

CRISIS THEORY

dencies cannot help but narrow the options of the ruling class and force a major crisis of legitimation.

While Wolfe does not commit himself to deciding the eventual outcome of this crisis tendency, from his extensive discussion of the delegitimizing impact of the Watergate era in the U.S., it would seem that he leans in a more or less optimistic direction. Recent political events in Canada give little cause for similar optimism. As Wolfe correctly points out, notwithstanding all the perverse aspects of the welfare state, the present assault on it by the business sector is ultimately a full scale attack upon democracy itself. The apparent popularity of this offensive in Canada, as well as the wide-spread indifference to the revelations of the degree of R.C.M.P. police-state activities, are surely not signs of a deeply rooted need for democratic political expression. Far from indicating a positive hoarding of political power from the ruling class, voter apathy, in Canada at least, may indicate something less positive. Simply, if the need for democratic expression and an authentic politics is not widely felt, then the central problematic discussed in this book may be far removed, for the time being at least, from a situation of real crisis.

In servitude, our citizenry has felt the discipline of work for too long. Even our fear of death is still unknown, banished by the massive instrumentalization of the death instinct itself. As such, our rebellion, our self-conscious urge for life, remains silenced.

Harold Chorney
Urban and
Regional Planning
University of Toronto

Robert Heilbroner, *Business Civilization in Decline*, New York: W.W. Norton and Company, Inc., 1976.

This is an essay in futurology. Concerned with the "stresses and strains" which will almost certainly assault contemporary capitalism, Heilbroner predicts the future of capitalism: the inevitable rise of the political "super-structure" of this society to a position of prominence over its economic mechanisms, thereby ironically subverting their capitalist logic. The designated scenario consists of three phases: the "immediate future", the "middle range" (25 to 50 years hence), and the longer run of a full century.

Within the immediate future, Heilbroner points to an inescapable drift into

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state planning and, if needed, the "forceful suppression of economic activity". This is seen as a necessary defensive reaction of a system now under serious pressure from the "generalized disorders" of inflation and depression, grave "localized disorders", and impending environmental challenges. Yet this immediate spectre of an increasingly planned capitalism, characterized by a business-government state, merely constitutes a period of transition from the still business-dominated system of the present to the state-dominated system of the future. Because of three interrelated "strains" state planning seems inevitable in the next 25 to 50 years. First, the extension of political authority will be encouraged by the rise of social affluence, the problem of persistent inflation, and by the need to provide a labour supply to perform the "more distasteful jobs of society". Secondly, Heilbroner mentions the growing contest for power between capital and the "scientific-technical elite"; this is seen to be a struggle lying in the political, and not the economic, arena of capitalism. Finally, there is the need to establish effective social controls over the unrestrained growth of science and technology. Heilbroner draws the important conclusion that these three problems of the "middle future" are fundamentally political, and not "capitalist" or economic, in nature. Structurally different from the old (economic) contradiction between capital and wage-labour, these coming stresses are rooted in the nature of "industrial society" as much as in the capitalism proper.

Heilbroner also hints that advanced capitalist society may be faced with a crisis of legitimation in this middle period. As in the analysis of Habermas, the "crisis" will be rooted within serious problems of motivation. According to Heilbroner, such phenomena as "the cry for participatory democracy", and "the skepticism and lack of commitment of youth" will tend to be "destructive of those attitudes and behavior patterns on which a business civilization has traditionally rested". Yet Heilbroner merely broaches this crucial point; his failure to deepen their analysis and implications makes his critique weaker than it might otherwise be. For example, Heilbroner fails to trace the "skepticism" of our youth to the increased activities of the state itself. For it is the state which has increasingly assumed responsibility for providing education and training, just as it has assumed responsibility for creating the conditions of "full employment". It is the state's active involvement in these areas which has the unintended side-effect of promoting the expectation that it is the *function* of the state to provide education for the young, and to secure employment for them when that education has been completed. The consequence, of course, is that the state will immediately run into legitimation problems when the "right" to a job is no longer reliably safeguarded. This is but one example of the many cases in which the state's intrusion into areas formerly regulated by tradition and the market serves to increase its need for legitimacy. Schooling, the family, and provision for old-age are other cases in point which Heilbroner would do well to examine more thoroughly.

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Moreover, Heilbroner's analysis of the drift and heightened drive toward a statist society is plagued by a major weakness, namely, an inadequate formulation at the theoretical level of the relationship between political power and capital accumulation. True, his prognosis correctly presupposes that the precedence of the economic over the "political machinery" no longer holds true under the conditions of advanced capitalism. While acknowledging the obsolescence of the old "base-superstructure" model, Heilbroner in effect resurrects the old dichotomy he seeks to abolish. He simply reverses the dominant power relationships between the two; "the indispensable but essentially passive support that is today rendered to the business community by the functions of government" will, in the immediate future, be replaced by the business community's passive support to the state. Such "either-or" conceptions are far too descriptive and simplistic. A host of questions remain unasked: What role does the dominant class now play in the "unholy alliance" of business and the state? What will its role be in the future? In what sense is state power external to class power? Indeed, upon which resources does the state draw to guarantee its specificity?

It is within the long-run of a century that Heilbroner predicts the demise of capitalist civilisation. The ultimate cause of the decline of business civilisation will not be found in any sudden rupture or crisis incident but, rather, will be due to the long-term cessation of economic growth. Given the two environmental constraints of resource exhaustion and pollution, the exponential character of the process of industrial growth will finally reach its limit, bringing with it a progressive elimination of the profits that have been both the means and the end of capital accumulation. Together with these environmental constraints, the "extension of planning into every corner of economic life" will finally reach proportions which become incompatible with either the prerogatives of property or the machinery of the market. This will coincide with the final decay of capitalism's value system, whose essential "hollowness" will finally be revealed for what it really is: a civilisation which celebrated the values of material output while merely calculating those of human input, a civilisation that perpetuated itself through the generation of "a ceaseless flow of half-truths and careful deceptions". With the vitiation of the "spirit" of capitalism, business civilisation will be faced with a thorough-going crisis of legitimization. The traditional self-justificatory systems of private property and the market mechanism will have lost their claims to popular support.

The new "civilization" projected by Heilbroner is that of a tightly controlled society, wherein the traditional pillars of capitalism — the legitimacy of private property and the operation of the market mechanism — have been wholly superseded by state property and state directives. With the transformation of the institutional forms of business civilisation will come a corresponding new system of beliefs and attitudes, oriented toward "statism" and "scientism". As Heilbroner grudgingly acknowledges, the new "deification of the state" will in all likelihood lead to the erosion of political and intellectual liberties, to the intensification of overt authoritarianism.

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Heilbroner mentions this development, but simultaneously brushes it aside. Like all thinkers in the "liberal humanist" tradition, his final appeal is to that individualism which continues to be cultivated, however shallowly, by contemporary capitalist society. Those with similar commitments to authentic individualism will find comfort in sharing Heilbroner's conviction that there does indeed exist a uniqueness, a "final autonomy" within each person, however obliquely that autonomy is rendered under capitalist civilisation, and however likely the possibility that this autonomy may be obliterated entirely within the civilisation of the future.

Monica Driscoll
Charlottetown, P.E.I.

James O'Connor, *The Fiscal Crisis of the State*, New York: St. Martin's Press, 1973.

In the relatively short time since its publication, this work has rightly become a classic in the crisis theory literature and benchmark for current Marxist analyses of the capitalist state. Through his consideration of the United States, O'Connor develops a general analysis of the advanced capitalist economy which gives sufficient theoretical emphasis to the greatly enlarged and transformed role of the state. While forcefully arguing that an analysis of the capitalist state must be grounded at the level of economic contradiction, O'Connor contends that in monopoly capitalism the state necessarily assumes an increasingly decisive role in exporting this contradiction to the political level, where it assumes the form of a budgetary or "fiscal crisis". In doing so, he succeeds in *initiating* this much needed politico-economic analysis and brings to the fore two most significant advances within contemporary Marxist debate: the denial of reductivism (and hence the conception of the state as simply a direct organ of the bourgeoisie) and the question of the state's possibly problematical role in capitalist accumulation.

O'Connor seeks to explain the necessarily symbiotic relationship between the monopolized accumulation process of advanced capitalism and its increasing reliance upon the sphere of state activity, while simultaneously indicating the potential for crisis inherent in this relationship. Unfortunately, he continually subverts the force of his thesis by attempting this within what amounts to a Galbraithian understanding of the U.S. economic structure. Within this schema, the major contradiction appears at the *market* level, among the sectors of monopoly, competitive and state capital. In fact, he even goes so far as to place this trichotomy at the centre of the political struggle. In bringing