
The Demise of the Left

By Paul Craig Roberts, 26 January 2017

On several occasions, I have asked in my columns the rhetorical question: What became of the left? Today I answer my question.

The answer is that the European and American left, which traditionally stood for the working class and peace (bread and peace) no longer exists. The cause championed by those who pretend to be the “left” of today is identity politics. The “left” no longer champions the working class, which the “left” dismisses as “Trump deplorables,” consisting of “racist, misogynist, homophobic, gun nuts.” Instead, the “left” champions alleged victimized and marginalized groups—blacks, homosexuals, women and the transgendered. Tranny bathrooms, a cause unlikely to mobilize many Americans, are more important to the “left” than the working class

All white-skinned peoples except leftists, including apparently victimized women, are racist by definition. Racism and victimization are the explanations of everything, all of history, all institutions, even the US Constitution. This program of the left cuts the left off from the working class, who have been abandoned by both political parties, and has terminated the left’s connection to the people.

The collapse of the left as an effective and real political force followed the Soviet collapse. The underclass had resisted their exploitation before the publication of Karl Marx’s *Das Kapital* in 1867. But Marx raised the exploitation of labor to a fighting cause on whose side was History. The Bolshevik Revolution in Russia seemed to validate Marx with its overthrow of the existing order and proclamation of Soviet Communism.

Soviet practices deflated left-wing hopes and expectations, but nevertheless an alternative system which continued to speak against capitalist exploitation existed. When the Soviet Union collapsed in 1991, neoconservatives and neoliberals declared that History had chosen capitalism over the working class, and Marx’s prediction of the triumph of the working class had been proven wrong.

The Soviet collapse caused communist China and socialist India to change their economic policy and to open their economies to foreign capital. With no rival, capitalism no longer had to restrain itself and allow widespread access to the growth of income and wealth. Capitalists began collecting it all for themselves. Many studies have concluded that the productivity gains which formerly went mainly to the work force are now monopolized by the mega-rich.

One avenue to the concentration of income and wealth is the financialization of the economy (emphasized by Michael Hudson and by Marx in the third volume of *Capital*). The financial sector has been able to divert the discretionary income of the working class into interest and fees to banks (mortgages, car loans, credit card debt, student loans).

The other avenue is the offshoring of American jobs to which Donald Trump is strongly opposed. Here is what happened:

Wall Street told US manufacturers to move their production to China in order to increase profits from lower labour and regulatory costs, or Wall Street would finance takeovers of the

companies, and the new owners would raise the firms' profitability by moving production offshore. Large retailers, such as Walmart, ordered suppliers "to meet the Chinese price."

When the jobs were in the US, most of the gains in productivity went to labor. Therefore, real median family incomes rose through time, and the consumer purchasing power this income growth provided drove the US economy to success for ever more people.

When the jobs were moved to Asia, the growth in real median US family incomes stopped and declined. The large excess supplies of labor and lower cost of living in Asia meant that Asian workers did not have to be paid in wages the value of their contribution to output. The difference between the US wage and Asian wage was large and went into corporate profits, thus driving up executives' "performance bonuses" and capital gains (rising stock prices from higher profits) for shareholders. In my book, *The Failure of Laissez Faire Capitalism* published in 2013, I was able to calculate that based on current information at that time, every 1,000 manufacturing jobs moved to China resulted in a labour cost saving for the US company of \$32,000 per hour. These hourly savings did not translate into lower prices for US consumers of the offshored production. The labour cost savings translated directly into the incomes of the executives and shareholders.

Thus, jobs offshoring permitted the productivity gains to be monopolized by corporate owners and executives.

Instead of responding to Trump's support of the working class and his actions in their behalf during the first week of his presidency—Trump's termination of TPP and his demand to auto manufacturers to bring manufacturing back to America—the "left" has rallied around a victim group—illegal immigrants. The "left" even elevates non-US citizens above the US working class.

Trump was elected by the working class. If the left is defined historically as the champion of the working class, then Donald Trump is their champion and the "left" is their enemy.

Throughout the contest for the Republican presidential nomination and the contest for the presidency, the "left" was allied with the ruling establishment of mega-rich capitalist oligarchs and the warmonger military/security complex against Trump. As Trump's presidency begins, it is the "left" that wants Trump impeached and delegitimized, precisely the goals of the warmongers and the mega-rich and their presstitutes.

Even environmental groups, such as NRDC of which I am a member, has joined the identity politics against Trump. Rhea Suh, NRDC's president, has just sent me an email in which she declares NRDC, supposedly a champion of wildlife and the environment, to be standing with women in the Women's March on Washington against Trump "in defence of our most basic rights as women." "Women matter," Rhea declares, and proceeds to blame Trump for Flint Michigan's polluted water.

I am convinced that it is a mistake for Trump to emphasize jobs at the expense of the environment. Whether or not global warming is a hoax, environmental destruction is not. It is real, and the working class, as in Flint, are suffering from it as well as from the offshoring of their jobs.

The Democratic Party died during the Clinton regime when Clinton allied with the Democratic Leadership Council (DLC) founded in 1985 by Al From. I have often wondered who funded the DLC. It could just as well have been the Koch brothers as the DLC turned the Democratic Party into a second Republican Party.

The DLC convinced Democrats that the defeat of the presidential campaigns of George McGovern and Walter Mondale proved that economic populism is not politically viable. Democrats had to turn away from the left and embrace “mainstream values” and “market-based solutions.” The DLC was a big supporter of NAFTA. Reportedly, the DLC’s Will Marshall regarded pacifists and Iraq war protesters as anti-American and advised Democrats to keep their distance.

In short, the message was: compete with the Republicans for the big corporate and financial sector money. It certainly worked for the Clintons, but not for the Democratic Party.

As “market-based solutions” offshored US manufacturing jobs, the Democratic Party’s finances declined with union membership and power. Today Democrats and Republicans are dependent on the same interest groups for campaign funds. Thus ended the Democratic Party’s connection with the working class.

The question is: Can Trump stand for the working class when both political parties and the prostitute media, the think tanks, universities, environmental organizations, military/security complex, Wall Street, and courts stand against the working class?

Who is going to help Trump help the working class?