosion of U.S. ~~hegemony~~ hegemony; the work process and patterns of technological change; political democracy and the strong state; the potential for nationalism. I'm afraid that I haven't organized these latter points adequately. Expect both too much overlap and insufficient connection between the points.

A central point of Lenin's Imperialism is that the development of capitalism into a world system marks the beginning of its 'general crisis,' the crisis from which there will be no recovery. Clearly, as this position has been interpreted (which is probably pretty much the way Lenin meant it), it is wrong. Capitalism has demonstrated a tremendous amount of resiliency and vigor since Lenin declared it moribund. I believe, however, that it contains an element of truth which is relevant to my argument. Since this rests on a somewhat controversial interpretation of the facts of imperialism, I have to ~~pre~~ preface the point by indicating an opposing view and the reason why I reject it.

Clearly the impact of capitalist penetration throughout the world, imperialism has been devastating. As traditional sources of economic and social stability are ~~destroyed~~ destroyed, vast sections of the population have been marginalized and living standards have been forced down below subsistence levels. This process bears a certain resemblance to the process of primitive accumulation and industrialization out of which capitalism emerged in Europe and N. America centuries earlier. In the earlier period the hardships of the initial development of capitalism were substantially ameliorated by its further development (or at least they were changed in character). It is possible, then, to take a ~~similar~~ similar view of the conditions existing now on the periphery of the world capitalist system. The problem is 'too little' capitalism, not too much. The contradictions don't have solutions which lie beyond capital. In fact, the development of capitalism is the key to their solution. There are Marxists who argue this position explicitly and there are many many more (in the capitalist center) that accept it implicitly.

There is an important discussion here, and one that I think will be productive, but in my view there is one compelling reason why the position above should be provisionally rejected. The tendency for anti-imperialist movements of national liberation to take on an explicitly anti-capitalist character is universal. This fact, in the essential absence of the objective social foundation for anti-capitalism, a working class 'organized and disciplined' in the process of production, proves, I think, that the division of labor and resources, not to mention the realities of military power, that characterize the world capitalist system provide an extremely narrow base for the capitalist development of the productive forces in those countries.

In no way does the fact that the anti-capitalism of the anti-imperialist movements has major weaknesses and has still not demonstrated the ability to permanently break out of the world capitalist market and financial institutions mean that it is somehow not genuine. We must remember that the socialism of the international working class movement has also not demonstrated the ability to permanently differentiate itself from capitalist ~~institutions~~ institutions. Theoretically there are capitalist solutions for chronic crisis on the periphery, but

the characteristics of the actual capitalist system render such solutions utopian.

My view is the elements of the secular crisis of capitalism have been apparent at the periphery of the capitalist system, since it developed into a world system. They are not ~~separate~~ separate from, but a consequence of, a cost of, a contribution to its flexibility at the center. The lack of potential at the margin is organically related to its presence in the center; starvation on the periphery and 'affluent society' in the center, marginalization on the periphery and 'full' employment in the center, 'representative' parliamentary regimes at the center and gorillas on the periphery--these are all matched sets. I realize that this raises a number of questions about the nature of imperialism that I am not going to confront in this paper because my basic argument is that this particular equilibrium is not adequate to meet capital's changing economic and political requirements. (It is also questionable whether it could be maintained, but that is a different issue.)

In this systemic sense, then, all of the crises in capitalism during this century have also been crises of capitalism. The fact that the aspects of the crises which most clearly manifested the historically finite character of capital were geographically concentrated and isolated at points where the objectively anti-capitalist mass constituencies were least developed is certainly of great importance, but even more significant, in my view, is the fact that this concentration is ending and the elements of the secular crisis are increasingly becoming evident in the capitalist center.

(I should mention here that the emergence and triumph of German fascism during the thirties was, in a negative sense, a manifestation of capitalism's secular crisis, despite the fact that it was overcome--although at great cost--within a capitalist framework. more later.)

It is important to make a careful separation between the cyclical and the secular aspects of the crisis as they affect this country. This requires an initial conceptual separation of the two. ~~THESE~~ The essential character of the cyclical crisis is that it performs necessary functions for future capitalist development at the very moment when it results in a stoppage of that development. The depression-recession phase of the business cycle is the culmination of the process of competition. Those sectors of capital that have become outmoded and non-competitive are destroyed as values--and often physically. The relationship of wages to productivity is forcibly readjusted. The basis for a new cycle of accumulation resting on a reconstituted social labor force and a modernized technology is developed.

Besides have a cyclical character, capitalist development is also divided into certain phases which cover a number of cycles, and have a distinctive structural-institutional character. What occurs is that the class struggle in the existing institutional framework becomes so dangerous to profit maximization and political stability that the contradictions and conflicts involved in the cyclical crises cannot be tolerated. At this point major institutional changes become the condition of recovery ~~be~~ from the cyclical crisis. The distinct institutional changes ~~made~~ made in the U.S. following the depression of the thirties and WWII are readily apparent because they were so overtly political. There was a qualitative increase in the economic role of the state, adoption of ~~politic~~ policies of social wage and income floors to maintain effective demand, a systemic attempt to institutionalize the working class movement within capitalism by legalizing collective bargaining and--actually a subpoint of no. 1 but important enough in ~~this~~ this country to deserve separate mention, the beginning of a process of militarization as a permanent feature of 'peacetime.'

Earlier structural crises led to institutional changes that were less overtly political and therefore less dramatic, but no less important. For example there

was the development of monopoly and cartel forms of industrial organization and the parallel separation of the worker from the instruments and techniques of production through Taylorization and other forms of industrial engineering.

The secular crisis is something different from either the cyclical crisis or its more serious structural variant. It involves capitalist development ~~reaching~~ reaching a point when there are no structural changes which will allow another extended period of development. Marx is quite clear about this point in the well known section of the Grundrisse (701-710)/ In his words:

"The exchange of living labour for objectivied labour--i.e., the positing of social labor in the form of the contradiction of capital and wage labor--is the ultimate development of the value relation and of production resting on value. Its presupposition is--and remains--the mass of direct labor time, the quantity of labor employed, as the determinant factor in the production of wealth. But to the degree that large industry develops, the creation of real wealth comes to depend less on labor time and on the amount of labor employed than on the power of the agencies set in motion during labor time whose 'powerful effectiveness' is itself in turn out of all proportion to the labor time spent on their production, but depends rather on the general state of science and on the progress of technology, or the application of this science to production."

"Labour no longer appears so much to be included within the production process, rather, the human being comes to relate more as watchman and regulator to the production process itself...No longer does the worker insert a modified natural thing as middle link between the object and himself; rather, he inserts the process of nature transformed into an industrial process, as a means between himself and inorganic nature, mastering it. He steps to the side of the production process instead of being its chief actor. In this transformation, it is neither the direct human labor he himself performs, nor the time during which he works, but ~~the~~ rather the appropriation of own general productive power, his understanding of nature and his mastery over it by virtue of his presence as a social body--it is, in a word the development of the social individual which appears as the great foundation-stone of production and of wealth. The theft of alien labour time, on which the present wealth is based, appears a miserable foundation in face of this new one, created by large scale industry itself. As soon as labor in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange value must cease to be the measure of use value. The surplus labor of the mass has ceased to be the condition for the development of general wealth, just as the non-labor of the few, for the development of the general powers of the human head. With that, production based on exchange value breaks down, and the direct material production process is stripped of the form of penury and ~~xxxxxxx~~ an antithesis (ibid. 704-705)

The secular crisis occurs as capitalist development reaches the point where "production based on exchange value breaks down." At that point we haven't only a crisis in the operation of the law of value, we also have a crisis of the law itself. A number of things must be clarified at this point although I will not be able to deal with most of them in any detail. First, claiming that the law of value itself is in crisis does not mean that it no longer operates.

Let me quote Negri on this... "When we speak of a crisis of the law of value, we must beware: the fact that this law is in a crisis does not at all mean that it does not operate; rather it modifies its form, transforming it from a law of political economy into a form of State-command." (Negri's emphasis). This distinction is important in the discussion of the strong state and fascism. Second, one must be very careful with empirical data on such questions. While the outstanding technological developments of the current period have led to places in the world capitalist system which resemble Marx's reference to the point where 'labor time' is no longer the 'determinant factor of production', in the system as a whole this is not at all the case. Also it is possible to argue that the points of most advanced technological development are paralleled by the development of new industries with a low organic composition of capital. I do think, however, that it is significant that ~~the~~ notable capitalist (or neo-capitalist) academic figures are describing the current period in a manner strikingly similar to the Grundrisse Marx. For example, one should read the entire Scientific American special issue on the new technology and particularly the concluding article by Wassily Leontiev. I will deal ~~with~~ with this article later in the paper.

This is the distinction on the theoretical level. The question is how it applies to the actual facts of the current crisis. To answer this question it is necessary to go into some detail, not so much about the impact and magnitude of the crisis, but in order to determine just what it is that is in crisis and how. Only in this way can it be determined whether the crisis ~~will~~ will only be resolved with major structural changes, and whether there are such changes that are practicable.

There is little debate but that what is in crisis are those structural and institutional changes made in response to the conditions between 1930-1945 which have been the basis for the latest phase of capitalist expansion. Let me go into a little more detail on this point. Capitalism up to that period was characterized by a relatively unrestrained interaction of economic forces, a good deal of class conflict, and the absence of any effective supernational regulation. At this point came the depression, the triumph of German fascism, World War II, and the emergence of anti-imperialist national liberation as a major element in the international balance of forces. All of these factors tended to specify a certain set of requirements for capitalist survival and growth and through a process of adaptation and response to mass pressure, a new set of structural and functional characteristics emerged.

In this country it would be a bit extreme to suggest that communist revolution was at the door at any point during the period--so this insurgent potential was only one factor in the process. The experience of WWII, its tremendous cost and more specifically the erratic behavior (from the point of view of capital) of Nazi Germany, and then with the triumph of the Chinese revolution, the necessity for a unified response to challenges to imperialism were also important factors. In any case there was a clear need to consolidate a mass base of support domestically and to develop a degree of capitalist cooperation on an international scale to deal with common threats as well as to prevent the emergence of potentially disastrous forms of inter-capitalist competition such as that practiced by Nazi Germany. The interconnection between the external and the internal factors was extremely important. U.S. ~~xxxxx~~ hegemony in the world capitalist system, an historical accident growing out of the particular outcome of WWII, was the condition for imposing some sort of international order, and that order was designed to promote and expand U.S. hegemony.

At the same time a number of economic benefits flowed from this hegemonic position and this made it feasible to make a range of political and--particularly-- economic concessions internally. It also dictated a great deal of the content of those concessions. Prosperity through militarization implemented the American Century. Here I want to leave these interconnections as just a context and concentrate on the internal response to the class struggle and to the business cycle that these changes constituted.

The structural changes of the New ~~anf~~ and Fair Deal ~~period~~ period were intended to eliminate the 'boom/bust' characteristic of capitalist development, moderating and cushioning the impact of the cycle on the working class in order to maintain and extend hegemony over it. For a period of years it was only a few dogged Marxists that refused to accept that this had indeed been accomplished. While there were some indications of stagnation in economic growth, it wasn't until the mid-60's that it became obvious that business cycle was reasserting itself. This stabilization was accomplished through the incorporation of Keynesian governmental intervention in the economy with essentially social democratic reforms aimed at developing a popular pro-capitalist consensus. On a more strictly economic level, the expansion of consumer debt and the linking of wage increases to productivity increases as a part of the incorporation of the unions in the mass production industries resulted in a rapid expansion of the demand for consumer durables as the centerpiece of impressive economic growth and rising real per capita income.

There were contradictions from the outset, but only relatively recently did it become evident that the sheer momentum of the process couldn't overcome them. The business cycle performs a function for capital, and tampering with it means those functions aren't fulfilled. In the first place this has to do with the destruction of outmoded sectors of capital. This wasn't happening as it should. At first that was unimportant because potential competitors had been physically devastated by the war. However, the devastation was also an asset to them because new development could incorporate the ~~last~~ technology. U.S. capital, both to promote U.S. hegemony and to escape the high domestic wages moved to the areas which had been devastated and helped accelerate the recovery unencumbered by the requirements of maintaining a huge military establishment and staying off the real or imagined threats from Eastern Europe and the Third World. In the course it became less distinctly U.S. capital. The astonishing expansion of public and private debt promoted inflation and speculation, while it progressively lost its ability to promote full employment and economic growth. Finally, but far from the least significant, the working class developed new forms of struggle to reassert the power over the production process that its unions had traded away. These undermined productivity and efficiency, and reduced the quality of U.S. products in areas (auto, steel, electronic consumer items) where competitors already had the advantage of more modern plants and techniques. As inflation became more of a factor the demands for corresponding increases in income from sections of the population outside of the workforce also increased. The Black movement began to raise a categorical challenge to the social system, and beyond police repression, some expensive concessions were required to deflect this challenge. The consequences were fiscal crises, revenue shortages, tax revolts, bankruptcies, the erosion of public credit, increasing interest rates. At the same time, major industries suddenly became non-competitive and unprofitable. The changes required for their recovery proved to be very costly for their work ~~force~~ force, less so for their owners. The structural weaknesses of the U.S. economy caused chronic problems with terms of trade and balance of payments.

At the same time a number of social costs of capitalist production which had been deferred became pressing--the decay of the transportation system and other aspects of the economic infrastructure on the one hand, ~~x~~ and the cumulative environmental impact of capitalist production on the other. Finally, the cutting edge of the new technologies which were the only way to regain a competitive status and improve profitability were heavily labor saving. Their introduction was not compatible with the maintenance of high wages and relatively full employment.

In short, the structural changes and special circumstances that allowed a certain compatibility between increasing real and social wages on the one hand, and productivity, profits and economic growth, on the other lost their efficacy. The attempts to moderate the business cycle, not only no longer really work, their application in the past has robbed the cycle of its therapeutic function for capitalism. Inefficient productive facilities weigh heavily on the general rate of profit. In the process the historical accident of U.S. ~~xx~~ economic hegemony in the world capitalist system has been ended, an outcome which was accelerated by the costs of maintaining its political and military hegemony.

There certainly is a cyclical crisis of unusual severity. It is a system-wide crisis. There are no German and Japanese enclaves of relative prosperity as there were in recent cyclical crises. There is no accidental external factor--no 'oil crisis' to blame it on. It is a crisis in which the limits of the Keynesian model of capitalist accumulation through the intervention of the state have become evident and contribute crisis phenomena of their own. But ~~xx~~ is it a secular crisis as I have defined it earlier? Schematically the answer to that question would be determined by whether or not there are a set of structural changes comparable to, but distinct from, those of the thirties that could provide the foundation for a new long wave of capitalist development. Clearly the answer to this question depends on the outcome of a number of struggles and thus cannot be accurately predicted in advance of examining the likely content of those struggles. Even then, there will certainly be a substantial range of indeterminacy. However, we are in a position to begin to define some problems and issues.

The ruling class, and particularly its most intelligent ideologues recognize the severity of the crisis. A number of different approaches have been projected. Of ~~these~~ these there are three that are politically significant. Two are variants of conservatism. The first has been embraced in a fumbling sort of way by the Reagan administration, cutting back the planning role of government, attacking the social wage, and allowing market forces to depress wages, revitalize the technological base, and increase productivity. It is almost certain that this approach will collapse before it is even systematically implemented. (Thatcher in Britain and the clown that was stuck in between Trudeau's two terms in Canada have already attempted such a course and are failing or have failed.) It takes no account of the problems of maintaining political stability either for the system or for the party in power. The amount of state repression required to suppress the protests that this course involves would counter the main goal of reducing the role of the state and make it extremely difficult to maintain anything like a popular mandate. Even more damaging, major sectors of private capital which are most open to this approach ideologically and provide the immediate political support for it are also dependent directly or indirectly on government subsidy. Finally consider the practicalities--not just the Polish, Mexican and Argentinian debt, but the debt of every county, municipality, taxing district, port authority, etc., are in the balance. Free-play of market forces would lead to a collapse of the credit system totally disrupting any attempt to revamp the economic infrastructure--schools, roads, sewer systems, etc., just at a point where this is essential for recovery and capitalist restructuring. In my view this position can only be an interlude which must necessarily move to one or two basic policy options--the strong state option or the social democratic option.

Consider these possibilities. A state-enforced process of restructuration combined with a generalized increase in political repression to meet protests over the curtailment of the social wage seems to me to be the most likely ultimate course. This is not in conflict with the role of state as planner, but implies that the planning is not either based on, or an attempt to develop a popular consensus. Instead it is purely the exercise of force in order to maintain capital when the operation of its underlying dynamic, the law of value, no longer can give capitalism a certain historical justification. It should be readily apparent that such a role implies the existence of a secular crisis--it is a response to the breakdown of capitalism that has ~~xxx~~ become historically irrational. It would take a very powerful argument to convince me that the strong state could be some sort of a transition to a new period of capitalist stability where it will self destruct. Not when its essential role will be to ~~force~~ enforce the marginality of major sectors of the population--their valuelessness, nothingness, to capital.

The social democratic option would be premised on the notion that there had to be some type of equity of sacrifice guaranteed by structural reforms during a period a transition to a revitalized economic structure. Only this would make it remotely likely that it could attain and maintain any sort of popular basis for what would inevitably be a period of austerity. The problem here is how to prevent the norm of asking everybody sacrifice something from being overwhelmed by the immense differences among the various groups. The political base of a social democratic government will regard the initial income distribution as inequitable and be unable to see why the equality of sacrifice should end short of a more substantial redistribution. On the other hand, the social democratic position will still require a strong state to implement the major restructuring needed to restore capitalist profitability. To me it seems inevitable that any regime that attempted to pursue such a course would ~~collapse~~ collapse from the prompt erosion of its political base, or would become a strong state variant, as the party best able to enforce discipline and restore productivity. Social democrats in power would not just become modern Noske's. It is likely that they would follow in the footsteps of Mussolini, Pilsudski, and the Strasser brothers.

An additional factor would put tremendous pressures on a social democratic regime that diverged in any way from the authoritarian strong state approach. The economic crisis is system-wide. The economic ruling class is a multinational ruling class. It is not ~~uniquely~~ uniquely and specifically concerned with the problems of political stability in any given state, but within the system as a whole. It looks at the questions of accumulation and profitability from the vantage point of the system, not a component of it. The economic levers available to disrupt any social democratic regime that attempted to develop a plan that was not in the interests of the multinational economic ruling class are vast. They would certainly be use. Therefore, it seems that the social democratic alternative would have to be implemented more or less simultaneously in a number of major capitalist countries for it to have any real change. Social democrats can't deliver their base in any one country, much less in a number simultaneously.

Let me put the issue this way. Not so very long ago there was a lot of official and semi-official concern with the 'frost-belt/sun-belt' contrast. Now the crisis has obviously reached the sun belt and we hear little about this issue. At that time however, the popular idea was 'reindustrialization' of the northern and eastern urban areas. Major capitalist spokespeople were advocating it. Now, here is clearly an approach social democracy could work within. Combining outstanding needs with idle workers and plants in order to revitalize whole sectors of the country economically. This is not ~~necessarily~~ necessarily in contradiction with restructuring, even if the restructuring would decisively modify the technical

composition of capital and the character of the work process. The reindustrializing could minimize the hardships of restructuration, cushion its impact.

In any major northern city it is possible to find all of the necessary ingredients. For example, there are phusical plants that are idle which could produce-- say--consumer durables, stoves, refrigerators. There are unemployed workers with the required skills to work in ~~these~~ these plants. There are massive needs for such goods. So why wasn't all of this put together even though it appeared to be the ~~hexpolitikx~~ policy goal of a good deal of the ruling class? A child knows the answer. It wouldn't have been profitable. This will be the dilemma of every social democratic ~~project~~ project that diverges significantly from the approach of the strong state conservatives. It will not be rational within the logic of profits, and there is no going against that logic for any substantial time because its maintenance and promotion is the overriding task of any capitalist response to the crisis--including a social democratic ~~response~~ response.

I am arguing that the policy options that appear to be open within the framework of capital imply by their very character that capitalism has reached its limit--that it has no hidden reservoirs of resiliency that can allow it to again become a form of development (not of the fettering) of the social forces of production. Let me indicate again what this means. Major sectors of society whose characteristics and relationships have been mdded by life within a capitalist society have become marginal to that society. These are not, as has been the case on the periphery, groups whose social relationships and immediate antecedents are pre-capitalist. They are pre-eminently a component and a product of capitalist development in the center. Mass marginalization at the center, the paradox of workers becoming as a group so productive that they are worthless as individuals--this is the phenomenon of the secular crisis.

When I say that in this country the secular aspects of the crisis are decisive and that they call into question the viability of U.S. capitalism, this does not mean that capital is in its final hour. In the first place, as I mentioned earlier, capitalism is a world system. While the crisis is sytemic, it is not true throughout the system that direct labor is being replaced as the determinant factor of production. However it is highly significant that it is happening in this country, the center of centers of the capitalist system where it is so striking. In the second place, potentially separated from class struggle, the system can survive for an indefinite period after its limits have been reached through the judicious use of force--the substitution of state command for the autonomous regulative role of the law of value.

On the other hand, it does seem to me that U.S. capitalism as we know it cannot survive the crisis. The capitalism which is in crisis in the U.S. is an historically specific ~~capitalism~~ capitalism. It's hegemony in the world capitalist system is related to a set of relationships between wages, productivity and mass consumption that has provided an objective basis for a popular consensus and consequent relative political stability. Unique institutions, particularly white supremacy, have closely linked the attitudes of a majority of the exploited with their exploiters in a naationalist bloc. The crisis will not be surmounted within the framework of capitalism without a new international division of labor and alignment of forces which is inconsistent with the survival of this particular capitalist society with its unique and peculiar features.

Such a restructuring will undoubtedly unleash powerful forces of resistance and open up a number of revolutionary potentials. The probable strength of these forces, some of which will be rebellious, even revolutionary and anti-capitalist without being socialist or internationalist, create the potential for a different resolution of the crisis outside of the framework of capitalism. What does this mean?

Since socialism became 'scientific,' the movement for it has proclaimed--often against all evidence--that its eventual triumph was inevitable. This posture involves both a serious error and, a potentially more serious, confusion of categories. It is not too hard to correct the mistake. Socialism must be won. Power must be conquered and the institutions of capitalist power must be smashed. Capital will not crumble of its own weight no matter how arbitrary and irrational its continued existence becomes. It is inevitable that capitalism will create and re-create; the material need and the human potential for socialism--it will develop forces with an interest in socialism and the opportunities for these forces to struggle for power will emerge. However, no amount of potentials add up to an inevitability.

This routine correction of left fatalism, however, does not really get to the heart of the matter. The end of capitalism must not be equated with the victory of socialism. Such a linear conception of stages of development might be psychologically appealing, but it is mistaken and dangerous. The real issue is whether a socialist alternative can be developed before capitalism collapses into barbarism. Socialism or barbarism. Marx said it that way. So did Rosa Luxemburg. Socialism or the common ruin of the contending classes. This is the marxist historical option. This cannot be repeated often enough because the emergence of the secular crisis of capital puts both alternatives on the agenda. The left is prone to an imbecilic self-sufficiency and complacency typified by the assumption that inevitably 'after capitalism, us.'

Barbarism has a real content in the current period...the content is war and fascism. In many ways these have much greater immediacy than socialism. I do not mean that war and fascism are not part of capitalism, that they don't develop out of it. This is certainly the case. But they also transcend and confront capitalism. The violence and war that characterizes capitalism in all of its stages approaches apocalyptic dimensions in the current period. Barbarism in the form of nuclear war is a real possibility of the current conjuncture. Indeed, it is a danger so real that mass movements have developed that ~~threat~~ treat it as The Issue, demanding that every other grievance and demand be subordinated to it including the entire project of anti-capitalist revolution--the class struggle, the struggle against imperialism, etc. The politics here are wrong, but the appreciation of the war danger as a transcendent problem is valid. Indeed, the fact that the danger transcends capitalism although it grows out of its crisis, dictates that the response to it must be, to paraphrase Raymond Williams' response to E.P. Thompson of the European Nuclear Disarmament movement, against more than war and for more than peace.

It is not only the danger of nuclear war that poses the option of barbarism, but also the attitude--specifically the official attitude--towards this danger. It was one thing to treat nuclear weapons as casually as conventional ones in the forties and fifties before the massive build up of nuclear capabilities of the superpowers and the proliferation of the technology to an open-ended number of states. To talk now of 'winnable' nuclear engagements and 'theatre' nuclear wars given the universally available scientific facts, demonstrates the casual ~~xx~~ attitude towards human life appropriate of a stage of capitalist development where human labor is increasingly devalued. This capitalist reality is reflected in such discussion, not normal ignorance or insanity alone. Much the same attitude is reflected in the widespread and growing practice of evaluating social questions in crudely economic terms of 'costs' and 'benefits.'

Fascism is widely seen on the left as the preferred policy of the capitalists--or of a sector of the capitalists. This view is extremely dubious and certainly inadequate. Without denying for a moment the organic connections between fascism

and capitalism, fascism must be distinguished from even very repressive forms of capitalist rule. It is much more than a desperate attempt by a sector of the capitalist class to maintain its control although this may be an ingredient of it and a partial motivation for its development. Fascism is also an index of the extent to which capitalist society is fracturing and a cause of the process--barbarism. Fascist ideology is definitely not capitalist and its reality, particularly evident in the area where it was most fully developed, Nazi Germany, is a movement away from a defining characteristic of capitalism, the commodification of labor. Under fascims labor power cannot be freely bought and sold. The conditions and circumstances of the work process revert back towards pre-capitalist forms. Surplus, not surplus value, is extracted from the direct producers through extra-economic coercion, not through a market mechanism in which the reality of appropriation is hidden behind the appearance of an exchange of equivalents. Along with elements of capitalisms, there are elements that are both pre-and post-capitalist. Sohn-Rethel's description of German fascism as 'trans-capitalist' is instructive. The genocidal ~~is~~ core of fascism's extreme racism and chauvinism has a very chilling relevance to a point in development where productive human individuals are considered to be valueless social costs... barbarism.

I I have been arguing that the point at which capitalism's historical limits are reached is one where the alternative of barbarism is ~~is~~ just as relevant as that of a genuinely human society. Abstractly considered this should not be the case, although in reality it definitely seems to be. The reason for this divergence has to do with the historical corruption of the image of socialism and communism to the point where it no longer immediately and clearly poses itself as an alternative to capitalism in all its variations. Even more frightening, socialism/communism presents a very blurred alternative to the option of barbarism. This point is very complex and I can't give it anything like the treatment it deserves, but the problem is evident with only the sketchiest treatment of the two actual modesl--social democracy in power and the unfortunately termed 'Soviet' (of which there are none) society.

Little needs to be said about the social democratic model beyond the fact that it is clearly a ~~policy~~ policy option for capitalist's concerned with saving capitalism. It has been realized for decades that the social democratic model is not really anti-capitalist, though on a mass level this is manifested mainly in a scepticism about the possibility of socialism. Now, it is increasingly questionable whether social democracy is even an alternative to barbarism. Note France's Mitterand, apparently with tacit support from the French CP, pushing ahead with development of the property-respecting neutron bomb and vigorously defending France's need for an independent nuclear deterrent. The elements of authoritarian command required to restructure capitalism and enforce labor discipline are exercised by purported socialist without a qualm. Finally, it is the rarest of rarities to find any social democrat practicing internationalism except when there is an evident immediate pay-off involved. It is important to note that the malformed offspring of the alliance between social democracy and soviet style socialism, Eurocommunism, is equally unable to clearly differentiate itself from capital. For example, the attitude of the Italian CP towards productive and non-productive sectors is not only securely within the capitalist universe of discourse, it bears a certain resemblance to some of the ideology of fascism.

This leads to the Soviet model. The difference from social democracy is real and so, I think, are the ~~is~~ points of confrontation with capitalism. But after some 65 years of experience of Gulag, detente, peaceful competition, Czechoslovakia and Rland and Afghanistan, can anyone really see a progressive alternative to developed capitalism? I don't think so, although possibly there is a significantly

different model of development within the framework of the capitalist world system. It is demoralizing to a working class movement attempting to develop a revolutionary alternative to capitalism to be continually confronted with a 'socialism' that oscillates between embracing capitalism (China), sometimes the worst possible aspects of capitalism, and confronting it in a manner which produces a massive sullen pro-capitalist sentiment among its own citizens. A socialist model where after half a century dissent is confronted with shock therapy. Not hardly. In fact, rather than presenting a revolutionary alternative to capitalism, the Soviet model has been the vehicle for the penetration of the workers' movement by barbarism. How, other, can we assess the impact of attempting to explain, justify decades of Soviet behavior when it is inexplicable and ~~unjustifiable~~ unjustifiable as part of a revolutionary anti-capitalist project.

I have said that I do not see any resolution of the current crisis which leaves U.S. capitalism in anything similar to the hegemonic position it has enjoyed for decades. This is not just an outcome of the changing fortunes of competition between national capitalisms although this is an element. More importantly it reflects the development of capitalism to the point where national states are too small and parochial an element of organization. This development is the exact opposite of a uniform movement towards supernational harmony. The competition continues in an exacerbated form between blocs of capital, while the lack of congruity between the economic ruling class and various political regimes results in a whole additional range of tensions and conflicts. The undermining of national sovereignty (consider all of the questions around sanctions against the Soviet pipeline) in no way is clearing the path for some sort of world federalism (Ultraimperialism). Instead the underlying supernational economic arrangements Bretton Woods, GATT, are breaking down, and the erosion of national sovereignty is combined with renewed economic nationalism attempts to attain self-sufficiency. Trade wars.

There is a common objection to theories which rest on the trans- or multinational character of the economic ruling class. It is that the origins and roots of this class are distinctly national. This is certainly the case. In this sense American capital dominates the multinationals. But will it act as 'capital' or as 'American.' ~~XX~~ Overwhelmingly, I think, the former. The political stability and relative prosperity of the U.S. is no particular priority for it. After all, working classes tend to be national in origin and we expect them to become internationalist.

I've got to think this out some more, but here is where I am at the moment. There are two related processes intersecting. Capitalist concentration and centralization has continued until important, perhaps decisive, economic units have lost their uniquely national character and have become oriented to global considerations of power and profit. At the same time, capitalism develops towards its historical limits in its traditional centers so that at these points no longer just localities, or even industries, but nations, the conditions for capitalist development entail the marginalization of major sections of the ~~the~~ population and the impossibility of maintaining the existing popular pro-capitalist consensus--tenuous as it ~~is~~ is. From the point of view of capital--which isn't a unified perspective--so perhaps I should specify from the point of view of the decisive sections of multinational capital, a major restructuring of the international economy is necessary. They possess the economic power and technical resources to determine how this restructuring must take place, but not the political and military power to enforce it.

Any restructuring must be capable of forcefully suppressing working class resistance and enforcing a selective austerity. It must also enforce itself on national capitalisms. This complex and contradictory relationship between economic and political power and requirements is, I think, a characteristic of the

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secular crisis. It creates conditions where the application of force and command to determine that the law of value continues to function, however arbitrary this may be, cannot be carried out in a planned social engineering fashion and on the global basis from which the terms of a new stability might emerge. From the point of view of the U.S. capitalist state, a restructuring is also necessary, but one that is consistent with political stability in the U.S. and its continued privileged position in the international economy. The resources available to the political ruling class are immense--armies are nationally organized as are all other significant repressive mechanisms, but they are not capable of enforcing themselves on the economic ruling class.

At this point the argument is moving closer to actual approaches to work and it is necessary to make a few remarks about the necessary limitations of the type of analysis and arguments in which I have been engaged. We are not historians, but activists. Our analysis aims to illuminate our political intervention in the processes being analyzed. It will only be clear which facts were the relevant and decisive ones when the process is completed--and there are certain potential completions that we cannot allow to happen.

> Not massing data, but grasping contradictions is the essence of what we are required to do. There will always be large elements of indeterminacy in our predictions because all of the relevant contradictions involve elements of consciousness and organization, hopefully including our own, that attempting to impose themselves on reality and, to one extent or another may succeed in transforming the conditions in which they operate--although possibly not in the direction ~~intend~~ intended.

The difficulties work against everyone, not only those who are predicting qualitative changes. Let me give an example. My view is that a large section of the Black population in the US will never again have a stable relationship to the general economy short of the overthrow of capitalism. However, neither the fact that recent statistics indicate a growing number of long term unemployed, or that these people expect their condition will be permanent, or that the sociologists that study them believe their situation reproduces itself, or that the programs that might to some extent counter this development are being cut, not expanded, demonstrate that we are examining an irreversible process. On the other hand, neither does the fact that similar situations have occurred in the past if not so dramatically, and that the historical trend for the proletarianization of the Black population and its integration into the capitalist economy has re-emerged and surmounted them, demonstrate that the present conditions will be similarly reversed.

All that these opposed facts do is to point out and help clarify the content of a contradiction--between profit and governability, between the accumulation of capital and the accumulation of social problems, and to specify the circumstances in which that contradiction operates.. and we operate on it. My main point is that none of us have the luxury of waiting until a clear preponderance of evidence emerges. Some perspective must be implemented and its assumptions must lie on one side or another of a number of exclusive alternatives. The crucial choices must and will be made, either explicitly or implicitly, before anyone can actually be sure.

Nevertheless there are facts. Facts about the attitudes of capitalists--enlightened and not so enlightened; facts about the characteristics of new technology; facts about objectively conflicting interests. I want to base the rest of this article on a very restricted base of such ~~key~~ facts--essentially they are the facts compiled by the editors of the Scientific American in their special issue on the Mechanization of Work, the corollary facts which this issue immediately brings to the fore, and the questions that the combination raises.

Certainly, the editors of this eminently respectable magazine don't think they are calling capitalism into question and neither did their contributors to this issue with a couple of possible exceptions. On the contrary, it is more likely that they do not even recognize capitalism as a definite mode of production, but dissolve it into an ahistorical "economics" in general. Nevertheless, if we forget about the introductory article by Eli Ginzberg, notable chiefly for its Reader's Digest notion of Marxism, the rest of the articles all provide most important 'facts' which do raise this very question.

Five of the articles can be grouped together. They ~~xx~~ cover the mechanization of agriculture, mining, of design and manufacturing, of commerce, and of office work. Each is written by a specialist in the field, completely familiar with the newest technology in their area, and ~~xxx~~ perfectly unable to assess the social impact of the processes which they describe in loving detail. As each of these articles approaches the question of the fate of the workers who are being rapidly replaced by the technological changes they describe, they respond with a ~~fx~~ vague 'hope' that the new technologies will create a need for labor in 'service' or some unspecified other area--but no details. One can almost see them looking about nervously for the appropriate ~~xxxxxx~~ expert to answer this kind of question. After all, there does not seem to be an unlimited need for labor at McDonalds, Amway, Tupperware, etc.

The article on the mechanization of 'women's work' is different. It proceeds from a definitely radical perspective. The thrust of the article is contained in the following statement: "The available evidence suggests that on the contrary, mechanization has served to reinforce the traditional position of women both in the labor market and in the home." (167)

While the scepticism about the inherent benefits of technological development and the demand that improvements in the status of women be seen as the consequence of the struggle by women for equality, not of some hidden hand, is certainly refreshing--particularly in contrast with some of the enthusiasm about such things as the ability of a robot to "pick a randomly oriented part out of a bin" (~~xxx~~ 127). However, we are left with only a negative conclusion. We know what technological development will not do for women--it will not move them in the direction of equality in itself--but we don't know what it will do for, or to, women workers or to the working class generally.

This point is the one taken up in the wrap-up article by Vassily Leontief. It's apparent that this article merits reading from the summary in the issues' table of contents, "If an economy is to function, work not done by machines must be shared and so must income" (3).

A word about Leontief. No, although he was raised and started his education in post Revolutionary Russia, he is not the Leontief who wrote the official Stalinist economics textbook that did for Marxist political economy what the General Secretary's Dialectical and Historical Materialism did for its philosophy. This Leontief ~~xx~~ has been a Harvard professor and got a Nobel Prize for his work in econometrics. No dummy, but not a revolutionary by any stretch of the imagination.

Leontief writes in terms that are strikingly similar to Marx's famous passages in the Grundrisse:

"With the advent of solid state electronics, machines that have been displacing human muscle from the production of goods are being succeeded by machines that take over the functions of the human nervous system, not only in production, but in the service industries as well."

Recall Marx: "Labour no longer appears so much to be included within the production process; rather, the human being comes to relate more as watchman and regulator to the production process" (705). Leontief again: "Human labor from time immemorial played the role of principal factor of production. There are reasons

to believe human labor will not retain this status in the future" (190). Then Marx: "As soon as labour in the direct form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange value must cease to be the measure of use value" (705). Leontief's vision of the near future in this country and others where capitalism is similarly advanced approaches the conditions which Marx believed would characterize the terminal point of capitalism's historical role.

Leontief is somewhat of a technological determinist. "The decline at the nearly constant rate of 30% per year for many years in the cost per memory bit of the integrated circuit chip has brought solid state electronic technology (from) expensive capital equipment... (to) toys" (189). This inexorable economic force is pushing human labor out of its decisive role in production. According to Leontief, this process, left to itself, will create disastrous levels of chronic unemployment and grossly inequitable income distribution. So what is his solution? There are two elements and both must be implemented. First, "...direct action to promote a progressive shortening of the work week" (92). Second, "...a complex of social and economic measures to supplement by transfer from other income shares the income received by blue and white collar workers" (194).

These are radical measures--a major shortening of the work week combined with a redistribution of income towards the working class, but Leontief sees the alternative as pretty heavy chaos. One immediate response to such proposals is that they are the virtual opposite of both the actual impact of capitalist market forces and of the intent of the policy of all main capitalist factions. This is made explicit when Leontief spells things out more fully. For example, "A desirable near-term step is to reduce the contrast between those who are fully employed and those who are out of work" (195). These proposals are so strikingly naive that it is easy to overlook that from another point of view they are also the only course that is realistic. Realistic, that is, in a social system which puts people as the end of production, not the means--that is, not capitalism.

We are left with Leontief's view of the nature of technological change in this period, which the Director of the "Institute for Economic Analysis" clearly thinks is based on pretty ambiguous evidence. To the extent that there is an economic ~~recovery~~ recovery, it will be based on a 'technological recipe' that is radically labor-saving, equally, if not more so 'in the service sector, than in the production of goods.' That pool of those workers whose labor has been 'saved', but who want it to be used will not be limited to this country. It exists throughout the system.

There will be workers elsewhere in the system willing and able to work cheaper and harder. At the same time it will become increasingly difficult to keep the opportunities for work confined to a given country as the same new technology compacts space and time to the benefit of capital. Left alone, then, any capitalist resolution of the crisis will certainly involve a very different society than the one to which we have become accustomed. Of course, capital will not be left to itself, but before getting into the forces and contradictions which will impact on it, I want to spend a little more time on the significance of the Leontief scenario.

Leontief apparently supports the social democratic model that I mentioned earlier. He urges that his policies be the subject of close and systematic cooperation between management and labor carried on with government support. With some luck, hard work, and good faith all around, this threesome can attain the firm foundation that exists, for example, in West Germany, "institutionalized labor-capital cooperation--codetermination." This collaboration is certainly possible, but it is most unlikely that it would pursue Leontief's policies. Instead its program could involve attempts to increase per capita productivity by ~~XXXXXX~~

curtaining the direct and indirect share of labor in the national income and reducing its control over the work process. Additionally it would involve some form of protectionism and control over immigration. This is almost the direct opposite of a focus on equalitarian income redistribution and work sharing programs.

However, there are other who are close to Leontief. Most of the left, at least in the U.S. have a substantially similar perspective without the overtly collaborationist framework. Less work for more money are seen as basic reform demands, issues of struggle, not a blueprint for a technocratic elite to rearrange all of the various 'inputs and outputs' of the system in a more rational way. Actually the demands implied by Leontief might be a little too radical, but every left faction that wishes it were the 1930's again would leap at the chance to be a part of a united front for a ~~workable~~ suitably scaled down version of them. However, to the extent that such demands are presented as realistic and attainable within capitalism, not as elements of a categorical critique of capital, such united fronts will necessarily be forced into the 'reasonableness' of the official parliamentary social democracy.

On the other hand, if they are pursued as classical 'transitional demands' there is a different danger. ~~More~~ Masses of people frustrated by their inability to win substantial victories with a reform perspective are going to be very vulnerable to a fascist organizing perspective. The left that organizes for 'peace, land and bread' against a regime that cannot and will not grant these demands, runs grave risks if it does not also demand 'all power to the soviets.' And this is a demand that makes no sense if there are no soviets.

The most immediate comparison of the potential appeal of fascism in the social conditions that we have been describing to the appeal of a revolutionary left makes it evident that the strength of fascism will be its immediate appeal to all of the elements of racism and national chauvinism in a situation of intense labor competition. It's weakness will be the flawed and compromised alternative that it presents to capitalism. For the left the factors will work in reverse. To the extent that the categorical character of its alternative to capital is spelled out it will gain in persuasiveness and to the extent that it has been unable to develop a tangible model of internationalist unity, it will be gravely weakened. The very political and economic forces and contradictions that make Leontiev's social engineering so utopian will also cripple left reform perspectives.

Here is where I want to begin the treatment of the four specific areas that I mentioned earlier. They constitute specific ~~arenas~~ arenas in which the real political forces and potentials must be understood and developed.

In a model capitalist system the relationship between economics and politics would be relatively straightforward. The state would be the executive committee of the ruling class, able to rise above the inter-capitalist struggle and even the class struggle to the extent that the partial and temporary interests could be transcended and the conflict moderated and attenuated within a general framework of legitimacy and stability. There might be some conflict ~~between~~ between profit maximization and political stability, but it would essentially be a conflict between short term and long term, partial and overall, economic interests of a familiar sort, forcing down wages in a manner which would force a crisis in the ability to realize value if done generally, etc. However, in general, taking account of the lack of complete understanding and foresight, politics would follow economics, and the essential elements of state power, jails and bodies of armed men and the legitimate monopoly of organized violence, would be at the service of a set of interests that were understandable and coherent.

In the real world the situation is substantially complicated. Increasingly the leading element of capitalist development is trans-national. Investments plans, production strategies, financial maneuvers, considerations of labor discipline and cost are determined across the boundaries of national states. This is not to deny the truth of the significance of the national origin of blocs of capital, but these factors are less and less decisive. The technical capability for economic institutions to be organized globally exists and is rapidly being implemented.

There are number of factors here. The physical mobility of production capacity. It was not previously possible to move plant as it is now. The qualitative improvement in communication possibilities. The capacity to avoid the homogenization of labor internationally which poses a range of political problems by moving the production facilities from area to area. The motivation to divert and undermine politically dangerous developments by cutting out their economic underpinnings. The necessity to avoid certain extreme forms of competition and inhibit economic nationalism. The need for a united front against economically destabilizing possibilities of ~~xxxxxxxxx~~ national liberation and socialism.

The efforts to obtain supernational coordination, notably trilateralism, on a political level are remarkable for their limitations and failures. There has not even been the ability to develop the minimum of unity in terms of attitude towards the Soviet Union, etc. The more elaborate schemes; e.g., the conception of role and hegemony elaborated in the Crisis of Democracy, are not even close to being implemented. But there is not doubt that the process of economic amalgamation is far advanced. Consider the widespread coverage of the absurdity, for example, of Reagan's attempt to enforce the sanctions around the Soviet pipeline issue

The erosion of US hegemony in the world capitalist system is not a simple case of the impact of capitalist competition such as led to the exlipse of Great Britain after WWII. U.S. capital is not in eclipse, it is the decisive component of international capital and what is happening is more accurately a process of moving beyond the political terrain of the US state by a ruling class whose economic interests must be organized on a larger basis. Specifically, the political consensus within the US and the unequal division of the world's resources and consumption that underlay it is no longer such a priority. Particularly as the economic momentum engendered by the opening up of large consumer markets grows increasingly feeble.

This process, however, does not leave the US state as a hollow and ineffectual shell. On the contrary, the state both resists and deflects it into different channels. It cannot be simply captured by transnational capital. A struggle is required in which the influence of the dominant sector of capital will be diffused from the top downwards, meeting a variety of resistance at every step. The objective base for this is that from the point of view of the transnational corporations, a rational international division of labor, that is one which is consistent with their profit maximization and their political stability is very unlikely to be compatible with the hierarchies of national privilege, both economic and other, rooted in an earlier stage of imperialism. This is not to say that there will be some kind of a leveling process, or that new hierarchies will not develop, but that the essence will be change, chaotic and disruptive, in particular, in societies like this one which have been so exceptional in the past. There are some real potentials for conflict here. It still remains true that nations have armies. The factor of military power has a certain independence and determining efficacy with respect to the military. This is particularly true since the military is also economic in the sense of a branch of production, and military production is an economic area which counters the movement to supernationalism. The sectors of capital that are losing out in the increasing integration of the world system fight back, often using forms of economic nationalism. They attempt to determine state policies and they are much better able to mobilize the sectors of the working class that are being disrupted in the crisis, but thar have no anti-capitalist conception on what is happening.

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on capitalist states, and it is a tricky process for it to get capitalist states to carry out its policies when they might involve substantial political and economic sacrifices for significant forces in those states.

There is a ~~quite~~ clear relationship ^{to the} potential for a resolution of the crisis along social democratic lines in this country. U.S. hegemony provided the material basis on which a social democratic consensus could have been developed. In its absence, the economic and political flexibility to ~~integrate working class~~ incorporate working class pressure is insufficient and the incentive to function through such policies is greatly diminished

Finally, this has been only the most rudimentary treatment at the level of relations between political and economic structures and requirements. It is clear that the loss of U.S. hegemony and the potential for reactionary mass movements to develop with the project of resisting and reversing this decline is also extremely important. While the "loss" of the Panama Canal hardly approximates the "betrayal" at Versailles, or even the 'loss' of China, such issues - and most specifically the issues of the ~~purpos~~ wars that we ^{lost} but ^{that} purportedly could have won are major mobilizing points for an insurgent popular right wing movement.

This issue is closely related to that of the strong state/political democracy. I argued earlier that the most probable response to the crisis on the part of the ruling class, and the only one with much potential was the strong state conservative option. The types of economic restructuring that are required, and the force needed to deal with resistance to this dictate a strong authoritarian state structure (s). However, the major instance of political structure is that of the nation. The transnational ruling class which needs to force a parttern of changes also needs state institutions to accomplish the job. These are nota really compativle in this country with the processes involved in reoritnting the world economy away from its exaggerated U.S. centrism.

Rule of force means an increasingly narrow range for parliamentary action, and growing use of sohplisticated police technooogy - counter-insurgency etc.. This makes all of the centrifugal forces in the U.S.I hegemony thing particularly popstent.

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The essential point is that the entire capitalist project requires a forcible restructuring - ~~an~~ ^{the} process that can only be made to appear as motivated by considerations of the general good, even in the most privileged areas of the world system, with the ~~greatest~~ ^{greatest} difficulty. However, it is a restructuring that can go in so many divergent ways, ~~that an unlimited potential for conflict and contradiction among different capitalist fractions remains.~~ This sets up two dynamics. First, the inter-capitalist competition, a competition for actual possession of state power to implement one variant of a perspective or another, will be very fierce and the tendency for it to undermine any real steps towards the development of transnational institutions and a systemic approach to restructuring is obvious. Indeed ~~I cannot see how the tendency could fail to triumph,~~ if this contradiction were the only one. It is not, however, there is also the range of conflicts which are essential between classes and oppressed and oppressing nations. The restructuring will not only be the consequence of an inter-capitalist struggle in which the survival of entire nationally based blocs of capital will be at issue, it will also be the consequence of class struggle. It will have to be imposed on the working class, and the process of resistance will certainly decisively influence the actual development.

There is little place for parliamentary democratic structures here. The first condition for their functionality for capital, the ability to mask the actual reality of class rule, will be hard to maintain as it becomes necessary for the rule to become increasingly active. The mechanisms which ~~maintained~~ ^{maintain} the possibility of the appropriation of surplus value to be hidden behind the appearance of an exchange of equivalents, the law of value, have lost their capacity to function autonomously - separate from a structure of command. The second condition for their functionality, the essential non-participation of the masses of people in the formally democratic structure - its restriction to an elite who share fundamental agreement about the what is right and proper and compete for office within this framework - will also erode. The shared agreement is increasingly narrow - and moments of real participation would be increasingly disruptive. In short, the classical Marxist position that parliamentary democracy is the ideal form of capitalist rule will retain an ideal significance but will not be practicable.

The increasing reliance on command backed by ^{the} legitimate violence of the capitalist state will be met with a greater emphasis on violent and illegal struggle both by the sector of capital whose interests are not being met by the established plan of restructuring and by mass popular movement, with ~~with~~ a socialist or a fascist orientation.

The movement towards strong state regimes will certainly not be gradual and uniform. I recognize that there are many political regimes that want to be "strong", Reagan, Thatcher, but are doing little more than flounder around and will quite likely be succeeded by governments that are nominally to their left. However, there is ample historical precedent for the transformation of liberal - even socialist tendencies into much more effectively authoritarian regimes than those developed by classical traditional conservatives - Italian and German fascism. (God knows how the Soviet Union should fit in here, but I can't conceive of any way that would reassure me.) Remember, too, for example, that in this country the Democrats are the 'war party'. The actual transformation from an increasingly hollow parliamentarism to a regime based on ~~more overt use~~ ^{more overt use} of power will certainly be easier to effectuate at a moment of actual or near-war.

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Work process and the basis for nationalism. I am imposing a definite limit on these topics by linking them together, but I do believe that in very important ways they are linked. ~~That is~~, I am projecting the emergence of a type of progressive nationalism that is distinctively based in current capitalist reality, not pre-capitalist reality or some earlier and ~~potentially~~ transitory phase. A major characteristic of this reality is the impact of new developments in technology on the work process in the capitalist center and the consequent marginalization of whole sections of the working class - their definition as 'non-productive' because they are a part of a social entity that has become 'too productive' for ~~the~~ capitalist structure.

Let me begin with some assumptions. The new technology is not only inherently labor saving, it also tends to change the relationship of the worker to production to a less active and less ~~socialized~~ clearly social - collective and interdependent - one. Traditionally, Marxists have seen the socialisation of the labor process - factory consciousness - as an extremely important component in the development of revolutionary class consciousness. It is the arena in which the contradiction between producer and wage workers, between use value and exchange value, between concrete and abstract labor is manifested and can be understood, not only as an inevitable reality, but as restrictions that can be transcended. The new conditions of production will change the way in ~~which~~ which this process occurs.

The labor saving aspect is permanent. This is not a cyclical phenomenon, there will not be an upturn, except by way of local exceptions, that decisively reincorporates the marginalized sectors. All of the ~~de~~ discussion about job training and re-education are simply fraudulent. In moments of candor capitalist spokesmen admit that all of the retraining, pathetically limited as it is, is actually focused on jobs and skills ~~the~~ ~~xxxxxxx~~ programming etc. that will be eliminated themselves in the near future. The much more important process is the systematic curtailment of any real opportunity for education, as contrasted with job training, that might actually make it possible for displaced workers to ~~fix~~ utilize ~~xxxxxxx~~ and benefit from the advances in social productivity.

The logic of the class struggle also intervenes. Profit maximization requires a flexibility that, in turn, requires the destruction of large concentrations of organized workers who have developed the ability to inhibit and restrict the introduction of new technology and some measure of power in the work process. Thus there is a political incentive, as well as an economic imperative, behind the transformation of large scale socialized factory production. And the connection between the two should not be overlooked. The new technologies, as has been mentioned above, make certain attitudes towards class struggle by the ruling class feasible when before they were not. For example, developments in communication and transportation facilities make it possible to move productive facilities relatively cheaply. - The development of tax sheltered, labor union restricted, free trade zones add incentives to move, to fully capitalize on the gross international differentials in wages per unit of output ~~which are~~ maintained by the restrictions on labor mobility throughout the world system.

At the same time there will both ~~be resistance to~~ ^{be struggle against} this restructuration, and there ~~will be~~ the development of new forms of ~~struggle~~ in response to it. I want to deal very briefly with both. In the first place, we ~~must recognize that~~ the resistance has been a holding action, notable chiefly for its narrowness and lack of success. The union structure overwhelmingly tends to substitute the management of the costs of restructuration for an attempt to either eliminate them or place them on capital. The frustrations that are inevitable with this craven approach are then ~~translated into~~ an increased hostility to other workers - 'foreign competition. Other workers is also easily translated into marginalized, or even unemployed, workers in this country - where is the Mexican border, after all. This process is equally evident in Europe with the guest workers, as in this country.

It would be very shortsighted, I think, to base a left perspective in this country on the sort of factory perspective which is quite traditional. The factory is changing and so are the workers in it. The arena is still extremely important as a locus of struggle, but every attempt must be made to broaden the form and content of the struggle - to include more general social issues, to make linkages with other constituencies, to use forms of struggle that break out of the factory. More specifically, there must be a more concerted attempt to directly challenge the main content of capitalist policy in this area - that is, to kill the area. It is literally disastrous that the major restructuring which is evident in such industrial centers as Detroit, Youngstown, and Buffalo, is proceeding with only the most feeble and belated resistance.

There is no justification for any approach that allows questions of unity and equality to be finessed. No major gains, not even any notable ~~xx~~ evasions of defeats will occur without the unification of forces beyond those immediately concerned, and this will not happen, if the gross inequality between those who work and those who don't and probably never will isn't confronted. ~~There is~~ The seriousness of the attack on the class poses possibilities for such an approach to unity that was not there in more stable times. Large blocs of workers, particularly white workers, for whom U.S. capitalism has meant at least a reasonable hope of progress, ~~things will be better for my children, if not me,~~ and an institutional voice to articulate and mediate their grievances, are facing cataclysmic changes in their living and working situation. The pervasive culture of common interests which induced them to define their position as white Americans, not workers, is in disarray. Of course, this is not true universally, but where it is the case, new possibilities for struggle and rather unexpected mass vanguards of struggle can emerge.

On the other hand, this potential is far from being unequivocally 'ours'. It is also available to the fascists. I'm sure that the specific attractions of fascism are quite evident and don't require any restatement. All of the pressures on the state structure to impose austerity etc., will allow fascism to assume a popular 'pro-white working class' appearance, and the grievances of other classes and strata consequent to the loss of U.S. hegemony will add to the mobilizing potential.

I hate to make statements of obvious general validity but dubious applicability. However, it cannot be stated too frequently that the actual circumstances make it essential that a left alternative be an explicitly internationalist and anti-capitalist one. A successful competition ~~xxx~~ with ~~xx~~ a popular fascist movement is not possible on any other basis. Real restrictions of capitalist power require it.

The most important terrain for developing a response to the crisis that has a real revolutionary potential concerns the Black question which, recognizing the problems involved, I am using in this paper as representative of all of the 'internal national questions' in the U.S. The contradiction which has underlain the Black struggle is between accelerating proletarianization - integration into the capitalist economic structure - and the maintenance of thorough-going economic, political and social inequality through racially specific oppression. This contradiction provides a framework for understanding very different tendencies in the Black movement, and different attitudes toward the question on the left.

more

One central feature of that contradiction, the increasing proletarianization in the sense that proletarianization involves a relatively stable wage labor relationship in a socialized process of production, is being reversed, not temporarily as a response to some conditions of the moment, but permanently as a consequence of basic tendencies in contemporary capitalism. This process, I believe, must lead to a resurgence of nationalism as a motivating force among Black people, and any left perspective must have a clear understanding of how to develop anti-capitalist unity in these conditions.

I have no doubt about the significance of the struggle for working class unity. However, I think that there is very little possibility that this unity can be developed in a linear and quantitative way based on an initial identification as workers. Instead, I think that forms of unity, internationalist unity, that have different impulses than common class oppression within the borders of this country, will be necessary first steps...possibly second and third steps, as well. I'm of the opinion that 'in order to unite, first we must separate'. Major separations lie in front of us. The process of unification will be complicated and before it assumes the mass shape of working class unity in the U.S., its political content will involve a challenge to the United States as 'one nation' as well as a challenge to capitalist state power in this country.

Before the 'multinational working class' becomes the framework for the struggle of Black people in the U.S. - Black workers specifically, there must be a mass sense that this class is a real entity - that the commonality of Black workers and white workers overshadows their differences as Black people and White people. This sense must exist among white workers as well as Black. Here, indeed, is where its absence is most notable. I don't deny that this shared experience and perception already exists to some extent. However, it is only a part of the reality, a regrettably small part. Certainly, it is not general among whites. While there is a lot of room for argument over these estimates, ~~my~~ the more important issue is the direction of change - the impact of current trends. As I understand them, their impact is overwhelmingly against the development of the shared experience of struggle which is the basis for a sense of a common class destiny.

The first issue is marginalization. It is a fact that the percentage of the Black population with a stable relationship to the central economy is declining and important groupings - e.g., Black youth have almost no prospects of developing such a relationship. The concentration of unemployment in the Black community has a general demobilizing and demoralizing impact through the promotion of internal violence. Since this stuff is promoted by capitalism as a matter of counter insurgency policy, it is not likely that it will diminish in significance. The capitalist policy of breaking up large worker concentrations is clearly racially defined. Its focus is on urban areas with large concentrations of Black workers, the least 'adaptable' and docile workers. This policy both adds to the marginalized sector and further reduces the possibility that any recovery, however limited, might benefit Black workers in a proportional manner.

The second issue is the attack on the social wage. the connection with the previous point is evident. The paraphernalia which capital developed to respond to previous crisis, (as has been said earlier) is itself in crisis. The social debris from its continued ~~functioning~~ bureaucratic functioning weighs increasingly heavily on the rate of profit and the so-called 'productive' sector.

This weight, the inflation, increased tax load, high interest rates, rests on the sector of the working class that is still employed. Their grievances make it politically expedient to cut the social programs whose primary beneficiaries are the furthest removed from the 'productive' sector - however miserably inadequate those programs are. There is a clearly genocidal potential in some of this that is made particularly frightening given the emergence of explicitly genocidal fascist groupings. In any case this pattern of economic and political interests and motives will not be reversed in the foreseeable future. The differential impact on Black people is evident, and it is equally evident that they will ~~indeed~~ lead to patterns of struggle which do not provide a straightforward and immediate basis for multinational class unity. Certainly they do not contain anything similar to the unifying impetus provided by joint participation in a process of social production. To the contrary, movements originating in these conditions will be activated by different concerns and demands and will have a different model of the enemy - the police and the government, more than the 'boss' or the capitalists.

Black power, Black nationalism is the appropriate and probable ~~response~~ mass response to these circumstances, and white workers will have problems with Black power. The anti-capitalism of Black Power nationalism will be based ~~both~~ on the involvement of Black workers in it, and more specifically ~~on~~ the inability and unwillingness of the ruling class and the state to adopt a policy of concessions towards it. It will go nowhere without such an orientation. The anti-capitalism required of the Black nationalist movement as well as of the working class movement is, then, the only basis of any strategic unity.

The difficulties must not be underestimated. While there is a sector of Black workers that may engage in joint struggles with white workers, this sector is often divided from the rest of the Black community by the fact of its economic position. The division between 'productive' and 'non-productive', energetically promoted by capitalist propagandists, exist in the Black community as well as between it and the white population. It is unlikely that workers will appear as the natural ally in the struggles that will be most relevant in the Black community. They might look more like the enemy.

There is another factor. White supremacy has been a decisive element in capitalist political hegemony, but white supremacy cannot maintain its social control function over white workers, if the character of the race line is transformed from that of a ~~distinction~~ form of competition of the workers to that of a distinction between those who sell their labor power and those who are outside of the labor process. As white privilege becomes the 'privilege' of being exploited, and the competition of Black labor is not so real, this potential competition will not function so well as a ~~way~~ of moderating and directing class struggle. This is a long way from predicting the gradual elimination of racism and white supremacy. In fact they are likely to be exacerbated by these developments. First, there will continue to be competition ~~of~~ labor of color, but increasingly outside of the current national borders. Second, the changed relationship will provide a lot of support for fascist organizing perspectives focusing on attacks on the 'parasitical' and 'non-productive' corrupters of the white race.

On the other hand, the circumstances facing the Black struggle have a positive significance in a number of areas. They allow for precious little in the way of illusions about reformist approaches. Demands for more will be met with less of everything except for police. The Black movement will be forced to deal with the internal conditions in its own communities with no illusions of help or even a positive interest from the state.

This can be important in beginning to make the actual possibility of popular self government apparent and developing an initial experience in it and some of the institutional framework of it.

The ~~relationship~~ relationship ~~in~~ between the Black community and the police, not to mention the law that they enforce, will bring out the importance of violence and illegality ~~to~~ the movement. Legalistic and pacific illusions will be increasingly costly as the state and ruling class rely more explicitly on force and develop more sophisticated repressive institutions and policies. This leads to a more general point. Since there is very little basis for substantial concessions to ameliorate the consequences of marginalization and the cutback of social programs, the Black movement will get very little from placing demands on the federal state structure. It will be compelled, instead, to emphasize an attack on the federal state structure, challenging it, and attempting to limit its power, rather than to influence its policies. I would argue that one of the reasons why the level of Black struggle up to the present has been so low is just the widespread appreciation of how the forces stack up - how little will be won through pressure and how severe the response to those who would attempt to break with the system. I cannot over-emphasize the importance of any such break with the traditional liberal-radical reform approach. Destructuring and destabilizing the state, undermining the tradition of respecting its law, raising the costs of its imposing sanctions against lawbreakers. These are essential elements of a political strategy in a period when state command is going to become increasingly important.

I did mean to write quite a bit more but, as usual, time intervened.

1/15/83