Turning Point in the World Situation

Notes submitted for discussion in the International Secretariat of the Fourth International (May 3 and 4, 2018)

In this opening article we publish the notes that have been submitted for discussion in the instances of the Fourth International and its sections. The intermediate headings are by the editorial board of La Vérité – The Truth.

We must make an effort in this IS meeting to extract, from the apparent disorder of the chain of events, each bumping upon the other, the principle lines of force at work in this turning point in the world situation.

This discussion is a necessary condition for the elaboration of the political axes for the construction of our sections and for decisions upon the political and organizational initiatives, which are required of us in this situation.

American imperialism is seized by the throat

To get to the heart of the matter, we will distinguish ourselves from all the outpourings of self-serving prose aimed at presenting Trump as half-mad in order to mask the origin of the fears that this situation has aroused.

Trump is not mad. One can even say that he is advancing with a certain method.

American imperialism is seized by the throat. Because it is the most powerful imperialism, the essential burden of the maintenance of world order rests upon its shoulders. While its productive bases in coal, steel, the automobile industry... are being shredded by the organized competition of the imperialist monopolies, above all American monopolies, which are engaged in a permanent reorganization of the “chains of value” which, in order to survive, must free themselves from the framework of national boundaries.

There is no super-imperialism. The degree of intermeshing and interpenetration of the imperialist monopolies is such that all the contradictions, which arise, are concentrating themselves within the most powerful of the imperialisms.

“Wealth development – not in the abstract formulas of the second volume of Capital, which retain all their significance as a stage in analysis, but in historic reality – took place and could only take place by a systematic expansion of its base,” Trotsky wrote in 1930.

“In the process of its development, and consequently in the struggle with its internal contradictions, every national capitalism turns in an ever increasing degree to the reserves of the ‘external market’, that is, the reserves of world economy. The uncontrollable expansion, growing out of the permanent internal crises of capitalism, constitutes its progressive force, until the time when it turns into a force fatal to capitalism.”

That is the point, which we are at.

While at the end of World War II American imperialism was unable to prevent the Chinese revolution of 1949, while it was able to overcome the gigantic uprising of peoples, notably in Europe, by channeling it; while it was able to win by using the Stalinist bureaucracy (accords of Potsdam and Yalta) and social democracy, nowhere has it been able to crush this uprising.

In order to save a badly shaken world order, imperialism had to make concessions to the working class which, however limited they may have been, constitute the foundation upon which the working class has unceasingly braced itself in its defense against exploitation; a resistance which has not ceased for a day during the 70 years following 1945, whatever the forms this has taken. Whether that be, in the 1960s, the fight of peoples for national emancipation on the African continent (Algerian independence, 1962), combined with class struggles in the imperialist countries (in France, 1968), or the movement which provoked the fall of the colonels’ dictatorship in Greece (1974), or the Portuguese revolution (1974), the rise of the class struggle in Spain after the death of Franco (1975) or the uprising of the German people which brought down the Berlin Wall in 1989... and not forgetting the heroic fight of the Palestinian people.

Seventy years have passed. All the contradictions which are undermining the imperialist system have deepened since, to the point where a certain professor of the Stern School of Business of New York, in the French bosses’ economic daily Les Echos of March 22, 2018, could speak of “the frightening decline of American society”.

“There is something rotten in the kingdom of Trump. No, I am not talking about affairs of corruption, conflicts of interest or Russian interference, but the fall in the
expectancy and quality of life in whole swathes of the population," he wrote. “The United States is the world’s leading economy, but 40 million Americans live in poverty, infant mortality is higher and life expectancy lower than in other developed democracies. The evidence is not new but its ramifications become deeper every day...

“The increased mortality is concentrated among the less educated members of the population and the causes of death are suicide, alcoholism and drugs – deaths of desperation.”

Seventy years have passed, and the contradictions which are strangling the system demand that the bases on which there had been a ‘stabilization’ of the situation at the end of the war be thrown into question everywhere, in the imperialist countries as in the ones under domination, that the most elementary social gains upon which the existence of the working class as an organized class is based be irrevocably destroyed.

It is this, which, like never before, concentrates the global unity of the class struggle.

**Disintegration of the world market**

The trade war into which the world seems to be inexorably dragged has not surged up from nowhere. It is the expression of a process of disintegration of the world market, provoked by the war to the death that the principal imperialist monopolies are waging among themselves in an effort to escape all hampering factors (trade deals, State regulations...), with the sole aim of dominating the market and access to raw materials.

The hesitations and uncertainties of successive US governments (Bush, Obama), condemned by Trump, express the dead-end in which American imperialism finds itself, whether it has been a matter of sending troops into Afghanistan and Iraq or pulling them out.... and now the nuclear control treaty with Iran. For Trump and his team, all treaties are up for review. The North American Free Trade Agreement (NAFTA) of 1994 has to be renegotiated, as does the Asia Pacific Economic Cooperation (APEC) forum.

Let’s look again at the election of Trump. An unprecedented crisis is tearing apart the summits of the most powerful State on the planet. In this context, the election of Trump represents an attempt by a fraction of the US imperialist leadership, by fraudulently exploiting the votes of those of Middle America who have been ‘left by the wayside’, to reorient US policy.

As an effective demagogue, Trump has not spared his efforts. He has sought to win over electorally a broad fraction of this powerful movement of ‘rejection of the elites’, which has developed and exposed the fracture dividing the country. His watchword of ‘America First’ itself concentrates the whole dead-end nature of his policy. A policy, which will not recreate the coalmines or the steelworks, nor bring about the return to the United States of automobile factories.

And that is something that ‘blue collar’ workers who voted for him, while leaving aside the crucial questions of defending the tools of production or labor power, will rapidly find out.

**The place of the US in the defence of the world order**

Trump has to free – and he cannot – the United States from the burden of defense of the world order, which since the fall of the Stalinist bureaucracy (1991) weighs essentially upon its shoulders.

He is working at disavowing, one after the other, all the pieces of the puzzle which together form the fragile edifice of treaties and international institutions established since 1945 by American imperialism in order to restore the imperialist order each time it is threatened.

It is not the first time that American imperialism finds itself in this situation. Nixon had to operate an adjustment of the Bretton Woods agreements signed in 1944 for the establishment of rules aimed at reconstructing the world market under the auspices of the United States.

“It needed just one speech,” we wrote in the declaration of the BP (political bureau) of the OCI (Organisation Communiste Internationaliste) of August 20, 1971. The speech made by the representative of Wall Street who sits in the White House, to overturn the heap of lies built in order to prove that capitalism, by reforming itself, had found a supposed capacity to overcome its internal contradictions, aggravated at this stage of ‘imperialism, the ‘supreme stage of capitalism” (Lenin)...

In 1945, the second imperialist war ended with the most gigantic destruction and the greatest holocaust ever known to the history of humanity.

In 1945, in every country, the laboring masses, radicalized by the suffering endured during the second war, were ready to join in the revolutionary fight to put an end to the capitalist regime. But at Yalta and Potsdam, Churchill, Stalin, Roosevelt, Truman – the big fish of this world – agreed among themselves to counter the socialist revolution and reconstruct the wrecked bourgeois States, the profit system...

“The reconstruction of the economies laid to waste by the war became the motor of ‘progress’ of the economies of every country...

“The balance of payments deficit translates the fact that US capitalism has ‘produced too many goods of all sorts, including military ones’.
The Chinese bureaucracy engaged on the road of reforms since 1978 (Deng Xiao Ping), which have been broadened since China’s 2001 entry into the World Trade Organization (WTO), needs to integrate itself more deeply with the world market and thus its rules (market economy) in order to lower the pressure brought to bear upon it by the resistance of hundreds of millions of Chinese workers who are subjected to the most savage exploitation.

China is a time bomb.

From this point of view, the Chinese bureaucracy needs the United States and the United States has need of China as a factor of stability in the Asia-Pacific zone (pressure on North Korea), which gives a highly particular, contradictory and apparently conflictual form to their relations.

Regarding the sanctions applied by the United States against Russia and announced against Iran (May 12), they once again are aimed in the first instance at Europe. It is Germany, which is first in line from the sanctions against Russia, along with all of the European enterprises, which are preparing to reinvest in France (in particular Total).

Dislocation of the European Union

Europe does not measure up to what is being played out in this ‘war’ to divide up the world. Although the European Union was created by the United States in an effort, in the 1950s, to ease the contradictions setting the different nation-States against each other, today it must be dismembered, as can be seen by Trump’s setting of France and Germany against each other.

Two school of mines engineers expressed in Le Monde newspaper of April 26 their amazement at the financial weight of leading technology companies:

“The leading technology enterprises have accumulated mountains of liquidities. The ten richest of them are, in descending order of their treasuries at the end of 2017, Apple, Microsoft, Google, Cisco, Oracle, Facebook, Qualcomm, Amazon, Intel and IBM. These Big Tech companies have a total treasury of 780 billion dollars (640 billion euros), with an average annual growth of 16 percent since 2000. By comparison, that represents three and a half times the treasury of the ten richest world oil companies (Total, BP, Petrobras, Sinopec, Shell, Rosneft, Gazprom, ENI, Statoil and PetroChina) and two and a half times that of the CAC 37 companies – the CAC 40 (leading French companies quoted on the stock exchange – translator’s note) minus the banks. To find similar orders of comparison, one needs to look to the financial sphere. The total treasury of the Big Tech companies is getting close to the level of reserves of the central banks of emerging regions of the globe: 90 percent of the reserves of Latin America or South-East Asia, 70 percent of those of the Middle East, or 90 percent of the
To this they added their surprise at learning that the liquidities of the ‘Big Tech’ companies are not invested productively but used to speculate on the real estate loan market.

The old European imperialist States are suffocating within the straitjacket of their national borders. The unstable edifice of the European Union has not resisted against the tension of competing States.

The fiction of a supranational European Union substituting for the now too-narrow framework of nation-States has not survived the facts. Every day the European Union is increasingly perceived by the broad masses for what it is: an instrument of international finance capital which serves to ‘cover’ each national government claiming to be ‘forced’ by EU directives to carry out a policy of brutal counter-reforms.

The resistance of the working class of all the countries of Europe is in the course of springing apart this framework, to the great disappointment of all the critics of so-called ‘populism’. The simultaneity of the political crisis, which has struck all the forms of imperialist domination in Europe: in Great Britain, in France, in Germany, in Italy, in Spain... is the product of this resistance.

All of the political representations of the class forces present in each country have entered into crisis. The traditional bourgeois parties are exploding under pressure from the forces, which are causing the old bourgeois nation-States to break up. The traditional workers’ parties and the ‘forces of the Left’ are paying the price of their total submission to a bourgeois order, which is in an impasse. All the conditions of an uprising are in the course of coming together on the European continent. An uprising comparable to that of 1945.... but without the American army of occupation and without the police guards of the bureaucracy of the Kremlin.

A new division of the world

The saturated world market requires the opening of new outlets. The chiefs of staff of the imperialist monarchies are openly constructing their plans for the carving up of reserves of the raw materials which will be required for the ‘automobile of tomorrow’ (cobalt, rare earths...), while still not abandoning the reserves of oil and gas,... and are engaged in the preparation of new conflicts.

All the elements of a new division of the world are being put in place. Such were the conditions, which led to the two world wars. The difference with respect to today resides in two facts: no State is in a position to challenge the place of the most powerful imperialism, as Germany tried to do in World War II; and nowhere, despite the setback represented by the destruction of the conquests of October 1917 by the Stalinist bureaucracy – has the proletariat suffered a major defeat comparable to that inflicted upon the German, French and Spanish working class.

On the other hand, wars of the type, which are devastating the Middle East, are threatening to spread. In this situation of decomposition of the imperialist system, they are the form, which the new ‘division of the world’ takes. They no longer pit one well-defined camp against another, as in the good old days. They oppose the powerful interests of monopolist cliques, which dispute the control of markets and the supply of basic materials in order to dispose of the means by which to permanently reorganize the ‘chains of value’ on the world market.

They pit against each other gangs of the dominant sectors of finance capital in the service of which the old imperialist States struggle against their ineluctable marginalization, which sees them offered a minor back seat by American imperialism (cf. the alliance of France and Great Britain under American command).

In this situation, the about-turns by the most powerful imperialism, seeking desperately to escape the contradictions which assail it, and throwing permanently into question all of its alliances, have become the prime cause of the chaos which is spreading and leaves no-one sheltered from a possible ‘skid out of control’.

Everyone is panicking!

Everyone is panicking. International Monetary Fund (IMF) managing director Christine Lagarde, interviewed in Le Monde of April 21, said:

“I don’t think we’re in a storm yet, but one can see big clouds gathering on the horizon. There is of course a questioning of the multilateral system, notably in the field of trade... The second cloud... is an increase in inflation in the United States which will trigger an increase in interest rates, by probably more than one imagined six months ago. The third cloud (is) the situation of general indebtedness in which all the advanced, emerging and weak economies find themselves. Total debt has reached 164,000 billion dollars, or 225 percent of world gross economic product. One has never seen such a level of world debt.”

In short, we are back where we started. After having tried everything, and after having employed all the subterfuges: massive injection of money (QE, or quantitative easing - translator’s note), staggering debt, and increase in military spending...

To employ the formula of the OCI of 1971 – even if the arms budgets are not comparable with those of the ‘Cold
War:

“One has produced too many goods of all sorts, including military ones. The same goes for the USA as for all the other imperialisms. All the countries have exported too much, imported too much... The world market cannot absorb the goods produced, there is a world over-abundance of capital in the form of goods and means of production.”

This is all that remains of the world order built in 1945 under the auspices of American imperialism with the collaboration, now in collapse, of social democracy and the Stalinist bureaucracy.

In 1945, the process of capitalist accumulation could be relaunched through the reconstruction of what had been devastated by the Second World War (Marshall Plan), which by the same token established the undivided supremacy of the United States on the world market. There exists no comparable field of expansion today.

The revolutionary wave, which swept Europe in particular was canalized by American imperialism – with the support of social democracy and the Stalinist bureaucracy – by conceding to the working class social conquests which the relaunch of the system and its expansion – though parasitic – permitted.

Conversely, capital today finds itself in a situation where the conditions of its accumulation require a rate of exploitation of salaried work incompatible with all the conquests, which have shaped labor relations in capitalist society until today.

Recent technological developments (the digital economy) are provoking an unprecedented worsening of the tendency for the rate of profit to decline.

It is not just the constituent elements of the order established in '45 which must be dismantled on behalf of the most powerful imperialism, which concentrates within itself all the contradictions of the system based on the private ownership of the means of production.

It is not just the treaties, the multilateral accords, the international institutions like the IMF, the World Bank, the WTO; it is not just the military alliances of the NATO (North Atlantic Treaty Organization) or SEATO (Southeast Asia Treaty Organization) type or even the laboriously constructed edifices like the EU which no longer have a reason for being.

It is all the political and social relations which have been erected with the help of social democracy and the Stalinist bureaucracy in order to save the imperialist order, at the price of concessions which have today become unbearable, which must be destroyed.

In its death agony, the imperialist system is led through its own logic to push, at a world level, for the wiping out of all notion of collective rights, thereby preparing revolutionary explosions on all the continents, along the lines of what has ripened in Brazil and the whole of Latin America.

And it is in this that all the contradictions are concentrated, and that the global unity of the class struggle is affirmed with force.

A new period is opening

A new period is opening. Gigantic class struggles are taking shape in reaction to the social and political catastrophes provoked by the process of disintegration of the world market impelled by the most powerful imperialism, following a policy whose character is more and more unpredictable.

But these gigantic class struggles are taking shape in a situation where – contrary to '45 – the social-democrat and Stalinist apparatuses, rejected by the masses, have collapsed or are in the course of doing so. A situation in which the leaders of the national liberation movements in the dominated countries see their policy of coexistence with imperialism rejected by the people they pretend to represent, and where there is opening, under forms peculiar to each country, a broad political space for the reorganization of a combatant vanguard on the axis of building the class-based party. This is a process which demands that the IV International play its role and helps the vanguard overcome the confusion that Trotsky condemned in 1937:

"The decomposition of the social democracy and the Communist International at every step engenders monstrous ideological relapses. Senile thought seems to have become infantile. In search of all-saving formulas the prophets in the epoch of decline discover anew doctrines long since buried by scientific socialism."

Considering that it is urgent that the IV International debates collectively with all its sections – whatever their size – upon these major political questions, the convening of a world Conference of sections appears necessary.

We need to appreciate collectively, within the framework of the new period which has opened and of which Trump’s election is an expression, the developments under way in each of our countries, evaluating the points of support which emerge under forms peculiar to each country; to discuss in conformity with the transitional method the way in which we can help these points of support orient themselves in an independent manner upon the axis of the fight for a class-based party. In a word: play our full role in the political animation of the forces gathered together in the framework of the 9th OWC (Open World Conference).