

# **Government in the future**

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*Talk given at the Poetry Center, New York City, Feb. 16, 1970. This classic talk delivered in 1970 has never seemed more current. In it Noam Chomsky articulates a clear, uncompromising defense of the libertarian socialist (anarchist) vision.*

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I think it is useful to set up as a framework for discussion four somewhat idealized positions with regard to the role of the state in an advanced industrial society. I want to call these positions:

1. classical liberal,
  2. libertarian socialist,
  3. state socialist,
  4. state capitalist,
- and I want to consider each in turn.

Also, I'd like to make clear my own point of view in advance, so that you can evaluate and judge what I am saying. I think that the libertarian socialist concepts, and by that I mean a range of thinking that extends from left-wing Marxism through to anarchism, I think that these are fundamentally correct and that they are the proper and natural extension of classical liberalism into the era of advanced industrial society.

In contrast, it seems to me that the ideology of state socialism, i.e. what has become of Bolshevism, and that of state capitalism, the modern welfare state, these of course are dominant in the industrial societies, but I believe that they are regressive and highly inadequate social theories, and a large number of our really fundamental problems stem from a kind of incompatibility and inappropriateness of these social forms to a modern industrial society.

Let me consider these four points of reference in sequence, beginning with the classical liberal point of view.

## **Classical Liberalism**

Classical liberalism asserts as its major idea an opposition to all but the most restricted and minimal forms of state intervention in personal and social life. Well, this conclusion is quite familiar, however the reasoning that leads to it is less familiar and, I think, a good deal more important than the conclusion itself.

One of the earliest and most brilliant expositions of this position is in Wilhelm von Humboldt's "Limits of State Action" which was written in 1792, though not published for 60 or 70 years after that. In his view the state tends to, I quote, "make man an instrument to serve its arbitrary ends, overlooking his individual purposes, and since man is in his essence a free, searching, self-perfecting being, it follows that the state is a profoundly anti-human institution." I.e. its actions, its existence are ultimately incompatible with the full harmonious development of human potential in its richest diversity and, hence, incompatible with what Humboldt and in the following century Marx, Bakunin, Mill, and many others, what they see as the true end of man.

And, for the record, I think that this is an accurate description. The modern conservative tends to regard himself as the lineal descendant of the classical liberal in this sense, but I think that can be maintained only from an extremely superficial point of view, as one can see by studying more carefully the fundamental ideas of classical libertarian thought as expressed, in my opinion, in its most profound form by Humboldt.

I think the issues are of really quite considerable contemporary significance, and if you don't mind what may appear to be a somewhat antiquarian excursion, I'd like to expand on them.

For Humboldt as for Rousseau, and before him the Cartesians, man's central attribute is his freedom. Quote: "To inquire and to create, these are the centers around which all human pursuits more or less directly revolve." "But," he goes on to say, "all moral cultures spring solely and immediately from the inner life of the soul and can never be produced by external and artificial contrivances. The cultivation of the understanding, as of any of man's other faculties, is generally achieved by his own activity, his own ingenuity, or his own methods of using the discoveries of others."

From these assumptions quite obviously an educational theory follows, and he develops it but I won't pursue it. But also far more follows. Humboldt goes on to develop at least the rudiments of a theory of exploitation and of alienated labor that suggests in significant ways, I think, the early Marx. Humboldt in fact continues these comments that I quoted about the cultivation of the understanding through spontaneous action in the following way.

He says, "Man never regards what he possesses as so much his own, as what he does, and the laborer who tends the garden is perhaps in a truer sense its owner than the listless voluptuary who enjoys its fruits. And since truly human action is that which flows from inner impulse, it seems as if all peasants and craftsmen might be elevated into artists, that is men who love their labor for its own sake, improve it by their own plastic genius and invented skill, and thereby cultivate their intellect, ennoble their character and exult and refine their pleasures, and so humanity would be ennobled by the very things which now, though beautiful in themselves, so often tend to be degraded. Freedom is undoubtedly the indispensable condition without which even the pursuits most congenial to individual human nature can never succeed in producing such salutary influences. Whatever does not spring from a man's free choice, or is only the result of instruction and guidance, does not enter into his very being but remains alien to his true nature. He does not perform it with truly human energies, but merely with mechanical exactness. And if a man acts in a mechanical way, reacting to external demands or instruction, rather than in ways determined by his own interests and energies and power, we may admire what he does, but we despise what he is."

For Humboldt then man "is born to inquire and create, and when a man or a child chooses to inquire or create out of his own free choice then he becomes in his own terms an artist rather than a tool of production or a well trained parrot." This is the essence of his concept of human nature. And I think that it is very revealing and interesting to compare it with Marx, with the early Marx manuscripts, and in particular his account of, quote "the alienation of labor when work is external to the worker, not part of his nature, so that he does not fulfill himself in his work but denies himself and is physically exhausted and mentally debased. This alienated labor that casts some of the workers back into a barbarous kind of work and turns others into machines, thus depriving man of his species character, of free conscious activity and productive life."

Recall also Marx's well known and often quoted reference to a higher form of society in which labor has become not only a means of life but also the highest want in life. And recall also his

repeated criticism of the specialized labor which, I quote again, “mutilates the worker into a fragment of a human being, degrades him to become a mere appurtenance of the machine, makes his work such a torment that its essential meaning is destroyed, estranges him from the intellectual potentialities of the labor process in very proportion to the extent to which science is incorporated into it as an independent power.”

Robert Tucker, for one, has rightly emphasized that Marx sees the revolutionary more as a frustrated producer than as a dissatisfied consumer. And this far more radical critique of capitalist relations of production flows directly, often in the same words, from the libertarian thought of the enlightenment. For this reason, I think, one must say that classical liberal ideas in their essence, though not in the way they developed, are profoundly anti-capitalist. The essence of these ideas must be destroyed for them to serve as an ideology of modern industrial capitalism.

Writing in the 1780's and early 1790's, Humboldt had no conception of the forms that industrial capitalism would take. Consequently, in this classic of classical liberalism he stresses the problem of limiting state power, and he is not overly concerned with the dangers of private power. The reason is that he believes in and speaks of the essential equality of condition of private citizens. Of course, he has no idea, writing in 1790, of the ways in which the notion of a private person would come to be reinterpreted in the era of corporate capitalism.

He did not foresee, I now quote the anarchist historian Rudolf Rocker, “that democracy with its model of equality of all citizens before the law and liberalism with its right of man over his own person both would be wrecked on the realities of capitalist economy. Humboldt did not foresee that in a predatory capitalist economy state intervention would be an absolute necessity to preserve human existence, to prevent the destruction of the physical environment. I speak optimistically of course.”

As Karl Polanyi, for one, has pointed out: “The self-adjusting market could not exist for any length of time without annihilating the human and natural substance of society. It would have physically destroyed man and transformed his surroundings into a wilderness.” I think that is correct. Humboldt also did not foresee the consequences of the commodity character of labor. The doctrine is, again in Polanyi's words, “that it is not for the commodity to decide where it should be offered for sale, to what purpose it should be used, at what price it should be allowed to change hands, in what manner it should be consumed or destroyed.” But the commodity in this case is of course human life. And social protection was therefore a minimal necessity to constrain the irrational and destructive workings of the classical free market.

Nor did Humboldt understand in 1790 that capitalist economic relations perpetuated a form of bondage which long before that, in fact as early as 1767, Simon Linguet had declared to be even worse than slavery, writing “it is the impossibility of earning a living by any other means that compels our farm laborers to till the soil whose fruits they will not eat and our masons to construct buildings in which they will not live. It is want that drags them to those markets where they await masters who will do them the kindness of buying them. It is want that compels them to go down on their knees to the rich man in order to get from him permission to enrich him. What effective gain has the suppression of slavery brought him? He is free, you say, that is his misfortune. These men, it is said, have no master. They have one, and the most terrible, the most imperious of masters: that is need. It is this that reduces them to the most cruel dependence.”

And if there is something degrading to human nature in the idea of bondage – as every spokesman for the enlightenment would insist –, then it would follow that a new emancipation must be awaited, what Fourier referred to as the third and last emancipatory phase of history,

the first having made serfs out of slaves, the second wage earners out of serfs, and the third, which will transform the proletariats to free men, by eliminating the commodity character of labor, ending wage slavery and bringing the commercial, industrial and financial institutions under democratic control.

These are all things that Humboldt in his classical liberal doctrine did not express and didn't see, but I think that he might have accepted these conclusions. He does, for example, agree that state intervention in social life is legitimate "if freedom would destroy the very conditions without which not only freedom but even existence itself would be inconceivable", which are precisely the circumstances that arise in an unconstrained capitalist economy. And he does, as in the remarks that I quoted, vigorously condemn the alienation of labor.

In any event, his criticism of bureaucracy and the autocratic state stands as a very eloquent forewarning of some of the most dismal aspects of modern history, and the important point is that the basis of his critique is applicable to a far broader range of coercive institutions than he imagined, in particular to the institutions of industrial capitalism.

Though he expresses a classical liberal doctrine, Humboldt is no primitive individualist, in the style of for example Rousseau. Rousseau extols the savage who lives within himself but Humboldt's vision is entirely different. He sums up his remarks as follows: "The whole tenor of the ideas and arguments unfolded in this essay might fairly be reduced to this 'that while they would break all fetters in human society, they would attempt to find as many new social bonds as possible, the isolated man is no more able to develop than the one who is fettered.'" And he, in fact, looks forward to a community of free association, without coercion by the state or other authoritarian institutions, in which free men can create and inquire and achieve the highest development of their powers.

In fact, far ahead of his time, he presents an anarchist vision that is appropriate perhaps to the next stage of industrial society. We can perhaps look forward to a day when these various strands will be brought together within the framework of libertarian socialism, a social form that barely exists today, though its elements can perhaps be perceived. For example, in the guarantee of individual rights that has achieved so far its fullest realization, though still tragically flawed, in the western democracies or in the Israeli kibbutzim or in the experiments of workers' councils in Yugoslavia or in the effort to awaken popular consciousness and to create a new involvement in the social process which is a fundamental element in the third world revolutions coexisting uneasily with indefensible authoritarian practice.

Let me summarize the first point. The first concept of the state that I want to set up as a reference is classical liberal. Its doctrine is that the state functions should be drastically limited. But this familiar characterization is a very superficial one. More deeply, the classical liberal view develops from a certain concept of human nature, one that stresses the importance of diversity and free creation. Therefore, this view is in fundamental opposition to industrial capitalism with its wage slavery, its alienated labor and its hierarchic and authoritarian principles of social and economic organization.

At least in its ideal form, classical liberal thought is opposed as well to the concepts of possessive individualism that are intrinsic to capitalist ideology. It seeks to eliminate social fetters and to replace them by social bonds, not by competitive greed, not by predatory individualism, not of course by corporate empires, state or private. Classical libertarian thought seems to me, therefore, to lead directly to libertarian socialism or anarchism, if you like, when combined with an understanding of industrial capitalism.

## Libertarian Socialism and Anarchism

The second point of reference that I want to discuss is the libertarian socialist vision of the state. A French writer, rather sympathetic to anarchism, once wrote that “anarchism has a broad back – like paper it endures anything.” And there are many shades of anarchism. I am concerned here only with one, namely the anarchism of Bakunin who wrote in his anarchist manifesto of 1865 that to be an anarchist one must first be a socialist. I am concerned with the anarchism of Adolf Fisher, one of the martyrs of the Hay Market affair in 1886, who said that every anarchist is a socialist but not every socialist is necessarily an anarchist. A consistent anarchist must oppose private ownership of the means of production. Such property is indeed, as Proudhon in his famous remark asserted, a form of theft. But a consistent anarchist will also oppose the organization of production by government.

Quoting “it means state socialism, the command of the state officials over production and the command of managers, scientists, shop officials in the shop. The goal of the working class is liberation from exploitation, and this goal is not reached and cannot be reached by a new directing and governing class substituting itself for the bourgeoisie. It is only realized by the workers themselves, being master over production, by some form of workers’ councils.” These remarks, it happens, are quoted from the left wing Marxist Anton Pannekoek, and in fact radical Marxism – what Lenin once called infantile ultra-leftism – merges with anarchist currents. This is an important point, I think, and let me give one further illustration of this convergence between left wing Marxism and socialist anarchism.

Consider the following characterization of revolutionary socialism: “The revolutionary socialist denies that state ownership can end in anything other than a bureaucratic despotism. We have seen why the state cannot democratically control industry. Industry can only be democratically owned and controlled by the workers electing directly from their own ranks industrial administrative committees. Socialism will fundamentally be an industrial system; its constituencies will be of an industrial character. Thus those carrying on the social activity and industries of society will be directly represented in the local and central councils of social administration. In this way the powers of such delegates will flow upwards from those carrying on the work and conversant with the needs of the community. When the central industrial administrative committee meets it will represent every phase of social activity. Hence the capitalist political or geographical state will be replaced by the industrial administrative committee of socialism. The transition from one social system to the other will be the social revolution. The political state throughout history has meant the government of men by ruling classes; the republic of socialism will be the government of industry administered on behalf of the whole community. The former meant the economic and political subjection of the many, the latter will mean the economic freedom of all. It will be, therefore, a true democracy.”

These remarks are taken from a book called “The State: Its Origins and Function”, written by William Paul in early 1917, just prior to Lenin’s “State and Revolution”, which is his most libertarian work.

William Paul was one of the founders of the British Communist Party, later the editor of the British Communist Party Journal. And it is interesting that his critique of state socialism resembles very closely, I think, the libertarian doctrine of the anarchists, in particular, in its principle that the state must disappear, to be replaced by the industrial organization of society in the course of the social revolution itself. Proudhon in 1851 wrote that what we put in place of the govern-

ment is industrial organization, and many similar comments can be cited. That, in essence, is the fundamental idea of anarchist revolutionaries. What's more important than the fact that many such statements can be cited is that these ideas have been realized in spontaneous revolutionary action several times. For example, in Germany and Italy after the first World War, in Catalonia in 1936.

One might argue, or at least I would argue, that council communism in this sense, in the sense of the long quotation that I read is the natural form of revolutionary socialism in an industrial society. It reflects the intuitive understanding that democracy is largely a sham when the industrial system is controlled by any form of autocratic elite, whether of owners, managers, technocrats, a vanguard party, a state bureaucracy, or whatever. Under these conditions of authoritarian domination, the classical liberal ideals which are expressed also by Marx and Bakunin and all true revolutionaries cannot be realized.

Man will, in other words, not be free to inquire and create, to develop his own potentialities to their fullest. The worker will remain a fragment of a human being, degraded, a tool in the productive process directed from above. And the ideas of revolutionary libertarian socialism, in this sense, have been submerged in the industrial societies of the past half century. The dominant ideologies have been those of state socialism and state capitalism.

But there has been an interesting resurgence in the last couple of years. In fact, the theses that I quoted from Anton Pannekoek were taken from a recent pamphlet of a radical French workers group, and the quotation that I read from William Paul on revolutionary socialism was taken from a paper by Walter Kendall at the National Conference on Workers Control in Sheffield, England, last March.

Both of these groups represent something significant. The Workers Control Movement in England, in particular, has developed into, I think, a remarkably significant force in the last few years. It includes some of the largest trade unions, for example the Amalgamated Engineering Federation which, I think, is the second largest trade union in England and which has taken these principles as its fundamental ideas. It's had a series of successful conferences, putting out an interesting pamphlet literature, and on the continent there are parallel developments. May 1968 in France of course accelerated the growing interest in council communism and similar ideas and other forms of libertarian socialism in France and Germany, as it did in England.

Given the general conservative cast of our highly ideological society, it's not too surprising that the United States is relatively untouched by these currents. But that too may change. The erosion of the Cold War mythology at least makes it possible to discuss some of these questions, and if the present wave of repression can be beaten back, if the left can overcome its more suicidal tendencies and build on the achievements of the past decade, the problem of how to organize industrial society on truly democratic lines, with democratic control in the workplace as well as in the community, this should become the dominant intellectual issue for those who are alive to the problems of contemporary society. And as a mass movement for revolutionary libertarian socialism develops, as I hope it will, speculation should proceed to action.

It may seem quixotic to group left Marxism and anarchism under the same rubric, as I have done, given the antagonism throughout the past century between the Marxists and the anarchists, beginning with the antagonism between Marx and Engels on the one hand and, for example, Proudhon and Bakunin on the other. In the nineteenth century at least, their differences with regard to the question of the state was significant, but in a sense it was tactical. The anarchists were convinced that capitalism and the state must be destroyed together. But Engels, in a letter of



1883, expressed his opposition to this idea as follows: "The anarchists put the thing upside down. They declare that the proletarian revolution must begin by doing away with the political organization of the state. But to destroy it at such a moment would be to destroy the only organism by means of which the victorious proletariat can assert its newly conquered power, hold down its adversaries and carry out that economic revolution of society without which the whole victory must end in a new defeat and in a mass slaughter of the workers, similar to those after the Paris commune."

Now, the Paris commune, I think it is fair to say, did represent the ideas of libertarian socialism, of anarchism if you like, and Marx wrote about it with great enthusiasm. In fact, the experience of the commune led him to modify his concept of the role of the state and to take on something more of an anarchist perspective of the nature of social revolution, as you can see, for example, by looking at the introduction to the Communist Manifesto, the edition that was published in 1872. The commune was of course drowned in blood, as the anarchist communes of Spain were destroyed by Fascist and Communist armies. And it might be argued that more dictatorial structures would have defended the revolution against such forces. But I doubt this very much, at least in the case of Spain, it seems to me that a more consistent libertarian policy might have provided the only possible defense of the revolution.

Of course this can be contested and this is a long story that I don't want to go into here, but at the very least it is clear that one would have to be rather naive, after the events of the past half century, to fail to see the truth in Bakunin's repeated warnings that the red bureaucracy would prove to be the most violent and terrible lie of the century. "Take the most radical revolutionary and place him on the throne of all Russia", he said in 1870, "or give him dictatorial power, and before a year has passed he will become worse than the Czar himself."

I'm afraid, in this respect Bakunin was all too perceptive, and this kind of warning was repeatedly voiced from the left. For example, in the 1890's the anarchosyndicalist Fernand Pelloutier asked, "Must the transitional state to be endured necessarily or inevitably be the collectivist jail? Might it not consist of a free organization limited exclusively by the needs of production and consumption, all political institutions having disappeared?"

I don't pretend to know the answer to that question, but I think that it is tolerably clear that unless the answer is positive, the chances for a truly democratic revolution that will achieve the humanistic ideals of the left are perhaps rather slight. I think Martin Buber put the problem quite succinctly when he said: "One cannot in the nature of things expect a little tree that has been turned into a club to put forth leaves." For just this reason, it is essential that a powerful revolutionary movement exist in the United States, if there are to be any reasonable possibilities for democratic social change of a radical sort anywhere in the capitalist world. And comparable remarks, I think, undoubtedly hold for the Russian empire.

Lenin until the end of his life stressed the idea that "it is an elementary truth of Marxism that the victory of socialism requires the joint effort of workers in a number of advanced countries. At the very least it requires that the great centers of world imperialism be impeded by domestic pressures from counter revolutionary intervention. Only such possibilities will permit any revolution to overthrow its own coercive state institutions as it tries to bring the economy under direct democratic control.

Let me summarize briefly again. I have mentioned so far two reference points for discussion of the state, classical liberalism and libertarian socialism. They are in agreement that the functions of the state are repressive and that state action must be limited. The libertarian socialist goes on

to insist that the state power must be eliminated in favor of the democratic organization of the industrial society with direct popular control over all institutions by those who participate in as well as those who are directly affected by the workings of these institutions. So one might imagine a system of workers' councils, consumer councils, commune assemblies, regional federations, and so on, with the kind of representation that is direct and revocable, in the sense that representatives are directly answerable to and return directly to the well defined and integrated social group for which they speak in some higher order organization, something obviously very different than our system of representation.

Now it might very well be asked whether such a social structure is feasible in a complex, highly technological society. There are counter arguments, and I think they fall into two main categories. The first category is that such an organization is contrary to human nature, and the second category says roughly that it is incompatible with the demands of efficiency. I'd like to briefly consider each of these.

Consider the first, that a free society is contrary to human nature. It is often asked, do men really want freedom, do they want the responsibility that goes with it. Or would they prefer to be ruled by a benevolent master. Consistently, apologists for the existing distribution of power have held to one or another version of the idea of the happy slave. Two hundred years ago Rousseau denounced the sophistic politicians and intellectuals "who search for ways to obscure the fact," so he maintained, "that the essential and the defining property of man is his freedom. They attribute to man a natural inclination to servitude, without thinking that it is the same for freedom as for innocence and virtue. Their value is felt only as long as one enjoys them oneself, and the taste for them is lost as soon as one has lost them." As proof of this doctrine he refers to the marvels done by all free peoples to guard themselves from oppression. "True" he says "those who have abandoned the life of a free man do nothing but boast incessantly of the peace, the repose they enjoy in their chains. But when I see the others sacrifice pleasures, repose, wealth, power and life itself for the preservation of this sole good which is so disdained by those who have lost it, when I see multitudes of entirely naked savages scorn European voluptuousness and endure hunger, fire, the sword and death to preserve only their independence, I feel it does not behoove slaves to reason about freedom." A comment to which we can perhaps give a contemporary interpretation.

Rather similar thoughts were expressed by Kant 40 years later. He cannot, he says, "accept the proposition that certain people are not right for freedom, for example, the serfs of some landlord. If one accepts this assumption, freedom will never be achieved. For one cannot arrive at the maturity for freedom without having already acquired it. One must be free to learn how to make use of ones powers freely and usefully. The first attempts will surely be brutal and will lead to a state of affairs more painful and dangerous than the former condition, under the dominance but also the protection of an external authority. However, one can achieve reason only through ones own experiences, and one must be free to be able to undertake them. To accept the principle that freedom is worthless for those under ones control and that one has the right to refuse it to them forever is an infringement on the right of God himself, who has created man to be free."

This particular remark is interesting because of its context as well. Kant on this occasion was defending the French revolution during the terror against those who claimed that it showed the masses to be unready for the privilege of freedom. And his remarks, too, I think, have obvious contemporary relevance. No rational person will approve of violence and terror, and in particular the terror of the post-revolutionary state that has fallen into the hands of a grim autocracy has more than once reached indescribable levels of savagery. At the same time, no person of

understanding or humanity will too quickly condemn the violence that often occurs, when long subdued masses rise against their oppressors or take their first steps toward liberty and social reconstruction.

Humboldt, just a few years before Kant, had expressed a view that was very similar to that. He also said that freedom and variety are the preconditions for human self-realization. "Nothing promotes this rightness for freedom so much as freedom itself. This truth perhaps may not be acknowledged by those who have so often used this unrightness as an excuse for continuing repression, but it seems to me to follow unquestionably from the very nature of man. The incapacity for freedom can only arise from a want of moral and intellectual power. To heighten this power is the only way to supply the want, but to do so presupposes the freedom which awakens spontaneous activity. Those who do not comprehend this may justly be suspected of misunderstanding human nature, and wishing to make men into machines."

Rosa Luxemburg's fraternal sympathetic critique of Bolshevik ideology and practice was given in very similar terms. "Only the active participation of the masses in self-government and social reconstruction could bring about the complete spiritual transformation in the masses degraded by centuries of bourgeois class rule, just as only their creative experience and spontaneous action can solve the myriad problems of creating a libertarian socialist society."

She went on to say that historically the errors committed by a truly revolutionary movement are infinitely more fruitful than the infallibility of the cleverest central committee, and I think that these remarks can be translated immediately for the somewhat parallel ideology of the soulful corporation which is now fairly popular among American academics. For example, Carl Kaysen writes: "No longer the agent of proprietorships seeking to maximize return on investment, management sees itself as responsible to stock holders, employees, customers, general public and perhaps most important the firm itself as an institution. There is no display of greed or graspingness, there is no attempt to push off on the workers and the community at least part of the social costs of the enterprise. The modern corporation is a soulful corporation."

Similarly, the vanguard party is a soulful party. In both cases those who urge that men submit to the rule of these benevolent autocracies may, I think, justly be accused of wishing to make men into machines. Now, the correctness of the view that is expressed by Rousseau and Kant and Humboldt and Luxemburg and innumerable others, I don't think that the correctness of this is for the moment susceptible to scientific proof. One can only evaluate it in terms of experience and intuition. But one can also point out the social consequences of adopting the view that men are born to be free, or that they are born to be ruled by benevolent autocrats.

What of the second question, the question of efficiency? Is democratic control of the industrial system, down to its smallest functional units, incompatible with efficiency? This is very frequently argued on several grounds. For example, some say that centralized management is a technological imperative, but I think the argument is exceedingly weak when one looks into it. The very same technology that brings relevant information to the board of managers can bring it at the time that it is needed to everyone in the work force. The technology that is now capable of eliminating the stupefying labor that turns men into specialized tools of production permits in principle the leisure and the educational opportunities that make them able to use this information in a rational way. Furthermore, even an economic elite which is dripping with soulfulness, to use Ralph Miliband's phrase, is constrained by the system in which it functions to organize production for certain ends: power, growth, profit, but not in the nature of the case human needs, needs that to an ever more critical degree can be expressed only in collective terms. It is surely

conceivable and is perhaps even likely that decisions made by the collective itself, will reflect these needs and interests as well as those made by various soulful elites.

In any event, it is a bit difficult to take seriously arguments about efficiency in a society that devotes such enormous resources to waste and destruction. As everyone knows, the very concept of efficiency is dripping with ideology. Maximization of commodities is hardly the only measure of a decent existence. The point is familiar, and no elaboration is necessary.

## State Socialism and State Capitalism

Let me turn to the two final points of reference: the Bolshevik or state socialist and the state capitalist. As I have tried to suggest, they have points in common, and in interesting respects they diverge from the classical liberal ideal or its later elaboration in libertarian socialism. Since I am concerned with our society, let me make a few rather elementary observations about the role of the state, its likely evolution and the ideological assumptions that accompany and sometimes disguise these phenomena.

To begin with, it is obvious that we can distinguish two systems of power, the political system and the economic system. The former consists in principle of elected representatives of the people who set public policy. The latter in principle is a system of private power, a system of private empires, that are free from public control, except in the remote and indirect ways in which even a feudal nobility or a totalitarian dictatorship must be responsive to the public will. There are several immediate consequences of this organization of society.

The first is that in a subtle way an authoritarian cast of mind is induced in a very large mass of the population which is subject to arbitrary decree from above. I think that this has a great effect on the general character of the culture. The effect is the belief that one must obey arbitrary dictates and accede to authority. And I think that in fact a remarkable and exciting fact about the youth movement in recent years is that it is challenging and beginning to break down some of these authoritarian patterns.

The second fact that is important is that the range of decisions that are in principle subject to public democratic control is quite narrow. For example, it excludes in law in principle the central institutions in any advanced industrial society, i.e. the entire commercial, industrial and financial system. And a third fact is that even within the narrow range of issues that are submitted in principle to democratic decision making, the centers of private power of course exert an inordinately heavy influence in perfectly obvious ways, through control of the media, through control of political organizations or in fact by the simple and direct means of supplying the top personnel for the parliamentary system itself, as they obviously do. Richard Barnet in his recent study of the top 400 decision makers in the postwar national security system reports that most have, I quote now, "come from executive suites and law offices within shouting distance of each other, in 15 city blocks in 5 major cities." And every other study shows the same thing.

In short, the democratic system at best functions within a narrow range in a capitalist democracy, and even within this narrow range its functioning is enormously biased by the concentrations of private power and by the authoritarian and passive modes of thinking that are induced by autocratic institutions such as industries, for example. It is a truism but one that must be constantly stressed that capitalism and democracy are ultimately quite incompatible. And a careful look at the matter merely strengthens this conclusion. There are perfectly obvious processes of

centralization of control taking place in both the political and the industrial system. As far as the political system is concerned, in every parliamentary democracy, not only ours, the role of parliament in policy formation has been declining in the years since WWII, as everyone knows and political commentators repeatedly point out.

In other words, the executive becomes increasingly powerful as the planning functions of the state become more significant. The House Armed Services Committee a couple of years ago described the role of Congress as that of a sometimes querulous but essentially kindly uncle who complains while furiously puffing on his pipe but who finally, as everyone expects, gives in and hands over the allowance. And careful studies of civil military decisions since WWII show that this is quite an accurate perception.

Senator Vandenberg 20 years ago expressed his fear that the American chief executive would become the number one warlord of the earth, his phrase. That has since occurred. The clearest decision is the decision to escalate in Vietnam in February 1965, in cynical disregard of the expressed will of the electorate. This incident reveals, I think, with perfect clarity the role of the public in decisions about peace and war, the role of the public in decisions about the main lines about public policy in general. And it also suggests the irrelevance of electoral politics to major decisions of national policy.

Unfortunately, you can't vote the rascals out, because you never voted them in, in the first place. The corporate executives and the corporation lawyers and so on who overwhelmingly staff the executive, assisted increasingly by a university based mandarin class, remain in power no matter whom you elect.

Furthermore, it is interesting to note that this ruling elite is pretty clear about its social role. As an example take Robert McNamara, who is the person widely praised in liberal circles for his humanity, his technical brilliance and his campaign to control the military. His views of social organization, I think, are quite illuminating. He says that vital decision making in policy matters as well as in business must remain at the top. That is partly, though not completely, what the top is for. And he goes on to suggest that this is apparently a divine imperative. I quote: "God is clearly democratic, he distributes brain power universally, but he quite justifiably expects us to do something efficient and constructive with that priceless gift. That's what management is all about. Management in the end is the most creative of all the arts, for its medium is human talent itself. The real threat to democracy comes from under-management. The under-management of society is not the respect of liberty, it is simply to let some force other than reason shape reality. If it is not reason that rules man then man falls short of his potential."

So reason then is to be identified as the centralization of decision making at the top in the hands of management. Popular involvement in decision making is a threat to liberty, a violation of reason. Reason is embodied in autocratic, tightly managed institutions. Strengthening these institutions within which man can function most efficiently is, in his words, "the great human adventure of our times." All this has a faintly familiar ring to it. It is the authentic voice of the technical intelligentsia, the liberal intelligentsia of the technocratic corporate elite in a modern society.

There is a parallel process of centralization in economic life. A recent FTC report notes that the 200 largest manufacturing corporations now control about two thirds of all manufacturing assets. At the beginning of WWII the same amount of power was spread over a thousand corporations. The report says: "A small industrial elite of huge conglomerate companies is gobbling up American business and largely destroying competitive free enterprise." Furthermore it says: "These two

hundred corporations are partially linked with each other and with other corporations in ways that may prevent or discourage independent behavior in market decisions.” What is novel about such observations is only their source, the FTC. They are familiar, to the point of cliché, among left-liberal commentators on American society.

The centralization of power also has an international dimension. Quoting from *Foreign Affairs*, it has been pointed out that “on the basis of the gross value of their output, US enterprises abroad in the aggregate comprise the third largest country in the world, with a gross product greater than that of any country except the United States and the Soviet Union. American firms control over half the automobile industry in England, almost 40% of petroleum in Germany, over 40% of the telegraphic, telephone and electronic and business equipment in France, 75% of the computers. Within a decade, given present trends, more than half of the British exports will be from American owned companies.” Furthermore, these are highly-concentrated investments: 40% of direct investment in Germany, France and Britain is by three firms, American firms.

George Ball has explained that the project of constructing an integrated world economy, dominated by American capital, an empire in other words, is no idealistic pipe dream, but a hard headed prediction. It is a role, he says, into which we are being pushed by the imperatives of our own economy, the major instrument being the multinational corporation which George Ball describes as follows: “In its modern form, the multinational corporation, or one with worldwide operations and markets, is a distinctly American development. Through such corporations it has become possible for the first time to use the world’s resources with maximum efficiency. But there must be greater unification of the world economy to give full play to the benefits of multinational corporations.”

These multinational corporations are the beneficiary of the mobilization of resources by the federal government, and its world wide operations and markets are backed ultimately by American military force, now based in dozens of countries. It is not difficult to guess who will reap the benefits from the integrated world economy, which is the domain of operation of these American based international economic institutions.

At this stage in the discussion one has to mention the specter of communism. What is the threat of communism to this system? For a clear and cogent answer, one can turn to an extensive study of the Woodrow Wilson Foundation and National Planning Association called the *Political Economy of American Foreign Policy*, a very important book. It was compiled by a representative segment of the tiny elite that largely sets public policy for whoever is technically in office. In effect, it’s as close as you can come to a manifesto of the American ruling class.

Here they define the primary threat of communism as “the economic transformation of the communist powers in ways which reduce their willingness or ability to complement the industrial economies of the West.” That is the primary threat of communism. Communism, in short, reduces the willingness and ability of underdeveloped countries to function in the world capitalist economy in the manner of, for example, the Philippines which has developed a colonial economy of a classic type, after 75 years of American tutelage and domination. It is this doctrine which explains why British economist Joan Robinson describes the American crusade against communism as a crusade against development.

The cold war ideology and the international communist conspiracy function in an important way as essentially a propaganda device to mobilize support at a particular historical moment for this long time imperial enterprise. In fact, I believe that this is probably the main function of the cold war. It serves as a useful device for the managers of American society and their counterparts

in the Soviet Union to control their own populations and their own respective imperial systems. I think that the persistence of the cold war can be in part explained by its utility for the managers of the two great world systems.

There is one final element that has to be added to this picture, namely the ongoing militarization of American society. How does this enter in? To see, one has to look back at WWII and to recall that prior to WWII, of course, we were deep in the depression. WWII taught an important economic lesson, it taught the lesson that government induced production in a carefully controlled economy – centrally controlled – could overcome the effects of a depression.

I think this is what Charles E. Wilson had in mind at the end of 1944 when he proposed that we have a permanent war economy in the postwar world. Of course, the trouble is that in a capitalist economy there are only a number of ways in which government intervention can take place. It can't be competitive with the private empires for example, which is to say that it can't be any useful production. In fact, it has to be the production of luxury goods, goods not capital, not useful commodities, which would be competitive. And unfortunately there is only one category of luxury goods that can be produced endlessly with rapid obsolescence, quickly wasting, and no limit on how many of them you can use. We all know what that is.

This whole matter is described pretty well by the business historian Alfred Chandler. He describes the economic lessons of WWII as follows: "The government spent far more than the most enthusiastic New Dealer had ever proposed. Most of the output of the expenditures was destroyed or left on the battlefields of Europe or Asia but the resulting increased demand sent the nation into a period of prosperity, the likes of which had never before been seen. Moreover, the supplying of huge armies and navies fighting the most massive war of all time required a tight centralized control of the national economy. This effort brought corporate managers to Washington to carry out one of the most complex pieces of economic planning in history. That experience lessened the ideological fears over the government's role in stabilizing the economy."

This is a conservative commentator, I might point out. It may be added that the ensuing cold war carried further the depoliticization of the American society and created the kind of psychological environment in which the government is able to intervene in part through fiscal policies, in part through public work and public services, but very largely, of course, through defense spending.

In this way, to use Alfred Chandler's words, "the government acts as a coordinator of last resort when managers are unable to maintain a high level of aggregate demand." As another conservative business historian, Joseph Monsen, writes, "enlightened corporate managers, far from fearing government intervention in the economy, view the new economics as a technique for increasing corporate viability."

Of course, the most cynical use of these ideas is by the managers of the publicly subsidized war industries. There was a remarkable series in the Washington Post about a year ago, by Bernard Nossiter. For example, he quoted Samuel Downer, financial vice president of LTV Aerospace, one of the big new conglomerates, who explained why the postwar world must be bolstered by military orders. He said: "Its selling appeal is the defense of the home. This is one of the greatest appeals the politicians have to adjusting the system. If you're the president and you need a control factor in the economy, and you need to sell this factor, you can't sell Harlem and Watts but you can sell self-preservation, a new environment. We are going to increase defense budgets as long as those bastards in Russia are ahead of us. The American people understand this."

Of course, those bastards aren't exactly ahead of us in this deadly and cynical game, but that is only a minor embarrassment to the thesis. In times of need, we can always follow Dean Rusk, Hubert Humphrey and other luminaries and appeal to the billion Chinese armed to the teeth and setting out on world conquest.

Again, I want to emphasize the role in this system of the cold war as a technique of domestic control, a technique for developing the climate of paranoia and psychosis in which the tax payer will be willing to provide an enormous endless subsidy to the technologically advanced sectors of American industry and the corporations that dominate this increasingly centralized system.

Of course, it is perfectly obvious that Russian imperialism is not an invention of American ideologists. It is real enough for the Hungarians and the Czechs, for example. What is an invention is the uses to which it is put, for example by Dean Acheson in 1950 or Walt Rostow a decade later, when they pretend that the Vietnam war is an example of Russian imperialism. Or by the Johnson administration in 1965 when it justifies the Dominican intervention with reference to the Sino-Soviet military bloc. Or by the Kennedy intellectuals, who as Townsend Hoopes put it in an article in the Washington Monthly in the last month, were deluded by the tensions of the cold war years, and could not perceive that the triumph of the national revolution in Vietnam would not be a triumph for Moscow and Peking. It was the most remarkable degree of delusion on the part of presumably literate men.

Or, for example, by Eugene Rostow who in a recent book that was very widely praised by liberal senators and academic intellectuals, outlined the series of challenges to world order in the modern era as follows: "Napoleon, Kaiser Wilhelm, Hitler," and continuing in the postwar world, "general strikes in France and Italy, the civil war in Greece, and the attack on South Vietnam where Russia has put us to severe tests in its efforts to spread communism by the sword."

This is a very interesting series of challenges to world order: Napoleon, Kaiser Wilhelm, Hitler, general strikes in France and Italy, the civil war in Greece and the Russian attack on South Vietnam. If one thinks it through, he can reach some pretty interesting conclusions about modern history.

One can continue with this indefinitely. I mean to suggest that the cold war is highly functional both to the American elite and its Soviet counterpart who in a perfectly similar way exploit Western imperialism, which they did not invent, as they send their armies into Czechoslovakia.

It is important in both cases in providing an ideology for empire and for the government subsidized system here of military capitalism. It is predictable then that the challenges to this ideology will be bitterly resisted, by force if necessary. In many ways, American society is indeed open and liberal values are preserved. However, as poor people and black people and other ethnic minorities know very well, the liberal veneer is pretty thin. Mark Twain once wrote that "it is by the goodness of God that in our country we have those three unspeakably precious things: freedom of speech, freedom of conscience, and the prudence never to practice either of them." Those who lack the prudence may well pay the cost.

Roughly speaking, I think it is accurate to say that a corporate elite of managers and owners governs the economy and the political system as well, at least in very large measure. The people, so-called, do exercise an occasional choice among those who Marx once called the rival factions and adventurers of the ruling classes. Those who find this characterization too harsh may prefer the formulations of a modern democratic theorist like Joseph Schumpeter who describes modern political democracy, favorably, "as a system in which the deciding of issues by the electorate is secondary to the election of the men who are to do the deciding. The political party", he says



accurately, “is a group whose members propose to act in concert in the competitive struggle for political power. If that were not so, it would be impossible for different parties to adopt exactly or almost exactly the same program.” That’s all the advantages of political democracy, as he sees it.

This program that both parties adopt more or less exactly and the individuals who compete for power express a narrow conservative ideology, basically the interests of one or another element in the corporate elite, with some modifications. This is obviously no conspiracy. I think it is simply implicit in the system of corporate capitalism. These people and the institutions they represent are in effect in power, and their interests are the national interest. It is this interest that is served primarily and overwhelmingly by the overseas empire and the growing system of military state capitalism at home.

If we were to withdraw the consent of the governed, as I think we should, we are withdrawing our consent to have these men and the interests they represent, govern and manage American society and impose their concept of world order and their criteria for legitimate political and economic development in much of the world. Although an immense effort of propaganda and mystification is carried on to conceal these facts, nonetheless facts they remain.

We have today the technical and material resources to meet man’s animal needs. We have not developed the cultural and moral resources or the democratic forms of social organization that make possible the humane and rational use of our material wealth and power. Conceivably, the classical liberal ideals, as expressed and developed in their libertarian socialist form, are achievable. But if so, only by a popular revolutionary movement, rooted in wide strata of the population, and committed to the elimination of repressive and authoritarian institutions, state and private. To create such a movement is the challenge we face and must meet if there is to be an escape from contemporary barbarism.

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