Comment

Trade and Class Revisited

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In “Trade and Class: Labour Strategies in a World of Strong Capital,” I set out a strategic model which yielded as logical inferences a program including “nationalization, tax penalties for inadequate investment, the growth of a state sector and full employment, boycott campaigns and protective trade legislation — in addition to a concerted campaign against concessions.”1 Further, the argument not only stressed the importance of supporting the struggles of workers elsewhere but also rejected analyses which attributed capitalist crisis to the “weakness” of capital. By reasoning from the weakness of particular national capitals to that of world capital, such analyses find solutions (such as increased productivity) which strengthen capital — or, at least, particular national capitals. In contrast, I argued the necessity to begin with world capital to understand the weakness of workers and to demonstrate theoretically Marx’s insight that when workers compete among themselves, capital gains.2

David McNally has responded by charging that not only does my “protectionist” argument promote “jingoistic populism,” advance a program of “national reformism” and reinforce bourgeois nationalism (which threatens to “divide the working class movement”) but it also can be associated with sundry proposals which advocated electoral support for the Liberal Party and class alliance politics. As well, he argues that my “dangerously misleading strategic political conclusions” have their roots in my “flawed theoretical argument” and, in particular, in my reliance “upon the empty abstraction of a single world capital.”3
Within the constraints of a brief rejoinder, I will make only three points. First, McNally has misrepresented my position. His charge that I have advanced a program of "national reformism" is facilitated by his failure to mention "nationalization" or any of the proposals for struggle that I advocated. Similarly missing is any indication that my "dangerously misleading strategic political conclusions" were, in fact, support for an aggressive strategy which developed out of the real concerns of the Canadian working class movement itself — positions proposed in, among other places, the 1986 Canadian Labour Congress statements.4

Second, his claim that the abstraction of a single world capital with which I began my game-theoretic argument is the source of my theoretical and political errors is wrong. To go beyond unfounded assertions, he had to demonstrate that once we remove this assumption (and introduce differing, competing national capitals), it leads to a different strategy for workers. However, as McNally himself (p. 164) recognises, the assumption of a single world capital was already relaxed in this respect in the original strategic game (after generating several of the elements of the workers' agenda)! The entire discussion of protection was introduced in order to explore the strategy for workers in the case where the super-exploiting capital is not simultaneously the owner of existing means of production in the advanced centre of capital. (Lebowitz, p. 145)

What does change as the result of an explicit assumption of competing national capitals is that capitalists in the advanced centre now have an alternative potential strategy. Rather than shifting investments abroad or demanding concessions in wages and working conditions, they can choose the alternative strategy of excluding foreign competition via protection.

Of course, while that strategy (which sets up a new game of competing national capitals) may be successful in securing unchallenged access to the home market, it carries with it the potential threat of retaliation. How national capitalists weigh the feasibility of such a strategy depends upon their relative dependence upon the home and world market as well as on the probability they assign to the threat of retaliat-
tion; if they are oriented solely to the national market, they will be more inclined to follow the protectionist strategy than if they are dependent upon world markets.

Under certain assumptions, thus, the strategies with respect to protection (but nothing else!) of national capitalists and workers will coincide. However, under conditions of foreign ownership, internationally-oriented firms, and a high probability of retaliation, the desirable strategies of capitalists and workers will diverge (and increasingly so as these conditions become more prevalent). All this merely underlines my original point about the gap between capital’s agenda and the appropriate “workers’ agenda.”

In short, there is nothing at all in McNally’s response which theoretically challenges my central argument — that protection must be “part of the arsenal in a Left strategy for labour” and that, under existing conditions, the internationalism that succeeds in its absence is “the internationalism of capital.” (Lebowitz, p. 147)

Finally, it should be apparent that McNally’s “internationalist” alternative offers nothing to Canadian workers faced with plant shutdowns because it is cheaper to transfer production to Georgia or Texas or, indeed, to the Mexican maquiladora operations — that “Mexican bogey” he derides (p. 168) — and to ship the finished goods back to Canada. What does he propose to say to the worker who has been given an ultimatum — agree to the following concessions or we will shut down because we cannot compete?

McNally’s answer is that Canadian workers should stand ready to support workers elsewhere when they struggle for higher wages. But, he argues (pp. 163-4), we must “reject the illusion that there can be any fundamental national solutions to the crisis of capitalism.” Did not Marx once criticise the notion that French workers could “accomplish a proletarian revolution within the walls of France alongside the remaining bourgeois nations”? Was that not because French relations of production were conditioned by France’s “position on the world market and by the laws of this market” (p. 164)? There, in a nutshell (or a quotation), is the bottom line for McNally: no single country can escape the laws of the capitalist world market, and any attempt to struggle for
the workers' agenda is a "thoroughly utopian" program of "national reformism." (pp. 164-5)
Faced with this recipe for irrelevance and this display of deeply-imbedded dogmatism, it is to weep.

Notes

3. David McNally, "Socialism or Protectionism?" *Studies in Political Economy* No. 31 (Spring 1990), pp. 159, 162, 164-5.
4. "Full Employment and Fairness — The Workers' Agenda for Canada" and "Our Canada or Theirs? Workers Confront the Corporate Blue Print" CLC, 1986. A more recent argument appears in Sam Gindin and David Robertson, "Democracy and Productive Capacity: Notes Towards an Alternative to Competitiveness."
6. McNally's support (p. 165) for "boycott action" is disingenuous as an alternative to my position since I also stressed this but argued that "the logic of the boycott, generalised and made effective, is the logic of Protection." Lebowitz, pp. 145-6.