



## Discussions with Wolff

### **“Trump and Saving Capitalism”**

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The following discussion prompts were written by Professor Wolff to create a discussion based around his piece *“Trump and Saving Capitalism.”* Please note, this article was written by Prof. Wolff on March 6, 2017. Keep the date in mind as it offers relevant historical context.

1. How and why do capitalism's intrinsic instability (business cycles) and drive to ever greater inequality provoke crises in capitalist countries?
2. How were Hitler's response to the crisis following the 1929 crash and Obama's-Trump's responses to the 2008 crash similar: in general and with specific reference to particular scapegoats.
3. How can nationalism work to "save" capitalism from its own crises? Can nationalism also be revolutionary in other historical circumstances (Americans in 1776, black Americans over the last century, Vietnamese in the 1960s, Chinese after 1920s, and so on)?
4. What might happen politically when Trump's saving of capitalism coincides with no solution for the economic problems that brought voters to his campaign?



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## Trump and Saving Capitalism

by RICHARD D. WOLFF

Capitalism, Thomas Piketty showed in his book, Capital in the Twenty-First Century has a built-in tendency to worsen income and wealth inequalities. One consequence of this tendency are periodic political explosions of mass, popular anger. People push back against those inequalities and the political corruption and social divisions they always aggravate. Politicians who grasp these moments often succeed in taking advantage of them and win. Politicians who fail to see, admit, or accommodate these moments lose. Such losers have usually served as administrators and cheerleaders for capitalism – its sequential “establishments.” So busy (and well paid) celebrating the system, they are undone by their own defensive blindness to its failures and critical oppositions. Now caught since 2008 in the swirling aftermath of global capitalism’s second worst breakdown, there are lessons for us in revisiting what happened in the aftermath of the worst breakdown, that of 1929. Then too the combination of rising inequality followed by collapse made many people impatient with and increasingly hostile to capitalism. The establishments then minimized the crash and its social effects; they tried to persuade themselves and others that the economy would soon be well again. Mussolini and Hitler took a different path. They stressed the economic crisis, inequalities, etc., sympathized openly with capitalism’s victims, and blamed the establishment political parties. They asked voters to empower them instead, as great leaders. They would then fix a broken, inadequate “rigged system serving others” by subordinating it to “the nation.” Their empowerment would make the system “once again” serve rather than abuse that nation. They wrapped themselves in their respective flags and all the other trappings of nationalism to underscore their game.

Capitalism was not, per se, the problem; it needed only to be repositioned to serve the nation. As has happened repeatedly in capitalism’s history, its crisis moments were overcome by deflecting popular anger into more or less hysterical nationalism.

This capitalist history Trump now repeats. The post 1970s deepening US inequalities of income and wealth culminated in the 2008 crash. Since then, the establishment’s Democratic wing endlessly affirms “recovery” even as mass suffering and disaffection deepens. Its Republican wing endlessly affirms the importance of cutting government taxes and regulations to liberate a capitalism that will then assuredly take us all into soaring prosperity. Huge portions of the population find neither of these “same old” establishment propositions adequate to the socio-economic decline they experience and feel. Bernie Sanders got that, as did Trump. The Democratic establishment succeeded in undermining Sanders. The Republican establishment failed to do the same to Trump.

Trump's "America First" is not far removed from "Deutschland uber Alles." Both slogans were and are also strategies. The debilitating social divisions wracking capitalist societies in the 1930s threatened the viability of capitalism then (especially in the shadow of the new Soviet system). Parallel divisions threaten again early in the 2000s. The strategic response both times is a surge of economic nationalism. Distract angry masses from internal conflicts over deepening inequalities, crashes, and "recoveries." Refocus their anger and hopes onto a nationalist agenda that will return us to some "good old days" (another "Reich" for Germany, "Great Again" for the US) and punish abusive foreigners.

The nationalist program must include, as targets, "foreigners" inside the country: non-Aryans in Germany and recent, especially Hispanic immigrants in the US. Paint them as "foreigners who have misused our hospitality" and thereby account for our economic pains. The targets include also the "foreigners" abroad who have victimized us with bad treaties, bad behavior, bad "deals" that a new strong leader will cancel and replace. The parallels between Hitler's strategy and Trump's are too many and too close to ignore.

Perhaps the most important parallel neither of them dares to admit. They both aim to save capitalism from the critical hostilities the system brings on itself via its inequalities, crashes, and consequent mass economic decline. They both believe in capitalism as the necessary, natural organization of production in factories, offices, and stores. A small group of owners/executives must control and employ a mass of wage workers. Both believe absolutely in the employer-employee relationship as the necessary organization of production. They thus replicate the same absolute loyalty of earlier leaders to the alternative master/slave or lord/serf organizations of production. Both Hitler's and Trump's commitments to saving the capitalist employer/employee structure are all the more absolute because they are simply assumed, beyond question, barely conscious. No alternative organization of production is thinkable.

Yet there are, of course, also differences between Hitler and Trump. Hitler had to deal with a powerful, well-organized, deeply rooted, radical political opposition coming from German labor unions allied with strong socialist and communist parties. Thus massive internal repression eventually including mass murder was his way to achieve a top priority: removing criticism and opposition. Trump so far has faced nothing comparable. Hitler needed to identify "foreigners" inside Germany against whom his followers could vent their accumulated rage. Jews and other marginal groups served that purpose for Hitler. In contrast, Trump has what Hitler lacked: a sizable immigrant population. So far, it provides the inside group against which mass rage about capitalism can be concretely deflected. Trump has targeted immigrants but he may expand to the other traditional scapegoats if and as needed.

Another key difference is the extent and degree of globalized multi-national corporations whose investments and interests are far more internationally dispersed now than they were in the 1930s. Trump will encounter and have to either repress or accommodate their oppositions to his economic nationalism; either course may well prove his undoing.

Hitler had his own political party, a genuine mass national organization built explicitly against the major German parties of left and right. Trump has not (yet) done that and thus maintains an uneasy, contradiction laden relationship to the Republican Party. The latter may fold or be folded into a Trump party, but that will take time if it is even possible.

Trump has made large promises about recouped jobs, incomes, and security for millions. If he fails to deliver or if he simply improves one working class group's situation at the expense of another, he will provoke massive hostility to himself and all he represents. Obama left office having disappointed millions about the hope and change he never delivered. That disappointment contributed significantly to Trump's win. The same process could play out – and then likely more sharply – with Trump. His handlers either already know this or will soon figure it out.

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