Labour / Le Travail

Profits of Doom
Spectres of Capitalist Crisis

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Volume 67, Spring 2011

URI: https://id.erudit.org/iderudit/llt67re01

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Publisher(s)

Canadian Committee on Labour History

ISSN

0700-3862 (print)
1911-4842 (digital)

Explore this journal

Cite this document

Palmer, B. D. (2011). Profits of Doom: Spectres of Capitalist Crisis. *Labour / Le Travail*, *67*, 189–201.

REVIEW ESSAY / NOTE CRITIQUE

Profits of Doom: Spectres of Capitalist Crisis

Bryan D. Palmer

Smith, Murray E. G., *Global Capitalism in Crisis: Karl Marx and the Decay of the Profit System* (Halifax and Winnipeg: Fernwood 2010)

Albo, Greg, Sam Gindin, and Leo Panitch, *In and Out of Crisis: The Global Financial Meltdown and Left Alternatives* (Oakland, California: PM Press/ Halifax and Winnipeg: Fernwood 2010)

Michael A. Lebowitz, *The Socialist Alternative: Real Human Development* (New York: Monthly Review Press 2010)

"A SPECTRE IS HAUNTING EUROPE," wrote Marx and Engels in 1848, "the spectre of Communism." A century and a half later the spectre, according to much conservative ballyhoo, had been vanquished. In 1989, as the Berlin Wall fell and "actually existing socialism" imploded throughout the Soviet Bloc, Francis Fukuyama declared "the end of history."

This premature triumphalism celebrated what seemed the ultimate victory of the American Empire over its Cold War superpower rival, the Soviet Union. Liberal capitalism had finally, after decades of nuclear arms stockpiling, Sputnik space races, and routinized skirmishing over battlegrounds such as Cuba, Vietnam, Afghanistan, and the Middle East, won its war with what passed in many circles for communism. History, as it had been known for much of the 20th century, had been transcended. The good life was now assured. Or so went the story, and many were sticking to it.

The good was not to come without the bad. In less than two decades, and with no evil enemy of totalitarian communism to point the finger of blame at menacingly, capitalism ascendant was reduced to capitalism in crisis. From 1990 to 2007, the free market world was rocked by crisis after crisis. In 1994–1995 the Peso Crisis in Mexico necessitated a $50 billion bailout involving the International Monetary Fund, the United States government, and the Bank of

Bryan D. Palmer, "Profits of Doom: Spectres of Capitalist Crisis," *Labour/Le Travail,* 67 (Spring 2011), 189–201.

Canada. The collapse of the Asian Tigers in 1997–1998 saw Far East currencies plummet in value by 25 per cent on a single day. In the United States, dot.com and 9/11-induced stock market crashes devalued Wall Street portfolios dramatically in 2000–2001. But it was the subprime mortgage meltdown of the summer of 2007 that registered with unambiguous finality that capitalism was indeed in crisis mode. It cut a swath of foreclosures, plummeting stock prices, unemployment, and corporate bankruptcies through capitalism's hedged ideological façade. In its aftermath capitalism had, for a brief moment, an exceedingly bad press: sordid tales of corruption and greed circulated through the media; brazen multi-millionaire CEO's became the bad boys of the hour, their arrogance and assumptions of limitless entitlement offending populist sensibilities.

This latter crisis, the reverberations of which continue to this day, forced the hand of the United States government. For decades the reigning capitalist ideology had assailed 'big government' intervention in the sacrosanct market, although, of course, the American state had been wielding its influence in decisive ways, not only domestically, but also around the world. The free market, however, had clearly failed. It needed a massive infusion of cash, as both Republicans and Democrats agreed. Failing financial institutions by the dozens and bankrupt private sector giants such as General Motors became suddenly dependent on an unprecedented US taxpayer-funded bailout. Not only was Wall Street given a reprieve and Detroit brought back from the brink, the United States Federal Reserve shored up banking systems around the world. As went the US, so went Canada: Oshawa's automobile industry (and retired workers' pensions) was saved by Ottawa and Queen's Park.

We live in the shadow of this 2007 meltdown. The spring 2010 collapse of the economy of Greece, and the likelihood of similar European Union catastrophes in Spain, Portugal, and Italy are reminders of this. They may seem far away, but in our current world economic village, the fall of a European economy cannot but be felt immediately on all the planet's continents, however varied their Main Streets. In the global south, where levels of poverty have been so high for so long that the press of these cumulative crises merely seems to lower trend lines, bailouts and the buying up of bad debt are neither perceived to be necessary nor likely to be forthcoming. For these are the social settings that have nurtured rare voices of socialist-like resistance of late, even bringing to power regimes that speak ill of the capitalist devil itself, the United States.

Ironically enough, it has been China that has perhaps sustained the international capitalist order in this most recent dead-ending. An economy neither socialist nor capitalist, China's emergence out of its Stalinist, peasant-based recent past has charted authoritarian inroads into global markets at the same time as it has exercised a tight state-planning grip on domestic productive relations as well as its institutions of financial management. The result: China has become an island of ordered accumulation in the sea of capitalist crisis and disaccumulation. It now holds massive reserves of US debt/dollars.

Had Mao's successors actually wanted to bury American (and global) capitalism, as Khruschev reportedly threatened in 1956 (his actual words were less bellicose: "Whether you like it or not, history is on our side. We will dig you in"), China is certainly in a position to do so. In following such a course, however, China would dig its own grave as well. In this sense, something of history *has* come to an end. The dynamics of class war, globally and domestically, seem rather emasculated in the age of capitalist crisis; the absence of anything approximating a 'socialist' superpower undoubtedly contributes to this quietude.

The result, however, is hardly enhanced civilization. Nor is it etched timelessly in stone. A new spectre haunts. As three recent books, all written by socialist political economists, proclaim, the spectre haunting the globe in 2010 is capitalist crisis. In its wake flow all manner of barbarisms: ecological disaster, lowered standards of living, and generalized disenchantment and despair. The more you beat old Marx down, it seems, the more resiliently his reminders of the human costs of capitalism as a system of profit-taking pop back up. And so the spectre of socialism reappears.

Why have Canadians, or displaced Americans who took up residence for much of their lives in Canada, produced books with titles such as *In and Out of Crisis: The Global Financial Meltdown and Left Alternatives*, *Global Capitalism in Crisis: Karl Marx and the Decay of the Profit System*, and *The Socialist Alternative: Real Human Development*? It is not entirely accidental.

Canada offers a 'softer' more social-democratic-influenced capitalism than has generally been on order south of the border. On the one hand, its universal programs, especially health care but in a muted way a relatively accessible higher education system, and its less bellicose presence on the stage of world politics, free left activists from many of the limitations inherent in United States politics. Framed, on the one hand, by a more embedded McCarthyite far right, now decked out in religious fundamentalism and the populist revival of Paul Revere Rides Again 'tea partyism' and, on the other, by capitalist privatization as the cornerstone of patriotism's always looming edifice, the American body politic is one of muscles everywhere flexed against anything smacking of socialism. In Canada we cannot quite escape the mediations of socialist-like traditions that seem, even to those who worship at the altar of market society, quite sensible. Tea-bagging rants aren't quite in vogue in Canada.

The fact that Canada's trade union movement seemed in slightly better odour than its counterpart in the United States, and that it contained pockets of vibrant, left-leaning elements throughout the period from the 1970s to the 1990s, in conjunction with the political presence in Canada of the New Democratic Party's reformist pseudo-socialism, meant that all of these authors intersected with radical alternatives outside of academic life. They did so in ways that were unlikely to be routinely replicated in the United States. Sam Gindin, for instance, was for many years research director of the powerful

Canadian section of the United Automobile Workers Union and, after the establishment of an autonomous CAW, Gindin served as the union's chief economist and presidential advisor. Mike Lebowitz and Leo Panitch were part of the brains trust of NDP governments in power, even if, in Panitch's case, the experience was rather brief. This ostensible Canadian openness conditioned certain 'dark,' albeit valuable, insights. The spaces for political activism in the electoral, legislative, and trade union arenas, for instance, offered eye-opening direct contact with the constipated nature of social democracy and trade union officialdom. Lebowitz refers to his days as an author of NDP policies as "an education into the limits of social democracy" in the preface to his book. (9) This meant that Marx, rather than Bob Rae or Bob White, spoke to these left intellectuals in truly lasting ways, doing so through an institutionally embedded and relentlessly materialized Canadian political economy tradition. Canadian leftists, reared on this diet of experience and reflection, are perhaps not quite as likely as their American counterparts to swallow the 'lesser of two evils' arguments that have sucked so many progressives south of the 49th parallel into embracing all manner of Democratic Party hopefuls, Barack Obama being only the last and most hyped of a long list. None of this, finally, translates into a narrow Canadian nationalism, for these authors all write as pronounced internationalists, concerned with humanity's widest vistas.

What, then, do these books tell us about the current crisis of capitalism? What do they suggest about history's recent one-sided lurching from bad to worse, and how change can be effected in the interests of human development?

At the most general level the positions staked out by these left critics of capitalism are congruent. All see the capitalist order as a global system of accumulation, in which profits are privileged over human development. They are like-minded in their condemnation of the wasteful and destructive character of capitalism. These books won't bend the knee to arguments about the inevitable good of the invisible hand of the market guiding humanity towards ever better futures. Events like the BP oil 'spill' that has decimated a huge expanse of the Gulf of Mexico and its coastline are not so much accidents as they are inevitable catastrophes. That millions die of starvation in Africa, Asia, and Latin America, when the world's resources are more than able to provide the sustenance required for all of the globe's people is not, for these authors, the result of unfortunate contingencies of nature. Death follows in profit's global footprint. Finally, all of these radical political economists would also agree that only mobilizations of the dispossessed, led by the multifaceted global working class, can effectively put an end to capitalism as the systemic suppression of human need through the elevation of money as the final arbiter of all worth.

It is at the point that these authors differ that they become, in some ways, more interesting. For it is there that they illuminate, even for those opposed to their analysis, important tensions in the current critique of capitalism, illuminating the profit system's intricacies.

Murray E. G. Smith is arguably the most orthodox of this anti-capitalist lot. He provides a rigorous accounting of Marx's argument that capitalism is always going to be governed by the economic law of the rate of profit to fall. This is not some philosophical abstraction. Rather it goes to the heart of why socialists believe that capitalism must be struggled against. If the rate of profit was not bound to fall, but could continue in an ever upward rise, it might be argued that capitalism could probably accommodate its wage earners and all other components of oppressed humanity. Even acknowledging that capitalist inequality was bound to create a vast separation of the wealthy few and the poorer many, as long as profit rates climbed and climbed, the large crumbs from capital's table could well provide all of life's necessities and ample amenities for the world's people. It would simply be a matter of distribution.

Capitalism, however, cannot function in this way because it has historically been wracked by profitability crises. These are not, as Smith argues, episodic blips on the socio-economic radar screen. Rather, they are necessary outcomes of a system that cannot avoid overproduction that satiates markets that are themselves constrained by the consuming capacity of producers who are constantly being displaced by technological innovations and other enterprising capitalist undertakings. Even the truly rich cannot buy everything, try as they might; there are too few of them. In different historical periods and in different kinds of societies, this basic dilemma has manifested itself in countless complex ways. At the root of the problem is profit, which drives all considerations of capital, regardless of the particularities of countries and the individuality of entrepreneurs.

In capitalism's history, the imperialist conquest of colonies, which brought to capital new markets, new sources of cheap labour, and new riches and resources, was one answer to the falling rate of profit. The resulting colonization balkanized the globe, ravaged indigenous peoples whose cultures and political economies were subordinated to advanced technologies they were unable to resist decisively, and set the stage for world war in the 20th century. War, in turn, also shored up the falling rate of profit, for it came to be waged in ways increasingly dependent on a military-industrial complex. This fusion of capital and the state in a 'productive' commitment to armaments buttressed capitalism at a time when it was pushed to expend vast sums, through the development of the Keynesian welfare state, to improve the standard of living of workers and others. You could not wage constant war against the dreaded communist monolith and not make some kind of effort to materially and ideologically keep capitalism's labouring masses and underemployed reserve army on side. The post-World War II years saw working-class consumption enhanced by the high wages and benefits of unionized industrial jobs. By the mid-1970s, however, this social edifice could not be sustained, as capitalism faced yet another profitability crisis. As profits fell, production slipped into a malaise that slowed the income flow into state coffers, which could no longer foot the bills needed to fund 'great' and 'just' societies.

With the Cold War winding down, and the defeat in Vietnam something of a jolt of shock therapy for the most hawkish elements in the military-industrial complex, a new war had to be waged on the 'high costs' of labour. Restraint became the new watchword. The United States began to act, in concert with other western capitalist nation states, to extend the disciplining structures of the war on the working class around the globe. Neo-liberalism has come to be the shorthand designation of this project, which grew directly out of the profitability crisis of the 1970s.

Waged on two levels, this war struck most aggressively on the ideological front, where the claim was made that markets must govern, that states must subordinate themselves to minimalist intrusions, and that all fetters on the production and exchange of commodities must be eradicated, giving capital free reign, and allowing the rate of profit to reach, once again, acceptable levels. Free trade became the mantra of neo-liberal globalization, which was, in an age of antagonism to regulation, increasingly monitored by powerful combinations of nation states, brought together in bodies like the US-led G-8.

The rise of the G-8, and its expansion to the G-20, indicated how behind the scenes of the crude market ideology of the moment, neo-liberalism's war was also waged on a second, more material, front. Capitalist restructuring on a global scale was facilitated by a host of new and reinvigorated institutions. Against the simplistic utterances of the free marketers, for instance, regulatory organizations like the International Monetary Fund expanded in importance and took on increasing salience. Their policies controlled and altered national agendas, dictated monetary policy, and, increasingly, ordered the political economies of smaller, subservient states dependent on the not-so-invisible hand of United States economic power. Precisely because trade, exchange, credit, and institutions that enhanced and managed capital's globalized need for liquidity were central to North American and European capital's new vision that its profitability crisis could be overcome by shifting production to Asia, capitalism underwent a profound "financialization," a process that necessarily entailed integration of capital and the state. Whereas in the early 1980s the financial sector in US capitalism accounted for roughly ten per cent of total profits, by 2007 this figure had soared to 40 per cent.

Smith tends to follow orthodox Marxist understandings, which emerged in the 19th century, of the leading role of productive capital, and he finds current fixation on financialization unsatisfactory precisely because it deflects attention from the irrationality of capitalism and the inevitability of the rate of profit to fall. It tends to concentrate criticism of the current crisis, not on capitalism's inevitable generation of crises, but on the greed and corruption of individual capitalists instead, or on the banks, a target everyone likes to strike out at. In this reading capitalism is not bad: certain capitalists behave outrageously; some *kinds* of capital are unwholesome. He is undoubtedly reacting to outcry against financial magnates and what might be called fictive capital, an example of which would be the wildly irresponsible actions of Fannie

Mae and Freddie Mac, government-backed but privately run agencies that managed to either own or guarantee some 56 per cent of single family mortgages in the United States, controlling almost $5.5 trillion of the total $12 trillion American mortgage debt. When the house of cards that Fannie Mae and Freddie Mac had built by shuffling the deck of financial exposure threatened to tumble down in escalating mortgage defaults, this helped kick-start the subprime mortgage crisis of 2007–2009.

To be sure, the financialization of the economy must be understood not as something uniquely responsible for the 2007 meltdown, but rather as an outcome of general capitalist development. In conjunction with globalization and a disciplining of industrial workers in the advanced capitalist economies of the west, with which the rise of financialization was associated, this new capitalist trajectory succeeded in restoring profitability. But this 'success' had a very limited chronology, and financialization's metaphorical 'seven years of plenty' relied on methods of super-accumulation that could hardly be squared with what some have called 'the Protestant ethic' of capitalism's origins. It is in excavating the particularities of financialization that Albo, Gindin, and Panitch offer illuminating and detailed comment on the current meltdown.

In and Out of Crisis insists that neither individual nation states nor their role as regulators of markets have disappeared in the age of neo-liberal globalization. It also argues that orthodox Marxist understandings of a binary opposition separating financial/fictive and productive capital are overdrawn, and that the financialization of capitalism in the last third of the 20th century was fundamental to the new terrain of capitalism. They agree with Smith that capitalist crises are inevitable, but they are far more insistent that each crisis must be analyzed rigorously on its own terms. "The interesting *political* questions," they write, "relate to not only *why* crises occur under capitalism, but also as to what makes each crisis distinct." (39)

Because Albo, Gindin, and Panitch reject notions that finance capital is subordinate to productive capital, seeing it as far more than parasitic, they are able to show that just because American capital has undergone a financialization, this does not necessarily mean that United States capitalism has suffered a weakening of its position internationally. On the contrary, they suggest the opposite: its advancing financialization situates American capitalism as the world leader, a state preeminent among all others. As much as the US dollar has declined, no rival currency can displace it on the stage of money's truly global power.

What brought American – and global – capitalism to its current meltdown? Albo, Gindin, and Panitch locate the subprime mortgage crisis of 2007 in the contradictory outcome of the war against labour that originated in the 1970s profitability crisis, although they do not frame their analysis within this kind of referencing. But they are adamant, and rightly so, that capital has won a recent war against the trade unions in particular and workers in general, driving labour into retreat. In winning the battle, capital deepened its inevitable future crisis, for a working class driven down cannot help to float rising profit rates, dependent as profitability is on *extending*, not *curtailing*, consumption.

As early as 1975 the tide had turned against United States and Canadian workers. Canada proved something of a pace-setter. British Columbia's NDP government reined in the powerful provincial International Woodworkers of America, legislating 60,000 IWA members back to work. The claim was that this was necessary because capital was waging a strike against the industry, its workers, and their ostensibly sympathetic social-democratic state. What better way to empathize with workers than to order them to down pickets and get back on the job! At the national level, Trudeau, in a haughty display of bourgeois 'statesmanship,' implemented wage-and-price controls. The controls were stringently applied to workers' paycheques, but were rather loose and ineffective in their constraint of prices. Canadian labour responded with a one-day General Strike, which struck some radicals as a contradiction in terms. Even this symbolic protest was more than would be forthcoming from the US unions. By 1979–80, the concessions squeezed by the Jimmy Carter administration from the powerful United Automobile Workers set a tone of concession bargaining that would continue throughout the next decades. This was heralded as the necessary price exacted in the name of keeping Chrysler afloat as bankruptcy threatened. In 1981, with a New Right changing of the guard in the White House, Ronald Reagan declared official war on organized labour, firing striking air traffic controllers.

Unions were disciplined out of existence as the state jettisoned mechanisms of institutionalized recognition and protection of the labour movement's essentials of existence, won through class struggle in the 1940s: collective bargaining procedures and the freedom of association that legally guaranteed trade union survival. 'Right to work' states and the exporting of jobs to Brazil, Taiwan, and South Korea were nails in the coffin of North American unionism, which suffered serious declines in membership. Wages – union and non-union – fell, inflation eroded real earnings, and families, pressured to keep up levels of expected consumption, extended the working hours needed to maintain domestic economies.

In this climate, profits necessarily rose, and this leads Albo, Gindin, and Panitch to conclude that the meltdown of 2007–2009 was not the product of "any sharp profit decline or collapse in investment." It was, rather, "rooted in the dynamics of finance." (42) True enough, on one level. What this approach may be missing, however, is the forest of capitalist trajectory amidst the trees of financialization. To say that the bonanza profit-taking leading up to 2006–2007 was inherently unstable has, retrospectively, been established as understatement. The rate of profit, soaring in 2006, was overdue for a fall, pregnant as it was with malignancies. For all that the financialization particularities of the 2007 collapse are intriguing, as Albo, Gindin, and Panitch suggest, the true significance of the crash should not be obscured: record profits in the increasingly important financial sector were on the cusp of a necessary and dramatic decline. The meltdown that commenced in the summer of 2007 fits neatly into an analytic paradigm that stresses the inevitability of the rate of profit to fall.

The housing bubble proved more than one shaky cornerstone of the finance-driven restoration of profit in the early 21st century. The subprime mortgage meltdown revealed dramatically that how capitalism resolves its inherent crises leads only to further crises. Profit rates revived in the post-1980 years only by decimating the well-paid industrial jobs that had fuelled the consumption-paced largesse of the post-World War II years. Asian production, its wheels greased by western capitalist financial institutions, boomed, while in Michigan, Ohio, and Ontario plants closed. Once-unionized factories shut down in Etobicoke, reopening in non-union Napanee, Mexico, or the Philippines. Public sector workers, whose jobs could not be exported, found themselves confronted by states whose new purpose was to gut their collective agreements, cap their wages, and trim their sails in what came to be known as 'downsizing.'

What allowed working-class families to keep a toehold on the American (and Canadian) dream in this war fought relentlessly against them was that as much as they lived within the daily erosion of their wages, hours, and working conditions, the single largest equity held by such families continued to rise in value. Housing prices in the United States rose faster than at any previous time in history. Median real home prices grew from roughly $170,000 to almost $280,000 between 2000 and 2006. The bubble-inflating housing market allowed workers an ideologically convenient illusion that they were doing well as their real take-home pay stagnated and then fell from 1999 to 2005. When pressing material need demanded an infusion of hard cash, these 'home owners' altered domestic strategies, their children living with parents longer and contributing to the household finances. If this was not enough, or was not an option, some, especially in the United States, turned to second and third mortgages, easily on offer from a variety of financial institutions buoyed by the 'certainty' that housing was as good, or better, than gold. From the large, internationally connected New York investment banks on down to basement-dealing, derivative-packaging hucksters, mortgages were sold, resold, and stepped-on like a cocaine package making its way from Mexico to the crack houses of Brooklyn. And precisely because of financialization's global reach, the mortgage maze soon extended into the books of European, Asian, and other international capitalist institutions. As Albo, Gindin, and Panitch argue, "The worlds of high and low finance had never been so closely interconnected than in this volatile mix of global capital movements, insecurity and poverty." (58)

This was what pushed the global rate of profit upwards in the years leading to 2006–2007. But in this final point of reckoning, capitalism's resourcefulness began to exhibit signs of strain. As more and more working-class families availed themselves of the cash of second and other mortgages, interest rates began to climb. Particularly at the most insecure margins of the subprime mortgage rate industry, the increase might double or triple the percentage exacted over the course of a single year. Delinquency rates in this sector began to increase, 4.4 per cent in 2006, and a whopping 16.7 per cent in 2007. The smart money began to flee the mortgage market, aware that the bubble was bursting. Defaults increased, and panic spread as the poorest victims of this bursting bubble became destitute and homeless and the banks turned the credit taps off completely. The mammoth financial conglomerate, Citigroup, saw its Wall Street share price plummet 60 per cent. Capitalism, riding high in 2006, was in crisis, again, in 2007. The superprofits of one year evaporated as deficit dominated the financial ledgers twelve months later.

Even if the undeniable and historically entrenched conservatism of the Canadian banking/mortgage systems insulated workers and others north of the 49th parallel from the worst of this bursting housing bubble, the situation differs only in degree. Canadians, too, face an ongoing, and worsening, crisis in the housing market. Falling mortgage rates have enticed many into purchasing homes that are beyond their precarious means, with relatively high-wage employment more and more an elusive likelihood in an economy hard-hit by capitalist globalization's deindustrialization. Yet with mortgage rates so enticingly modest, and the ideology of rising house prices so robust, the inflated prices fueling speculative profits and developers' windfalls seem affordable. The Canadian Association of Mortgage Professionals reported in 2010 that about 375,000 homeowners were cutting back on their spending in a variety of other areas in order to sustain their overvalued domiciles, private ownership being possible only because of low-rate mortgages. If mortgage rates were to ease up to slightly over 5 per cent, which is inevitable, a further 475,000 homeowners would be forced into similar cutbacks on everyday expenditures. Historically unprecedented levels of personal debt thus combine with this overreliance on home ownership sustained by low, but inevitably rising, interest rates to produce a situation in which the working poor and even those still hanging onto the declining numbers of high wage jobs in the Fordist sector, are exposed to the vagaries of the financial marketplace, exceedingly vulnerable to any future shocks to the system. The demise of high-paying, unionized, industrial jobs in the sphere of productive capital means that when the financial sector experiences turmoil, as it must, the human fallout will be devastating. Even conservative estimates suggest that 7.5 per cent of Canadian households will be financially compromised by mid-2012 if the level of individual borrowing continues at its present pace and interest rates rise.[1]

The crises will continue as long as capitalism does. For all the misery inflicted by them, however, a sober assessment of the current situation suggests that the prospects of burying capitalism and ending its cycle of crises

1. "'Future shocks' forecast for housing market," *Globe and Mail*, 13 September 2010.

are a long way off. All of these books have been written to bring a socialist day of reckoning closer. The spectre of socialism, they agree, follows logically from the spectre of capitalist crisis. If socialism is to be more than a haunting threat, however, it must be built, if not reinvented.

In this light Smith provides exemplary reminders that there is indeed much in the traditional arsenal of Marxist revolutionary practice, developed in the 20th century by Lenin and Trotsky, that can be utilized. He rightly chastizes leftists who would dismiss, crudely and curtly, the ostensible sectarianism of the revolutionary left in what amounts to yet more sectarianism. Albo, Gindin, and Panitch, less orthodox than Smith, nonetheless accent the ways in which all alternatives must begin with people's material needs and can be developed only in so far as popular capacities to "act independently of the logic of capitalism" are encouraged and extended. (127) Whatever their separations, and they are significant and many, Smith, Albo, Gindin, and Panitch would agree that the severity of capitalism's current crises expose the extent to which, in the latter's words, "states are enveloped in capitalism's irrationalities," highlighting the need "for building new movements and parties to transcend capitalist markets and states." (129)

This is the ground on which Michael A. Lebowitz offers his thoughts on how to get to socialism in the 21st century. His short exploration of the necessity to see socialist alternative as a process in creating a society committed not to profit but to human development in the fullest sense, builds on decades of research and writing on Marx's political economy, as well as long years of experience in the global struggle to transcend capitalist confinements. Currently the Director of the Program in Transformative Practice and Human Development in Caracas, Venezuela, and something of an advisor to Hugo Chávez (whose thought echoes in these pages), Lebowitz's book begins where those of Smith, Albo, Gindin, and Panitch leave off. *The Socialist Alternative* assumes that capitalism and its ongoing, inevitable crises are destructive of human potential, that capitalism is a debilitatingly irrational system, and that a new socio-economic order needs to be created. "The system is so profoundly perverse," writes Lebowitz in his book's introduction, "that it is necessary to ask, *What keeps capitalism going?"* (17)

Lebowitz's answer is that socialists have failed to ask adequately where they are going and what kind of route they want to follow if socialism is indeed to be created. He insists that socialism can neither transcend immediately the capitalist context from which it will emerge, nor can it replicate the bureaucratism and deformations of past so-called socialist efforts like the failed Soviet Union. Anti-capitalist alternatives will be built on what Lebowitz designates, following Chávez, the socialist triangle. One side of this triangle addresses real wealth as human enrichment: men, women, and children must emerge who are able to measure their capacities and capabilities not in terms of money and the things it can buy, but in the development of their full humanity. A second side of this triangle confronts a crucial mechanism in the making of such rich human beings: work and productive life. Rather than the alienated labour of capitalism, in which profits are accrued by extracting monied value from workers whose ownership and control of all that is associated with production has been severed and concentrated in the hands of the owning class, work must be undertaken in ways where collective ownership can be assumed and decision-making can proceed democratically and cooperatively. This accomplished, the third side of the socialist triangle can be wedged slowly into place, the solidarian society, in which acquisitive individualism is replaced by a sense of collectivity and dedication, not to the self, but to the communal.

In building this solidarian society, Lebowitz stresses that there is much to overcome. New understandings of what is rational and good, what is possible and what is needed, will develop. A new social organism must be consciously guided into being, its values and its apparatus of regulation provisioning production and leisure in ways antithetical to capitalist conventions. The project is large and beset with the dilemmas of concrete disjunctures. Lebowitz's book is short, and given to abstraction. It is nonetheless a necessary beginning in charting paths out of capitalist crisis toward societies freed from the twisted entanglements of profit's contradictory march through what is left of history.

If this history is indeed not to end in the quickening pace of capitalist crisis following on capitalist crisis, the spectre of barbarism now haunting the globe needs to be challenged by socialism. There are, to be sure, only the faintest signs of this happening, but capitalism, as profound as is its irrationality and generation of crises, will not bury itself. Socialism needs to become more than a spectre following on the devastations of capitalist crisis. It must be built, and Lebowitz makes the case that this undertaking must begin now.

There are many reasons, of course, for the ironic lack of socialist success in the face of capitalist crisis. Past socialist endeavours, as Lebowitz makes abundantly clear, squandered much in their degeneration into bureaucratic state planning that simply reproduced too much of the productive ethos of capitalism in a society where private ownership did not exist. Moreover, if crisis is endemic to capitalism, this is not to say that capitalism does not have immense hegemonic powers at its disposal, always ready to be deployed in ways that divert the costs of crisis onto the shoulders and into the pockets of the poor, in the process obfuscating the origins of each particular collapse. The subprime mortgage crisis revealed this time and time again, nowhere more cruelly than in the ideological capacity of capital and its servile state to blame the victims, it being argued that the greed of poor homeowners, especially African Americans, drove the crisis to its break-point. Now, in central Europe, there are those scapegoating the 'lazy Greeks,' who retire at 55, and the languid Spaniards, who won't work in the afternoon. All manner of parochialisms and chauvinisms continue to thrive in capitalism's global marketplace of retrogressive thought.

Such shibboleths, however useful to stay an accounting of capitalist responsibility for the spectre of crisis now haunting the globe, are thin gruel indeed when placed alongside the argument and analysis of these three books. These texts should be required reading for all who want to understand why capitalism generates, not a crisis here and a crisis there, but a repetitive serialization of crises. Read quickly, however, for the pace at which capitalist crises unfold seems to be accelerating, and the shelf-life of solutions to profit's falling fortunes appears to be of shorter and shorter duration. If the obscenities of the modern world – in which the cataclysmic and catastrophic degradations of poverty, war, and environmental destruction, alongside the ideological cynicism of a politics of denial – cannot move you, as they should, then at least try thinking inside the box of informed self-interest. The next crisis could well be just around the corner. One of its victims might just be you.

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