

AN UPDATE ON IMPERIALISM, WAR AND PEOPLE'S STRUGGLE

Colleagues and Friends,

I am deeply pleased to be asked to give you an update on the crisis of imperialism, the US drive for war and the trend of people's struggle.

I. The current crisis of imperialism

The main and essential thrust of "free market" globalization is to enable the monopoly bourgeoisie to maximize its profits from the exploitation of the working people in both imperialist and client countries and to minimize the variable capital outlay for wages as well as social investments and social services by the states.

All over the world, the US-controlled multilateral agencies like the IMF, World Bank and WTO have directly and indirectly put all states under pressure to abandon social responsibilities or pretenses for the working people and to go for the policy of liberalization, privatisation and deregulation to dismantle national, social and environmental restraints in order to allow the greed of monopoly firms to prevail under the slogan of laissez faire.

The policy stress on "free market" globalization has thereby accelerated the accumulation and concentration of productive and finance-capital in the hands of the monopoly bourgeoisie in a few imperialist countries, chiefly the US. But the inevitable result is the contraction of the income and purchasing power of the working people the world over, especially in the third world and in retrogressive countries formerly ruled by revisionist cliques.

The income disparity between the rich and the poor has rapidly widened. The richest 20 per cent of the world grab more than 85 per cent of income. The three wealthiest persons in the world have combined assets greater than the combined gross national product (GNP) of the 48 poorest countries with a combined population of 600 million. The majority of humanity subsists on less than USD2 daily and a quarter or 1.2 billion people on less than USD1 daily.

By its own workings, imperialism or monopoly capitalism has once more proven to be capitalism at its highest and final stage, moribund and decadent. The chronic crisis of monopoly capitalism, resulting from the exploitation of the working people by the owners of capital, is recurrently exposed. The adoption of higher technology for commercial production and the accelerated accumulation of productive and finance capital related to the new technology press down the wage fund and consequently shrink the market.

The crisis of production and financial collapses have been phenomenal and have become worse from year to year since 2000, when the US stock market started to dive in March and US industrial production did likewise in October. In only three years, USD 8 trillion in stock values in the US have evaporated in a protracted kind of collapse. The industrial bankruptcies have also exposed huge scams in bank loans and stock transactions (Enron, WorldCom, Global Crossing, Lucent, Adelphia, Xerox and K-Mart). The rapid decline of the US economy has aggravated the crisis of the world capitalist system. Industrial bankruptcies and mass lay-off have spread on a global scale and resulted in rapidly ballooning of unemployment. At least one-third of the world's 3-billion labor force is either unemployed or severely underemployed.

Gone are the spin doctors of monopoly capitalism boasting that the "new economy" of the US achieves growth without inflation because the wage level is pressed down and because high technology constantly stimulates growth, and that the US economy is the global engine of growth and the "market of final resort" due to American consumerism and the flow of foreign funds into US bonds and stocks.

In fact, there is a crisis of overproduction in high tech products on top of the earlier crisis of overproduction in raw materials and basic industrial products. The US has lost its lead in manufacturing high tech goods for consumption and production. It continues to lower production in all other types of goods, except in the production of armaments. It is the biggest user of state funds for military spending and military production. Due to corporate tax cuts and drastic increases in military and homeland-security spending, the US is abruptly falling into budgetary deficits and is likely to raid the jar of social security funds.

The prolonged US recession is bound to become worse. The US cannot increase employment and consumer demand through high tech military production, which offers little employment. The rate of profit has declined sharply and discourages business investment spending. Indebtedness of corporations stood at an all-time record high at USD 7 trillion or 70% of GNP in the first quarter of 2001. Defaults on corporate bonds and bank loans run high.

Household indebtedness (on home mortgages, car loans and credit card debt) is so large that it undermines consumer spending. American households had more debt than disposable income for the first time in 1999. By early 2001 household debt grew to 120% of disposable income. However, the current account deficit of the US continues to mount beyond the level of USD 450 billion due to the continuing decline of US industrial production.

At the end of 2001, the gross inflow (mainly from Japan and Europe) of foreign investments to the US amounting to over USD 9.3 trillion (including stock and bond holdings and ownership shares of business enterprises) outweighed the US investment abroad amounting to USD 6.9 trillion. Since then, the net foreign debt of the US amounting to USD 2.3 trillion has mounted to the estimated level of USD 2.8 trillion.

Because of the fall of rate of profit in the US, the US economy is increasingly becoming vulnerable to capital flight.

The US, the Group of 8 and the OECD countries have failed to come up with any effective solution to the worsening economic and financial crisis of the world capitalist system. Of course, all of them have unilaterally and multilaterally tried to formulate and offer solutions. They think in terms of stimulating the economy with state capitalist financial packages.

The US is mixing neoliberal rapacity with military Keynesianism: tax cuts, subsidies for research and development and military production contracts for the monopoly bourgeoisie. In the US version of state monopoly capitalism, the US federal government abstains from direct investments but indulges in indirect investments through guided loans, investment guarantees, subsidies and purchase contracts, especially in the sphere of military production.

Monopoly state-financing for high-tech military production and for US military forces cannot generate a significant amount of employment and act as stimulus for economic growth in a lasting way. The Bush regime formula that has emerged includes stirring up war hysteria, stepping up war production, unleashing wars of aggression whenever possible, grabbing oil and other resources from other countries through war or threats and selling weapons but withholding the high technology used to produce these.

The apologists of imperialism, especially the purveyors of "free market" globalization, have tried to resurrect Kautsky from the dead by claiming that monopoly capitalism spreads capitalist development, increases the working class and erases the distinction between national economies as regards the level of development. But every time the crisis of the world capitalist system plunges to a new depth, it becomes clearer than ever that the imperialist countries and the underdeveloped countries are differentiated economically and politically.

The nation state and national basing for monopoly capitalism are as important as ever. The imperialists use their own national states and client states to impose monopoly interests on other countries and peoples. Monopoly capitalism and state monopoly capitalism require a home base from which to sally forth to other countries. In the current crisis, the ever fewer monopoly bourgeois concentrate in their hands ever bigger finance and industrial capital, which they extract from their own national homeland and from abroad.

In the continuing era of imperialism and proletarian revolution, the export of surplus capital from the imperialist countries to the underdeveloped countries has gained ever more importance over the export of surplus products. The imperialist countries take far higher superprofits from debt service than from exchange of goods with the underdeveloped client states.

USD 2.8 trillion in foreign debts now burden the third world countries. For this they have to pay the interest and apart from the borrowed principal in designated instalments year by year. The failure to pay means the accumulation of debt burden. From time to time, the imperialists make a big show of writing off measly amounts of unpaid debts of the poorest countries. But they never slacken in their practice of international usury and of putting entire countries in debt bondage.

In the current shrinking of international trade due to the crisis of overproduction and financial collapses, the underdeveloped client states are being crushed by trade deficits and debt burden. This is a time when the imperialist banks and firms take over the assets of the bankrupted enterprises of the client state and the local entrepreneurs by dictating the bargain price and converting loans to equity.

Fighting for its life in the face of the socialist countries and national liberation movements after World War II, the imperialist countries followed the lead of the US in the Cold War. The US took the lead in using the devices of state monopoly capitalism in order to reconstruct the war-ruined economies with state loans and subsidies, promote and guarantee capital expansion, build military power, deploy overseas military bases and troops and launch wars of aggression.

But since the end of the Cold War in 1991, the US has rallied the other imperialist powers, including Russia, to take a vengeance on the working class, independent countries and the socialist cause by operating under the principle of unbridled personal greed and under the flag of "free market" globalization. In the wars of aggression on Iraq, Yugoslavia and Afghanistan, the imperialist powers could easily unite against third world adversaries.

But now, beneath the appearance of continuing imperialist alliance under US chieftainship are too many imperialist powers competing with each other under the conditions of the crisis of overproduction and financial collapses. Breaches in the alliance are now seen in the contradictions between the US, Britain, Spain and Italy on the one hand and France, Germany, Russia and China on the other hand over the question of unleashing another war of aggression against Iraq.

Since the beginning of the 20th century, the division of the whole world into economic territories among the imperialist countries has been completed. Countries or lands other than those of the imperialists have become colonies, semi-colonies or dependent countries. The imperialist powers have competed for sources of raw materials, markets, fields of investments, strategic positions and spheres of influence. The struggle for a redivision of the world can pass from peaceful competition to wars of aggression, as already proven in history.

The wars of aggression arise when one or more imperialist powers have become stronger than before and wish to have a bigger share of the economic territory and another or more imperialist powers do not wish to be pushed over. The impulse to launch a war of aggression for the sake of economic expansion or for maintaining the status quo is not

only due to economic factors but even more importantly due to political factors, such as the rise of the ultra-rightist forces of jingoism, racism, religious bigotry and fascism.

II. The US Drive for War

The US could afford to blow up the battleship Maine and kill nearly 300 US naval officers and men in order to ignite the American-Spanish War and allow the US to grab such colonies of Spain as Cuba, Puerto Rico and the Philippines. Thus, many people say that the US could afford to cause the death of 3000 people in the September 11 attacks for far higher stakes. They say so, especially because there is yet no convincing explanation why US authorities did not act promptly on advance intelligence reports about the pilot trainees who eventually became the September 11 hijackers.

The US is now using the September 11 attacks as a license to misrepresent as "terrorist" the countries assertive of national independence, national liberation movements and progressive leaders, to whip up the hysteria of a "permanent and borderless war on terrorism", to push the doctrine of preemptive strike and repression of the people, to rechannel resources to US military forces, homeland security, war preparations and war production and to use a policy of aggressive war and threats in order to enlarge US economic territory.

In the wake of the September 11 attacks, the US has been able to further penetrate Central Asia and South Asia and gain further access to the oil and gas resources in the Caspian Sea and Central Asia. It has based itself on a previous investment of USD 20 billion in the region. It has also cleared the way for an oil pipeline to the Indian Ocean via Afghanistan and Pakistan, under the pretext of seeking to destroy Osama bin Laden and Al Qaeda in Afghanistan.

After succeeding to install a new puppet government in Afghanistan but failing to destroy Osama bin Laden and Al Qaeda, the US has become preoccupied with further preparing a war of aggression on Iraq under the pretext that the Iraqi government is producing and stockpiling weapons of mass destruction. The US, which is the biggest producer and stockpiler of WMD, cannot convince all its allies that Iraq is hiding such weapons.

This flimsy US pretext is thoroughly laid bare by the relatively far more restrained reaction to the declaration by the Democratic People's Republic of Korea (DPRK) that it has a continuing program of developing nuclear weapons and some nuclear weapons already available for its own defense. The US has tagged the DPRK as a part of the so-called "axis of evil" but in this particular case, US reaction is calibrated because the determination of the DPRK to fight back. Moreover, its neighbor China refuses to do the bidding of the US at the expense of DPRK.

The first US-led war of aggression on Iraq in 1991 gained for the US a tight control of the Middle East and a bonanza of benefits such as the introduction of permanent US military forces, facilities and bases, the pre-emption of the oil income of Saudi Arabia and the emirates with US military sales, the squeeze on the Palestinian nation, and so on. The

current US war plans against Iraq are meant to effect direct US control and recolonization of Iraq and a still tighter US control of the entire Middle East.

As in recent wars of aggression, it is clear that the US stands to grab the lion's share of spoils through its projected conquest and recolonization of Iraq. The US wants to gain direct control over the oil resources of Iraq: 112 billion barrels of proven oil reserves and over 250 billion of potential reserves. By controlling these, the US can completely dominate and render impotent the Organization of Petroleum Exporting Countries. It can thereafter have unquestioned hegemony over the oil resources in all parts of the world.

A strong motivation for Britain to play close to the US is the absorption of British Petroleum by the American Oil Company (AMOCO). The US is extremely anxious to reverse the trend, started by Iraq in November 2000, of a shift to the Euro as the currency for oil transactions among the OPEC countries. Moreover, it resents the acquisition by France, Russia and China of oilfield concessions (exploration and development) in Iraq and by Germany of engineering and supply contracts to rebuild Iraqi infrastructure and industry.

It is understandable in both economic and political terms why the US can have only a "coalition of the willing". France, Germany, Russia and China are unwilling to be part of an imperialist alliance for a war that threatens their own economic and geopolitical interests in the region, that is manifestly unjust and genocidal and that benefits only or mainly the US. The competing interests of the imperialist powers breach the imperialist alliance, which the US has headed since the advent of the Cold War.

The Bush regime is interested in furthering US global hegemony and in aggrandizing the US oil and defense industries. It is specially interested in benefiting certain investment groups and US oil companies with which are tied the interest of the Bush family (Carlyle Group and Enron), Vice President Cheney (Halliburton), national security adviser Condoleezza Rice (Chevron) and the like. Defense secretary Donald Rumsfeld is closely linked to US companies interested in building US military bases and in reconstruction projects

Inter-imperialist contradictions can intensify not only because of the unbridled arrogance and greed of the lone superpower and the resentment of other imperialist powers but also because the targeted third world countries assert their independence and actively try to breach the imperialist alliance by giving concessions to some imperialist powers. It is a positive development that the Non-Aligned Movement (NAM) has risen from its hibernation to criticize US avarice and bellicosity.

While the attention of the world is riveted to the looming US war of aggression on Iraq, the US encourages the Sharon regime to misrepresent Palestinian revolutionary organizations as "terrorist" and to slaughter Palestinians with impunity, expand the Zionist settlements and dismantle the Palestinian Authority. It also continues to intensify its military intervention and aggressive acts in the "second front against terrorism" in the Philippines and Southeast Asia.

The US has arrogantly announced to the world that US special operations forces would undertake combat operations against the Abu Sayyaf group in Sulu, southern Philippines, in flagrant violation of Philippine sovereignty and territorial integrity. It is paving the way for military aggression against the revolutionary forces and people represented National Democratic Front of the Philippines.

It is engaged in counterrevolutionary activities in Nepal, Colombia, Venezuela and several other countries under the guise of counternarcotic and counter-terrorist war. US state secretary Colin Powell, in offering military aid to Nepalese King Gyandara and Prime Minister Sher Bahadur Deuba, casually stated that "the Maoist insurgency that is trying to overthrow the government (is) really the kind of thing that we are fighting against throughout the world".

Because of its acute interest in oil, the US is trying to tighten its stranglehold on the Philippines, Indonesia, Colombia and Venezuela. The US is also maneuvering to control the oil resources of Angola, Nigeria, Congo, Gabon, Cameroon and the Equatorial Guinea. It expects these countries to supply 25 per cent of US oil by 2015.

The US is trying to grab economic territory in more ways than unleashing a war of aggression against Iraq. Let us not forget that while the US was preoccupied with its war of aggression in Vietnam it was still able to instigate the anti-communist pogrom that killed more than one million Indonesians and secured for the US and its British and Dutch allies control over the oil and other resources of Indonesia.

Expect that after its hostile acts succeed in Iraq, the US will continue to step up military production, build up its military forces and build more overseas military bases (now numbering 80) in order to maintain political and military superiority over its own imperialist allies and keep its initiative in undertaking unilateral or multilateral actions to exploit and oppress the people of the world.

The Bush regime is allocating more than USD300 billion for military spending in the current year. It is making available at least USD600 billion for the production of new weapons of mass destruction in the next five years. It is planning to use tactical nuclear weapons. It is building huge military bases in the ex-Soviet part of Central Asia and completing the encirclement of China. Under the strategic concept of full spectrum dominance (FSD), it is militarizing space in order to achieve space superiority and synergy with land, sea and air superiority.

The trend is for the US to whip up jingoism, racism, fascism and war hysteria. It is not simply the consequence of the September 11 attacks. Far more importantly, it is the consequence of the worsening economic and financial crisis of the US and world capitalist system. Long before the September 11 attacks, the US authorities have been playing up the threat of terrorism to justify repressive actions against the working people, the people of color and others who challenge or are bound to challenge imperialism in the US and abroad.

The US is brimming with arrogance because, in its last three wars of aggression against Iraq, Yugoslavia and Afghanistan, it has avoided combat casualties by pursuing the cowardly strategy and tactics of using high-tech weapons to pulverize fixed structures of every kind and wipe out as "collateral damage" entire civilian populations and of bribing the puppets to take power when the incumbent authorities can no longer manage the ruined economy. It also avoids casualties by funding and directing surrogate armed forces from local military, paramilitary, bandit and other assorted mercenary forces.

As in Indochina in the sixties and seventies, the comeuppance of US military power is most feasible where the armed revolutionary movement is fluid and is not yet responsible for fixed structures. The US made use of high-tech weapons then, including the most technically sophisticated planes, ships, electronic devices, so many types of bombs and chemical agents but it lost the war.

The combination of people's war in agrarian countries and various forms of revolutionary struggle in the more developed countries can prevail over the military power of the US. This superpower is bound to be confronted by something more powerful and more widespread than it expects in the coming years.

III. The People's Struggle

Thirty million people rose up in mass protest in 600 cities and towns all over the world on February 15 and thereabouts. The biggest of the protest mass actions occurred in the US, Britain, Italy and Spain, ranging in size per city from 500,000 to 2.5 million people. These are the countries whose rulers are most eager to unleash a war of aggression against Iraq. In some cities of the US and Europe, the protest mass actions have surpassed those against the US war of aggression in Indochina in the late sixties and early seventies.

The gigantic mass actions are the result of a broad united front policy and tactics of the organizers. Small parties and groups have come together in the US to form such ad hoc coordinating bodies as ANSWER, Not in Our Name (NION) and United for Peace and Justice. Some groups associated with the European Social Forum and the like have taken the initiative to issue the calls for action under the broad anti-war or peace slogan. All of them clearly condemn and oppose the projected US war of aggression poised against Iraq.

The coordinators and organizers address their calls to the broad masses of the people against the arrogant war cries of the US. Those who have responded include progressive forces of workers, women and youth, ordinary people, professionals, religious institutions, bourgeois parties, the bureaucracy and sections of the reactionary classes.

The coordinators and organizers continue to broaden their own ranks. Their basic statements of common cause can be easily accepted and signed by a broad range of people. They do not have any elaborate system of organization or any huge fund. They list up prominent personalities and participating organizations to encourage others to join. They manage well their websites and email addresses and sell campaign materials.

Mass organizations associated with the International League of Peoples' Struggle are quite active in the global campaign against the US war of aggression against Iraq as well as against the so-called US war on terror. They can become more active than ever before and take a high degree of initiative, especially in continents, countries and cities where the mass campaign is still weak and where there are yet no coordinating bodies as prominent as ANSWER and NION.

The consistent work of the progressive forces and their demonstrated ability to bring out to the streets the tens of millions of people can further arouse, organize and mobilize ever greater numbers of people. Even the relatively progressive and middle sections and a significant portion of the conservative section in bourgeois parties, religious institutions and in the Non-Aligned Movement of countries have joined the anti-war movement and have allowed their mass following to join the mass action.

Among the leaders, organizations and masses involved in the anti-war movement, there are various political currents running like anti-imperialism among the progressive forces, bourgeois pacifism, religious pacifism and the frank national self-interest of certain countries and governments that the US wish to take advantage of.

It is good that the broad united front policy and tactics bring together the masses of various levels of consciousness. Consequently, the progressive forces can propagate anti-imperialist and democratic consciousness among them. The anti-war movement must be consciously and militantly given an anti-imperialist content. This can be done only if revolutionary parties of the proletariat take the lead, increase their initiative and grow within such a mass movement. This movement should be able to expose and oppose the interventionist, aggressive, fascist, terrorist and plundering character of imperialism.

Whenever imperialism goes on a war rampage, the revolutionary party of the proletariat and all anti-imperialist and democratic mass formations must accelerate efforts to arouse, organize and mobilize the people in ever increasing numbers along the line of the broad united front. They must mobilize the broad masses of the people to rise in mass protest actions and to put forward the immediate demands

At the same time, the revolutionary party of the proletariat must strategically consider and work to realize the potential of strengthening all revolutionary forces and converting the imperialist war to a revolutionary civil war in due time. History has proven that conditions of imperialist crisis and war give rise to the armed revolution for national liberation, democracy and socialism.

It is precisely when the crisis of the world capitalist system sharpens and a single imperialist superpower or a group of imperialist powers goes on a plundering and killing rampage and does the worst to the people that the people's struggle for national and social liberation breaks out advances against imperialism and all reaction. #