

[This is my prepared text, plus passages in squiggly brackets based on notes I added during the previous talks and discussions. My recollection of what I added may not be entirely accurate, although the gist certainly is.]

I. Marx observed that capitalism has created the material potential for a genuinely human society. But capitalism in its decay instead spreads misery, austerity and poverty – and must do so, in order to defend the profit system vital for its survival.

What makes an alternative possible is the mass struggle of the working class. The French strike wave in recent months once again showed the power of the working class to halt profit-making, defend itself and to potentially transform itself. But its present leadership – in the unions and nominally socialist and communist parties – seeks reforms to benefit the workers – but only to the extent that reforms are compatible with the health of the capitalist system – that is, of profits. So when the profit system is in crisis, these leaderships are worse than useless for the workers' struggle – they lead the struggle to defeat.

The title of this conference includes “left responses”. That is far too vague. The question is, what strategy for revolutionaries? How to raise the political consciousness of our class, the working class, so that it sees through reform-ism and can “fit itself to rule” – to oust the capitalist ruling class and become the ruling class in a workers' state.

{And in mentioning consciousness. I have to say that while I share Andrew [Kliman]'s conclusion this morning that the workers' gains are bad for capitalists, I disagree strongly with the disdain he expressed for raising working-class consciousness. (More on this later.)}

We are all familiar with Marx's dictum that the philosophers have merely interpreted the world – but that the point is to change the world. Marx could hardly be charged with denigrating the importance of theory. He understood the [dialectical] relationship between theory and practice, emphasizing the necessity of developing a scientific theory for conducting revolutionary action, and also for practical involvement in the struggles of workers, in order to develop revolutionary theory. To be true to Marx, in discussing the revolutionary response to the economic crisis today, we must therefore address questions of both theory and practice.

The socialist group of which I'm a member, the League for the Revolutionary Party, has worked for decades both as militants in union and community struggles, and also in international class struggles – as well as in the difficult labor of developing our Marxist theoretical understanding of capitalism. Like some others, looking at the capitalist world as a whole, we have argued that this system has been heading toward a major crisis – the long-term falling rate of profit tendency is key. So we were not surprised by the near-meltdown of 2-3 years ago.

Also like some others, we identified the Stalinist societies like the USSR, well before their collapse, as state-run capitalist societies. But we were unique, I believe, in using our theory to foresee that the developing crisis of world capitalism would break out into acute crisis in those societies, before later breaking out in the strongest imperialist powers in the West. We saw that Stalinism was the extreme example of a capitalist system in decay. For example, it maintained

obsolescent industries well beyond their sell-by date. This led to growing mountains of fictitious value, and in the end, the result was very low and even negative real rates of profit.

That is, the collapse of Stalinism was the collapse of the system's weakest link, a foretaste of the systemic crisis we see today. But for much of the left, up to almost the end, that system remained "progressive" or at least solid and stable. {Stalinism destroyed the Soviet workers' state and much of the revolutionary left – a major contribution to the "absence of the left" that Paul [Mattick] referred to – in fact its defeat.}

II. In looking at the near-meltdown and consequent "Great Recession," it is striking that perceptions were again often the opposite of reality. For up to that point the capitalists seemed to be doing really well:

- a) they had succeeded largely cutting wages while raising productivity;
- b) they had opened up of China and other countries to imperialist super-exploitation;
- c) their profits had benefited from the information revolution: computers and the internet

For all that, their system came close to collapse. The cause was not just the deregulation and malfeasance that liberals speak of, or the financialization that some leftists blame. Fundamentally, it was that profit rates remained well below their post-World War II heights. The system plunged into a grave crisis DESPITE its superficial successes, because it never escaped its long period of stagnation after the post-WW2 boom. And so the current recession, which is obviously not ended from the standpoint of working-class people, is far deeper than an ordinary cyclical recession.

So let's look at the basic components of Marxist theory are essential for analyzing this reality.

A. Cycles of boom and bust, which have occurred throughout the history of capitalism. Capitalism's crises are the bitter medicine are the destructive means by which profits are revived. The collapse of unprofitable firms helps purge weaker capitals and drive down workers' wages, thus laying the basis for an upturn.

B. But in the age of imperialism, the domination of the economy by monopolies and state interests restrains the outbreak of cyclical crises, allowing the system's inefficiencies to build up. For over a century capitalism has been a decadent system that can no longer advance the productive forces in one sphere without destroying them in others. This imperialist epoch, foreseen by Marx, came to a head in the cataclysm of the First World War. And in this epoch, the law of the falling tendency of the rate of profit comes into full play and leads to major catastrophes like the Depression of the 1930's.

{And since the falling rate of profit was much discussed this morning without a real explanation, let me just say that for Marx the value of a commodity is based on the human labor it embodies. But capitalism also over time makes dead labor – embodied in machinery, buildings, materials, etc – grow much faster than living labor. And since surplus value and profit come only from living labor, the ratio of surplus value compared to capital invested in dead labor tends to fall.}

C. The third element is the proliferation of fictitious value. Credit and banking are necessary components of capitalist production. But debts and other paper claims to ownership can acquire a nominal value that differs, sometimes vastly, from the real value of the commodities they represent. Bubbles of fictitious capital in the past would be largely wiped out in the periodic crises, but in this epoch they can become so huge that their bursting can signal the collapse of the whole economy into permanent crisis. We saw that dramatically when the Great Recession hit.

And we see it again today: the bailouts of the banks drove some governments to the edge of bankruptcy, and now all the ruling classes cry austerity – for the rest of us.

These factors point to the inevitability of another devastating depression. The Great Depression of the 1930's was resolved only by means of fascism and world war. These consequences can be prevented only through working-class socialist revolution. So back to where I started: it is the task of revolutionaries to build a revolutionary layer in the working class that can prove to wider and wider layers of our class, in the course of struggle, the necessity for socialist revolution.

Why revolution? Because workers' states will be needed to seize control of the economy from the capitalists and redirect its production toward the interests of all humanity – with the aim of producing an abundance of all they need. Scarcity is the basis for society's division into classes, so the creation of an abundance of human needs will provide the basis for the withering away of classes and the building of socialism.

III. Again, as Marx said, the point is not just to understand the world. Genuine Marxists are distinguished both from reform-ists, or minimalists, those who offer reforms within the realm of capitalism, and perhaps even think that such reforms are a concrete step towards socialism. In any case, they do not act on the conviction that as long as the capitalist class rules society, any reform will only be partial and temporary.

Revolutionaries are also distinguished from maximalists, who proclaim the necessity of socialism but disdain from taking a lead in advancing the class struggles of today which inevitably fight for reforms.

At this point, I want to thank the Marxist-Humanist Initiative for initiating this conference. But I have to respectfully disagree with the lead point in their statement of purpose:

*We are not a political party. Nor are we trying to lead the masses, who will form their own organizations, and whose emancipation must be their own act. But we have seen that spontaneous actions alone are insufficient to usher in a new society. We seek a new unity of philosophy and organization in which mass movements striving for freedom lay hold of Marx's philosophy of revolution and recreate society on its basis.*

I was a bit astonished at seeing that, since I remembered Marx and Engels' Communist Manifesto. So I laid hold of my copy:

*“The Communists, [therefore,] are on the one hand, practically, the most advanced and resolute section of the working-class parties of every country, that section which pushes forward” – that is, seeks to lead “all others; on the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the line of march, the conditions, and the ultimate general results of the proletarian movement.”*

For Marx, it is not just that communists have a revolutionary theory, but also that they seek to lead the working class – they are “that section which pushes forward all others.” To use a controversial word, they are the vanguard of the working class.

The Marxist-Humanist Initiative are not the only ones who recoil at the idea of such leadership. Another commentator says that revolutionaries *“can only offer the hope that in th[eir] resistance, the working class will transform itself into a class for itself, and thereby free humankind.”*

Communists, however, must offer more than hope – we are obliged to offer leadership, to fight for leadership against the misleaders of our class. That means joining the struggles alongside our brothers and sisters in the working class, taking every opportunity, making use of every possible tactic, to patiently explain the “line of march” and the ultimate aim of the workers’ movement.

We learned the general method from such thinkers as Marx, Lenin and Trotsky. Now the question is how to do it today. Again, it is a question not only of theory but also of practice.

IV. Let us consider some examples from recent events.

In the French strike wave, there have now been seven “days of action” (and there is another today), which brought several millions into the streets, and won the support of 2/3 of the population – because people understood that the government’s tightening of conditions for getting state pensions was just the leading edge of an all-out austerity program. The refinery and port workers who were on an all-out strike almost brought the capitalists to their knees. But the socialist/communist party and union bureaucrats kept the strikes isolated, kept the actions dispersed – and refused to declare an all-out general strike to continue until the pension bill was withdrawn, as so many of the protesters wanted.

It was the responsibility of communist revolutionaries to find ways to fight for such a general strike, and to point to the international implications of the struggle (all Europe is under much the same austerity attack). As well as pointing to the revolutionary implications. That means, to offer and fight for leadership.

In the U.S. we have not had such opportunities in recent times. But one small example two years ago was the sit-down by the workers at Republic Windows and Doors in Chicago, a factory employing a few hundred workers, largely Latino and Black. That radical action won the workers the back pay and benefits owed them. But it did not save their jobs. Whereas the French movement has been inherently political – directed at the government – the Chicago struggle was not, but it needed to be. The crisis in this country was already widespread – many plants were shutting down, and public services were being cut back. At the time of a profit crisis for the

capitalists, there is no serious solution in one factory or enterprise or industry. When companies are bankrupt, their productive capacity and jobs can only be saved by state policies or direct state intervention. That's why we must demand the nationalization of failing industries, along with a national program of public works to provide jobs for all. {Had the workers' union allowed the struggle to advance in this way, for jobs, it would have been a tremendous inspiration to workers everywhere.}

To many workers without revolutionary consciousness, this makes sense in a reform-ist way – the government speaks in our name; it should act in our interest. Revolutionaries, on the other hand, must raise no illusions in the capitalist state. We believe that the experience of fighting for such transitional demands will prove our revolutionary perspective, whether the government nationalizes an industry or not. If the government refuses, for fear of undermining capitalist rights and encouraging further workers struggles, that confirms our arguments on the need for the working class to rule. Thus we always make clear that for as long as the government is in the hands of the capitalists, any industries controlled by the government will be used in the capitalists' interests.

Our job is to patiently explain why a capitalist government will not do what seems so sensible and logical – save useful industries and people's jobs. That allows us to raise the need for a workers' state, leading to a communist society, and socialist revolution. It's not easy, but revolutionaries have to seize every chance to advance class consciousness.

There will be no revolutionary transformation to abolish the evils of capitalism without a revolution that does away with capitalist state power. It is the job of revolutionaries to prove this – at first to the most politically advanced layers of workers, over time to more and more. And thereby to show the need for joining together to build that genuine communist party that Marx called for.

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Having a minute extra at the end, I added: {One speaker this morning [Roslyn Bologh] denounced Democratic Governor-elect Andrew Cuomo [of New York] for threatening to slash public services. But then she hailed the jobs bill of Democratic Congressman Conyers, which not even a Democratic-run Congress would ever take seriously. Any suggestion that the Democratic Party is in any way friendly to the working class undercuts the necessity for the working class to organize itself independently of all bourgeois parties. It is a major disservice to working-class consciousness.}