

THREE CRISES

30s – 70s – Today

the what, the why, the how & the when

1. The Idea

On the third-floor balconies beneath the central dome of Mexico City's Palacio de Bellas Artes – a Neoclassical wedding cake whose construction had been halted for decades by the Revolution – two murals stare at each other across a great divide. They were painted on state commission when the building was finally completed in 1934, by two rival artists who opposed each other in every way. Diego Rivera's work, *Man at the Crossroads*, shows capitalist and communist pathways for the industrial mass production system that had emerged in the early years of the twentieth century. That machine system, as Rivera understood, was now in crisis. José Clemente Orozco's mural, which he left untitled but has come to be known as *Catharsis*, is also about the power of the machine. But here it is a power of lust and disarray, of horror and murder, a force of pure violence.

Orozco knew very well what Rivera's composition would be, and he responded directly to it. Both had just returned to Mexico from extended stays in the the United States, and in both cases, their work was informed by the US experience. Rivera's multi-year travels from San Francisco to New York included a long stopover in Detroit, where he painted the technological and social articulation of the new Ford plant on the Rouge river: the prototype of the vast production complexes that would be built during the Second World War. As a communist, Rivera believed he understood the central significance of this machine system for the future development of life on earth. He reiterated that understanding in the initial version of *Man at the Crossroads* in New York, with a political framing that resulted in the work's destruction by the man who had commissioned it, Nelson Rockefeller. As for Orozco, he lived in New York City from 1927 to 1934, where he attracted the critical attention and patronage of the historian, philosopher and urbanist Lewis Mumford, the author of *Technics and Civilization*. Mumford's vision of the domination of Western civilization by the machine is visible in the fresco cycle *Epic of American Civilization* at Dartmouth College, in the juxtaposition of *Cortez and the Cross* with a crude and brutal image of *The Machine*. Orozco was a humanist, his cycle culminates with *Man Released from the Mechanistic to the Creative Life*. But he returned to the theme of domination in the late 1930s at the Hospicio Cabañas in Guadalajara, where he painted the devastating portrait of a gigantic steel-limbed Cortez striding through the New World with a bloody sword.





I knew none of these vital details last fall when I returned to Mexico City for the first time since the 1980s and went to see the Rivera mural once again. I rediscovered the grand narrative sweep of the composition, which pits capitalist armies in gas masks against proletarians personified by wailing women in red scarves, and contrasts dissolute bourgeois gamblers to a portrait of Lenin clasp hands with workers of all races (the very image that had so infuriated Rockefeller). The rioters on the New York streets call for bread and the mounted police beat them down with clubs, as they still do to us today, while groups of people on either side look on through lenses prefiguring TV. Like everyone I was fascinated by the image of “man the controller,” thrust ahead into space by some sort of dream propeller whose surrealistic wings reveal macro and microcosmic dimensions. The Greek statue holding a fascia emblazoned with a swastika has its head cut off at the neck: I found it amazing that in 1934 Rivera had already foreseen that the enduring conflict would not be between America and Germany, but between West and East, capitalism and communism. Yet these were things I already knew, histories you learn in school. Like a hungry tourist I circled around the balconies, drinking in the other murals, especially those by Siquieros and Camarena. Then I was stopped short by the strange and bloody painting of Orozco: the flames, the rifles, the guy getting knifed, the other assassin who seems to emerge headless from some twisting metal camshaft, and of course, the bejeweled woman lying legs outspread with a rictus of pleasure, the bank vault sprung open, the scattering crowds, etc. As I stared at this apocalypse and then back across the gap at the Rivera mural, I gradually realized these paintings were in dialogue, I was sure of it. In the mid-1930s, having seen the first major crisis of organized



corporate capitalism along with the rise of both Nazism and Stalinism, the two artists were looking into dramatically different futures of the industrial system. Rivera's confident analytical and ideological masterpiece was directly contradicted by Orozco's premonition of mechanized horror – an image of what Lewis Mumford called “the new barbarism.”

What I found so impressive about this historical site in Mexico City, so promising and challenging all at once, was the simple fact that individuals with diverging ideas and ideals, real people with eyes and hands and hearts, could stand within a great economic, social and technological crisis that affected them directly, that they could try to analyze it and assess it, and that they could use all the means at their disposal to engage a public debate about what would happen next – what kind of society would emerge from the crisis. In Mexico in 1934 that effort could be made monumental in a public institution: no one censored it, no one emended or moralized it, and even if there is no direct indication within the space today that the current caretakers really understand what was at stake in this dialogue, still the paintings are there for all to see. The public dimension, the absence of censorship, the effort of analysis, the courage to present an ideology and a cosmivision, and finally, the frank disagreement which is also a form of attention and respect, all that made me feel more alive, more in tune with the present, even if what I was seeing was only a relic, a historical ruin like so many others.

The question that struck me then, and continues to strike me now, is this: How could *we* do such a thing in our time, today? Are we not embroiled in a great historical crisis? Do we not perceive the major outlines of this crisis, at the same time as we are viscerally oppressed by the absence of any public debate? Doesn't the direction that will be taken by our society, and indeed by civilization in the future, depend crucially on decisions that are being made now and that will be made over the next five or ten or fifteen years? Isn't it high time to begin analyzing and assessing the present crisis, in order to find the means of expression that could lead to a meaningful debate and from there, to political action? But when and how and where to do such a thing? And above all, with whom?

This is the idea of the seminar in which you are now participating: not just the lectures that I will deliver, but the whole program this fall at Mess Hall along with its prolongations through the Internet and among various groups and individuals who will be taking up the same readings and materials in order to do their own work and draw their own conclusions. The idea is to use our own means, our eyes and tongues and hands and hearts, to take the measure of the great global shakeup that began with the real-estate and credit crisis of 2007-08, that has continued under different forms since then, and that has now metamorphosed into as a generalized fiscal crisis of all the developed capitalist states, with immediate social consequences in those states, as well as diverse repercussions throughout the world-system. This entails, at a minimum, understanding the complex class structure which we inhabit, the technological system which it animates, and the political/economic arrangements that supposedly serve – but actually *fail* – to govern all that. Then, going further, the idea is to find ways to situate ourselves within what we gradually come to understand, so as to take coherent political action.

Now, do we really need to do all that? Can we do it here, in a little self-run community center, or in the other autonomous spaces where these ideas will be taken up, improved on and transformed? Do we have the resources to do it? Do we have the legitimacy? I think the answers are all yes. First, we need to do it because no one else will do it for us. The governing process in the United States is frozen. The media are dominated by strategies of corporate populism. The universities have been taken over by profit-seeking and careerism. The commentary on the Internet is usually too short and superficial; and even when it's excellent, it isolates the readers. No social movement has arisen on the Left to match the Tea Party – and we have to do better than match them. We have to learn to see a crossroads in our time, and to get over, or at least calm down, our apocalyptic fears. To do that we have to find the intellectual and expressive resources, or invent them. Legitimacy can be produced. All of us have access to knowledge and direct experience of society. We are activists, artists, intellectuals, educators and members of our communities. By working together we can create sharable convictions. What has been hardest so far is to free up the time. But the urgency of the crisis pushes us. Let's turn to it now.

2. The Panorama

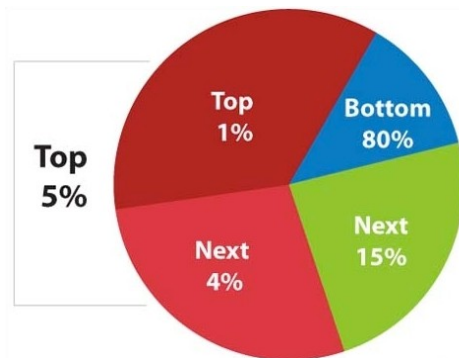
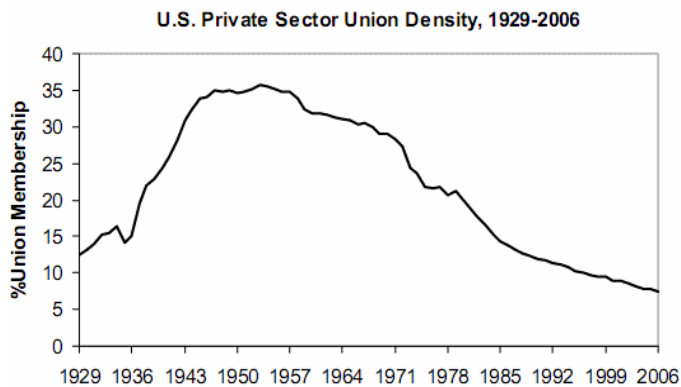
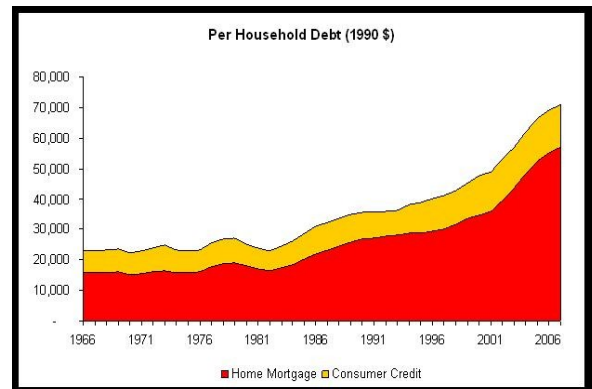
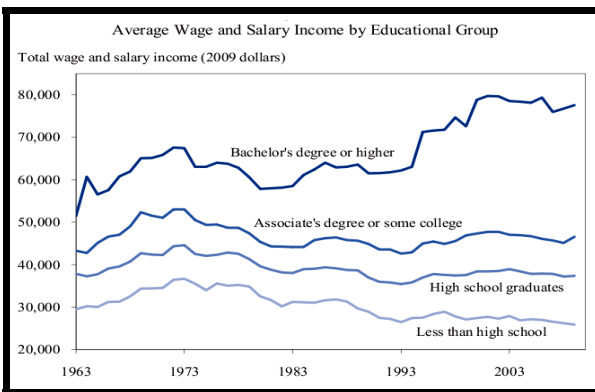
First we had a real-estate bubble, then in the summer of 2007 a deflation of housing prices and the beginning of a foreclosure crisis. Following the bankruptcy of Lehman Brothers in September 2008, the real-estate bubble became an international crisis over the uncertain value of collateralized debt obligations and derivatives. The result was a credit crunch: the banks were afraid to lend to potentially insolvent banks, so the cash flow they normally pass on to corporations just dried up. Business nearly stopped. So with a former CEO of Goldman Sachs at the Treasury helm we had a huge bailout of the financial system by the taxpayers. That and the associated stimulus programs did not stop a recession, and unemployment shot up to 10%, or 16% by the official measure of underemployment, or above 20% by other estimates. Long-term unemployment went to record highs, and is now afflicting 6 million people. Meanwhile, with programs known as quantitative easing (QE I and II), the Federal Reserve started pumping liquidity to the banks by buying toxic mortgage-backed securities at face value and it also went on loaning secretly to big banks, even European banks. With all that easy money sloshing around the upper reaches of the economy, corporate profits recovered, the stock markets started gyrating again, and the recession officially ended without any increase in job creation. Meanwhile the collapse in tax revenue from normal people gave rise to a fiscal crisis of state and local governments, and the sinister figure of the Emergency Financial Manager began to appear in cities and to multiply in school districts. Even though the foreclosure crisis is far from over, it's now unemployment and draconian cuts in public services that pose the greatest threat to people who have not lost their homes.

Of course it is not just an American crisis. The Western Europeans had staved off immediate harm to their populations with welfare-state expenditures; but massive private-sector losses returned as a sovereign debt crisis in 2010. That crisis has worsened radically since August, to the point where there is fear of national bankruptcies in Greece, Spain, Portugal, Ireland and Italy, and therefore fear of cascading bank failures and a new freeze of international credit, which wouldn't leave the US unscathed. As the Eurozone crisis mounted, the Republicans staged a Congressional showdown over rising Federal debt, which was a cynical media event to dominate the news cycle, but also a response to national and international creditors who are losing faith in US Treasury bonds as the bank of last resort.

Amidst it all, the disquieting thing is that there has been no substantial change in the financial system and no legal action against those who defrauded millions of people. What has happened instead, in addition to payday loans and derivatives-as-usual, is the rise of high-frequency trading, which uses super-computers to gain advantages of milliseconds and adds even wilder volatility to the electronic gambling circuits on which everyday life has come to depend. So it seems that Big Money is firmly in control of Big Government; and all Big Money understands are the profits to be made by a flight before the storm. The situation is so irrational that a very traditional but unusually honest economist who appears on every trader's TV screens, Nouriel Roubini, recently put it like this: "Marx said it right. At some point capitalism can self-destroy itself because you cannot keep on shifting income from labor to capital without having excess capacity and a lack of aggregate demand, and that's what's happening." Translation: the financial vampire is now sucking its own lifeblood.

All this constitutes a major crisis, the worst since the Great Depression. On the ground it is really strange, even eerie, and doubly so. First, because so far it has barely rippled the calm of daily life in a city like Chicago, which is the center of the global derivatives market. It's as though we were just waiting for something. And second, because in the mainstream conversation that is carried on, no one will admit that in the absence of a return to normal, eventually there will have to be a fundamental restructuring of the economy. Which could be a great thing, and the revolutionary spirits get excited. But the problem is, if there is no broad debate in advance the restructuring is likely to take the most politically and administratively expedient forms. And that will almost inevitably involve a security panic and the military regimentation of society under nationalist drumbeats. Which could destroy the sweetness of life for everyone. So once again, we come up against the need for a deeper debate.

The question is, what form should such a debate take? Is it enough to explain to our neighbors what has happened to the economy? In that case you can do it in just under an hour. Because the explanation has been worked out pretty well by a Marxist academic named Richard Wolff in a video-lecture called “Capitalism Hits the Fan.” For a more detailed economics book, check out Duménil and Lévy, *The Crisis of Neoliberalism*. These people will tell you, first, that the wages of the American working class have not grown, but in fact *shrunk* in the years since 1973. They will point to the sharp decline in union membership that begins at that time, and they’ll add something about the automation and offshoring of manufacturing. To maintain consumption, they will say, what workers have done is to borrow money; or they might put a harder spin on it and say, in order to be able to go on selling their wares, capital interests have *pushed money* on the workers. You’ll see a graph showing how consumer debt has risen tremendously since the 1980s. Most impressively, you’ll find out something shocking about inequality in the USA: namely, that the richest 5% of the population control 63.5% of the national wealth, while the bottom 80% have only 12% of the American pie. And what about the bottom 40%? Basically zero.



This kind of explanation is at once invaluable and insufficient. It’s invaluable because the story of wage stagnation, debt suffocation and plutocracy should be much more widely told. The prejudice that has been installed against unionization, and therefore against workplace democracy, would break down if more people were aware just how unequal the playing field really is. But it takes more than graphs and information to get through. Graphic close-ups on the rapaciousness of the banks, the obscene profits of the oil and arms conglomerates, and the day-to-day siphoning of poor people’s nickels and dimes for somebody’s fiftieth-floor seat in a kleptocratic corporate empire – that’s what leads to indignation and outrage. It’s no surprise that the major protest movement in Spain right now goes by the name of *Los Indignados*. But it is surprising that the name comes from an autobiographical pamphlet by a 93-year-old former French resistance fighter who urges the young to rise up against “the current international dictatorship of the financial markets.” What does the old man have to say? Why do such narratives strike a chord? Could we find the resources in our own history to make people angry? Could we go beyond academic analysis to join the *Indignados*?

3. The Method

The conspiracy at Mess Hall this fall is not a riot but a self-organized seminar. It's not (yet) about organizing and direct action, but it is a chance to build autonomy and discover new collaborators. If we can describe the stakes of the present crisis in striking terms and identify what has to change, that will challenge the inertia that keeps the careerist university from radicalizing the students and producing a transformational critique. To get near these goals requires precise lines of questioning and concrete proposals for a better life. Straight talking is the key. Without being afraid of concepts and abstractions we need to find the embodied expressions that can throw the major turning points of recent history into sharp relief and show what it means to take sides in a constantly changing society.

The complexity of a globalized society is daunting, for sure. It's what we continually face, at the local and the national level. But it's not new: previous generations also had to deal with it. The reason for a historical method is to uncover the conflicts and compromises that still articulate contemporary social relations. That can give existential depth to the analysis of inherited beliefs, economic interests and unconscious class positions. The same applies to the treatment of production machines and communications infrastructure, which develop together in more or less coherent patterns over periods of thirty to forty years, coalescing into "techno-political paradigms" that lend capitalism some semblance of stability until they are shaken up by the major crises (like the '30s, '70s and today). To focus on changing production technologies and organizational forms, and to show how they link the US into an evolving global division of labor, is to open a materialist doorway to the understanding of cross-cultural conflicts. It could also open up a world of potential collaborations at the grassroots, concerning trade, immigration and ecology among others. The importance of these dimensions has become clear with the European protests and the Arab Spring – and other events in China will surely follow, as it transforms into a global power. But to engage with distant others we need clearer ideas about what's been tried and failed before. No one could learn a language from a postmodern pastiche. Starting from the past is a way to establish a political vocabulary. But the point is to use it in the present.

By retracing the history that leads from the New Deal to the recession of 1973, then onward to the neoliberal era and the meltdown of democratic egalitarianism, we can give some flesh and bones to the story of financial capital's defeat in the 1930s and its resurrection in our lifetimes. Now is the time for a look back on the early days of the CIO, the sit-down strikes, the women's brigades, the roots of American socialism. It's also the time to see where the canonical labor histories hide their blind spots, and explain why we won't call for a restoration of the golden age of American manufacturing or a "New New Deal," as the mainstream social-democratic orthodoxy now does, along with much of the Old Left. To understand global class relations it's essential to ask what the New Deal became in the crucible of World War II and in the postwar era. This means detailing the explicit and implicit bargains that were struck between the American industrial working class and the giant bureaucratic corporations. The particularisms of the US experience in the 1930s did a lot to set the terms of the global social compact of the 1950s. For that reason, viewpoints from elsewhere – in Europe or Latin America or Africa or Asia – can reveal the significance of events that we have mythologized. Only within the context of the really existing "welfare-warfare state" will the character of the New Left and the reasons for its divergence from the old one will become evident. The issues of the 1960s and '70s can help us understand what the calls for unionization, reindustrialization and fair trade mean today, how they could be reframed and how a better compromise of social forces could be established.

Similarly, a question about what the New Left became in the era of flexible capitalism can open a window onto today's political choices. From a left perspective we tend to focus on the gains of each crisis, when social movements reach their peaks of activity. These are moments of invention and self-valorization by formerly subordinated groups, a fact which lends extraordinary cultural significance to such periods. However, the more superficial changes that accompany these moments are soon absorbed into a new equilibrium, whose economics may hide behind cultural trappings. The transnationalization

of a commercial and managerial middle class in the course of the 1980s, and its globalization after 1989, should be considered along with the new political-economic significance of cultural production, along lines that were first tested out in the '60s. In the Reagan decade the radicality of self-valorization gave way to the commodification of personal lifestyles, while self-management – a keyword for the '68 generation – was recast as the productive ethos of flexible work groups and profit centers. All that can be correlated with the rise of finance capital as a directive principle replacing the industrial bureaucracies. To see one's way through such a hall of mirrors is not easy. In the 1990s the new relevance of anarchism, with its insistence on self-organization in tight networks and localized groups, was a way to cut through the lifestyle ideologies and develop trustworthy solidarities. The neighborhood-level DIY cooperations of that time look much more broadly appealing right now, in the era of precarity ushered in by the economic crisis. And one also finds a growing desire, across the spectrum of the Left, to find a firmer basis for the large-scale, cross-class alliances that were put together experimentally in the counter-globalization protests of the turn of the century.



It appears almost certain, however, that demos alone will not be able to catalyze a transformation of the US political situation – even if every chance to hit the streets is worth taking. Police repression, media distortion and the neutralizing effects of the electoral process that were so flagrant in Wisconsin have together succeeded in containing the few spontaneous protests that have broken out in recent years. A broader movement with a double basis – in indignation and outrage on the one hand, and in a deliberate will to change the system at its roots on the other – seems to offer the only real possibility. It means speaking up everywhere, face to face. A grassroots self-education process that does not turn complacently inward in endless discussion groups, but instead learns to create expressive tools and reach out to people at every chance, can make a strong contribution to this public voice. The value of a seminar program like this one undoubtedly lies in the chances it offers to bring ourselves into contact and debate with parallel initiatives that are springing up elsewhere, inside and outside the US.

The current crisis really does put us at a crossroads, not just as a country but as a human species. We've struck the limit. The forms of economic management and the technologies of production will have to change over the next decade. If egalitarian and ecological movements are not able to symbolize this crossroads and delineate its stakes, then others will do so, clearly for the worse.

I began with a look back at two monumental murals, realized as proclamations and apocalyptic warnings in the midst of a social and economic crisis. Today we don't do monumental very well anymore. Many think the future of political speech lies in electronic networks. Without neglecting them, Mess Hall and kindred places add another possibility: community centers where art, debate and organizing create intricate narratives that reach deep into the lives of the participants, leaving images behind like tattoos in living flesh. How to give these intimate tracings public voice? It reminds me of that old sci-fi figure, "The Illustrated Man." Learning to speak out about what's gotten under your skin.

Dates, Readings, Bibliographies

The seminar is part of the Slow-Motion Action/Research Collective at Mess Hall, in Rogers Park, Chicago. The group is dedicated to the exploration, analysis and expression of the current economic and political situation. Sessions are held from 1 to 5 PM on Saturdays at 6932 North Glenwood Ave., Chicago, IL 60626, on these dates:

Sept. 17
Oct. 1
Oct. 15
Oct. 29
Nov. 5
Nov. 19
Dec. 3
Dec. 10

Each session includes a lecture by Brian Holmes (the author of this text) as well as presentations by other members of the Slow-Motion Action/Research Collective and invited guests.

Each session will have a number of (usually short) readings focusing on one of the three crises of US and global capitalism that we are considering. In addition, we will read in its entirety (and argue with) a straight Keynesian/Marxist economics book, *Neoliberalism in Crisis*, by Gérard Duménil and Dominique Lévy.

The readings for each session, plus additional bibliography and the detailed course description, can be accessed at the Mess Hall website. Click on the tab, “Ongoing,” and then in the menu at “Slow-Motion Action/Research Collective.” The exact address is: http://messhall.org/?page_id=771.

After each session a written text like this one will be posted on the website, along with mp3 recordings of the presentations and debates. Participation at a distance is encouraged, whether individual or (better yet) in groups. The point is to develop a more acute awareness of how the current crisis has turned into a tremendous power-grab by corporate and financial interests – and to do something about it.