

The revolutionary implications of the decline of American capitalism—Part 2

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Today we are posting the concluding part of the report delivered by WSWS National Editor Barry Grey to the Founding Congress of the Socialist Equality Party on August 9, 2008. The first part was posted on October 13. (See "Socialist Equality Party holds founding Congress")

The WSWS had published two documents adopted by the Congress: "The Socialist Equality Party Statement of Principles" and the "Historical and International Foundations of the Socialist Equality Party."

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Decay and collapse of the American labor movement

The degeneration of the American labor movement has proceeded in parallel with the decline of American capitalism. This is no accident. In no other country has the labor bureaucracy so directly and completely tied the fortunes of the organizations of the working class to the strategic and economic successes of the ruling class. If one were to compare the downward trajectory of union membership and strike activity with the decline of American industry, one would find a striking correspondence. It is as if history had conducted a vast-and, for the working class, tragic-experiment in the viability of labor organizations based on the defense of capitalist property and nationalism. The historical verdict is contained in the decline of union membership as a percentage of the private sector workforce to single digits, below the levels attained nearly a century ago by the old craft-dominated American Federation of Labor, and the devastating fall in the living standards and social position of the working class.

The mass industrial unions that arose from the upsurge of the working class during the Great Depression against social misery and industrial despotism embodied a huge contradiction-between the militancy and solidarity of the powerful American working class and the conservatism and servility of the leadership, which subordinated the new organizations to the Democratic Party and the capitalist state. Less than two years after the Flint sit-down strike, Trotsky warned of the inevitable degeneration of the CIO on the basis of the bureaucracy's political perspective. In *The Transitional Program*, he wrote: "The unprecedented wave of sit-down strikes and the amazingly rapid growth of industrial unionism in the United States (the CIO) is the most indisputable expression of the instinctive striving of the American workers to raise themselves to the level of the tasks posed on them by history. But here, too, the leading political organizations, including the newly created CIO, do everything possible to keep in check and paralyze the revolutionary pressure of the masses."

Trotsky urged the Socialist Workers Party to raise the demand for the CIO to break with Roosevelt and establish a labor party based on a socialist program as a means of mobilizing the workers against the reactionary leadership and placing the Trotskyist movement in the forefront of the fight for the political independence of the working class.

The CIO leadership, abetted by the Stalinists, blocked the emergence of an independent political movement of the working class. As a result, the CIO foundered after the initial successes in auto and some other sections

of industry. It consolidated its position only in the run-up to and during World War II, when it obtained the support of the Roosevelt administration in return for its services in imposing labor discipline and suppressing strikes, in the name of the war effort. On this corporatist foundation, CIO membership rose dramatically in the course of the war, as did the treasuries of the CIO and its affiliated unions. According to the Bureau of Labor Statistics, the percentage of wage and salary workers with union membership reached its all-time high, 36 percent, in 1945.

After the war, the CIO dropped any demands for a fundamental reform of American capitalism or for industrial democracy. Together with the AFL, it aligned itself with American imperialism's expansionist strivings and enlisted in the Cold War anticommunist crusade against the Soviet Union. The union bureaucracies carried out a ruthless purge of socialist and left-wing forces, who had played leading roles in the mass struggles that established the CIO. The anticommunist witch-hunt established the basic physiognomy of the labor bureaucracy and laid the foundations for the decay and eventual collapse of the labor movement.

The merger of the AFL and CIO in 1955 signified the end of any association of the American labor movement with a perspective for significant social change. The fact that the largest union in the United States, the Teamsters, was controlled by the Mafia was but the most repulsive expression of the pro-capitalist orientation of the American unions as a whole.

Backwardness, ignorance, corruption and outright gangsterism were and remain the defining traits of the union bureaucracy. Its relationship to the working class was expressed most nakedly in the AFL-CIO's collaboration with the Central Intelligence Agency in such international CIA labor fronts as the American Institute for Free Labor Development, wherein AFL-CIO operatives engaged in counterrevolutionary violence against left-wing unions and political organizations around the world. In its service to American imperialism, the AFL-CIO allied itself with military dictatorships, death squads and fascist organizations in Latin America, Asia, the Middle East and Africa. The ex-Stalinist Jay Lovestone became the chief strategist of the AFL-CIO's counterrevolutionary activities abroad, succeeded by Irving Brown. The results within the US of the AFL-CIO's counterrevolutionary perspective and integration into the American security state apparatus are reflected in graphs of union membership, which show a steady erosion beginning in 1955 and rapidly accelerating after the late 1970s.

The sharp decline of American industry beginning in the 1970s and the rise of transnational corporations and globalized production undermined the ability of the unions to defend, even in a limited way, the interests of their members. It is doubtful that Reagan would have undertaken his vendetta against the PATCO air traffic controllers without prior assurances from the AFL-CIO that the labor federation would offer no serious resistance. The AFL-CIO's acceptance of the destruction of a member union was critical to the success of the union-busting operation. In all of the scores of pitched labor battles of the 1980s against union-

busting and wage-cutting, the workers had to fight not only the employers and the state, but also the treachery of their own union leaders. The AFL-CIO systematically isolated their struggles and ensured their defeat.

The full implications of the reactionary and backward politics of the AFL-CIO were revealed by the fact that the unions left the working class completely unprepared for the turn by the ruling class to class-war policies. On the part of the labor bureaucracy, the shift from negotiating wage increases and other improvements to supporting wage cuts, plant closures and the destruction of previous economic gains involved no serious internal struggle or even hesitation. It was the logical outcome, under conditions of the breakup of the post-war boom and deterioration of the global position of American capitalism, of its pro-capitalist and nationalist politics.

Today, the corporatist and anti-democratic character of the unions, and their transformation into instruments of a middle-class social layer that functions as an agency of the ruling elite and the state, is epitomized in the transformation of the United Auto Workers into a large business enterprise. In return for helping to cut the wages of UAW members in half, eliminate pension and health benefits, and wipe out tens of thousands of additional jobs, the UAW has been given control of a multibillion-dollar health insurance trust, which will be used to make the top union officials rich.

A common feature of all varieties of opportunist and revisionist politics is a fetishistic attitude toward the unions and promotion of their authority as the legitimate "mass organizations of the working class." This is an utterly false and politically reactionary position, which is, in reality, a defense of the trade union bureaucracy and a political service to the Democratic Party. The Socialist Equality Party tells the working class the truth about its old organizations. We refuse to boost the shattered credibility of the AFL-CIO or its counterpart in the "Change to Win" alliance. These organizations are instruments of a right-wing bureaucracy over which a shrinking rank and file is able to exercise no control. We encourage the workers to break with them and form genuinely democratic and militant organizations of struggle, such as factory and workplace committees. Above all, we explain to the workers-including the vast majority who stand outside the unions-the need for a break with the Democratic Party and the two-party system and the building of a mass independent *political* movement fighting for the international unity of the working class and the socialist transformation of society.

Obama and the degeneration of American liberalism

The fundamental political role of the trade union bureaucracy has been to subordinate the working class to the liberal sections of the American bourgeoisie, via the Democratic Party. The Obama campaign is the logical outcome of historical, political and ideological processes bound up with the decay of American liberalism. Obama is the end result of the assiduous promotion of identity politics over a period of nearly four decades-precisely the period of the visible and rapid economic decline of the United States.

In the course of its protracted degeneration, American liberalism has increasingly sought to obscure the question of social class. After World War II, liberalism virtually dropped its Depression-era advocacy of structural reform of capitalism, along with its critique of monopoly, its denunciation of "economic royalists" and its advocacy of greater economic equality and some form of industrial democracy. Post-war liberalism placed its emphasis not on production and the producers of wealth, but rather on consumption and the consumer. The Democratic Party no longer styled itself as the party of the "working man," but rather as the party of the "middle class." The well-being of the middle class was to be ensured by providing an environment in which the corporate world could flourish and the market economy could provide full employment and rising living standards. The trade unions adopted this new liberal perspective and abandoned any struggle for serious economic reform.

This shift was part of a lurch to the right and open embrace of American imperialism that assumed the filthy and shameful form of Cold War anticommunism. The rapidity and near-unanimity of the liberal intelligentsia's adoption of anticommunism is a phenomenon that bears careful consideration. Its material roots were bound up with the immense wealth and power of American capitalism-including its unprecedented capacity to buy off and corrupt.

But there were also ideological and political factors. As David North explained in his 1996 lecture "Socialism, Historical Truth and the Crisis of Political Thought in the United States," considerable sections of the American liberal intelligentsia were attracted to the Soviet Union in the stormy years of the Depression and the rise of fascism. With few exceptions, however, the liberal "friends of the USSR" accepted uncritically the claims of the Stalinist regime that it embodied the principles and traditions of Marxism and the October Revolution. The pragmatic and unprincipled attitude to questions of history and theory that was a hallmark of American liberal thought facilitated the adaptation of left-wing liberals and radicals to the totalitarian regime in Moscow.

The rabid anticommunism and anti-Sovietism that emerged in the second half of the 1940s was prefigured, in what might seem a contradictory way, by the general support given by US liberal organs to the show trials organized by Stalin between 1936 and 1938. With few honorable exceptions, most notably that of the philosopher and educator John Dewey, the liberal intelligentsia refused to support Trotsky's call for a counter-trial to expose Stalin's falsifications and exonerate Trotsky and the other Old Bolshevik victims of the frame-ups. When the world situation shifted dramatically after the war and US imperialism launched the Cold War, the same identification of Stalinism with Marxism and socialist revolution that had provided the ideological basis for the liberals' defense of Stalin's crimes served as the basis for their justification of the anticommunist witch-hunt. Among the political factors that contributed to the peculiar ferocity of American anticommunism, and the fact that it encountered so little organized resistance, was the degree to which the dishonesty and cynicism of the American Stalinists had succeeded in making them utterly loathsome to broad sections of the working class. Nevertheless, liberal anticommunism was a cynical and dishonest attack on Stalinism from the right. It marked the demise of American liberalism as a trend that could make any serious contribution to democratic social thought.

The Kennedy and Johnson administrations marked the denouement of American Cold War liberalism. The attempt of the Democratic Party to combine populist rhetoric and limited social reforms at home with counterrevolution abroad collapsed. The Vietnam War, which involved a level of savagery and violence without parallel since the heyday of the German Wehrmacht, exposed the counterrevolutionary essence of Cold War liberalism. It dealt a blow to the political credibility of the Democratic Party from which that party has never recovered.

The impact of the Vietnam War, the civil rights struggles, the urban riots and the strike wave fueled by worsening economic conditions undermined the New Deal coalition that had been formed under Roosevelt. The credibility of post-war American liberalism and the "middle class" consumer society it espoused had depended on a continuation of the economic expansion that followed the war and ever-rising prosperity. But by the late 1960s, the boom was beginning to unravel. Within a few years the Democratic Party was openly distancing itself from New Deal social reform policies.

As it moved away from even the attenuated social reform policies of the post-war period, the Democratic Party sought to refashion itself, beginning with the McGovern campaign of 1972. In what was presented as a far-reaching democratic reform, the party organization was decked out with layer upon layer of "participatory" structures, and racial and gender diversity increasingly became the watchword. The party

incorporated into its very structure the principle of identity politics. "Affirmative action" and similar policies were employed to dispense privileges to elite layers among various racial and ethnic constituencies and among women, while the living standards of the broad mass of working people, African-American and Latino as well as white, stagnated or declined.

The Democratic Party assumed the form of an inchoate alliance of competing interest groups, including the civil rights establishment and more privileged layers of blacks and other minorities, feminist organizations, gay rights groups, environmentalists, etc. The unions, which had played a central role in the old New Deal coalition, became one among many interest groups allied to the Democratic Party. The embrace of identity politics by the Democratic Party was part and parcel of its further movement to the right. The elevation of race and gender as the touchstones of "progressive" politics corresponded to the repudiation by American liberalism of any conception of democracy that included economic equality and a curtailment of the power of the corporate-financial elite.

The democratic and egalitarian impulses that had animated the movement of the African-American masses in the historic civil rights struggles of the 1950s and 1960s were undermined by the shift in political focus from the fight against segregation and poverty to a policy aimed at securing preferential treatment and privileges for a few.

These processes of a reactionary character underlie the campaign of Obama. Barack Obama, a man of boundless opportunism and a certain measure of political dexterity, learned in the course of his apprenticeship in the corrupt and ruthless ways of Chicago Democratic Party politics to play the angles of multiculturalism and utilize his multiracial parentage to his advantage. In his candidacy, the attempt to use identity politics to conceal the class nature of American society, confuse and divide the working class, and give American imperialism a more "democratic" visage finds its consummation.

Whatever the outcome of the election, the working class is already making important experiences with Obama. The breathtakingly rapid and brazen lurch to the right by Obama since he secured the nomination is dispelling illusions and providing a salutary lesson about the social interests served by the Democratic Party and identity politics. The emperor of hope has no clothes. He has nothing to offer the working class, except more war, poverty, fear and repression.

A new era of mass working class struggles

In founding the Socialist Equality Party of the United States, we anticipate a shift in the political orientation of the working class. On the basis of a historical and materialist analysis of the world political situation and its reflection in the United States, we confidently predict and prepare for a new period of class struggle on a mass scale.

The United States, for nearly a century the bastion of world capitalism, has entered into an unprecedented economic, social and political crisis. The living standards of the broad mass of working people are rapidly declining, the social infrastructure of the country is collapsing after decades of neglect, politics and cultural life are blighted by the backward and reactionary nostrums of a new financial aristocracy.

The United States has become the most unequal of all industrialized countries, and the democratic rights of the people are under relentless attack. All of the social indices-the growth of poverty, unemployment, physical and mental ill health, educational decline-reflect a society that is going backward.

There is no way out of the crisis of American society apart from a revolutionary movement of the only social force capable of resolving it in a progressive way-the American and international working class. All of the great progressive changes in American history were propelled by the movement of masses of working people, from the abolition of slavery in the Civil War, to the struggle against industrial despotism and social

misery in the Depression, to the Civil Rights movement of the 1950s and 1960s.

Now, a crisis of the entire social order has emerged that presents the working class with great historic tasks. It must take the road of socialist revolution.

The objective prerequisites for social revolution are rapidly maturing. All of the objective conditions that previously militated against the emergence of socialist revolution in the United States-the vast economic reserves and industrial power of American capitalism, the relatively high living standards of broad sections of the working population, the image of the United States as a democratic society-have either dissipated or are rapidly eroding.

In no other country has the ruling class and all of its institutions conducted such a ferocious effort to block the development of the political consciousness of the working class. Through a combination of repression and incessant propaganda, socialism has been all but banned from the public arena. But the mythology of American democracy and its bywords-the "American dream," the "American standard of living"-are being exposed as lies by the reality of American society.

American capitalism cannot reverse its global decline by force of arms-although it can annihilate millions of people and drag mankind into a new military holocaust. The critical question is the development of a new revolutionary leadership of the working class which will arm the masses of workers with a fully worked out program and strategy to take political power into their own hands and begin the construction of a socialist society.

The old leaderships of the working class have long since demonstrated their bankruptcy and treachery. The AFL-CIO bureaucracy, that bastion of anticommunism and national chauvinism, which devoted itself for decades to the suppression of the militant resistance of the working class, has led its organizations to collapse.

The welter of middle-class protest groups and "left" organizations single-mindedly works to block the emergence of an independent political movement of the working class. They hover around the political corpse of American liberalism known as the Democratic Party, seeking at all costs to keep the working class trapped within its orbit.

Only the Socialist Equality Party, in political solidarity with the International Committee of the Fourth International, fights for the political independence and international unity of the working class. The central task posed by the crisis of American capitalism is the building of the SEP and the establishment of the political, theoretical and organizational foundations for its transformation into a mass revolutionary party of the American working class.

Concluded



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