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# Nature of the Period

Background and Perspectives

Northeastern Federation of Anarcho-Communists

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We don't know when, where or how it will break out, but it will come.

Social systems don't live forever. They have their own internal contradictions, which produce systemic crises. Capitalism is no different; someday it will end. The question we are addressing is whether it will be followed by barbarism, mass death, and barrenness, or by a better world. The current crisis is not only one of greatly increased attacks on the working class and oppressed people but is also a fundamental crisis of the system itself. We cannot predict the demise of the system, something in which the working class and oppressed people must also play a conscious part. We can, however, state that this is the most serious crisis of capitalism since the 1930's—and that one was only “solved” by World War II.

An understanding of today's world crisis must begin at the end of that previous crisis.

From World War I to the Great Depression and then World War II, the world capitalist system went through 30 years of crisis and decay, politically reflected in revolutions in Russia, Europe and Asia, the rise of fascism in Italy, Germany, Spain and elsewhere, and the counterrevolutionary consolidation of the Marxist-Leninist bureaucracy in the Soviet Union.

After World War II, the U.S. emerged as the dominant world power. The Axis was in ashes. The old British and French empires were greatly weakened, and the USSR was a weak rival to the USA. World dominance—imperialism—was the basis for the long post-war boom in the U.S. Although it contained several recessions that didn't threaten the system, that relative and limited prosperity (for European-Americans, anyway) lasted through the '50's and '60's. It was based on enormous military power and spending (what some have called the Permanent Arms Economy), industrial superiority, financial control (the Bretton Woods agreement and gold reserve standard), and oil. Consequentially, there was a vast expansion of car ownership and suburban living (again, at least for white folks). There was a vast looting of natural resources, treating the natural world as a limitless mine, while undercutting our biological basis of existence. Growing from the experiences of the Depression and

war came the dominance of the liberal idea of contra-cyclical government intervention to stabilize the economy (Keynesianism).

The boom had its limits. Imperial domination of the Third World bred nationalist revolutions; e.g., China, Algeria, Cuba, Vietnam. Arms spending, while creating jobs and technological spinoffs, also is a drain; i.e., military spending produces nothing socially useful (and threatens society with nuclear extinction). Oil became increasingly costly to produce as industrial and consumer demand for it expanded. It also became a major cause of environmental destruction. Finally, modern industry got built outside the U.S. and competed against it on the world market. The effects of this showed up as early as the mid-'60's in the form of trade deficits and a balance of payments crisis.

The contradictions within the post-World War II prosperity also led to a massive radicalization and social upheaval from the mid-50s to the early 70s (popularly known as "the '60's"). The struggles of African-Americans and allies against racism combined with opposition to the Vietnam War (in solidarity with the fight of the Vietnamese people) led to a mass disgust with the system and its liberal pieties. This disgust also led to a women's liberation movement and a Gay (GLBT) liberation movement, ecological consciousness, greater sexual freedom, and an upsurge in workplace struggles.

The underlying economic stresses came to a head in the '70's with a major crisis. The Bretton Woods agreement collapsed. The U.S. partially lost control of oil production as its price skyrocketed. More nationalist revolutions broke out in Iran and Nicaragua. After withdrawing from Vietnam and ending legal racial segregation in the South (Jim Crow), political reaction took hold in the U.S. It became the basis for a new, conservative, neoliberal ideology against government intervention. Neoliberal non-intervention became the basis for greatly increased speculation and a whole series of financial bubbles and busts; viz., oil and commodities, savings and loans, stocks and leveraged buyouts, Asian and Russian cur-

rency and Long Term Capital Management, the internet, and, finally real estate.

## **What we now face**

Following the Great Recession, the state and capitalists seem to have stabilized the situation for now, preventing a collapse into another Depression. Yet nothing fundamental has been solved and the seeds are already planted for a new crisis. Speculation is rampant in stocks and commodities, and derivatives are still out of control. At the same time, unemployment is very high and likely to remain so for years. Foreclosures, homelessness and hunger continue to increase. State and local government budgets and services are slashed into the bone. Credit, even for fairly large businesses, is still tight. There will be no return to the post-World War II prosperity. Working people face long-term stagnation and increasing difficulties.

## **Resistance**

There has been a growing polarization in the country. On the one hand, a proto-fascist movement has grown up on the right, a minority but a big and very vocal one. There has also been a turn to the left by much of the population, reflected in the election of Barack Obama in 2008—and in a growing disillusionment in his policies by a large part of his liberal base. This is still mostly passive and electoral. For the most part, people are still in shock from the Great Recession, making do with temporary and personal solutions and taking advantage of whatever government programs exist. The union officials, liberal and moderate alike, do not have a clue as to how to respond politically to the decline in their membership and power, aside from electing more Democrats. However, we feel that popular resistance to the Recession's effects will grow.