

# US imperialism today

## Economically weakened, but still politically and militarily deadly

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Thanks to the organisers for the invitation to attend this very significant conference on Diego Garcia. It's a very important issue: A people dispossessed – Mauritian territory stolen, and the Chagossian people uprooted – to build a huge US military base.

This base is there to attack the people of the Middle East, Asia, and Africa – in particular Iraq, Afghanistan, Palestine, Pakistan, and Iran. It's an issue of special importance to Mauritians of course, but it's an issue of vital importance also to the peoples of Asia, Africa, and the Middle East who have this permanent aircraft carrier there to harass and threaten them. And it's important for the people of the whole world, since it plays an important part in US imperialism's policing and military control of the world.

Diego Garcia has been described as “an American military strategist's dream.... close enough to the Middle East to launch B-2 bombing runs into Afghanistan.... within flying distance to Africa and near enough to Asia to intimidate China. But its distant location ensures against the threat of counter-attack and offers a safe haven for refuelling aircraft carriers and bombers.” (*and* it's “uninhabited”, after they forcibly deported the population!)

## Imperialism's global reach

US imperialism has asserted its economic, political and military dominance for a century. It uses its military might – backed up by bases like Diego Garcia – to enforce its economic exploitation of the world. That century has witnessed an incredible record of wars, invasions, US-backed coups in the Third World, assassinations, torture, and “renditions” carried out by US imperialism, using its huge network of bases.

- There are more than 800 overseas US military bases in 63 countries, with US military personnel in 156 countries. [The Worldwide Network of US Military Bases. The Global Deployment of US Military Personnel by Prof. Jules Dufour. <http://www.globalresearch.ca/index.php?context=va&aid=5564>]
- The U.S. Defense Department has real estate in 46 countries and American territories, adding up to a whopping 837 overseas locations. It manages roughly 3,367 square kilometres, a combined area considerably larger than Mauritius. (Throw in bases within the US territories and 50 states and you've got an area bigger than Cuba.) [116,096 km<sup>2</sup>]
- The US has 11 aircraft carriers deployed (all nuclear powered supercarriers, more than the rest of the world combined) with 6 in reserve and 3 being built. [[http://en.wikipedia.org/wiki/List\\_of\\_aircraft\\_carriers\\_in\\_service](http://en.wikipedia.org/wiki/List_of_aircraft_carriers_in_service)]
- And it has its *super* stationary aircraft carriers like Diego Garcia.

Is there any prospect of easing off, of Washington retreating from its strategy of worldwide military aggression?

- With the end of the Cold War, and the collapse of the Soviet Union? No. (Although they are now down to “only” 5,113 nuclear warheads compared to the peak of 31,225 total warheads in 1967!!)

- With a more liberal president... Obama? Definitely not. Despite the rhetoric, *more* troops were despatched to Afghanistan. Anti-democratic raids, spying has *stepped up* under Obama. Torture is continuing in Iraq. There are *more* drone attacks in Pakistan than under Bush.
- With world capitalism weakened by the global financial crisis? Or with US imperialism challenged by the growth of other economies... China especially (or India, Brazil)?

No! The US ruling class has and will keep up its huge military machine, to try to maintain its economic and political dominance, to try to keep the US ruling class profits flowing in.

## The source of war

Profits, political control and military power are integrally connected. Past empires operated a little more simply perhaps – you just needed the Roman legions to exact tribute, the British navy to keep the natives down and bring in the plunder.

Oil is a vital resource for US imperialism today, and they'll go to any lengths to maintain their control. Just look at the main wars US imperialism is waging at the moment. They're aimed at securing its supply and control over the largest oil reserves in the world. (The slogan popularised around the world at the start of the Iraq war – “No Blood for Oil”! – was very apt.)

- Washington stands behind Apartheid Israel in enforcing and expanding the dispossession of the Palestinian people. The Israeli colonial settler state has its own mad dynamic, but would not exist without the financial and military backing of US imperialism, for which it serves as an advance outpost into the Arab/Muslim world and the oil fields, with its huge military machine and 200 nuclear weapons.
- The invasion of Iraq was a war for oil and regional power. The plotters in Washington knew it wasn't about “weapons of mass destruction.” They destroyed the country, killed more than a million Iraqis [[Opinion Research Business survey](#)], but it was “Mission Accomplished”, they got the oil.
- The excuse for the invasion of Afghanistan was provided by the Al Queda attack on the Twin Towers, but the real motives also relate to oil, and control of that oil rich region.
- Iran is imperialism's next target, and they've been waging a constant campaign of demonization, provocations, ultimatums and threats, to find an excuse for attacking. Iran is part of imperialism's oil plan, and the regime has behaved much too independently.

Imperialism is operating many ongoing wars, major and minor, mostly without ends in sight. Australian Prime Minister Julia Gillard has just affirmed during our first debate in parliament on the war in Afghanistan – the first time it was ever discussed, and it's been going on for nine years now! – that Australia will be involved until 2020!

And there'll be new “local” wars, especially in the region serviced by Diego Garcia.

So I can't see them willingly or easily relinquishing their Diego Garcia base.

## The imperialist arsenal

When you actually look at the *details* of US imperialism's gigantic arsenal, even an experienced, cynical activist like me gets shocked at its size.

The expenditure alone... It's so massive; if put to constructive uses that enormous sum could remedy many of the social ills in the world, (let alone all the positive gains from removing the military upholder of the rotten system.)

Tariq Ali commented that it's "The first time in the history of humanity that you have just had a single empire, so dominant, whose military budget is higher than the military budgets of the next 15 countries put together, and whose military-industrial complex itself is the eleventh largest economic entity in the world."

That's presenting it dramatically, but it might even be *worse* than Tariq calculates.

Adding in all the hidden, semi hidden expenditures for their military and militaristic undertakings, it's probably even *more* than this.

The Stockholm International Peace Research Institute (SIPRI) figures for US military expenditures for 2009 was US\$663 billion. Which was 43% of world military expenditure. <[http://en.wikipedia.org/wiki/List\\_of\\_countries\\_by\\_military\\_expenditures](http://en.wikipedia.org/wiki/List_of_countries_by_military_expenditures)>

Another estimate, by the Global Issues website, partly using SIPRI figures, is that the US had 46.5% of world military expenditure in 2010  
<<http://www.globalissues.org/article/75/world-military-spending>>

But some of the US figures don't include their spending on wars! ("supplementals" for war, they call them, eg Iraq and Afghanistan!) And there's military related expenditure *outside* the Department of "Defense."

So it's probably closer to the truth that the US spends more on war than *the rest of the planet combined*. But then you *also* have to consider the fact that most other countries, especially those with big military spending, are in the *pocket* of the US – the UK, (with the third largest military budget, \$69 billion), all the NATO countries, Australia, Saudi Arabia (which has the 8<sup>th</sup> largest military budget, more than \$39 billion), South Korea (with the 11<sup>th</sup> largest military budget).

It certainly is an empire greater than the world has ever known. Or, perhaps more accurately, the US government and its military machine is the *instrument*, the *weapon*, of the empire, the empire of the capitalist class, the rich of this world. (Which is predominantly still US, but some of these billionaires are from other imperialist countries, and they certainly operate internationally.)

Why does US imperialism have such a *colossal* military machine?

It seems mad, irrational. But it's simple, really, using their logic. It's for the same reason the British Empire before it had a huge army and navy. And the Spanish empire before that. To conquer and defend its empire and its loot, its plunder and its profits.

As its financial dominance is threatened, by the worldwide capitalist financial crisis, and by new challengers such as China, will the US rely more, or less, on its military machine? More.

Will it need its floating and stationary aircraft carriers more, or less? You know the answer.

Getting rid of US bases, Like Diego Garcia, is an important campaign, that hampers imperialism in its control of the planet

I think Washington's push for construction of the Diego Garcia base followed after they "lost" Vietnam, and their bases there. They needed a base without pesky people, who might kick them out again! After

1975 they still needed their bases, even more so? But they wanted stable ones that wouldn't be threatened by further Vietnams, by people taking control of their own country.

As more peoples of the world assert their independence, and shut down US bases, US imperialism will be forced to rely on more bases on "deserted" islands, places like Diego Garcia. They will be forced to retreat to their aircraft carriers, and increasingly rely on robots, space-based weapons and surveillance, and drones. (How civilised, being able to go home to ones "loved ones" after a shift in Nevada in front of your computer directing a drone slaughtering people on the other side of the world!)

Therefore we need to struggle all the more to break their power, their military power, their economic power, and their political power – the capitalist system.

## ***Capitalism itself the problem***

It's capitalism itself that is the problem, the system. We need to fight against all the consequences of the system – its militarism, warmongering and all the specific crimes and acts of exploitation and degradation – but also realise we won't solve the problem permanently until we *get rid of* the system.

We should be calling for peace; that appeals to the needs and healthy sentiments of people everywhere. But we should also realise that there's no real peace without changing the system, getting rid of capitalism.

Look at the history of the past century, a century of wars, and all the experience of capitalism, and all class societies before it. But war is not something inherent in the human genes; it's *not* going to be an eternal fact (unless the mad dogs who run things press the button, and human civilisation *ends!*)

So even when struggling for particular demands, for specific goals, we should remember that complete or permanent resolution won't happen until we fix the underlying causes, capitalism, and change the system.

Capitalism is a relatively recent system, just a few centuries; and it's not a permanent state of affairs, as bourgeois apologists like to maintain. Is there an alternative? Yes, *socialism*. It's a logical, scientific progression, and the development of the productive forces, the huge increase in productivity, education, scientific and technological advances makes it feasible.

Capitalist ideologues were triumphalist at the collapse of Soviet Union – now was the "End of History", (Fukiyama), TINA (Thatcher). But the collapse didn't prove the impossibility of socialism; it was even more necessary. But the Soviet collapse had been prepared many decades earlier, with the rise of bureaucracy, the negation of the socialism championed by Lenin and the Bolshevik party. They're also triumphalist about the restoration of capitalism in China, though a bit wary about the economic growth of China, emerging as a strong capitalist challenger to the US.

But this was a false triumphalism. The *need* for socialism, the elimination of capitalism and its wars and exploitation was starkly visible around the world. And capitalism as a system with inner contradictions, regular – normal – crises, soon dramatically demonstrated its shakiness.

From 2008 the global capitalist economic crisis has disrupted the smug functioning of the capitalist system, with the working class being made to pay for capitalism's failures.

## ***The capitalist economic crisis***

Some points to note about this deep, most severe crisis since the Great Depression of the '30s:

Firstly, it's labelled the GFC, "Global financial Crisis", but it's much more than that. It's part of the regular *capitalist* crises.

The visible signs of the crisis were the initial spectacular collapse of financial giants such as Lehman Brothers, and the failure of others, and the rogue traders with some of their Ponzi schemes collapsing – Bernie Madoff with his US\$50 billion operation was only the largest one actually exposed! Many other institutions and banks were getting bailed out by governments – with our money!

They desperately feared that the capitalist credit system could grind to a complete halt. It was a spectacular collapse, a great exposure of the workings of capitalism.

Why did it happen?

Was it a result of deregulation? Certainly, within their system they'll have to find ways to tighten up. Incidentally, events have helped to debunk the myth of the free market, healthy private enterprise vs unhealthy public services. That's been exposed. For decades capitalist economists have argued that the state must not intervene in the market, it was supposed to be a self-regulating mechanism. But when the crisis hit, the only thing keeping the system afloat was state intervention.

Can it be blamed on "mistakes", greed, or even crimes of individual capitalists? Certainly there was a lot of that.

But the underlying cause was a crisis of *overproduction*. This is the classic problem of capitalism analysed by Karl Marx. Rather than the actions of rogue traders or poor regulation, the 2008 credit crisis was the result of the feverish boom based on the overproduction of commodities, (in this particular case, homes).

## Overproduction

It's a weird problem, even *Business Week* had to try to tackle the question: how can overproduction exist?

"For economists, overcapacity is a tricky concept," they wrote. "Human wants are unlimited, so how could the world ever produce too much of a good thing? The key is what people can pay. In many goods sectors, prices still aren't low enough to bring forth enough. There will have to be some combination of falling prices and destruction of productive capacity before supply and demand come into balance."

[[Business Week](#)]

Ordinary people might be tempted to delve deeper, and start to question the rationality of the system, if the *real* cause of the crisis was given too much publicity.

The actual figures for the capitalist crisis are dramatic. The contraction in production was the sharpest in a hundred years.

- For the US, in May, 2009, the rate of capacity utilization for industry declined to 68.3 percent, 12.6% below the average for 1972-2008.
- In Japan, capacity utilization almost halved between February 2008 and February 2009. A study from "NLI research" estimated Q1 2009 capacity utilization to be 50.4%.. . [Regional Economic Outlook: Asia and Pacific, IMF, October 2009]
- For Europe, the capacity utilization rate in the euro area at the end of July 2009 stood at 69.5%, well below its long-term average of 81.6%. Especially hard hit were the producers of capital goods (67.6%). In the automotive industry, capacity utilization even went to below 60%. [These figures are [from the European Central Bank](#).]

These are record post-War lows. In some of the less developed countries, however, the situation is even worse, with capacity utilization of 50% or less.

The automobile industry is a clear example. In 2008 global capacity utilization in industry fell to 70.9% – a rate 10% below its average from 1979 to 2008. The world automobile industry has the capacity to produce 94 million vehicles every year. On the basis of present sales, this is about 34 million too many, equivalent to the output of 100 plants.

Global overcapacity in the auto sector of approximately 30% means that the big car makers could close one third of their factories and would still find it difficult to sell everything they produce. Automakers expect sales to revive, starting in 2011. But no one realistically thinks they can take out 34 million vehicles' worth of production by then. Above all, automakers are relying on population growth and an increase in sales in 2013 as people start replacing old vehicles. Even then there will be “too many” factories.

General Motors has a massive restructuring plan that includes cutting more than 21,000 US factory jobs. The same phenomenon is being repeated in one form or another as hundreds of thousands of “excess capacity” workers are being thrown out of their jobs. These are among the best-paid jobs, often with union representation, while the few jobs that are being created are usually non-union and offer cut-rate wages and few, if any, benefits.

For example, General Motors is slashing wages at its factory in Orion Township, Michigan. The agreement, which was approved by UAW officials on October 3, calls for paying 60 percent of the plant's 1,550 workers their current wage of about \$28 an hour and the rest of UAW members – some with many years at the plant, as well as new hires – \$14 an hour.

Even the right wing Conservative paper in Britain, *The Telegraph* (15 August, 2009), recognises that this is a crisis of overproduction:

“Too many steel mills have been built, too many plants making cars, computer chips or solar panels, too many ships, too many houses. They have outstripped the spending power of those supposed to buy the products. This is more or less what happened in the 1920s when electrification and Ford's assembly line methods lifted output faster than wages.”

According to Michelle Hill of the consulting firm Oliver Wyman, in order to recover profitability, the US automakers will have to close at least a dozen of their 53 North American factories in the next few years. The only way to eliminate overcapacity is by *the systematic destruction of the productive forces*:

## **Global competition**

This crisis is a fundamental US and global capitalist crisis, but for the US it comes on top of growing competition from China, whose rapid economic development has started to place limits on the power of US capitalism.

With globalisation, China and India and others are now part of the world market, but for the first time since 1982, world trade has fallen steeply – 14.4% in 2009. Imperialism has initiated a currency “war” to defend their profits. And there's a danger of it escalating to a trade war, imposition of selective protectionism with advocates like Paul Klugman. This situation has led to the rising value of gold, from US\$700 (in early 2008) to more than \$1300 now

China itself is not immune from the effects of capitalism's global financial crisis. Even though its developing economy weathered the storm better than most imperialist countries, about 26 million

Chinese were sacked from their jobs in the manufacturing sector due to the global economic crisis and forced to return to their villages.

While it's fair to say that the US, the imperialist top dog, is economically weakened from the latest crisis, we mustn't overlook the fact it still has a number of weapons in its arsenal enabling it to turn things around to its advantage. One important trump card of US imperialism is, of course, the US dollar's privileged position as the world's dominant reserve currency, which became the status quo in the global financial system since the 1930s Depression and this tool has become more at the whim of the US ruling class since the late 1960s-early 1970s when it started to be able to get away with having to back the US dollar with a designated amount of gold as was required under the since-defunct Bretton Woods system. This means the US bourgeois state can virtually "print money" at will, enabling it to sustain a jaw-dropping and still escalating level of budget and external account deficits and still not "collapse" as countries like Thailand and South Korea did during the so-called Asian economic crisis in 1997-98. Using "quantitative easy" (euphemism for "printing money"), the US Federal Reserve has been able to depress the value of the US dollar, manipulating it as a policy tool at various times, including recently, in its competition with other capitalist states, including in the ongoing so-called currency war. Don't forget the tens and hundreds of billions of foreign exchange reserves held by countries like China would have taken an instant major "haircut" with every weakening of the US dollar.

The last great depression was ultimately overcome by WWII for Europe and the USA. But world war is not possible now, with the US the sole military superpower. So there are many ongoing small wars.

The last great global empire, Britain's, occurred when capitalism was in its ascending phase. Now US imperialism has that global role in the period of capitalist decay. There might be ongoing debates amongst the defenders of capitalism, whether to persist with some more Keynesian approaches, but it's clear that the new stage of capitalism's crisis consists of an all-out assault on the working class.

## ***Capitalism's worldwide offensive against workers***

In an article in the August *Direct Action*, No 25, Doug Lorimer wrote:

"Across the capitalist world, the capitalist rulers' policy has shifted from deficit-financed stimulatory spending to limit the depth of the recession to austerity measures — targeting government spending on social services. The shift was signalled at the G20 finance ministers' meeting the first week of June and formally ratified at the G20 summit meeting held at the end of that month in Toronto. Austerity means that capitalist governments will make their highest priority the repayment of the trillions they borrowed from big capitalists to save their banks and other financial institutions from collapse — ahead of schools, hospitals, the pay and pensions of government employees and "job creation".

Firstly, a point about "deficit-financed stimulatory spending". Boosting public spending in order to prop up insufficient "effective demand" in a declining capitalism plagued by overcapacity is, of course, a basic idea put forward by John Maynard Keynes before his death in 1946 and many advanced capitalist governments have adopted this measure since WW2 to cope with the system's recurring economic crises. This is commonly known as "Keynesian intervention" of one description or another. With the intervention required getting bigger and bigger, there is a growing need for the state to borrow an increasing amount to foot the bill, and this is reflected in a ballooning fiscal budget deficit. Previously, that spending used to mostly take the form of public infrastructural works but more and more and especially recently they were spent outright on the rescue of capitalist corporations and banks that would otherwise go belly up. In the latest crisis, a small portion of it took the shape of cash handouts — "stimulatory spending" — to a section of the working class. But this last cosmetic/supplementary element shouldn't confuse us about the essential political nature of all this deficit spending that aims to plug the hole in a capitalist crisis — they are predominantly acts to "rescue the rich", to rescue the ruling class.

Secondly on “austerity”. What is important to note is that they are not two separate independent things but two parts of an integrated whole. It is the deficit spending first to rescue the capitalist class and its banks and corporations, then the state – being manager for the ruling class – would get the working class to foot the bill. The fallout of the first step onto the second would usually take one or two fiscal years to become totally evident, but they are part and parcel of the same process – it is a naked and massive transfer of wealth from the working class to the capitalist class, a process that has been repeated time and again over the recurring crises that global capitalism has experienced in the last six to seven decades.

The editorial by Susan Watkins in the May/June NLR (No 63) pointed out that “each European government can use the crisis to push through capital’s wish list of structural reforms: in Germany, softening up the labour force by cutting unemployment benefits; in Spain and France, stripping out the gains—‘rigidities’—of older employees; in Italy, slashing the Mezzogiorno public sector. The widely proclaimed end of neo-liberalism looks more and more like the continuation of its agenda by other means.”

The crisis is being used by the capitalists to force the workers in the advanced capitalist countries to accept a new, lower standard of living. The cuts are not falling evenly, the workers and poor are targeted, while the wealthy are cushioned. It’s an austerity offensive by the ruling class, across the board, but pensions are a major target.

Hillel Ticktin wrote in Critique Notes:

“The next phase of the crises is one of fetishised class warfare, in which countries cut their budgets resulting in reduced welfare benefits, lower levels of employment, and declining salaries. These policies are sold as necessary measures to put the governments’ budgets in order. They are necessary, it is said, because the governments have acted injudiciously or corruptly. Thereby the blame, which rests with the ruling class, is passed on to governments, bureaucrats and politicians.” (Critique Notes, April 2010 Critique, 38: 2, 181 — 188)

In the last three months we’ve seen these policies being implemented, especially across Europe. It’s an all-out attack on workers’ jobs and conditions, on wages, social services, public services and benefits in order to claw back any working class gains of the last half-century, weaken trade union organisation and significantly shift the balance of power in favour of capital.

## **Jobs and social services slashed**

Greek workers were the first to be targeted by the bosses’ austerity offensive. The propaganda offensive was that Greece (Greek workers) had been living beyond their means, and the belt tightening was inevitable. Workers, the poor, public servants had to suffer, to actually pay for the problems of the banks (in this case to pay out German and French banks). And it was a Pasok – supposedly social democratic – government imposing the cuts.

Similar attacks followed across Europe, especially southern Europe – Portugal, Italy, Spain. Spain’s austerity offensive was also launched by a supposedly “socialist” government.

Austerity measures were imposed in Ireland, and \$50 billion given to the banks! In France, and in many other European states, the ruling class has tried to focus the attacks against pensions, thinking they could sell their across-the-board attacks against workers and the poor by arguments about changing demographics. It hasn’t conned French workers however.

Now it’s Britain’s turn. In the UK nearly one million full-time jobs had been lost since the start of the recession after a dramatic shift to part-time working. Now the UK coalition government has launched the largest cut in public sector spending in the UK since the Second World War, which will slash even more

jobs. The Chartered Institute of Personnel and Development Reform (a Conservative-supporting think-tank) suggested 750,000 to 1,000,000 jobs will be lost.

As NLR editorial 63 pointed out “Measured by GDP the British government’s debt was larger than that of Greece. An unprecedented monetary and fiscal stimulus—zero interest rates for 18 months; £200bn of electronically devised ‘quantitative easing’, some 14 per cent of GDP, poured into government bonds; £117bn in cash and an overall £1 trillion government guarantee for the stricken banking system—has failed to ignite even a flicker of growth in the UK economy.” These massive cuts will make things even worse.

In the US the unemployment rate surpassed 10 percent in 2009 for the first time since 1983, and is still at that level. If those working part time or no longer looking for work were included, the real rate would be closer to 20%. For immigrants and blacks it is even worse. 34.5 percent of young African American men are unemployed.

The biggest falls have been in the public sector.

Around the world it makes little difference whether it’s a conservative government, or a labour, social democratic, “centre-left”, Republican or Democrat taking responsibility for the cuts and austerity drives. In fact, the capitalists often prefer the social democrats, the liberals, in time of crisis; they’re able to implement attacks on workers with least resistance, the working class generally still has illusions in social democracy, so they’re confused, conned, shackled.

## **Workers resistance**

The initial responses from Greek workers and youth were massive and energetic. The trade union leaderships seem to have allowed the steam to go out of the movement though.

So far the most inspiring and massive resistance to the austerity offensive has come from the workers and youth of France, battling Sarkozy’s pension “reforms” (backward march!) The strength of the resistance rests on the continuing revolutionary traditions and outlook of the French working class. But it also probably benefits from the fact that if the SP or SP-CP coalition had been in office at the time of the bourgeoisie’s need for cuts and austerity, resistance might have been harder.

A report in *International Viewpoint* comments that already “the government has lost the battle of public opinion. 70% of the population support the mobilisations and oppose this reform. Today, the majority of the workers, those in precarious jobs, and youth know that the question of pensions is neither a demographic question nor one of financing as the government has tried to have us believe for some months.”

61% of those polled favour prolonged strikes. Young people have participated fully in the mobilisation, with very significant and dynamic contingents and many high schools blockaded.

The latest indications are that the French union leaderships have caved in after the passage of Sarkozy’s plans through parliament, with further demos agreed to, but not an ongoing strike.

In Spain there was a massive ten million strong general strike, but no ongoing action or further follow up yet.

In Italy a protest in Rome organised by the national metal workers’ union FIOM, had estimated numbers ranging from 100,000 up to a million.

In the UK in response to the massive cuts there's been a rather flat and token Trades Union Congress action, that didn't mobilise many people. Now they promise a bigger demo... for five months time! Cameron must be quaking!

Around the world the current cuts have little to do with the "deficit" and everything to do with attacks on the gains made in the 20th century by the working class, which they want to take back. Rather than token protests, unions and workers organisations should be responding with militant, ongoing strikes and actions, putting forward our own demands for a sliding scale of wages and hours to benefit from the increased productivity. Of course, actions have been shackled by the shameful role of left/centre-left parties, who are either implementing the capitalist ordered cuts, or workers know that if in opposition, such parties would also implement them if brought to power.

But these cuts aren't going to get capitalist economies out of their crisis. At best they'll inhibit an upturn and at worst force a "double-dip recession". The ruling class calculates there'll be a permanent blow to working class rights and benefits and share of the wealth, but they probably also accept that more people will turn against government policy and an increasing minority will go further and turn against a system which has so patently failed.

So rather than their financial crisis leading to thoughts about cutting back on their military spending, reducing their overseas bases, the ruling class is going to feel the need to beef up its arsenal, to be more warlike. They'll have hopes of new wars dragging them out of their crisis, and will want strong armies to meet future working class resistance.

### ***What do doomed empires do?***

Will over-reach lead to downfall? Walden Bello at the 2007 conference in Ecuador, pointed to the present state of "over-reach" or "over-stretch" of the United States armed forces, which could lead to a destabilization of its empire. Various internal contradictions of empires, like the over-reach in the war against Iraq, can be important causes of their downfalls," he suggested.

Certainly, this has caused problems for imperialism, and according to a logic of one kind, US imperialism should pull back, withdraw from its imperial outposts, its bases such as Diego Garcia, and reduce its military expenditure

But that's not necessarily the logic of dominant empires, or declining empires. Empires in decline are just as likely to thrash around, not peacefully relinquish their power and profits. They'll increase their efforts militarily to hold onto their territories, their profits. No state is challenging US imperialist power, its military dominance is overwhelming, so there'll be no repeat of WWI or WWII.

### ***Where does hope lie?***

We see continuing wars, militarism, imperialist bases. We see capitalism in deep economic crisis.

So is this world capitalist economic crisis cause for *pessimism or optimism?*

In the short term, taking a narrow view, I can understand the pessimism, but it should be combined with *anger*.

Look what's happening around the world. They're bailing out the banks, making even greater profits for the *rich*, but making the *working class* pay, blaming workers for capitalism's problems, and responding with austerity attacks on our wages, jobs, and services.

But the crisis exposes the *root causes* of our problems – capitalism, the system.

## Changing consciousness

There *is* a changing consciousness, despite all their power, naked and subtle, their control of the media, print, TV, new media, their ideological control, through, Hollywood, the churches, schools.

But it's not total.

Truth leaks out, for example the recent Wikileaks releases. The role of the internet, has been a mixed blessing for capitalism, how can they control it? How can they put a toll on it? How can they censor it?

And there's a heart-warming healthy cynicism and suspicion by ordinary people. For example, regarding the war in Afghanistan, despite bipartisan support by Labor and Liberal, Labour and Conservative, Democrat and Republican, there's still majority opposition to the invasion, support for troops out, even in the US.

The austerity drive is a hard sell. As Hillel Ticktin observed, "The appearance of the downturn was of the bankers causing the crisis itself, for which governments have had to borrow money. Why then should ordinary individuals have to bail out those bankers, it is, and will increasingly, be asked?"

## Welcome the crisis

Although our wages, jobs, social services and pensions are being hit, those of us who understand that capitalism is the problem should be *welcoming* the crisis.

I found Marxist philosopher Slavoj Zizek especially sharp and clear in his response to the capitalist crisis in assessing this "new period" in his article in New Left Review 64, July-August 2010:

[<http://newleftreview.org/?page=article&view=2853>]

"One thing is clear," he wrote. "After decades of the welfare state, when cutbacks were relatively limited and came with the promise that things would soon return to normal, we are now entering a period in which a kind of economic state of emergency is becoming permanent: turning into a constant, a way of life. It brings with it the threat of far more savage austerity measures, cuts in benefits, diminishing health and education services and more precarious employment. The left faces the difficult task of emphasizing that we are dealing with *political* economy—that there is nothing 'natural' in such a crisis, that the existing global economic system relies on a series of political decisions—while simultaneously being fully aware that, insofar as we remain within the capitalist system, the violation of its rules effectively causes economic breakdown, since the system obeys a pseudo-natural logic of its own."

This crisis is not just deep, not just prolonged, but *fundamental*. Capitalism itself is the crisis, and although we should fight every capitalist attack, we should go further.

We should *welcome* the crisis. We will suffer certainly, more attacks on the working class, lower wages, more unemployment, less social welfare, fewer and decreasing pensions...

The huge gap between rich and poor will widen. And in fighting against every assault on our real and social wage, remember our enemy, capitalism, and remember what's needed, socialism.

Zizek again:

"The best indicator of the left's lack of trust in itself today is its fear of crisis. A true left takes a crisis seriously, without illusions. Its basic insight is that, although crises are painful and dangerous, they are inevitable, and that they are the terrain on which battles have to be waged and won. Which is why today,

more than ever, Mao Zedong's old motto is pertinent: 'Everything under heaven is in utter chaos; the situation is excellent.'

## **'Reform' or revolution**

Situations of crisis pose even more sharply, more importantly, the issue of reform or revolution. Reformism, social democracy today, more than ever is hardly for reform, they're increasingly exposed as just defenders of the *system*.

New Labour or Blue Labour (as NLR editorial dubbed the Conservative-Liberal Democrat coalition, who on some issues were even to the left of Labour!)

A US academic, Fred Block, was guest speaker to a Sydney University annual political economy lecture this month. The topic, "Social Democracy for the 21<sup>st</sup> century", was supposed to inspire, he talked about "vision", but it was stale, backward looking, with Sweden as the model! It's not a "vision" that will appeal to young people wanting to change the system; perhaps it appeals to careerists, happy with the crumbs offered to managers of the system.

There's already widespread disenchantment, strong opinions against the wars in Iraq, Afghanistan, distrust of banks, media bosses, elites.

But the organisations of the workers, the majority, are weak. There's only modest organisation of the opposition. There's no alternative party.

The US is a "two party" system – two pro-capitalist parties. Similarly in the UK, New Labour is for the old system, similarly in Australia.

The Greens are also within the framework of capitalism, though championing environmental issues, and taking up some of the space of the old ALP.

The left has been talking about the "crisis of leadership" for many decades. And it's certainly that, but we shouldn't just repeat the mantra, and go back to business as usual.

As Zizek pointed out:

"There is no lack of anti-capitalists today. We are even witnessing an overload of critiques of capitalism's horrors: newspaper investigations, TV reports and best-selling books abound on companies polluting our environment, corrupt bankers who continue to get fat bonuses while their firms are saved by public money, sweatshops where children work overtime. There is, however, a catch to all this criticism, ruthless as it may appear: what is as a rule not questioned is the liberal-democratic framework within which these excesses should be fought. The goal, explicit or implied, is to regulate capitalism—through the pressure of the media, parliamentary inquiries, harsher laws, honest police investigations—but never to question the liberal-democratic institutional mechanisms of the bourgeois state of law. This remains the sacred cow, which even the most radical forms of 'ethical anti-capitalism'—the Porto Alegre World Social Forum, the Seattle movement—do not dare to touch."

## **Latin America**

But a serious rift with the capitalist system *is* occurring in Latin America, and showing the way. Cuba has stood fast for 51 years, despite imperialism's direct attacks, subversion, terrorism, and the blockade, and now the Venezuelan Revolution has expanded the socialist challenge enormously. The combination of the extensive capitalist crisis and the revolutionary dynamic in Venezuela presents the weakened left in the rest of the world with a responsibility to provide support and solidarity to the revolutionary processes that are occurring, as well as an opportunity to build and renew itself in alliance with the Latin American revolutionary forces.

Imperialism is constantly challenging, within Venezuela, and in the region. They failed with their coup in Venezuela in 2002. They succeeded in Honduras; their effort in Ecuador failed.

## Environmental crisis

The threat to the future of human civilisation and even life on the planet posed by the environmental crisis is another challenge to world capitalism, which unfortunately they don't take seriously.

For many decades, socialists and others have been warning of the environmental danger that capitalism poses to the Earth. Now this dire threat is widely recognised by all but a few climate sceptics. Climate change, brought about by the capitalists' reckless drive for private profits, has to be reversed, but capitalism cannot do it. Socialism is ever more urgently needed to save the planet. The failure of the Copenhagen talkfest brings this home to more people; more are waking up, and there are increasing exposes of capitalism's contradictions. So the possibility of gaining a wider audience for real solutions, socialist solutions, has increased considerably.

Any modest effort at reform of the dire situation is to be welcomed, but "green capitalism" can divert people from looking at the needed solution, getting rid of capitalism.

## Socialism of the 21<sup>st</sup> Century

Socialism of the 21<sup>st</sup> Century, the goal, the slogan of Venezuelan socialists, should be our goal too. A socialism that's democratic, though not fetishising parliamentary democracy, or a "peaceful transition". A socialism that's environmentally conscious.

Socialism or barbarism is a very real alternative today. Again, like the '30s, there's the danger of fascist solutions if we don't get organised (and can see the seeds of this in several countries, including the US, where the Tea Party extremists, although really representing the more traditional Republicans, has whipped up misguided white working people hit by the capitalist crisis.

## Organisation - the need for a party

From one viewpoint, it's terrible times for the left, for revolutionary socialists. Over the last few decades we've seen major defeats and retreats for the working class and its organisations, the collapse of the Soviet Union, the restoration of capitalism in China, the decline and disunity of revolutionary socialist parties.

But paradoxically it's also a period of *great potential*. Capitalism is in global crisis, increasingly exposed. Social democratic parties and governments have moved further to the right, lessening their possibility of misleading any workers' upsurges.

The revolution in global communications based on the internet has been used by many to become billionaires, but it also enables workers and opponents of capitalism to communicate and spread their ideas and calls for action more efficiently than ever before, (and the capitalists have not yet succeeded in finding a way to put a toll booth on it, or control it and censor it as they'd like).

Revolutionary parties are needed to lead the fightback against the warmongering and attacks by capitalism. Situations can turn around quickly. In times of capitalist crisis, there's the real likelihood of workers and youth radicalising, the possibility of revolutionary socialist parties being built rapidly.

Even though revolutionary socialist parties are small, we need to build them *now*. All of us who are aware of the crisis, who open their eyes to the injustice, the irrationality of capitalism, the greed and aggression of imperialism, need to be building parties like LALIT.

Your campaign, over Diego Garcia is absolutely vital.

- To recover sovereignty;
- To win the right of return for Chagossians;
- To close down that monstrous US war base.

These are ends in themselves, worth fighting for and winning. But remember that any win would be only a temporary victory, and any win must be part of the overall struggle, recognising that we need to *change the system of capitalism*, for our future, and the future of the planet.