

ECONOMIC McCARTHYISM

Business be Damned

Hannah Arendt has said that the return of morality to public life begins with the injunction for truth in politics. Following Arendt, it is time to say the simple truth that the Depression in Québec and Canada is the inevitable and predictable consequence of the continued subordination of Canadian society to the political economy of American capitalism; and that, for all of the speeches by federal political leadership to the contrary and for all of the little homilies about patience delivered by Canadian banks, it is a lie—a profound, vast, and uninterrupted lie—that the Depression cannot be resolved through immediate and decisive political action. It is true, of course, that the Depression cannot be overcome within the terms of the liberal state or as long as that active and strong alliance between federal and provincial political leaders, liberal and conservative, and the class of organized capitalists (that network of banks, multinational corporations and energy consortiums) is permitted to continue to dominate the Canadian polity, turning the whole of the country into an instrument, an “opportunity”, for the maximization of corporate profits and political power.

This is not a Depression for organized sections of the business community. For them, it's just a classic opportunity to impose a disciplinary model upon the work force; to “roll-back” the gains in labour legislation and wages made by women and men in the work-force; to defeat politically the whole structure of public sector unionization; to render superfluous all the claims for entitlements made by the dispossessed in the social economy of Canada and Québec; and to “rationalize” at the level of ideology the fact that organized capitalism can no longer provide work for significant and growing elements of the labour force. Under the relentless pressure of American capitalism, justified by the ideology of monetarism and welcomed *from within* by the corporate business community in Canada the populations of Canada and Québec are being pushed back, and this rapidly, to conditions of primitive capitalism. Business has declared war against Society; and it is assisted in its struggle against the national interest by political leadership which has, for whatever reason, lost the will to resist. It's time to remember the often overlooked injunction of the philosopher, Elijah Jordan: *Business Be Damned*.¹ And, in remembering Jordan's insight that there is an irreconcilable hostility between the human interest and the business interest, then we should also remember that there remains only one institution capable of expressing the popular will and of organizing political resistance against economic colonialism; and that institution is the State. That political leadership is now

EDITORIAL

moribund and paralysed only means that a new generation of thinkers must now arise to defend the national interest against economic and cultural imperialism, from without and from within. As the French Socialists have said: the task now is to break the power of money.

A Displaced Crisis

It is no secret that the United States maintains economic hegemony over the continent and stays one small step ahead of a domestic catastrophe in its political economy by implementing a political strategy which has successfully displaced the worst effects of the present "crisis" of advanced capitalism into the other societies of North America: Mexico, Québec and Canada. The political control of the credit mechanism and the shearing off of interest-rates from their "naturalistic" setting in the actual play of the market, in short the creation of a cybernetic (politically directed) economy, are the policy instruments which have been utilized by the Reagan Administration to deflect the main force of the current convulsion in the historical development of capitalism into the "dependencies" of the Empire. Mexico, Québec and Canada are drained of cash as capital follows its natural flight to the centre of the international money market in New York; the first shocks of a recessionary economy (a recession which is managed and, in fact, created *from above*) are played out in their domestic economies; the labour force, social legislation, the sphere of public morality itself are made over in the image of the disciplinary society; massive unemployment, the permanent shut-downs of factories, the creation of a surplus class of workers with no hope for future employment: all of these are but the detritus of an economic war which is waged by the United States against its immediate geographical neighbours. What is a managed recession in the United States is an almost uncontrollable Depression in Québec and Canada.

The federal government, always at least one step behind in its analysis and response to the crisis, is now caught facing the wrong front. While the *real* crisis for Canadians lies in the catastrophic effects of forced deflationary policies (liquidity crises, unemployment and welfare—all the signs of the immobility of Depression), the federal government declares war, again and again, against inflation: that symptomatic sign of an economy which has reached the final moment of an expansionary cycle of development. But, faithful to the monetarist principles which have penetrated deeply into the consciousness of federal policy planners and which reveal how profoundly the federal government is implicated in the basic logic of capitalist development, the government proceeds to "manage" inflation with a series of social policies which, from the standpoint of a just public morality, are obscene. How else to describe the recommendation by federal planners that the unemployed can expect no relief for at least another year or the fact that the national government refuses to accept responsibility for rendering superfluous a whole generation of Canadian students who, trained in

ECONOMIC McCARTHYISM

public institutions according to educational policies set in place by the federal government itself, now find that their advanced training in the social sciences and humanities has no occupational outlet. Those who now speak of a new "lost generation" of Canadians are not inaccurate: the generation of the 1970's, this best hope for a rethinking of Canadian life, has been abandoned by the Canadian Government; it is stranded in society with surplus-consciousness and a deficit of job prospects. In the absence of any public leadership which is willing to assume responsibility for society as a whole, and which would contest the practical and ideological subordination of Canadian society to the interests of business, everyone is left to deal, individually and in radical isolation, with a situation of intense economic pressure. It is not surprising that under the pressure of the Depression, human beings begin to break. The stasis, paralysis and decay of public life is matched in personal life by the return of the Spencerian ego as the model of the "survival" personality of the 1980's: competitive, isolationist, privative and fearful.

In the face of this situation of genuine national distress, of an economic emergency which spreads suffering in its wake, it is scandalous that the national government, instead of attempting to relieve the state of emergency by making of public institutions a shield between economy and society, does precisely the reverse. In active collaboration with the public morality of the "new right", federal political leaders speak now of the value of a "disciplinary society" and of the need to purge the Canadian economy of its "unproductive" members. Canadian society requires a radical rethinking of the dependent character of our culture and economy (*a philosophy of culture* which would insist that economy be guided by substantive social values and that primacy be given to the political over the economic, to the public interest over economic self-interest), but instead we are confronted with a national government which betrays the human interest, again and again, by turning its back on real human suffering and by adopting as the central values of Canadian economic policy the public morality of neo-conservatism: a public morality which is antithetical to the social interests of Canadians and which, in any case, is the precise ideological instrument through which the Power apparatus of the United States has brought Canada and Québec to a state of forced dependency. As one banker in New York said recently: perhaps now the Canadian Government realizes the "inevitability of economic interdependence."

Canada and Québec are confronted with a "managed crisis" (managed, that is, by the power apparatus of advanced capitalism) which, while it is played out in the theatre, in the language, of economy, is specifically *political* in its origins and resolution. That the political will of the national government has been broken by the Reagan Administration simply means that Canada and Québec are vulnerable now to a very real economic *coup d'état*, to a cruel and hyper-realistic play of power by the United States against its northern "dependencies". We witness now an almost catastrophic "deflation" of the political powers of the Canadian Government in the direction of the business community. The Canadian Government has always placed its political trust in continentalism and thus it is at least

EDITORIAL

consistent that when in the crunch the Reagan Administration demonstrates that the United States will always go for itself, that the Canadian State should be doomed by the sword of continentalism. The political intervention by the American new right in the form of an upward manipulation of interest-rates is the immediate, and most visible, cause of the current Depression in Canada. It is the revalorisation of the "power of money" under the auspices of the Reagan Administration which has blocked the federal government's intervention into the natural resource sector and which leads to a generalized economic crisis in Canada (measured by any index, whether in housing starts, unemployment, welfare payments, business bankruptcies). And it is the political impact of the ascending spiral of interest-rates, telegraphed all the more quickly into the Canadian economy by the hyper-monetarists who have infiltrated the "command positions" of the federal government, which represents a decisive political victory for American capitalism over Canadian society. Before the wave-like motion of ascending interest-rates, before, that is, the imperatives of the international money system, the Canadian government is powerless to plan. While the Canadian Minister of Finance may report to the IMF that the fiscal crisis is about to be solved (and his choice of the terms "light at the end of the tunnel" is reminiscent of that other famous prognosticator, Robert MacNamara, just at the beginning of the war in Vietnam), the bitter reality is better told by the financial writers for the *New York Times*:

Mr. MacEachan has said repeatedly that Canada's economic problems are almost entirely attributable to high American interest rates, which draw funds out of Canada and into United States investments. The recent economic summit meeting in Versailles, France was a severe disappointment for Mr. Trudeau's Government in that it failed to obtain any promise that high American interest rates would soon decline.

But the impression this stance created was of a helpless Canadian Government whose hands were tied by American economic policy. Last week, after having promised only a simple economic statement, Mr. MacEachan announced that he would introduce a new budget, an apparent effort to show that the Government was doing something more than watching the American economy evolve.²

A satellite country with a satellite government; and moreover, a government which seems to welcome the "disciplining" of Canadian society by the American new right. How else, after all, to explain the curious fact that even after the long-range plans of the federal government in the direction of an advanced liberal state have been subverted by the monetarist strategy (which would prefer that Canada keep to its traditional role as a simple dependency) that the federal government rushes to institute in Canadian society the disciplinary values of the

ECONOMIC McCARTHYISM

new right. The legacy of this government is surely that by its continued subordination of any authentic regional voice, through its undermining of Canadian cultural experience, and by its overt collaboration with organized business, it leaves a society which is ready to go, and this of all things, more conservative.

McCarthyism also operates at the level of economy, and always at the level of public morality.

A Philosophy of Canadian Culture

The continuing crisis of political leadership precludes the public sphere as a source of a new, and more critical, vision of Canadian society or as the basis for a radical rethinking of the political strategies by which this country might finally break free of the cycle of "not so-silent surrender" to foreign capital and to the play of a relentless power apparatus centered in the United States. And yet, in the absence of a coherent philosophy of Canadian culture—a critical vision of Canada which would link together economy, public morality, and politics—we are left defenceless before the relentless dominations and powers of advanced capitalism. The peculiar strength, the actual Power, of advanced capitalist institutions is that they operate most strategically through control of systems of mass communication, through the capturing and subordination of the "symbolizations" of a society, through, that is, taking control of and playing back against the society the definitions of truth, value and reality in the social order. To struggle against the economic crisis, to "break the power of money", we must first break the domination of the symbolic order, of Canadian cultural practices, by the ideological hegemony of the United States.

In *Marxism and Literature*, Raymond Williams has spoken of the existence of an "emergent cultural practice" as the first sign of real political resistance against the structures of domination of advanced capitalism. Noting that "since what the dominant has effectively seized is indeed the ruling definition of the social", Williams argues that the articulation of an emergent cultural practice is the first refusal of a further penetration by the dominant order into the sphere of "reserved" or "resigned" regions of "experience and practice and meaning".

The development in Canada of an "emergent cultural practice" would involve simultaneously the deployment of two critical strategies: first, the development of a coherent analysis concerning how the institutions of advanced capitalism maintain a monopolistic hold on the entire process by which cultural and social practices are "mediated" in this society; and second, the creation of a critical and comparative understanding of the most vital tendencies in the regional expressions of Canadian culture. A philosophy of Canadian culture must, at one and the same time, "return to the country" by striving to give a public voice to that rich and divergent tradition of cultural practices in Canada and Québec which have always been silenced by the hegemony of business "culture"; and it must "connect again" to the world by absorbing what is relevant of the theoretical

EDITORIAL

critiques of the "symbolic hegemony" of advanced capitalism which have been produced by theorists working in Australia, France, Germany, Britain and, of course, in Latin America. A critical philosophy of Canadian culture would be situated, therefore, midpoint between theoretical criticism and populist practice; a gravitation-point between a cosmopolitan critique of the hegemonic cultural order of advanced capitalism and a regional appreciation of "emergent cultural practices". In this time of national economic emergency—a time when political leadership has abdicated the will to resist—everything depends on the creation of a theory and practice of Canadian culture. For it is only the development of a philosophy of Canadian culture which will finally provide the means of breaking beyond the logic of economic reality which has produced the Depression as its predictable outcome and which, therefore, will provide the practical basis for a retheorisation of the Canadian State. It is a certainty that no society can retain its economic sovereignty if its politics, social practices, and work experience are not infused with a critical cultural practice, with a "lived" philosophy of culture. Confronted with the hard times of economic McCarthyism, it must be our gamble, our wager, to make of the Canadian left the moving force of public life by transforming Canadian cultural experience into an indictment of the power of business.

Arthur Kroker

Notes

1. Elijah Jordan, *Business be Damned*. New York: H. Schuman, 1952.
 2. *New York Times*, July, 1982.
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