The Bosses Response to Being Socially Useless is Social Crisis

The crisis of housing takes on many appearances. For the working class, it is emblematic of the chronic exploitation of labour, with decades of deepening wage and property crises. For capitalists, it is a question of capital accumulation, specifically, caused by mismanagement or a fear externally with the pandemic. As they seek to protect their claims of being socially-useful, it is an opportunity for them to extend the misery of the working class. But, beyond these appearances, the crisis of housing is reflective of the total crisis of capitalism itself. It is a crisis that has been moving for decades, exacerbated by the pandemic, and now headed towards a new level of social disaster.

One must understand the depths of the housing crisis within the context of the crisis of profitability that emerged at the end of the last cycle of accumulation in the 1970s. It was in financial speculation and the financialization of housing that capital saw an opportunity to reduce the profitability crisis in production. With this context, one can understand the financial crisis of 2008, marked by the sub-prime crisis in the American housing market, and it is through this logic that one sees further economic crises emerging first in the Eurozone in 2011, Turkey in 2016, and in China today with the failure of Evergrande.

In contrast to the United States, the Canadian property market did not see a collapse of interest rates. Housing remains a chief means of speculation. Pre-pandemic, Canadian housing prices were noticeably elevated, particularly regarding Toronto and Vancouver. In just the year of 2015, for example, property values in Vancouver increased over 30%, while in Toronto, they increased 42% over the same period in 2019.

The construction of high-end condominiums, producing the generation of prices of owner-occupied and wider sections of the working class, marked these price hikes. The state’s response was exacerbated and extended by the pandemic. Government policy established massive capital injections and the continuation of low interest rates. While the state strove to stave off complete economic collapse, in the case of Toronto, it was an extension of the stifling of available labour-power, capital flooded towards speculative asset classes.

In the Canadian context, this is primarily housing. What was previously limited to Vancouver and Toronto has now been generalized throughout the Canadian economy. From the start of the pandemic in 2021, Canadian home prices increased by 30%, and in traditional working class neighbourhoods like Victoria, Montreal, real estate has spiked by 14%. Throughout the pandemic, housing presents itself as a fragile lifeline for capital in Canada — 85% of the total 10% of the entire Canadian GDP. With the inflation spike of commodities, the Bank of Canada now faces the question of defending the rate of interest. Already reporting that they may need to raise as much as 5% by the end of 2022, the question: which leg to cut off? The capitalist class, which has long touted its rationality,’s true nature is revealed as it continues to exploit, its only lifeblood to deliver humanity from misery, now offers its latest, gift, into the hole of its own inhumanity that has not been lost on the working class.

The role of real estate as financial speculation comes into contradiction with the conditions the working class has found themselves in. The 25% increase in mass unemployment, precarity, reduced working hours, and large debts. While capital and property corporations concern their boards about increasing price and scale, they find that their tenants are unable to pay. Rent increases expected as return on “investment” cannot be paid by unemployed and low-wage workers. In Toronto, at least nearly one in five renters are behind on their rent, of which there are 3.5 million likely to face eviction. Similarly, in Canada, there are 250,000 households in arrears on rent, with high rates of indebtedness in Ontario and the large Prairies cities. No sector of the capitalist economy was truly independent of the pandemic production crisis. Capital, as a vampiric whole seeks to attack the workers’ paycheck at the point of rent.

In the midst of the pandemic, the U.S. and Canadian governments implemented a series of temporary and direct state measures to assist landlords and tenants. The two primary modes of relief, eviction moratoriums and direct payments, join the already tides of mass homelessness amidst widespread lockdowns while guarantees and deferments as real estate capital’s “right” to revenue.

Whether the direct payments are made through the Emergency Rental Assistance policy (ERAP), or to tenants (catch-all catch-all), the Emergency Response Benefit (CERB), the intended effect is the same, the rule of law deanards prisoners and workers continue unabated. The central position of real estate in the pandemic economy only strengthens the prioritization of continuous access to profits (and all of the extractive measures that entail). The effects of the government’s relief policies are directly tied to pandemic-induced lockdowns and the state of the capitalist economy. The production crisis was most acute, this secured for capital the minimum subsistence conditions. However, it became clear that the capitalist so-called “recovery” was marred by labour militancy, entailing walkouts, strikes, and a generalized shortage of labour-power. 64% of Canadian capitalists polled at the end of September report that the accumulation of their capital is hindered by the lack of available labour-power. South of the border, capitalists hired under half of the expected 500,000 workers in the month of September 2021, despite widespread and continued unemployment.

Accordingly, the representatives of productive capital gathered their coercive instruments and targeted the avenues by which the working class can survive independent of wage labour. The U.S. federal eviction moratorium, a series of orders instituted by the CDC, was lifted by the Supreme Court on July 28th, 2021. Meanwhile, in Canada, the Banff 26th Supreme Court ruling adjusted massively back by the capitalist state. The Bank of Canada, a representative body of American national capital, pleaded that “the damage to the economy since the emergency moratorium was imposed by the CDC. The most effective way to mitigate the pressures is to further reduce unemployment.” Meanwhile, Canadian business groups lined up after after the other anticipation of the October 23rd and of the Canada Recovery Benefit (CRB).

In this assault on the working class, real estate capital leads the charge. In the midst of the masacre about the state of financial speculation, property owners face the acute compulsion to secure their investment. This could mean grand evictions and the replacement of tenants with those willing to pay higher rates.

The interests of land-owning capital and capital engaged in production have merged in the desire for a return to “recovery.” Their common goal is to force the already-beleaguered working class into saving the economy and their profits through increased labour productivity despite the continuation of the pandemic. The bourgeoisie, which prides itself on its social role of risk-taking, can no longer risk the continued effects of a labour shortage. Instead, it returns to open class warfare. While one part of the capitalist class seeks a return on investment and pursues mass evictions as federal and state-wide bars are lifted, another is elated to find a temporary class ceasefire (of the working class) and returning to the reserve army of labour.

However, as shown by working class history, the proletariat has the power to refuse wage-labour and housing rents, to extend the demands of real estate capital its “right” to revenue.

The struggle against housing capital is seen in Parkdale tenants’ struggle in Toronto. The decades-long process of housing speculation and rising rents led workers to form the collective amongst the workers of Toronto. In 2016, before the pandemic (which the working class continue unabated), a staggering 43% of renting households in Ontario had less than one month’s worth of income saved. In this context, tenants have found themselves forced into the housing struggles. Since the rent strike in 2016, the mass rent hike in 2018, Parkdale tenants organized outside the official channels. The result was a victory. The landlord, collectively refused to pay rent. The landlord backed down after a three-month struggle, and the working class demonstrated that the working class can win on its own terms and set the groundwork for future struggles, as can be seen by their slogan, ‘keep your rent’, proliferating when the pandemic hit.

You have leave. You don’t have a choice. It’s dangerous for your life and the bank wants you to leave.” This phrase exemplifies the process of “renovictions”- the plague of many workers and capital’s contribution to social welfare. Renoviction is the process of landlords pushing renovations as a pretext for evictions. The purpose of this process can be summed in three parts: (1)the rapid raising of rent, (2)the flipping of property at a profit, and (3)the destruction of staged capital in preexisting buildings. To the dismay of landlords and finance, this has not gone unnoticed by the tenants. In May 2021, April 2021, tenants of a 90-apartment building in the Montreal Plateau, the landlord refused the capital to preexist buildings. A subsidiary of the landlord’s pocketbook and collectively together to act against the renovation. In Montreal, in May, in April, and seemingly throughout Montreal, tenants are faced with this massive upsurge of capital and are thrust into the fight.

Ultimately, despite a quantitative expansion of tenants struggle, it has yet to produce a mass coalescence. Comparatively, recent large demonstrations in Berlin against rising rents, despite its reformist limitations, have shown the potential of struggle. Exceeding 20000 participants, it reveals the unity of the struggle against landlords, capital, buildings, or neighbourhoods. This is an opportunity to see that the housing struggles are a key component of the ongoing class struggle. Crossing such a bridge is vital if our class is to withstand the attacks of capital.

It is important, examining Parkdale tenants and their forms of struggle, to recognize past struggles reflected in it. They opened a break with the all-too- common NGO-dominated pseudo- struggles and the neighbourhood was organized through itself. Some of the most remarkable examples of working-class tenant struggles are when, in deep crises, the mass of local workers flood the streets to stop evictions. Whether it be in the Great Depression, 1970s Quebec, or Oregon 2020, this form assumes that, en masse, the local tenants win the cosmopolitan demands of shared fundamental conditions and the need to fight collectively.

Tenants’ struggles is crucial given the state of the crisis today. End rent moratoriums, demand the abolition of landlords, and the state is being called to defend. These demands the hastening and extension of the housing struggle as part of wider working class struggle.

Historically, where the class had a burgeoning consciousness, such as 1970 Quebec, the working class struggle invigorated the neighbourhood struggle. Labour organizing united the two fronts against the economic and political oppression of the Quebecois, which was conceived as a class problem. The struggle against housing in Canada-it was correctly seen as a struggle against the total capitalist mode of production and the appropriation of the period’s real limitations and uneven development; nevertheless, fundamental political lessons must be drawn from this experience of deepening class consciousness. This memory of the class struggle remains, and can only be regained if our class is to survive the assault of capital.

As early as 1972, Engels was able to recognize that the crisis in housing, no matter its particular form, is ultimately a crisis of capital itself, stating: “As long as the capitalist mode of production continues to exist it is folly to hope for an isolated solution of the housing question... the solution lies in the abolition of the capitalist mode of production and the appropriation of the means of life and labor by the working class itself.”

The goal of capitalism necessitates anew of working-class struggles in self-defense: fights for higher wages, against price increases, against conditions, fights against rent-hikes, evictions, rising prices, and racial police brutality. These are not isolated struggles, but rather part of these defensive struggles, if we are to ride the world of the miseries capital places upon us, we must seek out a struggle towards the abolition of wage-labour and capital itself. Only by ridling the world of the socially useless class can we address the question of housing in terms of social need.
The Bosses Want a “Return to Normalcy!”

The bosses and the state are determined to make the working class pay for the economic crisis. Despite their nervous outbursts claiming that wages are “too high” and not competitive with our market and forcing their hand giving “unheard-of” wage rates, the reality is that real wages across the board have declined in recent years. In the United States, the real average wage decreased by 5% from pre-pandemic 2019 levels. This year, the decrease is even higher since the Fed does not factor in gas and heating prices in inflation, while in Canada, it is expected that they will decrease by 1.6%. This phenomenon is not new. In reality, real wages have been stagnant since the mid-1970s despite a massive intensification in general working conditions. Furthermore, the bosses are forcing the working class into dangerous work conditions amidst the pandemic and have sought to increase the tempo of work in order to maintain their profits. This assault has put the working class on the defensive as can be noted by an upsurge in strikes and a rise in general combativity.

The squeeze the bosses put on workers is intensified by the tailor-made production regime of Korea, forcing workers to work overtime - twelve hours, seven days a week - in grueling conditions and without any regard to health. In Korea, the Topkea plant found themselves dominated by their employers to the extent that “they didn’t even have time to mow their lawns or do their laundry because they were always at work.” Meanwhile, the Frito-Lay workers were forced to continue production after multiple deaths at the assembly line, and during an ice storm were given only kerosene lamps for warmth for themselves while on the job. In response, they launched a 23-day strike action in July, supported by other workers inside the local community. Although they won some concessions, the contract the union drew up comes with multiple caveats. For example, though they now have a six-day workweek, the Frito-Lay workers can be forced to work a seventh if they fail to show up for their pay day during the week. North of the border in Alberta, in the early days of the pandemic, workers at Kimberley products working found themselves at the mercy of the virus due to decades of deteriorating health and safety standards. With workers being squeezed more and more into tighter spaces, the plant was ripe to become the largest outbreak of the virus at the time. A year later, the Cargill bosses recognized this suffering by locking out the workers in the middle of contract negotiations. While these examples are particularly egregious, they signify a “new normality” for large sections of our class.

The tier system has long been a means to depress profitability by depressing wages and dividing the workers they claim to represent. The bosses have been facilitated by the unions to the peril of the working class. For example, in 2019, General Motors tactically shuttered their plant in Oshawa, Ontario for 20 days in order to introduce an even more precarious tier encapsulating 90% of the workforce, slashing wages and benefits for the purpose of maintaining profitability. The union, trapped in its sectorial outlook and tied to the viability of the company to ensure profits, accepted a measly deal protecting only a small section of the workforce.

Throughout this generalized assault on the working class, the state has stood at the ready on behalf of the bosses. Prior to the pandemic, the bosses’ elected representatives mediated the struggle between the classes brought on by the intensification of capitalist exploitation through the forces of public service and justice. In Canada in 2016, Trudeau declared the illegality for postal workers to strike against an increase of workplace injuries brought on by a rise of parcel packages. Across the Atlantic in the same year, Spanish police brutalized striking Amazon workers boxing those very same packages.

For capital during the convulsions of the current economic crisis, any further interruption in production or circulation cannot be tolerated. The Montreal port workers’ strike pushed this anxiety to the limit. Under the condition of extreme militarization and containment, the union, led by the port workers began to push for a strike in 2020, however the CUPE union, in the interest of class peace, agreed to halt all strike actions for seven months. This gave the bosses’ state enough time to prepare their next move, drawing up legislation that would make a future strike illegal and temporarily preparing distribution networks to take on extra pressure. Such actions reflect the importance of the port for capital as a whole, especially in this time of crisis. If capital appears as an immense collection of commodities, then ports and other distribution infrastructure are the arteries of its flow. It is clear from its actions that the state will resort to any violenceess to ensure the lifeblood of capital to flow.

In the midst of a greater militancy of the working class, the union’s role has been to contain and dampen working class initiative. The exemplar of this was the struggle of daycare workers across Quebec, which was divided and disinherited by the union apparatus. Although the daycare workers faced the same worsened conditions at the workplace, the same rising prices at the grocery store, and ballooning rents, the three major unions—the CSN, CSQ, and FTQ—coordinated strike activity independently of each other. Even though the daycare (CPE) workers struck on the same week, they did so on different days, thereby sapping the workers’ class strength. Furthermore, the tactics taken by the unions have themselves worked to isolate, demoralizing, financially draining and self-defeating. Desperate to go to the negotiating table to be told “no” again the unions pursued delaying tactics. Even though the strike mandate was voted in August the unions took their time to take action that the mass confrontational. The CSN was uninstituted in any appearance of militant action while the FTQ divided the workers on a shop to shop basis. These tactics have been the unions’ to go for decades and rise in a matter of claimed “necessity” from the unions.

The solution to the union suffocation of the real workers’ revolutionaries is clear: we can see this stone stopping germinating with the daycare workers of the FTQ. In conversation with those workers, we found that they recognized in our leaflet, “The Generalized Crisis Requires a Generalized Struggle,” the limitation of their own union’s action and the need to go beyond it. This was demonstrated when they communicated with each other to go to the CSN’s demonstration of their own initiative. Furthermore, at the CSQ picket in front of the Ministre de la Famille, the FTQ workers broke their constraint of the CSN picket and led the other workers into the streets. The spontaneous actions taken by the workers themselves must be solidified in their self-organization through the formation of real, working class structures such as strike committees. Through such committees, workers’ initiative can open up the possibility for active creatively and the generalization of the struggle on their independent terrain.

The importance of workers’ self-organization and self-activity can be seen in the struggles of the Iranian workers today, who now stand as the beating heart of the international working class. In contrast to the union domination, lessons can be taken from the oil workers of Iran. Despite open and brutal repression by the Islamic state and its lackeys in organized labour, the Islamic Shahs, the workers created their own Organizing Council and held mass assemblies as their real bodies of class power. Through this Organizing Council, itself a product of workers’ solidarity and struggle, wider layers of the working class found common initiative against sectoral division. Not only are such worker organizations historically a class in itself, their organizational structure is in sync with the class nature of the working class. Their self-organization along the principles of wide decision-making and active-initiative is in contrast to “representatives” who take their “mandate” and make the decisions. The experience of the Iran workers reveals that the independent self-organization of workers is the lifeblood of the class and that the struggle itself is the school of socialism.

With the global crisis in capitalism seeking to attack the conditions of workers on all continents, the need for a world communist party is apparent. Such a party does not need to be socialist as long as it is a class as a class are to unify on an international basis against this international crisis of capital and for the revolutionary transformation of society. For us, this party is not a government in waiting, rather it is an organ capable of connecting the struggles of the past and today to the logical conclusion of the class struggle—abolition of labour-power and a society organized around social need rather than profit and exploitation. This party cannot be merely an intellectual group, or even a collection of propaganda cells, rather it must have an active life inside the class and seek to be on the front lines of its battles.

What Does Klasbatalo Fight For?

We fight for the political independence of the working class, which means we reject all cross-class alliances with the capitalist class, including its left wing. We believe the working class must fight on its own terrain: first, to defend itself against the bosses’ attacks; and, second, to achieve its ultimate task, that of establishing the world communist future which will rid the planet of exploitation, oppression, and war. It is towards this goal that we fight for the creation of the world communist party, whose purpose is to clarify the confusion among the class and to unify it towards its ultimate end, we believe this party to be the most important goal for our class. While we may not declare ourselves to be the party, nor do we believe that our organization alone will become it; rather, we see it as the product of both the wider class struggle, and the real work of self-organization, of which we see ourselves as only one of many elements. We do not see this party as a government-in-waiting, for the emancipation of humanity depends on the active struggle of the whole working class, and this struggle cannot be replaced by the dictates of a minority.

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