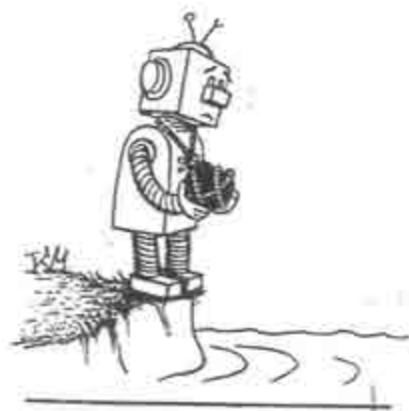


the CONTRADICTION of Advanced Capitalist Society and its RESOLUTION



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The author realizes that there are many deficiencies and shortcomings in the argument presented, but he hopes that it will stimulate discussion nevertheless.

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THE CONTRADICTION OF ADVANCED CAPITALIST SOCIETY AND ITS RESOLUTION

by Martin Nicolaus

In this centennial year of the publication of the first volume of Karl Marx's unfinished magnum opus, Das Kapital, the influence of Marx's thought around the world is greater than ever, but his most important prophecy appears farther than ever from fulfillment. Marxism as an ideology has grown faster and influenced history more deeply perhaps than any other body of thought in the history of civilization, yet the central Marxist doctrine that the industrial workers would arise to overthrow the capitalist system has failed to find even a single clear and unambiguous confirmation. This is the paradox I would like to explore in this paper.

Two main approaches are possible to this problem. On the one hand it would be interesting to know how Marxism as a movement has survived the apparent failure of Marxism as a predictive theory. Marx hoped that his own ideas would seize the minds of the masses and become themselves a material force. Apparently the material force, the socialist movement, has traced a course of its own, relatively oblivious to the theory which it originally incorporated. One might trace this divorce between the movement and the idea in the works of, for example, Michels, Sorel, or Bernstein. On the other hand, one can approach this problem by focusing primarily on the original theory rather than on the movement. I propose here to adopt the latter course. If Marx was mistaken in his prediction of a workers' revolution, then is his entire analysis of the political economy of capitalism wrong? If there is to be no workers' revolution, must it be concluded that the capitalist order is impermeable to fundamental change? Is there in advanced capitalist society a contradiction with revolutionary implications? What approximate form must socialist theory take to expose and to sharpen such a contradiction? Are there concrete signs that contemporary capitalist society is entering a critical phase, and that a movement out of which a new and higher stage of civilization may emerge is in formation? These are the questions which will be discussed. It goes without saying that no claim can be made to provide adequate definitive answers to any of these questions. It is hoped merely to suggest lines of analysis on the basis of which further investigation and action might fruitfully proceed.

I: THE WORKING CLASS

A consensus is emerging among Marxists themselves that the industrial proletariat in the advanced capitalist countries is no longer a potentially revolutionary force. In part this consensus manifests itself by default. With the possible exception of a French-Italian subcurrent (Andre Gorz, Lelio Basso), the major topics of discussion in the international socialist communities of ideas are no longer concerned with the working class revolution, or indeed with the working class at all. No significant census or overall appraisal of the working classes has appeared within Marxism in the last fifty years, and Marx's own proposal for an international questionnaire survey of the condition of the working class has never been carried out. Most of the ideas socialists espouse today about the concrete shape which a working class revolution might take belong in a Victorian parlor. No book-length effort has been made to show how the political-economic laws of motion of advanced capitalist society must result in a workers' revolution. The prophecy has been transformed into an article of transcendental faith, not into a concrete part of socialist strategy. From another aspect, one can trace a declining belief in the prophecy very

early within Marxism. Marx and Engels themselves berated the English working class -- in which they had at first placed their hopes -- for its stubborn adherence to bourgeois ideology. The theory of false consciousness was originated chiefly by Engels to account for the absence of revolutionary spirit in the proletariat. German Social Democracy experienced its great intellectual crisis over this issue in the Bernstein controversy. Lenin's theory of the vanguard party is based on the explicit avowal that the mass of the workers will never achieve revolutionary capabilities in the normal course of capitalist development. His theory of imperialism, too, is (among other and more important things) an attempt to explain why the prophecy of working class revolution would not necessarily be fulfilled. Today, the spokesmen of the Chinese and Cuban wings of socialist thought specifically deny the revolutionary potential of the urban industrial working class and of the organizations based on it. The two most prominent independent Marxist political economists of post-war America, Paul Baran and Paul Sweezy, have written off the revolutionary potential of the American working class. In short, except for a scattering of unreconstructed Fabians, isolated Communist Party ideologists, and a rainbow of sectarian splinter groups, the body of Marxist thought has implicitly or explicitly given up on the industrial working class as an agency of socialist revolution.

The question is: how could Marx have been so wrong?

The most balanced answer that can be given to this question, in my opinion, is that Marx, the political economist who laid bare the laws of motion of capitalist society, was not very far wrong at all. But Marx the revolutionary pamphleteer and agitator was certainly mistaken. It is an unfortunate fact that Marxist movements, as well as individuals whether they call themselves Marxists or not, have derived most of their knowledge of Marx's thought from his pamphlets and agitational literature. Most of this literature and all of Marx's most cataclysmic pronouncements on the working class revolution were written in Marx's youth, before Marx had studied the political economy of capitalism and before he had made his own important contributions to it. For example, Marx's proclamation of the inevitability of proletarian revolution comes in a philosophical tract written at the age of twenty-five. Only then did Marx make an initial foray into the economic literature of his day (chiefly Adam Smith and Ricardo); a venture from which he learned enough to refute the monetary quackeries of Proudhon, but little more. He was thirty when he wrote the Communist Manifesto with Engels, but not until he reached the age of forty did he achieve the theoretical breakthrough on which his mature economic work is based. To be sure, he wrote pamphlets and newspaper articles in full maturity, took the lead in organizing the first socialist international association of workers, and never flagged in his support for the proletarian cause. Still, in the eight tomes which contain his political-economic analysis of capitalist society, the proletarian revolution is mentioned in scarcely half a dozen passages, and usually *en passant*. Often he speaks simply of transition to a higher form of civilization, or speculates about the nature of a future communist society. The most famous passage in Capital I ('The integument is burst asunder. The knell of capitalist property sounds. The expropriators are expropriated!'), is so brief and so out of context that its organic relationship with the rest of the work is not at all apparent. Most important, there is in Marx's political-economic work no single consistent theory of economic crisis and ultimate breakdown, no adequate discussion of the conditions under which proletarian revolution appears possible or probable. This is a gap which has given rise to extensive and bitter disputes among later Marxists, and about which there is still no substantial agreement.

In short, Marx never succeeded completely in welding his pamphleteering and his serious political-economic analysis into an organic, coherent whole. Most glaring among the disjunctures remaining in his work between agitation and analysis is his theory about the fate of the working class.

A great many theories have been offered since Marx to explain why a proletarian revolution need not occur. I cannot review these theories here. Nor is there room for an exposition and critique of all of the important concepts and difficulties with Marx's theory of capitalist development. But I think it is

possible to show at least in outline form that Marx's own political-economic system does not lead to proletarian revolution as a necessary conclusion.

RELATIVE vs. ABSOLUTE SURPLUS

In the first volume of *Capital*, Marx makes a distinction between two stages of capitalist development. The first stage was characterized by what he called the extraction of absolute surplus value.* The rate and volume of surplus value are low. The enterprise exploits its labor intensively: female and child labor are common, speed-ups are the rule, and the working day is stretched up to and beyond the physically endurable limit. This is the stage of capitalist production which we associate with the image of the sweatshop.

The second stage is characterized by the extraction of a relative surplus. Now the output of the workers is increased and multiplied by the introduction of advanced machinery. Productivity rises rapidly, and with it rise the rate and volume of surplus value. In order for the capitalist to realize a greater surplus, it is no longer necessary for him to sweat and whip his workers to death. The worst abuses of female and child labor are abolished. Speed-ups are recognized as inefficient. The capitalist class gradually yields to labor demands for a working day standardized at ten or eight hours.

WAGES AND SURPLUS VALUE

This distinction has the following consequences for the working class. In the first stage, the rate and volume of surplus value being low and productivity being low, every increase in surplus value must be taken out of the hides and wages of the workers. If the capitalist wishes to raise his profits, he must lower wages or lengthen hours or intensify the work in proportion. At such a time, workers have strong and obvious motivations to demand a betterment in their living and working conditions. The trend of their living standard is downward. At precisely the same time, the low rate and volume of surplus value leaves the capitalist class with a very narrow margin, a thin reserve, from which workers' demands can be met if necessary. Every wage raise demanded threatens to put the enterprise out of business. During this stage of capitalist development, workers' demands for better living and working conditions can pose a revolutionary threat simply because the capitalist class is incapable of granting what is demanded, while the working class has nothing to lose.

Marx held that the length of this stage depended in part on the vigor with which pre-capitalist economic formations resisted the rise and dominance of capitalism. Thus we might expect the capitalist system in largely pre-capitalist Tsarist Russia to have been particularly brittle and vulnerable.

Barring a major upheaval in this stage, the capitalist system soon passes on to the advanced stage of relative surplus extraction. At this point, increases in surplus value derive from increases in productivity, and not necessarily from decreases in wages. The rate and volume of surplus value rise; the real or potential reserves possessed by the capitalists grow enormously. The point is that the capitalist class can grant increases in the real wages of workers without damaging its profit position. What Marx called the rate of exploitation (the rate of surplus value extraction) can escalate higher and higher, while the real wages of the working class can continue to rise higher also. There is no contradiction in Marx's

* In brief, 'surplus value' is that part of the output of a factory (or other productive enterprise) which remains after the wages of the workers have been paid. Thus, surplus value includes the capitalist's profit, interest and dividends, rent, and the salaries of managerial and other unproductive personnel.

scheme between a rising rate of exploitation and a rising standard of living for the working class. It is my hypothesis -- an hypothesis I think consistent with Marx's economics -- that the working classes of the advanced capitalist nations have made no revolution because their past has always been a little worse than their present, and their future promised to be a little better yet.

EXPLOITATION AND REVOLUTION

One can extend this hypothesis into a more general principle. The probability of a working class revolution varies inversely with the rate of exploitation. The higher the rate of exploitation, the bigger the margin of surplus controlled by the capitalist class. The bigger this margin, the more easily can labor demands be satisfied. The more easily they can be satisfied, the less of a threat they represent to the capitalist system, and the smaller is the probability that the working class will sacrifice whatever gains it has made in order to make a bid for power. In short, the higher the rate of exploitation, the lower is the probability of revolution.

But what of Marx's famous law of increasing impoverishment? Despite the interpretations given this 'law' chiefly by Soviet-oriented Marxists in the 1930's and early 1940's -- and unfortunately this bastardized orthodoxy still exercises a subtle and powerful influence -- Marx did not hold that the living standards of the working class must suffer an absolute decline over time. He stated explicitly that an increase in real wages was compatible with capitalist accumulation, and even in his well-known catalogue of the misery into which the working classes would sink, he is careful to add that this eventuality will occur 'whether their wages are high or low.' What Marx is referring to is clearly relative impoverishment. Compared to its own past, the working class has bettered its condition; but compared to what its condition would be if the volume of surplus value absorbed and variously wasted or consumed by the capitalist system were to be appropriated by its producers -- by this relative standard, the condition of the working class continues to deteriorate abysmally even when its absolute condition remains stable or rises.

II: THE CONTRADICTION OF ADVANCED CAPITALIST SOCIETY

These considerations amount to the statement that the contradiction between the capitalist class and the working class can no longer pose a revolutionary threat to an intelligently-managed capitalist system. Because the surplus at the disposal of the modern corporation system is so vast, no realistically conceivable proletarian demand for higher wages or for any other quantifiable goal is likely to raise the spectre of revolution. Struggles over wages and conditions may be fought quite bitterly, but there is little probability that anything more than bitterness will emerge from them.

SERFS AND PROLETARIANS

There is a further reason why this contradiction is no longer potentially explosive. The great advances in automation technology which have been achieved in the last two generations have made the elimination of most industrial jobs -- and of many service and managerial functions -- a distinct technical possibility. It must not be supposed that automation will arrive automatically. Its actual pace so far has lagged far behind technological potential, and there are good reasons for supposing that the rate of technological advance in producer goods in a monopoly capitalist economy tends to approach stagnation. It is a great irony that working class action may stimulate the capitalist economy to do what it would not have done otherwise; for the greatest stimulus to automated production is undoubtedly the rising cost of wages. Faced with membership pressure for higher wages from below, and the threat of automation from above, the established leadership of organized labor can be expected to move farther

in a conservative direction. It seems reasonable to expect that more rather than fewer labor unions will establish a variety of restrictive practices designed to protect the fading privilege of being exploited.

There is a danger that a favorite analogy of Marxist thought, the analogy between the overthrow of the feudal nobility and the overthrow of the capitalist bosses, will gradually reveal its darker side. The feudal nobility, after all, was not overthrown by its own proletariat, its own working class. The feudal serf engaged in a great many revolts, but was finally eliminated from the scene because the form of production which had created him had been surpassed. The fate of the industrial working class in capitalist society may well be similar. Thus, Marxists for whom the working class is the Alpha and Omega of Marxism risk having the social rug pulled out from under them.

Does this mean that capitalist society, having survived the contradiction between capital and labor, will survive forever, world without end?

It seems to me that quite the opposite conclusion follows. Capitalist society has survived the contradiction between capital and labor, but it appears doubtful whether it can survive the gradual disappearance of this contradiction. The system has entered the phase when it is torn by a still greater conflict, namely the contradiction of capital with itself. As the mature Marx wrote: 'Capital is its own contradiction.' I will attempt to put these somewhat cryptic remarks in a plainer form.

CAPITAL -- PRODUCTIVE FORCE AND SOCIAL RELATIONSHIP

In Marx's scheme of thought, the term 'capital' always refers to two different aspects of the same entity. On the one hand, capital is a thing, a productive force expressible as so many dollars' worth of machinery capable of a given output over a period of time. Viewed from this perspective, capital as a productive force 'does not care' to whom the output is distributed; this productive capability can equally well be applied to the manufacture of clothes for schoolchildren or uniforms for soldiers or fancy dresses for directors' wives. But on the other hand, capital is also a social relationship. It forms the basis of an entire social system in which one class profits from the labor of another class. Viewed from this perspective, it is of crucial relevance that the output of production become the property of the capitalist class, and that the yield of capital be reinvested to yield yet more profits, and so on. On the one hand, capital is so many machines; on the other hand, capital is the categorical social imperative that the operation of those machines must yield a profit for a specific class. When Marx wrote that capital will enter into contradiction with itself, he was referring to this duality. Capital as a productive force is in contradiction with capital as a social relationship.

Let me take this argument one step closer to concreteness. It is a frequently-stated truism that the capitalist system in the most advanced industrial nation, the United States of America, has developed the powers of producing material wealth to unprecedented heights. The productive potential of the U S is generally conceded, and sometimes boasted, to be virtually illimitable. Yet at least half the population, by official estimates, lives below the level officially defined as adequate for minimum comfort, and the existence of areas of extreme misery is too well-known to require further comment. Why cannot the enormous productive potential of the American economy be applied to the rapid alleviation of this misery, poverty, and substandard life? The answer is that there is not enough profit in such an undertaking. The capitalist system must make a profit, and in order to make a profit it has to sell its products to people who can afford to pay for them. But the poor cannot afford to pay for them, by definition. Therefore, we may say that capital as a social relationship, capital as the categorical profit imperative, prevents the utilization of capital as a productive force for the benefit of the majority of the population.

CAPITALIST WASTE

In order to get a more precise understanding of the issues involved, I would like to state the contradiction once more by using the concepts of political economy. Here I shall be drawing heavily upon the work of Paul Baran and Paul Sweezy, the two political economists who together have been responsible for working out whatever significant Marxist analysis of contemporary capitalism there is today. Using as their starting point the fact that the amount of economic surplus generated by the American business system is larger than ever before and continues to rise, they go on to ask to what employments this surplus is put. A significant portion of it, they find, pays the cost of advertising, marketing, and selling the product; other studies have shown, for example, that these distribution costs now make up a greater portion of the price of a commodity than the actual manufacturing costs. Apart from the cost of transporting commodities from place of manufacture to place of final retail distribution, Baran and Sweezy classify these distribution costs as capitalist waste. More accurately, they are the costs of capital as a social relationship. Without the social imperative of profit, these products could be distributed to the consumer free of charge, thus making the cost of advertising, and the salaries of all sales personnel superfluous. Secondly, they find waste of productive potential in all of the elaborate packaging and styling for which especially American automobiles are notorious. They cite studies showing, for example, that if annual style changes and similar expenditures for what economists refer to as 'product differentiation' were eliminated, then the consumer could have today a decent-looking vehicle of comparable performance, superior safety and durability, for less than \$800.

Accordingly, they classify the remainder of the price of the automobile as capitalist waste. Again, this is waste owed to the necessities of capitalist competition and profit, waste imputable to the social imperatives of capitalist production. Finally, Baran and Sweezy point to the tremendous expenditure of resources for the military establishment, whose chief reason for existence is the maintenance of toleration for capitalist social relationships throughout as much of the world as possible. Adding together all of these modes of surplus on the basis of available statistics, Baran and Sweezy offer the conservative estimate that at least fifty-six per cent of the Gross National Product in 1963 was expended for purposes of maintaining the social order of capitalism, and represented productive forces of which the population at large was deprived. In other terms, the real income of about half the population could have been nearly doubled, and the work week cut to twenty hours for everyone. This state of affairs became a realizable possibility four years ago and could have been achieved if capitalist social relations had been quietly eliminated in the year of John Kennedy's assassination.

III: RESOLUTION

Whenever a social system suffers from a contradiction of this magnitude, one would expect to find present within it a number of currents, both ideological and political, which aim at the resolution of that contradiction. From Marx's viewpoint, the existence of a contradiction between a society's forces of production and the social relationships of production signaled the beginning of the end of that social order, and its imminent replacement by another. If this generalization, perhaps the most sweeping statement on social change which Marx permitted himself, is correct, then the image of a new social order should be visible, however dimly, underneath the forces of repressive social relationships which attempt to contain its growth.

LIBERATION FROM LABOR

Unfortunately, the type of sociological perception which Marxism has inherited from Soviet communism of the 1930's is particularly unsuited to the present contradiction. Soviet-inspired Marxism -- and in-

deed all Marxisms originating in countries which have still to win their battles against material scarcity -- still prides itself on wanting to turn all society into a factory. It sees unemployment and under-employment as anachronisms to be abolished in a rational organization of production, and proclaims the universality of labor as its guiding principle. Its goal is to spread the compulsion to work, the necessity of earning one's living in the sweat of one's brow, evenly throughout all of society. 'He who does not work shall not eat' is its slogan, and the equitable distribution of scarcity is its highest practical goal. The great majority of those in America who call themselves Marxists, especially the generation over 50 which controls the ideological establishment of Marxism, such as it is, have not progressed significantly beyond this world view. Yet it should be apparent after any inspection of the productive forces now available in American capitalism that such an outlook is as obsolete and unexplosive as the demand for nationalization of basic industries. Radical social ideas are radical not because they express the demand for some imagined desirable society, not because they protest against some inequity in the present order. Their radicalness derives from their ability to express the repressed potential of the present social order, from their accuracy in pointing to the possibilities which the status quo negates. Seen from this perspective, the 1930's vision of a world of universal labor and equitable distribution of scarcity points to no repressed potential, no stage of civilization higher and in some sense more humanly desirable and practically attainable than the present. Are these principles the only ones to which the vision of Marx extends? Is Marxism incapable of envisioning anything other than a world of universal labor? Quite the contrary. At the very nucleus of Marx's thought -- from philosophical youth to political-economic maturity -- lies the consistent vision that the liberation of mankind will be achieved only when mankind is liberated from labor. The realm of freedom begins, he wrote in Capital, only where the realm of labor ends. The vision which fully grasps and points out the present contradiction between capital as a productive force and capital as a social relationship, between growing surplus value and growing surplus population, is the vision of a world without work. 'Everyone should eat, nobody should work; everyone can be free to consume, nobody need be forced to produce. These are the principles that underly what Marx meant by a true classless society, a genuine communist social order. And these are also the principles which express the repressed potential of the social order of advanced capitalism.'

To what extent are these somewhat abstract observations verifiable in social reality? Can we cease speaking of contradictions, a category of logic, and begin speaking of conflict, a category of sociology? I would like to suggest briefly here that two movements of current interest in American society, the hippie movement and the ghetto rebellions, can be usefully interpreted as protests against and demands for the resolution of the contradiction of advanced capitalist society.

WORKERS OR HIPPIES?

It is beyond my purpose and my abilities to present an adequate summary of the hippie subculture. However, certain distinguishing features can, I think, be described at this point. First, one must peel away an entire massive layer of commercialism and faddism. Then one must work past the drug issue. In this regard, 'straight' society insists that the use of drugs is an escape from reality, while spokesmen for the hippie subculture insist with equal firmness, though more gently, that the use of drugs is a means of exploring reality more effectively. It may be that neither explanation is valid. My own informal observations lead me to think that the use of drugs serves as little more than an esoteric rite, a badge of identification to demarcate this subculture sharply from the larger culture and to promote internal solidarity, much like the Semitic refusal to eat pork or the secret handclaps of fraternal orders. Once past the drug issue, what remains of the hippie subculture can be summarized under two headings. First, the hippie refuses to work for a living if at all possible (though he may work, typically in artistic forms, for pleasure and self-satisfaction). Second, the hippie culture denies the importance of the relationship between men and commodities, and asserts the primacy of direct relationships among human beings. These

two principles amount to the assertion, so offensive to capitalist society and those who share its ethos, that there are more important things in life than to earn one's living. Various subsisting on the surplus income of middle-class parents, on the waste products of the economy, or on handouts from any source available (rarely are hippies able to receive welfare payments), the hippie subculture asserts that the era of material scarcity is or should be over, and declares that the time has come to abolish the compulsion exercised by economic relationships over genuine human relationships. A subculture within the subculture, the 'Diggers,' has begun to organize an embryonic economic subsystem based on free distribution of necessary goods.

HIPPIES AS PHILOSOPHES

I do not intend to suggest that the hippie subculture is or will become a revolutionary force, in the sense that it will develop the power to alter the basic political and economic structure of capitalist society. It is possible, however, that it will have the effect of seriously undermining the fundamental value system which is essential to the smooth functioning of capitalist society. As Antonio Gramsci wrote, the ultimate subjugation of the oppressed occurs in the ideological or cultural realm; a social system can maintain its repressive effectiveness only so long as the oppressed share the fundamental ethos of the oppressors. This, I take it, is what Gramsci implied in the notion of hegemony. In the history of the two great revolutions of the modern world, the French and the Russian, we may observe a long preliminary process during which the culture and the ethos of the dominant class were challenged and undermined by an antagonistic worldview. It may well be that the hippies are to be philosophes, that Allen Ginsburg and Abbie Hoffman and Paul Krassner are the Rousseau and the Diderot and the Voltaire, of a new American revolution. The present style and appeal of the hippie subculture may well fade away, but the vision of a practical culture in which man is free from labor, free to begin at last the historic task of constructing truly human relationships, probably has been permanently launched and will continue to haunt capitalist society as the spectre of its own repressed potentialities. The official attempt to suppress and crush the hippie subculture must be viewed as an effort to commit social infanticide.

SURPLUS POPULATION AND SURPLUS WEALTH

Ecologically not far removed from the refuges of the hippie subculture in many cities lie the ghettos of the involuntarily unemployed. Because the American economy has always had a racist edge to it, Negroes are the first to be sliced off the jobrolls and the first to feel the general deterioration of all public services which has been observable in American cities over the last two decades. Neither the conditions of oppression nor the response to them, however, have been exclusively aligned along racial divisions. In the Boston police riot, for example, an integrated squad of police forcibly removed from the steps of the municipal building a group of Negro welfare mothers demanding higher payments and more dignified treatment from an integrated welfare bureaucracy. In Detroit, white as well as black people looted stores, and a few whites were among the snipers. In Newark, white members of a community organizing project (NCUP) walked the streets unmolested during the phase of the rebellion which preceded the arrival of massive police reinforcements. Many observers have noted the high rate of unemployment among Negro youths in the ghettos, and the low purchasing power of the ghetto population in general is too obvious to require emphasis. It needs to be mentioned, however, that the cities in which these outbreaks of revolt occurred were not so long ago considered primary centers of capitalist production, mainsprings of the nation's prosperity. And it should be remembered that the major corporations which still operate in and around these cities report unprecedented financial prosperity. Here again, in other words, we are confronted with the contradiction between growing surplus capital and a growing surplus population.

The outbreaks of systematic and general looting which characterized all these revolts must be understood in the framework of this contradiction. In economic terms what the looters were doing was to solve the problem of effective demand under capitalism in the only way open to them. They represent the surplus population appropriating the surplus wealth. They broke through capitalist social relations -- the profit imperative -- by appropriating commodities which they had not labored to earn. They were demanding that the right to consume must not be measured in terms of labor time; they were demanding by their actions that labor time as a measure of wealth be abolished. In unmistakable language they were asserting that everyone must have the right to consume and that no one should first be forced to produce. In short, they were practicing -- now illegally and by force -- the right which is fundamental to an advanced communist system. It is perhaps for that reason that the looting was carried on, by all accounts, in an atmosphere of great joyfulness and with a profound sense of liberation -- until the guardians of capitalist social relations appeared, en masse, on the scene.

IV: CONCLUSIONS

It would be inappropriate to conclude this survey of social conflict imputable to the contradiction of advanced capitalism without attempting to assess the significance of these currents and movements for the study of sociology, in particular for Marx-inspired social theory.

WORK UNIONS OR COMMUNITY UNIONS

To begin with, the contradiction of advanced capitalist society, if I have identified it correctly, underlies the urgency of acquiring more and better knowledge of the functioning of communities as units of internal and external conflict. Many observers have noted, for example, the declining importance of work unions as foci of conflict and the rising of community unions. If it is correct to say that the main contradiction lies between surplus product and surplus population, between unemployed capital and unemployed people, then it follows that community unions must be a more appropriate form of polemic organization. For Marxist theory, this poses the problem of rethinking the entire labor-union tradition, even the entire class-struggle notion, in order to discover exactly what role the concept of community in addition to the concept of class can play in social change models. There are interesting precedents. For example, the rise of the bourgeoisie within feudal society can be seen either as the rise of a new class or, perhaps better, as the rise of a counter society or counter-community. As another example, it may be of interest to note that when Marx wrote that the 'dictatorship of the proletariat' had come briefly into existence, he was referring not to a labor union but to the Community Union, or Commune, of Paris in 1871.

These considerations seem to me to pose problems of especial importance for the study of communities as political systems. What is involved is, on the one hand, a breakdown of legitimacy. On the other hand, it is an example of social change partly determined by the motion of the economic structure. Viewed from both angles it is necessary to rethink the entire concept of the state and its function. For example, David Easton's definition of government (subtly refined from Lasswell's earlier view) as the system of authoritative value allocations, represents a step in a fruitful direction. Where it falls short, however, is in its restricted definition of the term 'values'. Indeed, it is startling to find that in political systems analysis, where extensive use is made of terms which have become part of the economic vocabulary, such as input and output, there is hardly a single reference to that most important of all values which the government authoritatively allocates, namely taxes. The history of the French and Russian revolutions, by contrast, shows that the fiscal structure of the state is one of the first areas in which government impotence and a breakdown of legitimacy make themselves felt. In both of these cases, the

state found itself in a cruel political-fiscal dilemma. Its tax structure was oriented to the maintenance of the old order, an order which had become increasingly expensive and required increasingly heavy taxation. Yet the growing burden of taxation increasingly eroded the state's legitimacy among the lower strata, without whose support or at least passive acceptance the old order became politically impossible. In short, the maintenance of the old social relationships became too expensive.

IMPOVERISHMENT THROUGH TAXES

Something very much like this process has been observable for the last 30 years in the United States. In order to meet the social costs of private enterprise, chiefly militarism, welfare and unemployment, and what is daintily referred to as 'urban decay,' government at all levels has been going deeper and deeper into debt. Municipal governments in the United States (as well as in Canada) have already ceased to be effective economic units, and are often completely at the mercy of outside financial interests and/or the national government. It goes without saying that this functional bankruptcy has greatly impaired the ability of local governing authorities to respond flexibly to local problems, thus creating a virtual, though hidden, power vacuum. Segments of the local population who address their demands to the local authorities are told repeatedly that there is no money and that control over funds lies elsewhere. It would be interesting to know at what point this power vacuum contributes to the creation of a counter-community with a parallel power structure at the local level. Government at the national level, the last resort, is also finding itself affected by the same fiscal drain. The national government must spend for military, space, or other unproductive production in order to maintain effective demand and prevent economic implosion, yet it must also spend more heavily for welfare and urban renewal programs to prevent social explosion. It is caught in the middle of the contradiction between surplus capital and surplus population, between capital as a productive force and capital as a social relationship. Both sides of the contradiction drain it of resources, and it in turn bleeds the population. Thus the impoverishment of the population, which Marxists still expect to arrive via the paycheck, is more likely to arrive instead via the tax bill. If present trends continue, fiscal impotence at the top will lead to a generalized power vacuum, to a corresponding loss of legitimacy, and to the rise of a variety of counter-communities within. In sum, the contradiction of advanced capitalism is propelling contemporary industrial societies relentlessly toward a classic generalized crisis.

Whether the outcome of this crisis, however, will be the conquest of the productive power of capital by new social relationships or the ultimate triumph of capitalist social relationships at the sacrifice of its productive potential -- a higher stage of civilization or a new medieval millennium -- is a question which can be answered only through the determined, conscious efforts of those who see and understand.
