A new stage in the crisis of imperialism opens with the election of Trump

This end of the year 2016 is marked by an unprecedented accentuation of the general crisis of the capitalist system. At the heart of this tortured situation stands the principal imperialist world power, the United States. The presidential election and Trump's victory sounded like a thunderclap, within the United States and at world level. The experts and other analysts drew the following conclusion: Trump's victory, the "rise of populisms" in Europe, and the fall of Dilma in Brazil all express, according to them, a lurch to the Right by society at world level.

We can expect this song to be sung ever louder during the year 2017, which is the centenary of the October Revolution. For all the political specialists, of "the Left" or Right, the disappearance of the Soviet Union signifies the end of an historical period opened in 1917, the end of the class struggle and of socialism. There are of course obvious big differences between the present situation and that in 1917. But we are still in that historical period analyzed, a century ago by Lenin in his work *Imperialism, the Highest Stage of Capitalism*. He there analyzed the evolution of capital, its decline, its crisis and the necessity for humanity to expropriate capital in order to preserve itself. Lenin characterized imperialism as "the epoch of wars and revolutions", he described the mechanisms peculiar to imperialism as the concentration of capitalism, and the role of finance capitalism and the monopolies at world level. This analysis is not only of burning pertinence today, but further reinforced by the past century of domination of the world market by finance capitalism.

The crisis of the dominant American class
Far from expressing a strengthening of, or a lurch toward, the Right in American society, the election of Trump is on the contrary an expression of the world crisis of capitalism refracted within the most powerful imperialism. The bipartisan American system (Democrat party, Republican party) has been indissociable from the very functioning of American institutions for nearly 200 years. Bipartisanship is thereby one of the institutions of the American bourgeois State. The crisis, which revealed itself with this election, is an expression of the crisis of these institutions.

The Democrat and Republican primaries were a warning. In the course of the Democrat primary, Sanders, who presented himself as "socialist", centered his campaign on the questions of social protection and employment. He received 16 million votes and placed Hillary Clinton in great difficulty. In the course of the Republican primary, the improbable candidate Trump, the billionaire, concentrated his fire against Wall Street and the establishment in general, and in particular against that of his own party. His campaign and nomination left the Republican Party in tatters. American voters had a choice between two capitalist candidates: the misogynist and racist billionaire, or the very distinguished Hillary Clinton, perceived as "the representative of Wall Street" and a symbol of the establishment.

Nearly half of American voters abstained. More than half of Blacks, who had mobilized massively for Obama’s first-term election, abstained. Among those who did vote, they mostly did so against she who most overtly symbolized the establishment. Significant were the votes in the so-called Rustbelt, those formerly industrial States of the northeast of the United States where the factories have closed and unemployment is massive. This was a vote of anger and rejection against successive administrations, be they Democrat or Republican. Indeed, since 1980 35 percent of industrial jobs have been liquidated in the
United States under one party or the other, in line with the demands of finance capital. The loss of one third of industrial jobs and the massive delocalizations to Mexico and Asia have precipitated tens of millions of Americans into poverty and want. These voters grasped the presidential election as a means of demonstrating their anger and hate of the politicians in Washington.

Of course, such elections are always a deformed reflection of reality. And the reality is that for decades and decades, the leaders of the AFL-CIO have opposed a demand of the workers’ movement dating back to 1930. That is, that following the example of the British trade union movement, the leadership of the AFL-CIO should have constituted a party for their members, a Labor party.

On the contrary, the US union leaders have continued to tie their fate to that of the Democrats, in the name of fighting the Republicans. After the election of Obama, delegates to an AFL-CIO convention voted unanimously, against the advice of the AFL-CIO leadership, to demand a universal or “single-payer” health-care system. The US president then instituted the so-called Obama-care, a system based on privately owned insurance companies. The AFL-CIO backed this, arguing that this was a first step toward a “single-payer” system.

With his socialist phraseology in the Democrat primary, Bernie Sanders fooled numerous trade unions into backing his party’s campaign, only to end up supporting Clinton. But the fact is that, given the situation among the working class, many trade unions, including those fooled by Sanders, did not back Clinton.

Some black organizations which had formerly supported Obama also did not participate in the Clinton campaign, given the revolt among the Black population against Obama, who had failed to settle any of their problems, and under whom the police violence against Blacks has reached a paroxysm (one Black person killed on average every 28 hours by the police). The Latinos also could not ignore the fact that under Obama, the number of Mexicans deported as illegal aliens reached a record of 2.8 million.

**Trump and finance capital**

Trump had hit out against the three big US automobile companies, accusing them of delocalizing their production abroad. On the morrow of his election, General Motors closed one of its factories, in the northeast of the United States, laying off 2,000 workers, indicating thereby that it is capital which is the “boss”. Trump finds himself confronted with the reality of capital and its power. He who had condemned the establishment is now obliged to turn toward the Republican Party establishment to constitute his new administration.

The naming as Treasury Secretary of a former Goldman Sachs banker is an indication. Trump had vociferated against Goldman Sachs for months during his campaign. Protectionism and isolationism are impossible, even for the United States. As Leon Trotsky stated in 1926 in *Europe and America*: “The more the United States puts the whole world under its dependence, all the more does it become dependent upon the whole world, with all its contradictions and threatening upheavals.”

The interdependent nature of the world economy and the needs of finance capital, of course, tolerate this or that measure, but cannot accept a brake on their world expansion. The imperialist monopolies are locked in a fight to the death for control of a world market in the throes of recession.

In this crisis – of which the financial crisis of 2008-2009 was a foretaste – the pursuit of profit by finance capital undermines the foundations of all national economies, throwing into question the prerogatives of States. But at the same time such States are needed (notably through the permanent pressure to increase military budgets to keep the arms industry turning over), in order to restore the order that such policies upset.

Finance capital needs the world market; it needs to remove all barriers to its penetration. But to do so, it needs to use these nation-States for its own interests. Thus Obama reacted violently in the name of the defense of “American interests” at the threat of sanctions by the European Union against Apple, thereby protecting a company, which does not pay its taxes in the United States and 97 percent of whose salaried workers are outside of the United States.

Finance capital not only uses States for the defense of its own interests, but it also demands that these same States yield to them whole swaths of their national productive apparatus. They want to do away with everything that was gained in the post-World War II period.

In Europe, in order to stem the revolutionary tide and reconstruct the bourgeois States, it was necessary to concede a series of gains and conquests to the working class. In the countries dominated by imperialism, in order to reinforce or constitute States on the basis of national independence, it was also necessary to make a series of concessions. For finance capital, that period has ended: not only must all national barriers be lifted, but all norms and regulations, and everything that exists in the way of public barriers be abolished!
services in the world, must also be privatized and destroyed.

The free-trade zones, which were established in Europe, Asia and Latin America over the last three decades with a view to deregulating in order to satisfy finance capital, are today no longer an instrument effective enough to satisfy the requirements of the multinationals. The big American companies possess liquidities totaling 2,500 billion dollars outside of the United States, and do not intend to repatriate them. They are pressing with all their might for the lifting of all barriers and norms in order to realize that capital. That is the fundamental reason for the crisis, which is breaking up these free-trade zones, under the contradictory pressures of the demands of finance capital and that of nation-States subordinated to these demands, but terrified by the risk of revolt of the peoples and working class of their respective countries. For these new demands by finance capital provoke a reaction by the working classes and peoples which could lead to a revolutionary situation.

The world order is threatened

The policy followed by finance capital with regard to the countries of Latin America, Africa and Asia attacks all the conquests of the workers and peoples concerned, and contributes to the break-up of nations. That is the meaning of the offensive waged by a fraction of American capital which, with its lackeys among the Brazilian oligarchy, organized the coup d’état for the overthrow of President Dilma. And yet the coalition government under Dilma, with its adjustment policy, had satisfied numerous demands made by imperialism. But that no longer sufficed, it became necessary to put in place a government which not only rolls back the gains and conquests won through the class struggle these last 15 years, but also those going back several decades and dating even from the mid-19th century when Brazil became independent. It is thus that the very existence of Brazil as a nation is thrown into doubt.

American finance capital has long needed a strong government by which to crush the American working class under its iron heel and discipline the peoples of the world as a whole. But it has a weak government, in crisis, which is incapable of mastering world developments. That does not, however, mean that it is unable to strike blows against the peoples of the whole world, on the contrary.

The situation in the Middle East attests to this. The policy that Obama theorized with the expression “leading from behind” is an expression of this. Since the fall of the USSR and the disappearance of the international Stalinist apparatus, American imperialism must concentrate upon itself alone the counter-revolutionary tasks, and that is beyond its strength. It is for that reason that it has not ceased, since the 1990s and even more so this last decade, exhorting all its “allies” to assume their share of the burden of counter-revolution. This accentuates the contradictions and the crisis. Incapable of fully imposing its will, it unleashes contradictory forces. It is thus that in the Middle East, against its traditional allies of Saudi Arabia and Israel, the US administration not only agreed a nuclear deal with Iran but also has allowed Iran to intervene in Iraq and Syria against the Islamic State (ISIS). Saudi Arabia, faithful ally of the United States, finances Islamist militias in Iraq and Syria against whom the same United States is at war.

Israel bombsards the Hezbollah militia in Syria officered by the Iranians who are fighting against ISIS. Turkey, a member of NATO for decades, is intervening in Syria in the name of the fight against ISIS in order to attack the Kurdish militia financed, armed and officered by American advisors in order to fight ISIS. Russia is playing its part by bombing the anti-Bashar forces supported by the United States.

They all of them quite obviously agree that the world order dominated by the United States must be preserved, but they do so while seeking to defend their own interests, which contradict each other. This absence of any real leadership is creating a fantastic imbroglio in the Middle East and at world level.

Trump has stated that the United States must cease financing NATO to the level of 70 percent. In so doing he is only following in the footsteps of Obama, who has been battling for the last year for all NATO member States to raise their military budgets to two percent of gross domestic product (GDP). Chancellor Merkel has just announced that Germany is going to do that.

Toward the break-up of the European Union

With the involvement of European States in the Middle East, with terrorism and the wave of millions of refugees fleeing war and barbarity, war is spreading to Europe. And the crisis of the European Union is developing at a gallop. All the governments of the European Union are being hit. All the institutions of the European Union are in crisis.

Every election in Europe is grasped by the masses as a means of expressing their anger and their rejection. A commentator upon European politics has spoken of a “veritable electoral insurrection”. The referendum vote in Britain in favor of quitting the EU has sharpened the crisis
of European institutions and fragilized the economy and finance in the EU. The referendum result was, above all, the product of a massive vote against the EU by the laboring British population, but it was also due to the fact that a fraction of the British bourgeoisie is, in the new situation, which has opened up, seeking to establish direct relations on the markets, notably with the United States.

True, the presidential election in Austria saw the ecologist candidate beat that of the extreme Right, but the real political content of the contest was expressed in the first round of the election, in which the social-democrat party and the conservative party, which have shared power since 1945, each barely won 10 percent of the vote and were wiped out by the voters. Similar events have occurred in the Netherlands and Scandinavia.

In France, the death agony of the V Republic is reaching new depths. The Bonaparte president François Hollande, confessing his inability to gather a majority around him in his favor, has renounced seeking a second mandate – the first time in the history of the V Republic that this has happened. And it’s not just the government, which is in crisis, for the Rightwing opposition is also tearing itself apart. It is the V Republic regime, which is smitten.

In Italy, the defeat of Renzi in the constitutional referendum which he called expresses the same popular rejection and also the threat, due to the fragility of the Italian banks, which the State was supposed to bail out, of a financial crisis in Europe with world repercussions.

The offensive by EU governments of the Right and “the Left” against the working class is nourishing class resistance. The number of strikes in Greece during 2016 against the Tsipras government is a sign of this. In Belgium, several mass demonstrations have taken place at the call of all the trade union organizations, which have constituted a joint union front.

In France, for five months the mass mobilization of workers, supported by a united CGT-FO axis, has opposed a destructive labor bill decided by a "Left" government. While the mobilization did not succeed in getting the bill withdrawn, and it passed into law without a vote thanks to the reactionary dispositions of the V Republic constitution, the result left the presidential majority in tatters, and the working class does not feel it has suffered a defeat. The class is seeking to preserve CGT-FO unity for the battles under way or to come.

In Italy, it was significant that the metalworkers’ federation FIOM, and the main trade union confederation, the CGIL, called for a No’ vote in the referendum. The Renzi government had previously implemented a labor reform, the “Jobs Act”, which was a frontal attack on the conquests of Italian workers and their trade union organizations. While the No vote was close to 60 percent overall, in the most de-industrialized regions where many workers have been thrown onto the scrapheap of unemployment, the proportion was more than 70 percent.

Even in Germany, regularly presented as the most stable country in Europe, the crisis has eaten away at the “Grand Coalition” of Christian Union and Social Democrat parties, which has ruled in recent years. In an attempt to preserve the coalition, Merkel got the CDU candidate for the largely honorific post of head of state to stand down and backed the SPD one. Only then, in this situation of uncertainty created by the election of Trump, did Merkel announce that she would be running again as chancellor.

All the governments of the EU, and the EU itself, are caught between the jaws of a vise: between the demands of finance capital and the resistance of the workers. The European Union no longer constitutes an adequate framework for the rapid satisfaction of its demands that finance capital requires.

What went on to become the EU was first established after World War II under the auspices of US imperialism, with the collaboration of the European imperialisms, as a deregulated zone. But the EU is not a supranational body: it is the product of an accord between the principal European imperialisms, notably French and German.

The responsibility of these imperialist governments is thus total as regards the implementation of the whole of the EU’s plans. It is from this point of view significant that, nearly 15 years after the Maastricht Treaty rule limiting government deficits to 3 percent of GDP came into force, France still does not respect this limit, but has not been sanctioned by the European Commission.

It is similarly significant that on the morrow of Renzi’s referendum defeat, EU leaders, noting that the Italian government’s 2017 finance bill did not respect the so-called stability pact, concluded that it was for them “impossible to demand supplementary measures in view of the situation”.

There indeed is the contradiction for all the States and for the EU. They are subjected to the pressing demands of finance capital, but, terrorized by the risk of the masses entering upon the scene, they cannot fully accede to these demands. The monopolies which use the States and the institutions of the EU in order to implement their demands at the same time

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undermine these States and institutions by further advancing their destructive offensive.

The class struggle, motor of History
For finance capital, everything that was gained after the revolutionary wave of 1945 must be liquidated. The compromise that capital agreed with the leaders of the workers’ movement in order to stem the revolutionary tide must be thrown into question. No room for maneuver is possible, they will have to strike and strike again.

This offensive implies questioning the very place of trade union organizations. The trade union organizations, whatever the policies followed by their leaders, because they organize only salaried workers in their ranks, constitute a materialization of the division of society into classes. Defending the most minor of workers’ demands in the face of the owners is an expression of class antagonism. As a framework of organization of the working class, the trade union constitutes the class. A mass of unorganized workers is nothing; an organized mass is a social class distinct from the capitalist class. That is why Leon Trotsky defined the trade unions as institutions of the working class in a society where the proletarian possesses nothing else but his labor power. Trotsky described them as “strongholds of proletarian democracy”. And he stated:

“The proletariat cannot attain power within the formal limits of bourgeois democracy, but can do so only by taking the road of revolution (...). And these bulwarks of workers’ democracy within the bourgeois State are absolutely essential for taking the revolutionary road.” (Writings on Germany)

We indicated at the beginning of this article that in 1916, a year before the October Revolution, Lenin analyzed the decline of capitalism in Imperialism, the Highest Stage of Capitalism. Lenin did not seek to make a pedantic analysis, but a demonstration that imperialism is not a new stage of development of capitalism, but the phase of its death agony. That is why, analyzing the monopolies, he indicated that production becomes more and more social in nature while accumulation is private. He thus described the monopolies as directors of the world economy:

“When a single center directs all the consecutive stages of processing the material right up to the manufacture of numerous varieties of finished articles (...) then it becomes evident that we have socialization of production (...) that private economic and private property relations constitute a shell which no longer fits its contents, a shell which must inevitably decay if its removal is artificially delayed (...).”

For Lenin, the elimination of imperialism will not occur naturally: “Imperialism (because it is the highest stage of capitalism) is the prelude to the social revolution of the proletariat.”

He knew, as Marx explained, that the originality of Marxism is not to have invented the class struggle, but to have characterized it as a political struggle, which must lead to the taking of power by the proletariat. That is why, while the Russian Revolution had already been under way for six months, Lenin then wrote State and Revolution, in which he stressed the need to destroy the old bourgeois State and to build a workers’ State, which would expropriate capital and manage the transition phase to a higher stage. But to do this, there was need for a party, a revolutionary party, and that is the other pertinent aspect of the October Revolution.

In the first days of the revolutionary process of 1917, the Bolshevik party was in the minority within the working class. Most of the class was grouped behind the two big parties of that time: the Mensheviks and the Socialist Revolutionaries. These parties, after having taken part in bringing down the czar, allied themselves with the bourgeois liberal party, seeking to contain the revolution in order that it should not transform itself into a revolution expropriating capital. The central combat waged by Lenin in the Bolshevik party was to align the party with the course of events, and the course of events was a revolutionary torrent, it was the laboring masses in movement for peace and an end to the war, for bread, freedom, agrarian reform. That is why Lenin fought upon a very clear line: “No support for the provisional government!” It was this position, which he persuaded the Bolshevik party to adopt, under the name of the April Theses.

The question of power
These theses led to the conclusion that the proletariat must take power. It was on this line that thousands of Bolshevik militants fought daily for months, expressing these watchwords and these demands, without dogmatism, without sectarianism, by broadening their links within the soviets to the masses engaged in the revolutionary process. It was this long fight, which resulted in the fact that in October 1917 the Bolsheviks had become the majority in the soviets, and that the soviets decided to take power.

Quite obviously, the present political conditions are different. History does not repeat itself, but the lessons of the fight of the Bolsheviks remains of burning pertinence today: in the epoch of imperialism, the question of expropriating the capitalist minority is on the agenda. To do so, the
working class must smash the bourgeois State, install itself as the dominant class and expropriate capital. On this road, to help the working class in its struggle to overcome the obstacles and triumph, the existence of a revolutionary party is indispensable. A revolution can erupt without a revolutionary party, but in order to triumph the revolutionary party is a necessity.

It is on this orientation that the IV International and its sections will in 2017 celebrate the contemporary relevance of the October Revolution. During the year of 2017 will be held, at the call of the International Liaison Committee (ILC) of Workers and Peoples, a world conference against war and exploitation. For the IV International, the struggle against war and exploitation means precisely putting into practice a policy, which poses, as a development of the class struggle, the question of expropriating capital. As stated in the program of the IV International, "the strategic task of the IV International lies not in reforming capitalism but in its overthrow".

The editors of La Vérité/The Truth