

# That was Then, and This is Now: Socialist Reflections on Responding to Capitalist Crises

## Priority #9: Build a Socialist Left, Inside and Outside of the Unions

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the labour movement extended an umbrella to non-union workers who found themselves caught in a downpour. That gesture, small as it may be, is a symbol of the movement-building we can and must undertake – worker by worker, and community by community.

## ***That was Then, and This is Now: Socialist Reflections on Responding to Capitalist Crises***

Priority #9: Build a Socialist Left, Inside and Outside of the Unions

**Bryan D. Palmer**

SOME HAVE SUGGESTED that the present global financial meltdown and resulting worldwide recession compare with and rival in significance the economic collapse of the 1930s. It is commonplace to hear in the capitalist west that we now face the worst economic downturn since the Great Depression. It is difficult to adjust the television set to CNN and not hear this. It has become part of *Obamaspeak*.

There are other analogies (more political than economic) to the 1930s that are also made, and that labour and socialist activists must consider carefully, as well. They often relate to how workers and their organizations responded to capitalist crises, past and present.

The suggestion is made that out of the last great economic crisis came considerable working-class advance. True on many levels, this claim should not, as I suggest below, be taken to imply that such advance can automatically be assumed as the outcome of the current crisis.

I will forego a serious analysis of the structural issues of political economy that necessarily frame understanding of the current context and that are obviously fundamental to labour's struggle against the consequences of capitalist crisis. It is nonetheless important to recognize a number of salient points that provide a central background to my perspective:

- 1) The current crisis is one phase, albeit advanced, of an ongoing, inexorable, and inevitable crisis of capitalism, rooted in the fundamental tendency of the rate of profit to fall, and the consequent necessity of capital to seek alleviation from pressures in various historically-situated expansions (imperialism, colonialism, technological change, war, "globalization").
- 2) Whatever the "wildness" associated with the subprime mortgage meltdown in the United States and elsewhere, the current crisis is not an aberration, nor can it be reduced to the "irresponsible" acts of certain individuals or economic sectors. The more seriously destabilizing "crisis of production," in

which the demise of the global auto sector is merely the tip of an iceberg of economic malaise, betrays a more generalized and systemic dysfunctionality.

- 3) Capitalism's "old fixes," be they material (Keynesianism or the expansion of the welfare state) or ideological (anti-communism) have dead-ended, as perhaps have the seemingly limitless possibilities for exploiting the labour and resources of the globe.
- 4) That said, it is nonetheless also true that capitalism's "buffer-zone" infrastructure is more developed now than it has ever before been. There are many sides to this. Two can be mentioned here. On the one hand, the grid of regulatory institutions and bodies of economic management reaching across nation states and extending at times to a global governance, are more developed than has ever previously been the case. Capitalist capacity to massage and manoeuvre, as well as to discipline and incorporate, is not to be discounted. On the other hand, the alternatives to capitalism have been materially weakened. Compared to 1929, when the Soviet Union was often looked to (however wrongly) as a beacon of Red alternative, 2009's socialist horizons are limited indeed. The Chinese Revolution that was in the offing in the 1930s, is now, ironically, shoring up American capitalism's clearly flagging fortunes. Stalinism has squandered much, but when it fell in 1989–90, capitalism was undeniably strengthened rather than weakened. The United States, as the world's leading capitalist nation, appears to be both in a state of economic disarray *and* in the process of consolidating an unrivalled global hegemony. Such are the ironies of capitalism's current crisis.

What about working-class activism in the current crisis? What about the view that the last Great Depression ushered in an age of trade union advance and great improvements in the lives of workers? Here I lay out several differences between the 1930s and today. They suggest the need to appreciate that the struggle before us is actually perhaps more difficult than it was in a period of earlier crisis, and that the stakes are higher in as much as what can be wrestled from capitalism *within a framework of capitalism's continuity* is more constrained now than it was in the past.

The battle is, I would argue, more decisively a struggle for socialism precisely because not to fight for this end may well precipitate us into a more unambiguously barbaric set of circumstances, in which the past gains of workers are relentlessly eroded and ultimately jettisoned. It is difficult not to see the current crisis as being precisely about this need to eviscerate a working class that, within the advanced capitalist economies, fought and achieved a set of historic, if limited, victories. But that was then and this is now.

In addressing how the past struggles of labour in a context of capitalist crisis differ from today, it is useful to bear in mind the following:

- 1) Worker resistance in Canada and the United States during the 1930s was NOT, it needs to be said, a continuous and always successful revolt. In the opening years of the Great Depression, routinely referred to by radicals as “the dog days,” most indicators of class struggle suggested, not strength and advance, but the hard realities of retreat. With the economy routed, unions in a weakened state and very much on the defensive, and the ranks of the unemployed growing by the day, the working class response to the economic collapse of the early 1930s was handcuffed by the obvious and daunting material conditions. Where workers did fight back they almost always did so defensively, in often-losing efforts to stave off a wage cut or to fight back against employer offensives that aimed to turn the clock back on gains of the past. The 1920s had not been, overall, a decade of upturn in the class struggle, but the early 1930s saw even further declines. In Canada in 1930–1931, for instance, the number of strikes was less than one-quarter of those that had been fought out at the height of class struggle in 1919–1920, and the number of strikers involved was just over 10 per cent of those who had withheld their labour in the earlier strike wave. Moreover, these early years of the Great Depression saw far fewer working-class victories than might be considered normal.
  
- 2) It was not until 1934, and then 1937, with the Depression clouds lifting, that the strike movements associated with the militancy of the working-class unfolded. In the United States, general strikes erupted in Minneapolis, San Francisco, and Toledo in 1934; and the sit-down strike, pioneered in Sarnia, Ontario and Flint, Michigan, was decidedly associated with 1937. The organizing wave of industrial unions linked to the fortunes of John L. Lewis’s Congress of Industrial Organization (CIO) rocked the complacency of the American Federation of Labor craft unions. The gains to be realized nevertheless did not come until the later 1940s. Of decisive importance in this period of consolidation was that World War II, and its demands for production, “rescued” capitalism from the economic collapse of the Great Depression. Reconstruction of a Europe decimated by war fuelled a capitalist recovery that needed a dual peaceful coexistence: with the Soviet Union on the one hand, and with organized labour on the other. In this context, Roosevelt’s New Deal formula reached past its origins in the mid-1930s, and parlayed the Democratic Party into the seeming advocate of workers’ organization, a largely *ideological* and *rhetorical* obfuscation that would wear more and more thin as the rude actualities of class struggle unfolded. A different political trajectory evolved in Canada, but the Mackenzie King Liberals advanced by incorporating elements of the program of the Co-Operative Commonwealth Federation, paving the way for later arrival of a full-blown welfare state, one plank of which was the postwar recognition of collective bargaining rights.

3) Finally, of course, not all labour resistance was associated with point of production strike activity and union organizing. A massive unemployed movement arose, battled civic authority, and pressured all levels of the state – municipal, provincial/state, and federal – demanding jobs, relief, and other provisioning. In Canada this culminated in the On to Ottawa Trek of 1935, which met a repressive end when the Mounties attacked the trekkers and beat them into retreat at Regina. But before the much-heralded Trek, and long after its leaders had been snubbed by the Canadian Prime Minister, R.B. “Iron Heel” Bennett, local campaigns and challenges stamped the social relations of everyday life with a series of formal “refusals”: evictions were beaten back by neighbourhood gatherings to blockade the removal of furniture and belongings by landlords; bank foreclosures of farms resulted in auctions whereby the alienated acreage would yield bids of \$1, and the land thus “sold” was then returned to its original occupier; the poor might, in the equivalent of an 18th century bread riot, descend on grocery-store chains to “liberate” the necessities of life. Women and children, not only “industrial” men, played important roles in these happenings.

This review highlights the important differences between then and now. Virtually all of the actions described were organized and led, not by the mainstream trade union movement, but by an organized left that was both outside the trade unions, yet embedded within them. In Canada, 90 per cent of the strikes of the early years of the Great Depression were either organized or pushed in certain directions by communists, who had chartered independent red unions distinct from the American Federation of Labor. The eviction protests alluded to above, as well as an array of other seemingly informal and spontaneous acts of resistance, were most often championed by left coalitions of mavericks, in which Communist Party, Co-operative Commonwealth Federation, a few Marxists of the “third way” (not communist and not social democratic), anarchists, and Social Gospel religious advocates figured prominently.

The early unemployed movement in Canada was not exactly a wholly owned subsidiary of the Communist Party, as it is often depicted. It had its CCF and other components, to be sure. But communists dominated, and they continued to do so right up to the Regina Riot. When the general strikes erupted in 1934 in the US they were led, not by AFL bureaucracies and craft union leaders, but by socialists, Trotskyists, and communists. To be sure, John L. Lewis charted the founding of the CIO, but the old red-baiting UMWA leader of the 1920s made his peace with communist organizers, and sent them into the field. Lewis used such communists well in building a revived union movement based on the semi-skilled and unskilled immigrant mass production workers who had been locked out of the union movement since the IWW’s demise following World War I’s reactionary vigilante assaults. Lewis knew well what he

was doing: when challenged about his reliance on communist organizers, he smiled knowingly. “Who gets the bird,” he asked, “the hunter or the dog?”

This overview raises in stark, undeniable relief the single most important point that socialists must address in fighting back against the contemporary capitalist crisis. The decisive impediment to us resisting the debilitating consequences of capitalist collapse is the lack of an organized left that can actually promote new ideas, challenge old ossified thought and practice, and build new alternatives. On the eve of the Great Depression an organized left did indeed exist in Canada and the US. It may not have been what we would today, in hindsight, have liked it to have been. But it was present, and it did lead the fight, inside and outside the unions.

However, those unions (as they exist now in Canada and the United States) are both *the* central institution in the fight against the consequences of capitalist crisis *and* an ambiguous legacy in the necessary mobilization. They have been through the wars, so to speak, and they have been structured and restructured in the aftermath of the Great Depression. Every victory that they have achieved has come with a price that is paid in further integration into the overall capitalist order. As unions have achieved respectability, and as collective bargaining (partially outlawed as unions entered the Great Depression) has become state policy, union bureaucracies have grown and solidified. Union democracy has withered. Anti-communism has become a fundamental touchstone of most labour leaders since the Cold War fights inside the unions in the late 1940s and 1950s. Social democracy has become little more than tepid liberalism, which is now in turn not much more than progressive conservatism. The entire political spectrum within which we as socialists live (and within which the trade unions develop) has moved so far to the right over the last 30 years that left voices are difficult to raise, and even harder to hear clearly.

Without a left wing embedded in the unions and able to effectively challenge the trade union tops, without a left wing that recruits youth and supporters from other sectors of society, the possibility that the trade unions will be able to do the job they must do in opposing the current capitalist crisis is a long shot indeed. The existence of that left wing in the 1920s and its relative non-existence today is arguably the most important subjective factor that separates now from then, and it does so in negative ways.

To fight effectively, in and through the unions, we need to rebuild, consolidate, and regroup the left, and we need to do it fast. We must remember that the trade unions ARE indeed the major vehicles of class resistance to capitalist crisis and restructuring. Unions need defending, and that will be a central task in any resistance to the tides of reaction that are going to start rolling over all of us. But the trade unions also need to be something that they have not been for some time: a force of initiative defending workers and all of their natural allies; a force of alternative and substantive critique of all that exists. To do this they need an infusion of socialist thought, of socialist bodies, of socialist

commitment. In the 1930s, this was done, but in the 1930s the rallying cry of “organize the unorganized” could resonate in factories in Ohio and Ontario. The unorganized still need to be organized, but the great upsurge of the CIO is something we can not quite replicate. Our rallying cry of equivalence is likely to be one that shifts, not so much the organizational direction of the working class (although this may of course happen), but the political direction of the working class.

We have learned that we cannot build a new society in the shell of this old one. We must build an entirely new social order, one premised on production for use not for profit, one that lives by the old trade union maxim that an injury to one is an injury to all, one that takes a reactionary globalization and substitutes for it a true socialist internationalism.

The last Great Depression ushered in a reformed capitalism that recognized collective bargaining rights and the welfare state. But the price paid for such substantial progress was a world war, and the subsequent hardening of Cold War stasis. This current capitalist crisis will either end up dismantling those past gains and one-sidedly solidifying capitalist hegemony on a world scale, or it will move us in the direction of a socialism that we ourselves have to envision, build, and consolidate. It is hard to imagine a middle road that leads where we need to go. And the stakes have never been greater. For this reason, a crucial prerequisite for building a more ambitious, powerful labour fightback will be the building of a socialist left, independent from but embedded within the unions, that can raise and expand workers’ understanding of the crisis we face, popularize and defend a more convincing and complete vision of the changes we need to struggle for, and challenge and contribute to the resistance that trade unions will figure in centrally.

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