‘Cracking the Stone’: The Long History of Capitalist Crisis and Toronto’s Dispossessed, 1830–1930*

Capitalism as Crisis

His eyes are staring, his mouth is open, his wings are spread. This is how one pictures the angel of history. His face is turned toward the past. Where we perceive a chain of events, he sees one single catastrophe which keeps piling wreckage and hurls it in front of his feet. The angel would like to stay, awaken the dead, and make whole what has been smashed. But a storm is blowing in from Paradise; it has got caught in his wings with such a violence that the angel can no longer close them. The storm irresistibly propels him into the future to which his back is turned, while the pile of debris before him grows skyward.

WALTER BENJAMIN, ‘Theses on the Philosophy of History’ (1940)

Writing amidst fascism and war, but with capitalism coming out of the economic collapse of the 1930s, Benjamin’s storm was ‘what we call progress’. Today, with Paradise increasingly difficult to envision, that storm might well be called crisis.¹

It is difficult, as many economic histories have suggested, to scrutinise the century reaching from the 1830s to the 1930s and not discern a series of long

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¹ For a mid-twentieth-century view of History as Progress see Carr 1975, pp. 109–32. On contemporary, post-1970 capitalist crisis see Mandel 1978; Brenner 2006; Albo, Gindin, and Panitch 2010. Our purpose in this paper is not to define crisis or difference among different kinds of capitalist crisis. This requires a separate, and lengthy, study. Rather, we stress the more general interpretive point that crisis is inherent in the capitalist mode of production and, in particular, that this has consequences for class formation in terms of how to understand the reciprocal and interrelated nature of waged labour and wagelessness. On the nature of capitalism, which necessarily generates crisis, see Smith 2010. Finally, if capitalism is inherently crisis-ridden, this is not to suggest that capitalism, per se, is in crisis, and its existence threatened. For that to be the case, a class conscious opposition, on a mass basis, must exist, with the potential to create an alternative socioeconomic order.
economic downturns, punctuated by relatively short periods of prosperity. At the very least, in much of the developing capitalist world in this era, we must recognise the continuity of crisis: economic dislocation and troubling political turmoil in the 1830s; the 'Hungry Forties'; major depressions lasting for years, the initial outbreaks of which took place in 1857, 1873, and 1893; a generalised malaise that blanketed much of the 1880s, and the pre-World War I years; the recessionary dip in the business cycle associated with 1919–22, which marked a part of the 1920s with the label 'lean'; and, finally, the great collapse of 1929, which lifted, again, only with that modern solvent of capitalist crisis, war. Good times were rare times in capitalist development.  

This insight framed Marx's oeuvre, with the 1873 afterword to the second German edition of Capital: A Critical Analysis of Capitalist Production, declaring:

The contradictions inherent in the movement of capitalist society impress themselves upon the practical bourgeois most strikingly in the changes of the periodic cycle, through which modern industry runs, and whose crowning point is the universal crisis. That crisis is once again approaching, although as yet but in its preliminary stage; and by the universality of its theatre and the intensity of its action it will drum dialectics even into the heads of the mushroom upstarts ...

One critical component of Marx's vision was thus his fundamental grasp of the inner dynamic of capitalism. More clearly than any other thinker of his time, Marx understood that capitalism's logic was premised on an internal reciprocity, in which progress was dependant on destructiveness. 'The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms', Marx wrote in the Grundrisse, concluding that, 'The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation, is the most striking form in which advice is given it to be gone and to give room to a higher state of social production. It was precisely because capitalism was a socioeconomic order in which positive gains could only be registered with the negatives of loss that Marx saw the necessity of socialism. Production for profit, the rate of which was bound over time to fall, led invariably to new, intensified, and aggressive acts of capitalist exploitation, oppression, and despoliation. Replacing this systemic destruction with

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2 See, as one economic history example, Vatter 1976.