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A New Gilded Age: Corporate Power and Socialism in the 21st Century

Abstract

Building on the author's experience and accumulated knowledge from years as a left activist, this essay articulates the similarities between our current moment and the original Gilded Age of the late 19th and early 20th centuries. The conclusion presented here is that when there is extreme wealth inequality, increased exploitation, and attempts to normalize oppression and bigotry, resistance emerges. This is precisely what we have been seeing around the world, most notably in the US. The eventual successes or failures of the developing socialist movement will be determined by how well we learn from history, rearticulate our theories, and learn through our on-going struggles.

Keywords

Corporate Power, Socialism, Gilded Age

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Cover Page Footnote

Eljeer Hawkins is a community, labor, and antiwar activist, and has been a member of Socialist Alternative/Committee for a Workers' International (CWI) for 23 years. Hawkins writes regularly on race, the criminal legal system, Black Lives Matter, and the historic Black freedom movement. He has also lectured at countless venues including Harvard University, Hunter College, Oberlin College, and the University of Toronto.

Both sides are organized in this class struggle, the capitalists, however, far more thoroughly than the workers. In the first place, the capitalists are, comparably, few in number, while the workers number many millions. Next, the capitalists are men of financial means and resources and can buy the best brains and command the highest order of ability the market affords. Then again they own the earth, the mills and mines, locomotives and ships and stores and the jobs attached to them, and this not only gives them a tremendous advantage in the struggle but makes them for the time absolute masters of the situation.

The workers, on the other hand, are poor as a rule and ignorant as a class, but they are in an overwhelming majority. In a word, they have the power but are not conscious of it. This then is the supreme demand; to make them conscious of the power of their class, or class-conscious workingmen...

The working class alone does the world's work, has created its capital, produced its wealth, constructed its mills and factories, dug its canals, made its roadbeds, laid the rails and operate its trains, spanned its rivers with bridges, tunneled the mountains, delved for the precious stones that glitter upon the bosom of vulgar idleness and reared majestic palaces that shelter insolent parasites.

The working class alone- and by the working class I mean all useful workers, all who by the labor of their hands or the efforts of their brains, or both in alliance, as they ought universally to be, increase the knowledge and added to the wealth of society the working class alone is essential to society and therefore the only class that can survive the worldwide struggle for freedom.

-Eugene V. Debs *The Growth of Socialism*, March 17, 1906

The Foundations of the Gilded Age

The Gilded Age was coined by political satirist and renowned author Mark Twain and Charles Dudley Warner in their book, *The Gilded Age: A Tale of Today*, published in 1873.

The Gilded Age of the late 19th century (1870-1900) punctuated the emergence of industrial capitalism following the end of the civil war and seven years into the radical reconstruction period that ended with the great compromise of the 1876 presidential election. The nation was gripped in a constitutional crisis just like 2000 during the presidential election contest between Democratic Party nominee Al Gore and Republican Party nominee George W. Bush. The Republican presidential candidate, Rutherford B. Hayes and Democratic presidential candidate Samuel J. Tilden battling for the White House with a nation still divided among the industrial and commercial capitalist class supporting the Republican Party and the former southern planter slave-owning class supporting the Democratic Party, and former slaves enfranchised with the right to vote, education, and land.

Tilden won the popular vote, but once again Florida and charges of voter fraud caused a profound crisis for a nation only eleven years removed from the Civil War. In order to resolve the crisis, the Democrats and Republicans, in a bi-partisan agreement in Congress, selected Hayes as President. Hayes agreed to the end radical reconstruction era, pulling out the federal

troops that maintained a semblance of democracy in the former slave-holding states, and the return of the former southern planter class ushered the rise of Jim and Jane Crow in the South as slavery by another name became a reality for black workers for ninety years until the significant victories of the 1950s and 60s civil rights movement.

The Gilded Age witnessed the massive expansion of industrial and commercial interest throughout the north and west of the country, a developing railroad system, a nation that experienced mass European immigration, an infusion of skilled labor, increases in wages, benefits and modernization of the country. But what defined the Gilded Age was the levels of abject poverty, corruption, inequality for the thousands of workers and poor, total annihilation of the indigenous population, and prolonged economic crisis in 1873 and 1893 respectively.

Their names are synonymous with exceptional levels of wealth, power, prestige and dubious philanthropy: Andrew Carnegie, John D. Rockefeller, and the Vanderbilt family. These titans of industry and political power defined the Gilded Age. With their immense wealth and power, it unleashed an emergent counterweight to their dominance in society with the growing movements of workers to form unions engaging in campaigns for the eight-hour day, ending child labor, women suffrage, and populism. The arrival of European immigrants during this period not only brought their labor but their radicalization, trade unionism experience in the democratic revolutions of 1848, and knowledge of socialism to the United States as well as many being members of the first international, the International Working Men's Association.

The most influential socialist of the early 20th century Eugene V. Debs who would run for president five times beginning in 1900 as a member of the Social Democratic Party. The Socialist Party was formed in 1901, and he ran its presidential candidate in 1904, 1908, 1912 and 1920. Debs became a dedicated Marxist and international socialist from a prison cell as the leader of the American Railway Union in the historic Pullman strike in 1894. The end of the Gilded Age gave rise to the Progressive era, an attempt to challenge the power of the political and corporate elite through progressive reforms and direct democratic checks of the institutions of U.S. capitalism. The imperial conflict of World War I beginning in 1914, and the victory of the Bolshevik-led Russian Revolution, opened up a new political paradigm for the international working class and poor as the first socialist and workers' democratic society broke capitalism and landlordism at its weakest link. The Russian Revolution inspired people across the world to end the global tyranny of capitalism and all that it breeds.

1929-1975

Between the period of the original Gilded Age and today, the global system of capitalism went through extreme periods of boom and bust. The most magnificent bust was the economic crisis of 1929 that led the United States into a period of economic depression and crisis for 10 years as the ideas of communism and militant trade unionism, embodied in the birth of Congress of Industrial Organization (CIO), were growing throughout the country. Franklin D. Roosevelt's New Deal policies sought to put big business under checks and balances to avoid another crash, and alleviate the unspeakable conditions workers, farmers, and families were facing on a daily basis. The New Deal was introduced to save capitalism and ward off the more significant threat

of revolution. It was not until World War II (WWII) that the United States was able to get out of the economic crisis with new demands and growth. During the period of 1950-1975, the United States became a global superpower with the destruction of most of Europe and the dropping of atomic bombs on Hiroshima and Nagasaki; US imperial capitalism become the pre-eminent defender of capitalism globally.

The end of WWII witnessed the emergence of the Soviet Union as a global power and economic counterweight to the capitalist West. Despite the features of the planned economy and socialism that produced the gains and growth of the Soviet Union, it was under the boot and vile character of the Stalinist one-party totalitarian regime that denied workers' democracy, true workers solidarity and internationalism to expand the global socialist revolution. Stalinism distorted the genuine ideas of Marxism and Bolshevism in ways that we still confront to this day. After the war, the world, particularly in the colonial world, entered a revolutionary process. The 1949 Chinese revolution led by Mao Zedong's peasant army overthrew capitalism and landlordism, Fidel Castro led the Cuban revolution of 1959, and the Algerian revolution from 1954-62 all of which had an earth-shaking effect on consciousness and the class struggle going forward.

It was under these conditions, pressures, and immense profitability and structural economic growth that the American ruling class could dole out increased benefits and wages to a large segment of the American working class despite the ever-present question of structural racism in the South and around the nation that remain unresolved. The gains by the American working class in this period was through intense class and social struggle and not the benevolence of Roosevelt and the political establishment. This was also a period of Joe McCarthy's Red Scare and Hoover's Cointelpro that sought to criminalize dissent, socialist and communist ideas and organizations, and social movements more generally. It was part of the process of making revolutionary ideas of mass struggle obsolete and undesirable for working people.

The economic crash of 1973-75 sparked by the oil crisis led to the end of the post-WWII economic upswing and a new phase of global capitalism commenced, neo-liberalism. Neo-liberalism is rooted in the idea of unleashing the economic constraints of big business onto society through privatization, deregulation, greater financialization, free trade, cuts in social and public spending and reduction in government spending; in other words, the premise and conclusion of neoliberalism is that the private business sector will solve all of our problems.

Chile in 1973 was the first experiment in neo-liberalism following the brutal Augusto Pinochet military overthrow of Salvador Allende's socialist government on September 11, 1973. The economic crisis and bankruptcy of New York City in 1977 opened the door for the New York City corporate and political elite—under the leadership of newly minted Mayor Ed Koch, a former Roosevelt Democrat—to make it the first major city to dismantle the unique social programs and benefits the city advanced for working and poor people due to the power of New York City labor and socialist movement.

Neo-liberalism would become a global phenomenon and whip of counter-revolution beginning with Democratic Party President Jimmy Carter that began deregulation of key industries like telecommunications, but under US President Ronald Reagan, UK conservative Prime Minister Margaret Thatcher, Chinese Premier Deng Xiaoping and Chilean military dictator Augusto

Pinochet neo-liberal capitalism and its policies accelerated. The economic policies introduced under the banner of neo-liberal capitalism for the past thirty years has had unconscionable consequences for the international working class and poor. In 1989, the Soviet Union and Stalinism began to fall under the weight of its internal conditions and contradictions that unleashed a dominant mood among the leading capitalist pundits and leaders that capitalism won the “class” struggle.

With the dominance of the institutions of global capitalism like the World Trade Organization (WTO) and International Monetary Fund (IMF) and its devastating trade policies affecting the global working class and poor, an anti-capitalist mood and social struggle reemerged with mass demonstrations beginning in Seattle, Washington in 1999, known to all as the Battle of Seattle. The presidential election of 2000 led to a constitutional crisis as George W. Bush became a selected president and was as hated as Trump is today. Ralph Nader’s Green Party presidential run was an expression of the anti-globalization mood as he garnered 2.7 million votes, as was the birth of labor leader Tony Mazzocchi’s Labor Party backed by some trade unions, socialists, and other activists—though this was stillbirth as it did not run candidates nor did it declare a clean break from the Democratic Party. If the Labor Party ran independent working-class candidates it would have announced the arrival of a viable third party in the United States. The lack of a party of the working class has been a significant weakness in the development of the fighting capacity of the workers’ movement in the US.

The horrific events of September 11, 2001 (9/11) was a global defeat for the US and international working class as reactionary political Islam rose to prominence throughout the Middle East. 9/11 caused a significant break in the anti-globalization mood, consciousness, and global social struggle against the institutions of global capitalism. The next eight years were dominated by the drumbeat of Bush’s wars in Afghanistan and Iraq, to the tune of \$3 trillion spent along with the passage anti-working class policies. The election of 2008 and victory of the first black president, Barack Hussein Obama and his “Hope and Change” Madison Ave. marketing brand gave workers and youth (specifically black workers and youth) a new hope of a “progressive” era at home and abroad for US capitalism and race relations. President Obama continued the Wall Street agenda with zeal disappointing a whole generation by his rhetoric and empty symbolism.

In 2007-08, the housing bubble burst and the neo-liberal paradigm came tumbling down ideologically and economically—or so it seemed. Former President George W. Bush and Barack Obama bailed out Wall Street and its corporate elite leaving the working class, youth, and poor of Main Street to fend for themselves. In 2011, Occupy Wall Street (with satellite movements and occupations around the country and world), represented a new political and social paradigm that had opened up to challenge the domination of Wall Street and proclaimed this was a struggle of the 99% against 1%. What has followed Occupy is a number of significant social movements and expressions of mass rage at the system of capitalism, such as: the election victory of the first open independent socialist in 100 years, Socialist Alternative member Kshama Sawant in 2013 and 2015; the insurgent Democratic Party presidential campaign of Bernie Sanders in 2016 that assisted in defanging the word “socialism” for a national audience; social struggles like the Fight for 15, Black Lives Matter (BLM), Standing Rock, #MeToo, the March for Our Lives and associated work of the Parkland shooting survivors; workplace struggles like the cross-country

teachers' strikes; the Tax Amazon campaign in Seattle; and anti-Trump demonstrations nationally have all awakened a sleeping giant. What is underwriting this moment is the emergence, in broad strokes, of socialist ideas and calls for greater solidarity among working people and the poor, but what stands in the shadows are the forces of reaction, hatred, and bigotry as capitalism and the titans of industry continue their economic, political and social dictatorial rule over our lives. The election victory and ascendancy of Donald Trump to the White House is the naked expression of racism, sexism, homophobia and corporate rule that has opened a significant crisis for US capitalism and its two-parties domestically and internationally.

The Glided Age Today and Socialism for the 99%

"The time has come for us to civilize ourselves by the total, direct and immediate abolition of poverty." -Dr. Martin Luther King, Jr.

There are 1,500 billionaires worldwide, with 560 in the United States, 75 living in New York City alone. China, Germany, and India each have 100 or more respectively. Led by Amazon founder and the world's richest human being Jeff Bezos worth \$143.1 billion, the five richest people own more wealth than the bottom half of the world's population combined, which is roughly 3.8 billion people. Oxfam has just reported that 82% of the money generated last year went to the world's wealthiest 1%. We are truly living in a new gilded age, where the world's wealth and resources are held in so few hands. Recently the United Nations special rapporteur on extreme poverty and human rights issued a scathing report after traveling throughout the United States. The report highlighted the deep levels of income inequality, poverty, and deplorable conditions in the wealthiest nation in human history.

Marx and Engels could not have imagined such wealth and power centered in so few hands lasting this long, but as the *Communist Manifesto*, which marks its 170th anniversary this year correctly states, *"What the bourgeoisie, therefore, produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable."* Socialist ideas and organizing are on the rise. This is seen in the explosive growth of Democratic Socialist of America (DSA) now with 45,000 members following Sanders' historic run, fueled further by Trump's election victory, and more recently again with Alexandria Ocasio-Cortez's Democratic Party primary victory over Queens, New York Democratic Party boss Joe Crowley. Other socialist groups like Socialist Alternative have also seen their membership grow in this combustible period.

The resurgence of socialism is rooted in the utter failure of capitalism and bourgeois democracy to solve the everyday problems workers, youth, and poor people face. The American dream for a vast majority is a living nightmare with the basic necessities of survival like access to housing, education, jobs, and healthcare are out of reach—compounded by a global environmental crisis. Humanity and the planet hang in the balance.

This generation is searching for answers and a greater understanding of the concepts of capitalism and socialism. The burgeoning socialist movement, including attempts to reform the parties of big business like the Democratic Party and figures like Alexandria Ocasio-Cortez, Cynthia Nixon, Julia Salazar and countless new activists proclaiming their support for "democratic socialism," is at an embryonic stage of development—as were those of the

progressive era that followed the original Gilded Age. This movement, its prominent figures, and program will be tested by events and grassroots struggles. A potential political power of the working class and poor have not fully emerged to play a crucial and decisive role in the class war; the national teachers strikes provided us a taste of struggles to come as the Trump administration carries out the Wall Street agenda and emboldens the right-wing.

The Tax Amazon campaign in Seattle spearheaded by socialist city councilor Kshama Sawant, was a crucial battle and example of the intensity of the class struggle to wrest the wealth and resources out of the hands of the corporate elite to address the crisis of homelessness and affordable in the booming emerald city. In the struggle, after Sawant and the movement she is a part of successfully got the head tax on the wealthiest companies in Seattle, most notably Amazon and Starbucks, passed, these major corporations bullied and blackmailed the city's political establishment to stop this relatively modest \$50 million a year corporate tax on their profits. The liberal political establishment, mayor, and majority Democratic Party city council folded under pressure, repealing the tax after one week of its passage into law.

The struggle to end capitalist rule over our lives will demand a serious dedication to study political history, theory, social struggle, learning how mass movements nationally and internationally have won in the past, and reaffirming the potential revolutionary agency of working people. This generation who are engaged in struggle and organizing will learn through the living breathing class struggle and will draw far more revolutionary conclusions. A year ago we commemorated the historic Russian Revolution; there is so much we can learn from that earth-shaking event. Despite, the difficult times we are living through, it is exciting to be politically alive.