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# The American Crisis

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1980

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readily and receptively as neighbors and citizens than as wage earners in factories — a situation that brings many issues regarding the American working class into serious question. Were Anarchist groups in the United States — resting on their 19<sup>th</sup> century traditions, their lightly held anti-statism, and their economism — to ignore the historic conflict between social localities called towns, neighborhoods, and cities on the one side and the state on the other, they will have earned their black flags — not as banners of protest, but as shrouds. The demarcation between anarchism and statism must always be clear but so, too, must the demarcation between society and the state or else we will never know the terrain on which the battle is to be fought. In the historic crisis that confronts us, which public life itself threatens to fade away, the recreation of the public sphere — humanly scaled, directly democratic, and composed of active citizens — is perhaps the most pressing responsibility of our time. For without that public sphere, a sphere that must have civic tangibility and substance if it is to exist as more than a metaphor — the very conditions and substance for protest will have disappeared.

tation of deputies chosen by the assembly, to draw clear distinctions between policy formulation and administrative coordination, challenge civic bureaucratism in every form, to educate the community in collectivism and mutual aid, finally, to foster confederal relations between assemblies within a municipality and between municipalities in open defiance of the national state — this program constitutes an Anarchist “politics” that, by its very logic, yields the negation of politics. For Anarchists to stand for election — yes, let us use the word openly — with a view toward rewriting the civic charters of American cities and towns along the lines of this program — is no different in principle than for Anarchists to stand for election in workshops and labor organizations with a view toward creating anarcho-syndicalist unions. The difference in views is not over whether Anarchists are standing for “election” or whether they are engaged in politics. The real difference is whether the terrain of their “electioneering”, and their “politics” is in a state sphere or a social sphere. The traditional syndicalist argument that it is perfectly valid for libertarians to stand for elections in workshops and unions is built on the very dubious presupposition that these sphere stand outside the state apparatus and remain within a revolutionary arena. They assume in the face of increasingly questionable realities that workshop and union, as class organizations, are neither state nor bourgeois institutions. To close discourse on these issues by viewing civic activities as a capitulation to bourgeois politics is to ignore very compelling realities about the civic sphere itself — or to use more traditional anarchistic terms, the communitarian sphere itself. As a result, externalities such as “elections,” “deputies,” and “coordination” are removed from the context in which they acquire meaning and content. They become free-floating autonomous terms that determine policy without the flesh of reality and insight.

This much is clear: the factories in the United States are virtually quiescent while the cities, particularly the ghettos and neighborhoods are not. Today, American workers can be reached more

## Part I

To conceal real crises by creating specious ones is an old political trick, but the past year has seen it triumph with an almost classic example of text-book success.

The so-called “Iranian Crisis” and Russia’s heavy-handed invasion of its Afghan satellite have completely deflected public attention from the deeper waters of American domestic and foreign policy. One would have to be blind not to see that the seizure of the American embassy in Teheran by a ragtail group of Maoist students spared both Khomeini and Carter a sharp decline in domestic popularity. The students, whoever they may be, functioned like a *deus ex machina* in promoting the political interests of the Iranian Ayatollah and the American President — the former, from a civil war that was brewing among Iran’s middle classes, women, and ethnic and religious minorities; the latter, from the lures of Camelot and the Kennedy dynasty. By the same token, Russia’s ugly invasion of Afghanistan, a country that remains distinctly within the Soviet orbit, assumed a crisis-like character that by far exceeded her savage invasion of Hungary in 1956 and Czechoslovakia in 1969, invasions that evoked virtually no serious response from Washington. That Russia’s attempt to catch up her tyranny over the Afghans should have aroused fears of military confrontation between the “superpowers,” not to speak of nuclear war, is evidence more of the media’s capacity to manipulate American public opinion than to inform it of the simplest rudiments of foreign policy.

There is no danger of a war with Iran — and, in all probability, there never was one. Warlike rhetoric, an economic blockade, a military show of strength — yes; but outright war remains unlikely, to

say the least. Neither Khomeini nor Carter could have maintained their commanding positions without each other's support in creating "crises" that demanded "national unity" and the muting of criticism. In both cases, more deep-seated crises were concealed by surface storms that degraded the entire level of social and economic conflict. Nor was there any danger of nuclear war between Russia and the United States over the Afghan invasion. Here, too, crude satire-rattling by Carter made it possible for a cynical president to shrewdly alter the entire level of political discourse in an election year. Even the "new nationalism" or jingoism generated by the White House with the media's complete complicity served as a substitute for a real ideology — for a political ethics, if you will — around which to focus American political consciousness. To wave the flag, to join in spectacularized "prayers" for the hostages, to replace moral decency by a martial bellowing of "patriotism" while damning Iranians on billboards and pissoirs, or even more disgustingly, by selectively arresting, taunting, and browbeating them — all of this may have even served as a welcome outlet for the Neanderthal sectors of the public that live in helpless desperation over their ability to reconcile the American ideology of public virtue with the reality of brothel-like practice at home and abroad.

This is not to say that there are no real crises that confront Americans at home and abroad. Indeed, we are faced with a historic turning point in our morality, institutions, economy, and freedoms comparable in scale to the crises opened by the Civil War. But our crises do not center on Iranian oil, the hostages, or the Russian "drive" to warm-water ports. Nor are we faced with a crisis of scarcity in energy resources and raw materials, of unbalanced budgets, or an unaffordably "affluent" lifestyle. All myths of this kind notwithstanding to the contrary, we are neither short of oil nor of raw materials, nor have high governmental expenditures, high levels of consumption or imbalances in international payments produced the present galloping inflation. Considerable evidence can be adduced to show that there is a glut of petroleum and many strate-

ings of Kropotkin. Tragically, Anarchist theorists of the past have been too acutely sensitive to the political trappings of contemporary municipalities to give full attention to the social anatomy of the municipality that lies beneath its state-like veneer.

Historically, the municipality itself has been a battleground between society and the state; indeed, it historically antedates the state and has been in perpetual conflict with it. It has been a battleground because the state, until comparatively recently, has never fully claimed the municipality owing to its rich social life — the family, guilds, the Ecclesia, neighborhoods, local societies, the sections, and town meetings. These richly nucleated structures, despite their own internal divisions, have been strikingly impervious to political institutionalization. Ironically, the tension between society and state on the municipal level never became the serious issue it is today because the internal forces of the town and neighborhood still possessed the material, cultural, and spiritual means to resist the invasive tendencies of political forces. Municipal life — richly textured by family networks, local loyalties, professional organizations' popular societies, and even cafes — provided a human refuge from the homogenizing, bureaucratic forces of the state apparatus. Today, the state, particularly in the form of the market economy, threatens to destroy this refuge, and municipalism has become the most significant terrain for the struggle against the state on nonpolitical grounds. The very concept of citizenship, not merely of civic autonomy, is at stake in this conflict.

It is crucial at this time for any Anarchist movement that seeks to be socially relevant to the unique nature of the American Crisis to recognize the meaning and significance of the civic terrain — to explore, develop, and help reconstitute its social bedrock. Urban politics is not foredoomed to become state politics. For an Anarchist to become a Minister of Health or a Minister of Justice in a republican government is unpardonable. But for an Anarchist to help organize a neighborhood assembly, to advance its consciousness along libertarian lines, to raise demands for the recall and ro-

for direct social relations, face-to-face democracy, and the personal intervention of the individual, the neighborhood or commune and cooperative in the formation of a new public sphere. Rescued from its own political institutions such as the mayoralty structure, the civic bureaucracy, and its own organized monopoly of violence, it still preserves the historic materials for a reconstruction (and ultimately, a transcendence) of the polls, the free medieval commune, the New England town meeting system, the Parisian sections, the decentralized cantonal structure, and the Paris Commune.

To be sure, in itself the municipality is as helpless as a social force as a commune and a cooperative. Furthermore, insofar as it preserves the political institutions of the state, it remains not merely a social ineffectual entity but a state in miniature. But insofar as municipalities confederate to form a new social network, insofar as they interpret local control to mean free popular assemblies, insofar as self-reliance means the collectivization of resources, and finally insofar as their administrative coordination of common concerns occurs through deputies — not “representatives” — who are openly chosen and mandated by their assemblies, subject to rotation, recall, and their activities severely restricted to the administration of policies that are always decided by popular assemblies they cease to be political or state institutions in any sense of the term. A confederation of such municipalities — a Commune of communes — is the only broadly based Anarchist social movement that is en-visionable today, one from which to launch a truly popular movement that will yield the abolition of the state. It is the one movement that can speak to the increasing demands by all dominated sectors of society for empowerment and alone pragmatically restates the reconstruction of a libertarian communist society in the visceral terms of our present-day social problematic — the recovery of an empowered selfhood, an authentic public sphere, and an active, participatory concept of citizenship. Anarchism has raised the vision of the confederation of municipalities for generations, partly in the writings of Proudhon and most notably in the writ-

tic raw materials; that government and public spending provide no serious explanation for inflation; that the international balance of payments is not a significant factor in the present inflationary runaway.

On this score, many environmentalists and the political careerists who exploit environmental issues for their own ends have done us no service in beating the drums of “scarcity” That fossil fuels and certain “natural resources” will eventually dwindle to unconscionably low levels goes without saying, but these problems — and they can be rapidly resolved — are not upon us today. Resource depletion provides environmentalists with no excuse for joining the corporate and bureaucratic wolf pack that is beleaguering the American people and their remaining democratic institutions.

The real American crisis lies elsewhere today and for the remainder of the century. It lies in a fundamental tension between democratic rights and institutions that were formulated in a pre-industrial, fairly libertarian agrarian society and a multi-national corporate economy that is paving the way for a highly authoritarian industrial society. It lies in a fundamental tension between an idiosyncratic, highly individuated philosophy of a self-reliant way of life and the need to create a well-controlled, easily manipulated massified population. It lies in a fundamental tension between an ideal of self-sufficiency, based on a virtually autarchical commitment to national and regional decentralization and an interdependent, highly specialized, global economy and labor force. It lies in a fundamental tension between a sizable middle-class that tends to be socially and politically independent and the need for a well-disciplined working class that can be technically and logistically placed in the service of a corporate factory structure. It lies in the fundamental tension between a traditional, fairly labor-intensive industrial machine and a highly automated, scientifically orchestrated technology.

In short, the real American crisis lies in the fundamental tensions between two American dreams: the first, rooted in a more or less preindustrial, premarket body of social relations, technics, and values; the second, rooted in a highly industrial, monopolistic, corporate body of social relations, technics, and values. Carter, the bouquet of various Rockefeller commissions, the heavily veiled business councils, and the political bureaucracies of the United States are grappling not with the Ayatollah, the Russians, or the remaining bones of the American “Left”; they are grappling with the American past as it exists in those vast numbers of people who live by its quasi-libertarian values, ideologies, and institutions. The tension between these two versions of the “American Dream” cannot be permitted by the ruling elite of the United States to pass into the next century without either tearing down the existing corporate structure or producing one of the most authoritarian societies in human history.

## The Elusive Chasm

The nineteenth century did not come to an end in 1900. Nor did it come to an end in 1914, with the outbreak of the first World War, as cultural historians would have it. History does not conveniently begin or end its epochs according to wall calendars and cultural cross-currents. If one looks for the real but elusive chasm that separates our time from its historic past (say, retrospectively, with the keen eye of a Karl Polanyi), the truth is that the nineteenth century with its liberal credo of “free enterprise” and “minimal government” came to an end in the late 1940’s and early 1950’s. It is not merely liberal ideologies that came to their end but an entire way of life: neighborhood forms of urban society, a well-layered retail middle class, the extended family, a high degree of regional self-sufficiency, the labor-intensive factory system, and, finally, the radical (presumably, “revolutionary”) workers’ movement, mobilized in combative

Resistance and the recolonization of society must flow from the logic of a broad-based conflict between society and the centralized state, not from soloist endeavors that are boxed into isolated communal and personal efforts. Every revolution has been precisely that: a conflict between society and the state. And just as the centralized state today means the national state, so society today increasingly comes to mean the local community — the township, the neighborhood, and the municipality. The demand for “local control” has ceased to mean parochialism and insularity, with the narrowness of vision that aroused Marx’s fears. In the force field generated by an increasingly centralized and corporatized economy, the cry for a recovery of community, autonomy, relative self-sufficiency, self reliance, and direct democracy has become the last residue of social resistance to increasing state authority. The overwhelming emphasis the media has given to local autonomy, to a militant municipalism, as refuges for middle-class parochialism — often with racist and economically exclusionary restrictions — conceals the latent radical thrust that can give a new vitality to the towns, neighborhoods, and cities against the national state. Whether we choose terms like “socialism” or “anarchism” to set in contrast with seemingly parochial terms like “municipalism,” it would be well to remember that even “socialism” and “anarchism” have their negative side if we emphasize the authoritarian aspects of the former and the chronic failure of the latter to consolidate itself organizationally in most countries of the world. Truth ultimately remains a very thin line that can easily meander from its course. In this respect, no rules, dogmas, and traditions are substitutes for consciousness .

By the same token, the municipality may easily become the point of departure for a broad-based, directly democratic, truly popular, and humanly scaled constellation of social institutions that by their very logic, stand in sharp opposition to increasingly all pervasive political institutions. This much is clear: the potential for a libertarian radicalism is inherent in the municipality. It forms the bedrock



must be carried through to its most radical ends or it will be thrown into sharp conflict with itself and its original goals.

What is the authentic locus of this project? Certainly, it is not the present day workplace — the factory and office — which itself has to be reconstituted fundamentally from a hierarchical, technologically obsolete arena for mobilizing labor into a creative world that blends richly with the public sphere and transcends the mere conflict of economic interests. In so far as syndicalism and council communism still perpetuate the myth of the workplace as a revolutionary sphere, they become a crude form of Marxism without its overt authoritarian characteristics. Nor can the locus for this project be the isolated commune and cooperative, despite their invaluable features as the gymnasias for learning the arts and resolving the problems of direct action, self-management, and social interaction. No food cooperative will ever replace great food chains such as Shoprite and no organic farm will replace agribusiness without fundamental changes in society at large. As nuclei in an all-pervasive market society, they can scarcely be expected to significantly counter a massive politicized economy based on stupendous material resources and ultimately physical coercion. They may be foci of resistance, indispensable in dealing with the new challenges that confront a revolutionary opposition today. But the Proudhonian notion that they are the material wellsprings of a new society, one that will gradually replace the old, is utterly mythic — worse, obscurantist. Hence, the subtle viciousness of the Stanford Research Institute's image of a dual society — one, small and self-indulgent, that will live by the canons of "voluntary simplicity," the other, massive and probably overwhelming in numbers, that will live by the needs engendered by mass production and a mass society. Ultimately, this image serves to deflect any conflict but a personal one with the problem of confronting a massifying media that crushes the very spirit of resistance by the great majority of society.

socialist and syndicalist federations, in militant trade unions, and supported by a uniquely class culture that was continually fertilized by its contact with a still-viable rural, indeed, agrarian life. Say what one will about the increasing centralization and rationalization of industry, of growing "trusts" and "joint-stock" companies, of Roosevelt's efforts at state intervention in the economy, of the waning tradition of the small farm, of "five-and-dime" or department stores, of increasingly nuclear families, of radio, telephones, and movies, of the League of Nations and economic imperialism, of assembly lines and the CIO, of strikes, labor parties, Sacco and Vanzetti, of Hitler and Stalin, the fact remains that vast areas of social life were still largely premarket, preindustrial, and precapitalist in character. However much these areas were invaded by capitalist relations, whether individually or severally over the generations prior to the fifties, they were not fully absorbed by them. All the liberal and social creeds aside, the neighborhood or farm, the retail shop or small industrial enterprise, the family or region, or, for that matter, the workers' movement itself still retained a core that gave them a vital continuity with a centuries-old way of life. The great demonstrations of American workers in the 1930's with their placards inscribed with slogans like "Work — Not War!" or "Bread — Not Guns!" would have been thoroughly comprehensible to the Parisian workers who raised red flags on the barricades of June, 1843. Spain of 1936 was cut from the same historical fabric as the Paris Commune of 1871. With the end of the Spanish Revolution, the era of workers' revolutions also came to an end. World War II ushered in not only a nuclear age, cybernetics, spacecraft, and television; it ushered in a Euro-American world fundamentally different from any which had existed in the past — a world that has been changing our very perception of ourselves as well as society.

The significant factor in this change has been the total colonization of every aspect of life by the market. A great deal of confusion has been produced by arguments over whether the "true" market is "free" or "controlled," a confusion generated by the "libertarian"

tendency in capitalism and the socialist, both of which form ideological expressions of different phases of the market's historical development (see my "Marxism as Bourgeois Sociology," *Telos*, No. 43 for a critique of the ideology of controlled or state capitalism). However we may conceive of its origin and development, the market has expanded to a point today where every individual is reduced to a buyer and seller, be it of goods, sex, culture, love, "concern," personality, or ideologies. The appalling degeneration of certain "founders" of the anti-nuclear alliances, not to speak of the environmental movement, attests to the extent to which "protest" has itself become a mere ware in the marketplace of "ideas." The marketplace permeates areas of life that have never been strictly economic, except, perhaps, in a technical sense like the sexual division of labor in the family. Not merely has every aspect of life become "commodified," to use the dubious terminology of Marxism; perhaps, more significantly, it has become de-socialized, more strictly bureaucratic, and in this sense more "politicalized" in the modern sense of the term as distinguished from the Hellenic.

What I am saying is, as Buber so perceptively emphasized a generation ago, that the "cell-tissue Society," with its richly articulated non-statist forms such as family, neighborhood, associative forms of culture and profession, and local assemblies have been absorbed by political institutions, as described in the best of the Anarchist literature. People have not only become "commodified" or "reified"; individuality itself has dissolved into atomized forms, personality into egotism. The very fact that society disappears into "politics" yields an appalling passivity and powerlessness rather than activity and control. Not merely has the extended family dissolved into the nuclear family, but in ever greater degree the nuclear family has dissolved into the soloist who inhabits a highly commercialized, soulless "domestic" singles' world. Not only have the "brothers" and "sisters" of the medieval town degenerated into citizens of the modern city, but in ever-greater degree they have dissolved into the "tax payers" of the Standard Metropolitan Statistical Area.

libertarians — however well-meaning their notions may be — is ultimately a justification of the state as such. Within the context of the present crisis, any minimal state becomes a naive ideology for the only kind of state that is possible in a corporate, cybernetic society — a de facto maximum state. It is part of the very dialectic of the present situation that any state can no more be "minimal" than a hydrogen bomb can be turned into a instrument for peace. To discuss the "size" of a state — its dimensions, degree of control, and functions — reflects the same wisdom that is inherent in a discussion of the size of a weapon that can only lead to the extermination of society and the biosphere. To the degree that discussions around the state focus on its scope and authority, we remain at a level of discourse that is as rational as discussions on whether our nuclear arsenal will contain weapons that will destroy the world five, ten, or fifty times over. Once is enough — both for nuclear arsenals and the state.

If a decentralist opposition to the state, indeed, to the regimentation and militarization of American society, is to be meaningful, the term "decentralization" itself must acquire form, structure, substance, and coherence. Words like "human scale" and "holism" become a deadening cliché when they are not grasped in terms of their full revolutionary logic, that is, as the revolutionary reconstruction of all social relations and institutions; the creation of an entirely new economy based not merely on "workplace democracy" but on the esthetization of human productive powers, the abolition of hierarchy and domination in every sphere of personal and social life; the reintegration of social and natural communities in a common ecosystem. This project entails a total break with market society, domineering technologies, statism, and the patricentric, Promethean sensibilities toward humans and nature that have been absorbed into and heightened by bourgeois society. Every half-step in this direction is grossly untrue to the project and its essence. Inevitably, it yields a total betrayer, an ideological prop for centralization in the guise of "decentralization." Either the project

be charted by the individual and there is little enough individuality left to take the future in hand.

With the prospect of massive unemployment or criminalized employment and a growing declassé stratum, massive unrest and soaring criminality, brutality, and social unrest become unavoidable. Despite the rhetoric of New Deal reformism, the basis for a sweeping regimentation of the American people is being prepared by the state power. Draft registration and ultimately military conscription are merely the surface features of a far-reaching militarization and mobilization of all socially dominated sectors of the population. Various approximations of an internal passport system, legislation to restrict civil liberties, gun control, the perfection of electronic surveillance devices, “bills of rights” for the FBI and CIA, the expansion of professional and auxiliary police forces, the use of computers to essentially “register” and “correlate” data on the population — all taken together are a coherent constellation of social controls to implement the “new constitutionalism.” The most important single trend for effecting these measures is the growing centralization of the national state. At a time when so much is being written about the “decline,” “withering away,” and “break-down” of the state, the searing fact is that the fusing of separate powers into a single power threatens to produce a state apparatus so commanding in its power and so greatly reinforced by economic corporatism that it surpasses the most despotic state forms of history.

## **Toward a New Municipalism**

Given the growing centralization of the state and the hollowing out of all social forms, the problem of developing popular forms of social organization has become the historic responsibility of a relevant Anarchist movement. The myth of a “minimal state” advanced by neo-Marxists, by “New Age” decentralists, and by right-wing

These are now individuals who view the city not as an ethical community but as the arena for municipal services. One can follow this downward trajectory in education and educational norms, in culture, in industry, in religion, even in radical or protest movements. What is crucial to every aspect of this dissolution is the erosion of the internal powers of individual self-assertion, ultimately, of the individual’s control over her or his everyday life and social activity.

The role of the market in explaining this degenerative development became visible most clearly in the 1950’s, when bureaucratic relations began to replace personalized ones in the most intimate details of daily life, even in those areas of home, neighborhood, church, cultural activity, and club-life in which the individual took refuge from the demands of the social order and economy. The absorption of the small farm by agribusiness has its urban counterpart in the absorption of the small shopkeeper by the supermarket, finally, by the huge shopping mall. In her or his loss of the small family-owned enterprise, the individual lost the personal dimension of trade itself — a traditional face-to-face process still rooted in ancient relations of reciprocity. Just as the shop was replaced by impersonal, corporate retail chains, so the verbal negotiation of trade, its *logos* so to speak, was replaced by the “punch-out” line, a deadening computerized process that fixes use-values as pure exchange values. The tendency of trade to swell to the level of ruthless plunder and organized social piracy divested even exchange value of the element of need. Need, now intermingled with mere egoistic interest, has lost its integrity to a point where we often no longer know what we need nor can we clearly identify our interests beyond those of mere animal survival and security. We no longer “buy” things, in effect; we are “sold” them without the dialogue of the bargaining process or the interchange of information. Hence the “demos,” from which democratic concepts and institutions emerged, is faced with extinction. As Camus warned us, we are all becoming functionaries with the result that bureaucracy has

replaced family, neighborhood, and popularly based collective institutions as the sinews of what we euphemistically call “society.”

I have emphasized the decline of the traditional retail world because the retail outlet, be it family or corporately owned, directly faces the individual, the family, and the neighborhood or town. The factory was “zoned” out of this private world all the more to protect its privacy, more precisely, its sociality, from the ravages of rationalized production and industrial domination. It remains one the great idiocies of Marxism that the decline of such protective barriers was greeted as “progress” and a token of “proletarianization.” The emergence of chain stores, supermarkets, and shopping malls “zoned” the factory into private life — obviously, not as the domestic craft activity of the medieval town or as a producer of goods in any sense of the term, but as a distributor, scaled to immense, warehouse-like dimensions. The highway network that was constructed after World tier II did much more than divide neighborhoods and destroy urban greenbelts; it literally dissolved them by opening suburbs and perhaps more significantly, by changing the nature of trade. Like a vast lymph system, it absorbed communities into shopping malls and consequently into what we may reasonably call the retail factory, thus qualitatively altering our very image of “goods and services” The crowded routes that led to shopping malls in urban, suburban, and even rural areas form a new spiritual landscape; its historic metaphor is the dissolution of the gift into the bargain, of giving into competition, of quality into quantity. “Muzak” replaces music and the stupor of “buying” replaces the discriminating, rational choice of useful and lasting goods. The public intelligence that rarely soared to the level of “high culture” is even eroded on the level of “low culture.” Cunning is thereby divested of its own rationality in dealing with the ordinary details of everyday living so that television advertising with its infantile and gullible detergent users, its hen-pecked, idiotic husbands, its naive fathers, and its slinky, well-machined mannikans begin to reflect the human condition. Packaging serves to conceal the poverty of

oriented and eccentric to allow for the predictability and assurance that go with a highly rationalized economy. With Manning’s “permanent councils,” the administration of the state becomes councilar, ideologically and “objectively,” the product of “information,” “scientific management,” an expression of political or administrative Taylorism, and the clear voice of corporate authority. For a cybernetic economy, one must have a cybernetic politics. The administered economy spawns the administered state — a state which is neither republican nor immediately totalitarian but exquisitely “effective.”

Nevertheless, there are factors at work in American society that must eventually make “effectiveness” congruent with totalitarianism. The “reindustrialization” of the United States must yield vast unemployment in the long run. This high level of chronic unemployment may not even be clearly visible; its forms are largely “illegal” by present-day juridical standards. The forty-percent unemployment rate among black youth, a condition that threatens to become permanent, has produced a massive crime wave, widespread prostitution, drug-dealing, and theft. This crime wave is also rapidly growing among unemployed white youth, ironically at a higher rate in suburbs than in the inner city. The elderly are simply being warehoused for death in nursing homes and “retirement” communities. Within the cities, an enormous number of the aging and aged live in self-imposed domestic prisons, regulated by self-imposed curfews, and “protected” by a veritable armamentarium of window bars, door locks, and alert systems. Viewed from this perspective, “unemployment” has in fact become a form of employment — marginal, illegal, fearsome, and socially destabilizing. Apart from the skills obviously required for the existence of any society such as the health professions, maintenance professions, and the basic techniques that service the material and logistical needs of any community, an air of uncertainty surrounds most careers that people can hope to choose. In an era that celebrates futurism, no definable future can

ized rather than resolved within a framework of equity and reciprocity. A “new constitutionalism” has emerged that finds its most overt expression in the views of Bayard Manning of the Council on Foreign Relations. Gregg Guma in a recent article has summarized Manning’s views and their implications admirably. According to Guma, Manning, early in 1977, agreeing with the Trilateral Commission’s “diagnosis that America’s problems stem from an ‘an excess of democracy’ ... proposed that new permanent councils be established to handle both domestic and international affairs. They would become the entry point to Congress for executive proposals and would review each bill before it went to a floor vote. The new U.S. Council and its offspring in congress and executive branch would bring together key cabinet officials and the chairmen and ranking minority members of at least seven House and Senate committees. They would have a staff and would be able to short-circuit opposition to new proposals.” *Vermont Vanguard*, July 22, 1980.

The proposal marks a major transition from a republican to a technocratic ideology — corporative, bureaucratic, and ultimately totalitarian in nature. The “special interests” — working class, ethnic minorities, feminists, gays, environmentalists, the elderly and anti-nuclear people, not to speak of the massive middle classes — are dissolved into the new framework. Their own needs and interests are neutralized by a fictive “general interest” (the “new patriotism” generated by the so-called Iranian crisis is only the most recent case in point) that is literally institutionalized as corporate-controlled “councils,” the “soviets” of the bourgeoisie. A historic cementing of theoretically independent structures results in one effective structure — the bureaucratic technocracy. This development has been in the making since Roosevelt’s day, when the “Imperial Presidency” became fact under wartime conditions and has been reinforced by its caste of “special advisers” or “viziers” from Harry Hopkins in the thirties and forties to the Kissingers and Brezinskis of today. But the presidency itself has been too person-

goods just as fashion serves to conceal the poverty of personality. Both the consumer and commodity are wrapped up together on the “check-out” counter line.

Hence the public’s intuitive opposition to shopping malls, highways, MacDonald-like food emporia, and department stores has become more than an issue of esthetics, congestion, or repellent food; it has become an issue of social identity that involves the sanctity of personality and society, of human scale. and the right to spontaneous lifeways. Like the growing opposition to high-rise buildings which architecturally can pass for office buildings, hospitals, or prisons as well as homes, opposition is directly or indirectly concerned with the texture of social life — indeed, whether or not social life is to have any texture. Perhaps less visible, but no less important, are the grave injuries technical changes in industry have inflicted on society. Historically, we are now well past the traditional labor intensive factory, the old assembly line, even the national division of labor. The traditional industrial base of America is undergoing major disintegration and is sharply confronted by an almost futuristic restructuring of its technics, work force, and output of commodities. The impact of these changes may well represent the fulfillment of capitalism in its purest form and its technical “contribution” to history in its most negative terms. In this respect, it is not the supremacy of a “technical” or “instrumental” rationality that threatens reason, but the supremacy of a rationalized technics. What is in the balance is not merely technique and mind, but the substitution of a cybernetic technics for both.

According to a fascinating survey by the Pacifica News Service, “U.S. industry in the 1980s is headed for integration into a modular world economy based on small, flexible units. This new economy compares to older methods of organization the way the microprocessor compares to a crystal radio set.” Technically, a modular economy is an ensemble of mobile, standardized machine components, highly computerized and robotized, that involves a very limited and interchangeable labor force, generally clustered around

machine units which perform much of the routine industrial operations previously assigned to workers. By standardizing the components of complex products like motor vehicles to a point where the units, often partially assembled, can be sold to different corporations all over the world, the industrial module itself becomes a substitute for the traditional factory. The producing units, in this respect, become very similar to their products: not only is the product a module but so too are the cybernated units and work force that produced it. Technical interlinkage and product interlinkage yield corporate interlinkage and new industrial alliances, if not actual conglomerations. Accordingly, "Motorola and Toshiba build computerized engine modules for Ford; GM'S Delco division has turned to Texas Instruments for design aid as well as microcomputer devices, and Chrysler relies on RCA and Motorola for digital dashboards, engine computers, and control modules for exhaust emissions."

Interrelatedly domestically, these industries — auto may be taken merely as an illustration of similar examples elsewhere — have reached out to many areas of the world, most notably the cheap labor markets of the Third World. Indeed, the very structure of employment has changed. While the Japanese tend to hire a stable, adaptable, company-controlled workforce that renders traditional images of the conflict between wage labor and capital absurd, American corporations seem to rely on high mobility and rapid job turnovers. Part-time or limited employment has increasingly invaded work schedules based on seniority, long job tenure, and community-rooted stability. A workforce, sizable sectors of which tend to more closely resemble migrant farmers than a stable proletariat, is not easily mobilized around class issues, especially when the industry's commitment to a locale is highly tenuous. By the same token, a workforce that is itself highly mobile has nothing to defend but its own access to jobs. This workforce is now fairly considerable: fully twenty percent of

the 17<sup>th</sup> and 18<sup>th</sup> centuries were not merchants or industrialists but rather enlightened aristocrats like Harrington, Montesquieu, and Jefferson. Granting the privileges they consciously or unconsciously accepted as their social heritage, they nevertheless feared the dominance of bourgeois interest (indeed, of interest itself) as a matter of principle. The separation of powers was meant to contain the impact of private interest, bureaucratic manipulation, and "monocratic" power, to use the language of the day, from subverting republican institutions, however deeply these institutions were infiltrated by aristocrats with enlightenment views of government.

The historic shift from a distributive to a market economy — a shift that is only now achieving completion — and the concentration of economic power in corporate elites and bureaucracies has opened a brutal, indeed, explosive tension between the claims of society and the needs of the state. The separation of powers has fused with the conflicting "pluralistic" demands of a vast population of increasingly displaced Americans who are confronted by a totally ambiguous future. The family structure, the community, the neighborhood, the attempt to perpetuate a simple material competence (be it a small enterprise, a farm, a professional career, or merely a secure job) are now in question. The very fear of uprootedness and isolation in a precarious world exudes not only an ambiance of fear but of "sedition." Quixotic as it may seem, a ghetto uprising is not dissimilar in principle from the massive support that Proposition 13 in California received from white middle class suburbanites.

## The New Constitutionalism

The recasting of the concept of "pluralism" into a derogatory notion of "special interests" yields sinister ideological and political results. Valid conflicting interests that reflect valid differences and contradictions in status at every level of social life are totalitarian-

## Part II

The sophisticated accumulation of capital, together with the sweeping re-industrialization of America, necessarily has far reaching social and political consequences. Multinational conglomerates, a corporatized economy, an all-pervasive market society and a largely uprooted underclass — all are completely inconsistent with republican institutions that were developed in a mercantile and largely agrarian period of history. The “Founding Fathers” are slowly becoming the moribund grandfathers of what is now a qualitatively new social order. To entrust issues like the election of legislative, judicial, and executive representatives to the people, however meager their political liberties and preselected the candidates, is regarded as erratic and potentially laden with danger.

The “Federal Constitution” — itself a centralistic and nationalistic reaction to the regionally and locally oriented Articles of Confederation of the 1780s — advanced the doctrine of a “separation of powers” that placed the national legislature, executive, and judiciary in an offsetting relationship to each other. Montesquieu, following from a long tradition on this issue, created the basis in French and American political theory for legal checks and balances that served to diminish governmental power and bureaucratic usurpation. The balancing of power came to mean a balancing of interests, a legal framework for checking the tendency of the market to preempt all other economic forms and interests. It is ironical that bourgeois interest was not always well-served by the political theorists who have since been so smugly classified as “bourgeois democrats.” The principal republican theorists of

the labor force is made up of “permanent” part-time employes, a figure that is likely to grow in the years that lie ahead.

From the “retail revolution” to the latest “industrial revolution,” what we are witnessing in effect is a complete restructuring of American society itself. Instability is the emerging form of stability — and, with it, a high degree of manipulability, domestic and global interdependence, homogenization of industrial technics and vocations, of commodities, human personality and human needs. Much as we may have bemoaned the emergence of a “mass society,” a “mass culture,” and a “mass media,” we are now approaching a point where society, culture, and media threaten to give way to bureaucracy, advertising, and manipulation. Commerce and industry, futuristically oriented toward the divesting of the last vestiges of uniqueness in personality, threaten to create a spiritual, political, and economic landscape denuded of the most elemental human qualities of mind. Indeed, the “American Crisis” can be regarded not only as the invasion of social life by the factory, but by a modular industrial system that reduces women and men to components of the module. The design literature that deals with the technical problems of this phenomenon has adopted (without cynicism, irony, or humor) its own term for the ideal modular “labor force”: the robot. The term may well describe not only the technical restructuring of human personality but its grim historic destiny within the prevailing social system.

### The Futurology of Crises

Perhaps the most immediate victims of the “American Crisis” are the middle classes created by the post-World War II era — not only the poor who, together with women and ethnic minorities, always suffer during social “transitions.” The erosion of various middle strata of American society is not a new phenomenon. In the 1930’s the Great Depression basically victimized the small farmer. This

development was of primary significance; it was the farming class, rooted in small agrarian holdings, that formed the most important support for American republican institutions. Between 1860 and 1930, farmers dropped from nearly 60 percent of the population to about 22 percent, although in numbers they still remained fairly considerable, some ten million in a work force of about fifty and, with their sizable families, at least forty million in a population of 127 million. Thereafter, in the forty years that followed, the decline was disastrously precipitous: less than 12 percent in 1950 and 2.9 percent in 1970. The passing of this yeomanry might well have prepared the demographic texture for a highly authoritarian and militaristic state in which republican institutions would have been reduced to decorative political trappings.

But in the decades that followed the war, American republican institutions found a new source of support, notably in a new suburban and urban middle class. Highly stratified, regionalized, and culturally variegated, this new stratum of small industrial and commercial entrepreneurs, retailers, professionals, small contractors, students, and even well-to-do farmers who had survived the “dust bowl” era — all, in their unique ways, replicated in their myths and realities of independence and self-reliance the decentralized, often libertarian yeomanry in which American republicanism had anchored its historic hopes. By “Left-wing” standards, neither the old yeomanry nor the new middle classes were radical; indeed, generally, they were solidly conservative. But an authoritarian and certainly totalitarian political structure conflicted sharply with their basic values and interests. This middle class has not only been conservative in its response to basic social change; it has been equally conservative in its response to bureaucracy, centralization, social regimentation, and corporate control. In this respect, it has actually opposed the most authentic authoritarian tendencies in the government and the economy which can plausibly tear down the republican institutions of the past. That is most significant about this middle class is that the remaining decades of the present cen-

ital become more organized, more integrated, and more coherent than it is today — not only in its control of the market, but in its endeavors to control its own historic policies. Laurence H. Shoups fascinating, indeed, schematic work, *The Carter Presidency and Beyond* (Ramparts, 1930), reveals an apparatus of corporate policy-formulating institutions and lobbies than can be regarded only as a state within the state. Between the Business Council and the Trilateral Commission, corporate capitalism is served by councils, institutions, academies, committees, and media that reach into every sizable community in the United States and in many European countries as well. That the Trilateral Commission alone has provided the Carter administration with its Vice President (Mondale), its Secretary of State (Vance), its most prominent national security adviser (Brzezinski), its Secretary of the Treasury (Blumenthal and Miller), its Secretary of Defense (Brown) and a bouquet of highly placed advisers at the very summits of government can no longer be regarded as testimony of a mere “conspiracy.” It is compelling evidence of a melding of the political and economic spheres of what was once a comparatively decentralized federal state into state capitalism.

Inflation, in effect, may well be evidence not of an economy “out of control,” but rather one that is remarkably well-controlled. This economy may be controlled not only to meet the insatiable appetite of highly interlocked corporate enterprises, multinationals, and conglomerates for profit, but also to meet their needs for recapitalization on a historic scale. Summed up in brief: the “American Crisis” may well be a crisis in a sophisticated accumulation of capital that overshadows the social consequences of Marx’s account of “primitive accumulation” of capital. These social consequences could reach into every aspect of American life, with results that even the Trilateral Commission, the Business Council, and the various sub-councils and committees of this state infrastructure can barely foresee.



faceless proletariat for whom class war is as meaningless as nuclear war.

Until now, the traditional source of capital accumulation has been the agrarian world, be it domestic farmers, colonized farmers, or both. Primitive accumulation in England and Stalinist Russia left the peasantry devastated. To some degree, the recapitalization of America during and after the Second World War occurred on the bare remains of its traditional yeomanry. No such social sector from which to plunder the domestic economy for capital exists in America and Europe. Agribusiness, which replaced the family farms of the United States and Europe, is itself a corporate peer of the steel and petrochemical industries. The resources to recapitalize technically “archaic” industries must be acquired elsewhere — and today, they constitute the once-“affluent” middle classes. Unorthodox as my view may seem, what the current inflation may well represent is the recapitalization of American industry and the industry of many European countries at the expense of its middle-class strata.

This is not to say that the inflated spread between retail prices and production costs is necessarily motivated by so far-reaching a social vision. The bourgeoisie has never been more piratical today — more prone to sheer pilfering, not to speak of plundering — since the days of the first Industrial Revolution. The Watergate scandal, while an affront to republican virtue in the political sphere, would be viewed as astute cupidity in the economic sphere. The executive brothel is merely a tax write-off hardly more morally degrading than the expenses of maintaining an executive pissoir. It is no longer shocking to learn that industrial espionage, surveillance, and possibly assassinations are part of the “free enterprise” system, certainly not since the public learned of the connections between the Mafia and key economic enterprises.

But the capacity of the American bourgeoisie to develop a futurology of crises in anticipation of its overall class interests should not be underrated. Perhaps at no time in its limited history has cap-

ture threaten its existence as surely as the 1930’s completed the destruction of the American yeomanry.

The primary threat to the existence of this class is the almost confiscatory inflation of the past decade. I use the word “confiscatory” advisedly because it points to elements of the inflation that are rarely emphasized in the economic literature. Firstly, the inflation is totally inexplicable on the basis of strictly fiscal, budgetary, or consumption premises. One must go back to the era of classical “free market” economics to believe that trade imbalances, governmental expenditures, high demand for goods in short supply can cause inflation rates to nearly double in a decade, indeed, reach a staggering, almost usurious rate of 18 percent per year. By the same token, the interest rate for preferential bank loans soared in less than a year from an unprecedented high of 10 percent to nearly twice that figure, or 18 percent. That the price rises reflected by the inflation figures spell terrible impoverishment for the poor, particularly individuals on fixed incomes like the elderly, hardly requires emphasis. For the middle classes it spells social extinction, a historic annihilation of its long existence as a social buffer. The doubling of prime interest rates in a few months forecloses the attempt of small enterprises to effectively deal with the seasonal rhythms of cash flow, not to speak of capital maintenance and investment. Price inflation means a drastic reduction of the market; more precisely, it means the usurpation of the remaining market by retail chains and shopping malls. Thus the retail factory closes in not only on private life but on the economic basis of that private life, notably the small enterprise.

By contrast, the large corporations are internally financed. Their staggering profits have turned them into self-sufficient credit institutions that have radically diminished their reliance on traditional financial institutions. Many of them, in fact, are lenders rather than borrowers. They are free to capitalize at will or to export capital to areas that yield favorable returns — accordingly, to benefit from low wages in some regions or countries and from reduced trans-

portation costs in other areas. The global nature of the multinational corporation provides it with a financial, economic, and political power that tends increasingly to transcend the nation-state; to literally plan the economy of the world with an effectiveness that would have been the envy of orthodox socialist ideologists.

The point is that “free-market” economics explains nothing about the present inflation because the market, from factory to shopping mall, is almost completely controlled. Its freedom, like its competition, is completely fictitious. In the energy industry, chemical industry, transportation industry, steel industry, electronics industry, aerospace industry, nuclear industry, and to a surprising extent, even in the seemingly competitive auto industry, prices can be fixed at will with only a marginal expectation of rivalry from domestic and foreign enterprises. Where the “free market” rears its ugly head (for example, when the American steel industry faced the challenge of dumping by foreign rivals or when Chrysler faced bankruptcy), the state can be expected to intervene and rescue the corporate giants, often in the name of perpetuating “free enterprise.” Thus the production levels of highly corporatized industrial sectors tend to be meaningless. If demand declines or, as in the case of energy, attempts are made to curtail usage, the corporate sector merely increases its prices. As the energy industry has revealed with spectacular vividness, reduced demand in the name of specious “shortages” actually becomes a device for acquiring shamelessly high profits. It was not primarily as a result of increased petroleum consumption of the cutoff of Iranian oil that Exxon netted four billion dollars in profit. Such a massive plundering of the public’s income occurred as a result of price increases, even when sales threatened to fall precipitously. The debris of abandoned gasoline filling stations on the very roads that lead to shopping malls is visual testimony to the usurpation of small middle-class enterprises by corporate giants and their retail excrescences.

What clearly illustrates the high measure of economic control is the ability of the economy to generate increased unemployment, decreased effective demand, declining capital investment — indeed, virtually all the typical characteristics of an economic depression — without any decline of profits or prices in its major corporate sectors. The 1930’s, like later albeit more shortlived “recessions,” were marked not only by high unemployment but sweeping declines in prices, profits, and investment. The most recent “recessions,” by sharp contrast, present a picture of reduced demand, reduced employment — and soaring prices. Although unemployment officially stands (at this writing) at six percent, wholesale prices compounded at an annual rate have increased approximately 20 percent. The classical notion that a “recession” will produce deflation has now become a national myth. If a “recession” is to have any function, it should be deflationary, but viewed from a more historical stand point, its effects are likely to be more sinister than even radical theorists are prepared to admit.

Economically, American corporate capitalism must recapitalize. It must accumulate the funds to structure its technology along highly cybernated and modular lines. A widely-cited model is the Japanese economy, where the labor force has been melded to a highly sophisticated and automated technology, yielding high productivity rates that overshadow the American ones. This rationalization of Japanese basic industry, reinforced by a patronal system of portal-to-grave job security, has produced immense profits, high output, minimal labor discord — and minimal inflation. The patronal system should not be exaggerated. It is actually underpinned by a large flotsam displaced urban population that is hired sporadically when labor is needed, only to be ruthless fired when production needs are met. Thus the labor force is stratified and easily manipulated, partly by the lure of job security for one stratum, partly by competition for jobs by another. What is unique about Japanese industry is its versatility, its highly sophisticated, electronically controlled technology, and its eerily