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Bourgeois Political Economy in Shambles

Some additions to the
Marxist-Leninist crisis theory



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in Shambles

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Marxist-Leninist crisis theory

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vor dem Scherbenhaufen

Einige Ergänzungen zur
marxistisch-leninistischen Krisentheorie

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The deepest world economic and financial crisis in the history of capitalism

On September 15, 2008, with Lehman Brothers, after Bear Stearns, the second of the world's five largest investment banks collapsed. That same week, the three other leading US investment banks, Merrill Lynch, Morgan Stanley and Goldman Sachs, could be saved from insolvency only at the price of the loss of their role as investment banks and with the massive state intervention of the Bush Administration in the USA. These dramatic events interrupted the trillions in lucrative, worldwide organized finance flows. An *international bank crisis* strangled the financial markets; the *international financial system threatened to collapse*. Panic selling of foreign exchange and stocks to get hold of liquid funds sent currency markets into a tailspin and triggered an *international stock market crisis*.

This *world financial crisis*, unprecedented in depth and scope in the history of capitalism, in October 2008 directly triggered a *new world economic crisis* whose proportions likewise are without equal. This crisis hit the most important industrial countries *more or less simultaneously and with tremendous force*. It struck at the heart of international finance capital and seized hold of most of the 500 biggest international supermonopolies. In the course of the reorganization of international production since the early 1990s these supermonopolies had completely subjugated the world market and divided it up among themselves. The top executives, especially those of the international monopoly banks, became the focus of people's wrath. The wholesale management changes at best can be compared with the way team managers' heads roll towards the end of a premier league season. With international export markets suddenly blocked off, there were no more opportunities for the national economies to shift to other markets with their surplus

capital, as they had done in the 2001–2003 world economic crisis. In the fourth quarter of 2008 alone, *world trade* plummeted 20 percent compared with the highs of the second and third quarters of 2008.

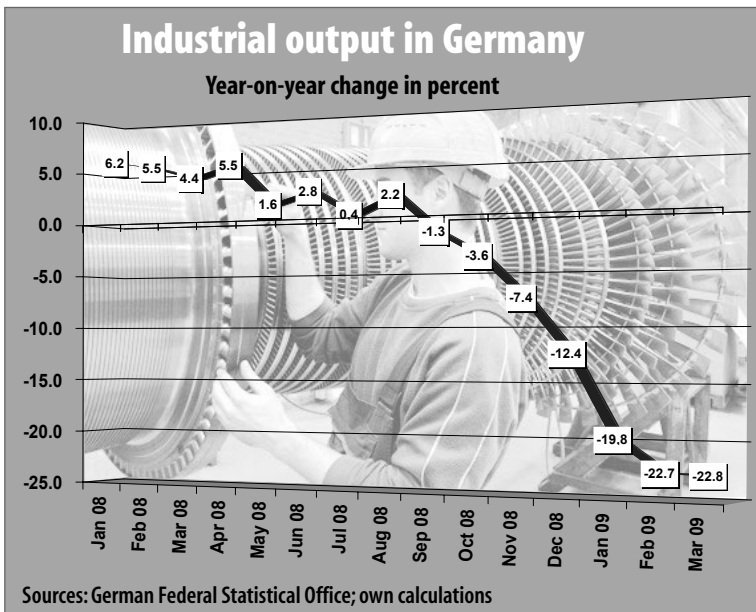
World industrial output fell in the fourth quarter of 2008 by 20 percent versus the previous year – in the industrial countries even by 23 percent. It thus fell much more sharply in the first three months of the crisis than in the first year of the 1929 world economic crisis! World steel production declined in December 2008 by 30 percent versus the high of May 2008. World-wide motor vehicle sales in the 30 OECD countries fell 25 percent in December 2008 compared with the high of April 2008.

With the sharp decline in production and world trade the *logistics sector*, too, hugely inflated since the 1990s, got hit with the full brunt of the crisis. Truck sales in Europe have fallen by 38 percent, while new orders for trucks have dwindled almost to a complete standstill! Fifty percent of the world's containers are stockpiled unused. Merchant shipping has declined by 50 percent. According to the Asian Development Bank (ADB), by the end of 2008 alone the world economic and financial crisis had led to the destruction of an estimated *50 trillion US dollars* in capital! This figure is a thousand times higher than the estimated total \$50 billion in capital destroyed in the USA by the collapse of stock prices from October 1929 through the end of 1929.

In *Germany* the fall of industrial output has deepened continuously since the beginning of the crisis because of the 45-percent export dependency of industry.

In March 2009, manufacturing sector sales declined by 22.0 percent versus the previous year; in the motor vehicle industry by 32.3 percent, in metal production and metalworking by

31.5 percent, in mechanical engineering by 22.4 percent and in the chemical industry by 25.6 percent. In February/March 2009 industrial order intake was 32.5 percent lower than a year earlier. German steel production took a 53.1 percent dive in April 2009 compared with the previous year, reaching a level attained in the late 1950s. The gross domestic product (GDP) declined by 6.7 percent in the first quarter of 2009 versus the previous year. This is the biggest drop since the Second World War.



Despite comprehensive crisis programs intended to soften the effects, the insolvencies especially of smaller automotive suppliers are mounting. But a growing number of renowned companies in Germany like Hertie, SinnLeffers, Woolworth, TMD Friction, Rosenthal, Qimonda, Edscha, Märklin, Wolf-

Garten, Karmann, etc., also have declared themselves insolvent. Without the injection of funds by the state, this list also would include several of the biggest banks like Commerzbank, IKB, KfW or Hypo Real Estate.

According to a World Bank study, economic growth will decline rapidly in 94 out of 116 *developing countries*, mainly as a result of the dramatic drop in the demand for raw materials and tumbling raw material prices. Moreover, migrants from the neocolonially dependent countries are the first to lose their jobs especially in the main immigration countries, Japan, USA, and in Europe. The absence of their remittances will create multibillion deficits in the budgets of their home countries.

The *international debt crisis* is set to assume new dimensions with unforeseeable consequences for the living and working conditions of hundreds of millions of people.

The *crisis of neocolonialism*, which was partially dampened in the course of the preceding temporary period of prosperity and assumed a latent character, will again burst into the open. It will be dramatically deepened in fact, because the imperialist countries will ruthlessly shift the burdens of the world economic and financial crisis onto the backs of the oppressed dependent countries.

Mass unemployment and underemployment have risen by leaps and bounds since the start of the world economic crisis. In the USA, from October 2008 to April 2009 4.3 million people lost their jobs. In China, 20 million migrant workers had been thrust into unemployment by the start of 2009, also driving their families into absolute poverty. Even the EU Commission assumes that unemployment in the Baltic countries will double or triple by 2010 as compared to the end of 2008 and will rise in Poland and the Czech Republic by around 70 percent.

The world economic and financial crisis brings with it a deflationary trend which is exploited for various forms of *wage cutting and the dismantling of social gains. Hunger and misery* increasingly spread *among the working class* even in the imperialist metropolises. When the world economic and financial crisis comes to an end, runaway inflation threatens in many countries to finance the gigantic crisis programs of the nation states.

In the meantime an overt *international agricultural crisis* has broken out. It pushes agricultural producer prices to rock bottom and will destroy the livelihoods of many millions of farmers in the world.

On the face of things, the economic crisis eases the *global environmental catastrophe* because the decline of production also reduces CO₂ emissions. But this reduction is much smaller than commonly assumed. A serious exacerbating factor, on the other hand, is that in times of crisis the international supermonopolies increasingly cement their fossil energy and raw material base and plan to preserve and expand the nuclear power plant portfolio. Research into technologies of the future, half-hearted as it is, is being cut back further, and the completely inadequate environmental programs and regulations of the governments are being stopped as “too expensive.” The transition to a global environmental catastrophe is even accelerated in this way.

The *crisis of the bourgeois family system* intensifies to the point of an *absence of family among the proletariat*. In keeping with the fundamental analysis of *Marx's and Engels' twofold conception of production*, this development indicates that capitalist crises of overproduction are never merely crises of the production and reproduction of goods, of commodities. They also seriously undermine the process of the production and reproduction of human life. These fundamental disturbances

find expression in the drop of birth rates; in the destruction of the ability of families to act as smallest mutually supportive community for the working class; in a rapid increase in, for the capitalists, “surplus human resources”; in the mental and physical breakdown of ever larger sections of the population owing to mass poverty, malnutrition, mental illnesses, social decline due to deprivation of education and healthcare; in lower life expectancies due to overwork, but also epidemics and pandemics, and not least of all in the advance of destructive ideologies and practices such as sexism or patriarchal mentalities and behaviors.

The world economic and financial crisis has *plunged capitalism into a deep social crisis* that will have far-reaching effects on the development of society.

The failure of bourgeois political economy

The *general crisis-prone nature of bourgeois society* has not been so clearly highlighted in a long time as it has been in this situation. In their almost sectarian belief in their own erroneous economic assessments, the ruling circles were caught completely unawares. Their bourgeois ideology looks upon its own ruins. Economic forecasts by the dozens have been so far off the mark that finally in April 2009 the head of the German Institute for Economic Research (DIW), Zimmermann, raised the white flag and refused to make further predictions: “If you don’t know anything, you shouldn’t present anything....”¹ Not without good reason, the new president of the Federation of German Industries (BDI), Hans-Peter Keitel, felt obliged to warn against “calling the social market economy as a whole into question.” Imploringly he objected to “one-sided apportioning of blame: the bankers, the managers, politicians, globali-

zation... The situation is far too serious for that because we are long since in the middle of a new debate on the system.”²

The fear of the ruling monopolies and their government of “debates on the system” is only too justified, because every politically minded person will, of course, at some point raise the question about the root causes of the current disaster. However, in the bourgeois political economy we will find little about the existence, let alone the causes, of the law-governed occurrence of economic crises. Its dogmas of the “self-healing powers of the market” and the “social market economy” for decades have made capitalism out to be the guarantee of permanent prosperity.

Heady with the exceptional growth rates of the world economic upswing, the former US central bank chief Greenspan voiced the opinion in 2005 that “the economy is more resilient to shocks and more stable overall” than in past decades.³ Dizzy from its doubtful “success” in fighting mass unemployment, in early 2007 the Merkel/Steinmeier government in Germany forecast an “upswing persisting through the year 2020.” Even after the world financial crisis had broken out, Finance minister Peer Steinbrück (SPD) assumed at first that it was an “American problem.”⁴ The then Economics minister Michael Glos (CSU) was still hallucinating in November 2008, at a time when the world economy was already crashing, about the labor market’s “robust reaction to the poorer economic data” and that a cut in taxes and levies would “further strengthen the forces of economic growth.”⁵

When no one could deny the world economic and financial crisis any longer, complacency was followed by self-deception. Chancellor Angela Merkel helplessly tried her hand at tautological wisdoms: “The self-healing powers of the market can become fully effective again only when the market forces actually are in operation.”⁶ Now can the market heal itself, or do

the self-healing powers only function when the market has no need of healing? Madam Chancellor's conclusions are inspired by the same grand logic:

If, for example, a healthy enterprise, a world market leader, fails to get loans for its investments today, or only on conditions that make profitable operation impossible, for the reason that the banks do not yet trust each other properly, then – and this is our political duty – we must make the market function soundly again.⁶

Now the secret's out: the self-healing powers of the market are not working because finance capital no longer "trusts" its own capitalist economic system and the banks therefore don't want to extend any more loans to anyone! So the state has to intervene. To hell with the "self-healing powers of the market"!

The object lessons provided by this unparalleled capitalist world economic and financial crisis are invaluable – despite all the destructive effects on the masses – because they demonstrate to the masses the hollowness of the arguments of bourgeois political economy. People will not forget that it is not the "market" at all, not the satisfaction of their very own interests, that drives the capitalist production machinery, but the boundless greed of international finance capital for maximum profits.

According to Karl Marx, in capitalism

a rift must continually ensue between the limited dimensions of consumption under capitalism and a production which forever tends to exceed this immanent barrier. ... How could there otherwise be a shortage of demand for the very commodities which the mass of the people lack...? (Karl Marx, *Capital*, Vol. III, pp. 256 and 257)

Deliberate manipulation regarding the magnitude and causes of the world economic and financial crisis is designed to keep the masses from drawing socially critical conclusions from their

unquestionable experience and fighting for the *social alternative of genuine socialism*. To reassure the masses, for quite some time the bourgeois economists reduced the crisis to a “financial crisis” or a “recession.” In addition they created the impression that it would all be over in the summer or, at the very latest, in autumn 2009. The hazy term “recession” merely describes a drop in the gross domestic product in at least two successive quarters and is unsurpassed for playing down the present economic developments. To lend emphasis to their soothing theories they combined the general reassurances with crisis-damping measures that are without equal in the world. The idea was to give the average citizen the impression that one can get along quite well with this crisis.

We shall witness how, from a certain point in time, the rulers go over to grossly exaggerating the crisis in order to bully the immense costs for the state crisis management out of the masses, to extort cuts in wages, incomes and social gains from them. *Bourgeois political economy is in essence always propaganda* with the aim of asserting capitalist class interests against the working class.

It is no coincidence that in this period of uncertainty, reflection and mental processing within the working class, petty-bourgeois ideologists’ pipe dreams of a “crisis-free” capitalism begin to proliferate. The leadership of the party “Die Linke” (The Left) brands “casino capitalism”⁷ which must immediately be cured of its gambling addiction. In all seriousness one of that party’s leading economic policy experts, Bundestag (German parliament) member Axel Troost, demands that “the money be fetched back from the speculators and stockholders who shamelessly ruined our prospering welfare state.”⁷ But he does not want to do this by expropriating the means of production, for example, but by finally giving “our prospering welfare state,” i.e., the “social market economy,” back its importance. In the

1950s Social Democrats, trade unionists and communists still vigorously resisted the introduction of the misleading term “social market economy” by the Adenauer government. For good reason, since it plays down and denies the capitalist class reality! Today, precisely this *fata morgana* of a “social market economy” becomes the strategic objective of the Left party.

With bad grace, and sometimes with reluctant acknowledgement, the bourgeois and petty-bourgeois economists take note of the fact that the Political Economy of Karl Marx is experiencing a boom again. Adapting to the general trend to the left among the masses, occasionally they declare that Marx’s analysis of capitalism is entirely correct, and then instantly brush aside and repudiate his revolutionary conclusions as utopian. Social philosopher Detlef Horster for one makes the absurd claim that “economics and revolutionary theory do not constitute a unity for Marx but are two different fields.”⁸

This eclectic method – picking out from the teachings of Marx only what is just about acceptable to bourgeois economics – is merely a shamefaced expression of the *defensive of world outlook* into which bourgeois political economy has gotten versus Marxism.

At the same time, such passing fashions clearly show that bourgeois ideologues understand very little of Marxism. Marxism is a cohesive, dialectically interconnected system of views and methods which cannot be randomly picked apart to arbitrarily play off the individual components against each other.

Karl Marx and Frederick Engels were the first to scientifically reveal the insoluble contradictions inherent in capitalism from beginning to end, and derived from this the necessity of its revolutionary replacement by the socialist mode of production. The *fundamental contradiction of capitalist production* is



Karl Marx and Frederick Engels

based on *social production* which is *privately appropriated*, however. This contradiction between the social productive forces and capitalist production relations finds vent in crises which occur periodically in a law-governed way. The bourgeoisie can overcome them, temporarily, only by preparing the way for new, deeper and more comprehensive crises. Objectively, the capi-

talist crises can be abolished only by a socialist revolution. According to Marx:

At a certain stage of their development, the material productive forces of society come in conflict with the existing relations of production.... From forms of development of the productive forces these relations turn into their fetters. Then begins an epoch of social revolution. (Marx, "Preface to *A Contribution to the Critique of Political Economy*," Marx and Engels, *Selected Works* in three volumes, Vol. 1, pp. 503–504)

Since our petty-bourgeois Leftists are unable to break the spell cast on them by capitalist profiteering, they pretend as if the current internationally organized profiteering and speculation are merely a negative, voluntarily or very maliciously induced excess that can be curtailed at will; that is to say, one can get to grips with it with reforms.

In reality, with the reorganization of international production, capitalism has reached a stage in its development at which the law-governed, system-inherent excesses of capitalist exploitation have assumed such dimensions that they even terrify the achievement-minded but at the same time humanist-idealist petty bourgeois. The conclusion drawn by Karl Marx and Frederick Engels from the historic obsolescence of the capitalist mode of production was to establish a new, socialist mode of production. The petty-bourgeois critics of capitalism, on the other hand, do not manage more than a howl of complaint about the "social injustice" in the world. They lament about "unleashed capitalism." At the same time they invoke its taming, leave society essentially as it is, and slander all the more vehemently the Marxist-Leninists, their uncompromising criticism of the system and their revolutionary strategy. So the crisis brings to light not only the economic, political and ideological disaster of the ruling bourgeoisie, but the aimlessness, fickleness and theoretical incompetence of the petty-bourgeois Left

as well. They are incapable of freeing themselves from their state-upholding role, even if they feel quite uneasy in this role in such uncomfortable times.

Dispute over the general and specific causes of the world economic crisis of 2008

Those who are unwilling or unable to call capitalism as a social system into question – out of anticommunist ignorance, out of opportunism, or simply because they profit in some form from its existence – will not be able to track down the causes of this crisis.

German chancellor Merkel feigned indignation in her New Year's message, saying that “financial excesses with no sense of social responsibility, the abandonment of moderation and the middle course by a number of bankers and executives, ... steered the world into this crisis.”⁹ Was it not her government that decisively contributed to the unrestrained development of the bankers' and executives' greed for profit and power with its policy of redistribution for the benefit of the monopolies and to the detriment of the whole of society? Have the Schröder and Merkel governments behaved the slightest bit better than the bankers and executives they now scold? Where were “moderation and middle course” when the bourgeois parties initiated the Hartz laws*, intensified loan employment and lowest wages and so sent millions of unemployed into poverty? Where was their “sense of social responsibility” when their government adopted the “health reform” that excludes millions of people with small incomes from optimal healthcare while guaranteeing billions in profits to the monopolies of the pharmaceutical

* “Hartz laws” regulate unemployment and benefits; Hartz IV reduces unemployed to the status of welfare recipients

industry, the medical equipment industry and the capitalist hospital operators? Was it not the Schröder/Fischer government with the “Riester pension” that compelled people in dependent employment by law to finance an increasingly larger part of their retirement provisions privately, through the capital market, and on a speculative basis? Was it not the same government that recommended extremely risky and highly speculative transactions like cross-border leasing on a large scale to German municipalities?

Now, where anyone who thinks anything of himself curses the irresponsible speculators, even in the bourgeois media world, and even more so in the league of “people’s representatives,” it is good taste to blow the horn of social indignation. However, this does not explain where this unprecedented world economic and financial crisis came from. Instead, this argumentation turns attention to the – undeniable – subjective failings of bankers and executives, and distracts attention from the essentials, from the laws of the capitalist mode of production. These laws compel every capitalist, whether factory owner or manager of a stock corporation, whether privately owned or state-owned company, to act, under penalty of ruin.

Since evidently the entire industrial and banking world has been caught up in the crisis, if we follow Madam Chancellor’s logic then the entire stratum of bankers and managers must have failed. Since most capitalist countries are involved in the world economic and financial crisis, then at least the majority of the bourgeois governments must take responsibility for the fact that these bankers and managers had a free hand to operate as ruthlessly and greedily as they did. What was intended as a superficial search for causes by Madam Chancellor unexpectedly becomes a slap in the face of the rulers and their caretakers in the governments and in the headquarters of industry and bank monopolies.

The German Finance minister Steinbrück, member of the Social Democratic Party of Germany (SPD), blames the financial managers' "speculative lack of restraint"¹⁰ for the disaster of the world economic and financial crisis. The bursting of a gigantic speculative bubble did indeed lead to a world financial crisis, which in turn concretely triggered the world economic crisis. Was speculation therefore the cause of the world economic and financial crisis? As early as 1850 Karl Marx pointed out the fundamental connection between speculation and the triggering of an economic crisis:

Speculation regularly occurs in periods when overproduction is already in full swing. It provides overproduction with temporary market outlets, while for this very reason precipitating the outbreak of the crisis and increasing its force. The crisis itself first breaks out in the area of speculation; only later does it hit production. What appears to the superficial observer to be the cause of the crisis is not overproduction but excess speculation, but this is itself only a symptom of overproduction. (Marx and Engels, *Collected Works*, Vol. 10, pp. 490 ff.; www.marxists.org/archive/marx/works/1850)

In contrast, for Oskar Lafontaine, one of the two chairmen of the Left party and a high-profile representative of the Left Social-Democratic reform policy of the past decades, the blind faith of the federal government in the "everyday religion" of "neoliberalism ... led to the current crisis."¹¹ Certainly, neoliberalism with its principle "private goes before state" was one of the capitalist guidelines in the reorganization of international production. But the wave of neoliberal methods created such a tsunami of problems that in the meantime the state as crisis manager intervenes so actively in the world of business and finance that all the neoliberal apologists must be gasping for air. Where have they all gone, the preachers of the noble principles of neoliberalism! All one can see is government rescue teams trying to avoid the worst! But has this fireworks of

state intervention in any way interrupted the profit-making economy geared to the securing of maximum profits? Such an assumption would be exceedingly naive, or malicious, because it throws dust into the masses' eyes. After the state took over 25 percent of Commerzbank, the new government-appointed supervisory board members hastily renounced the exertion of any entrepreneurial influence.

For Sahra Wagenknecht, European Parliament member of the Left party, the "fastest way to get the economy moving undoubtedly is a radical redistribution of income and wealth from the top to the bottom. The demand problem would then take care of itself."¹² Apparently, in her political science studies at bourgeois university the showcase Marxist of the Left party has been influenced a bit too much by un-Marxist theories which Frederick Engels completely tore to pieces in his dispute with Eugen Dühring way back in 1878:

The under-consumption of the masses is a necessary condition of all forms of society based on exploitation, consequently also of the capitalist form; but it is the capitalist form of production which first gives rise to crises. The under-consumption of the masses is therefore also a prerequisite condition of crises, and plays in them a role which has long been recognised. But it tells us just as little why crises exist today as why they did not exist before. (Marx and Engels, *Collected Works*, Vol. 25, p. 272).

Economically, Ms. Wagenknecht's theory also is absurd since private consumption has accounted only in small part for the ups and downs of economic growth in the past few years. The business pickup was based mainly on soaring exports of capital goods, while private domestic consumption has largely stagnated or declined. Conversely, with the outbreak of the world economic crisis private consumption declined only marginally at first. The first thing to cave in was the worldwide market for producer goods and raw materials.

The illusion of a *capitalism without exploitation and crises* – this is the idealist essence of the illusionary “purchasing power theory” of the reformist Left. The open bourgeois counterpart to this is the view held by monopoly managers like Opel/GM European boss Forster that the crisis could be avoided or solved by “reducing overcapacities” in the economy or avoiding them. Forster’s demand for the reduction of “overcapacities” is the demagogic fiction of a *capitalism without accumulation and without competition*. Coming from the mouth of a corporate chieftain, this is a transparent pseudoscientific attempt to justify the imminent mass destruction of jobs, shutdowns and layoffs.

All bourgeois and petty-bourgeois theories about the causes of the current world economic crisis make use of an empiricist or eclectic method. They pick out individual aspects of the Marxist-Leninist crisis theory and correctly apply them to the one or the other manifestation of the crisis – in order to distort or repudiate the essence and the all-round content of the Political Economy of Marxism-Leninism.

If the capitalists act “without moderation and social responsibility,” then not simply out of spite. *Capitalism only can exist by constantly accumulating capital*. This inevitably brings forth vicious and revolting behaviors, but they are more a peripheral phenomenon. The growth of capital is based essentially on the growing exploitation of wage labor through the appropriation of unpaid surplus labor. The law of competition forces the capitalists to make living labor more productive and replace it by machines. This higher organic composition of capital does in fact result in wage savings and increased exploitation of the workers, while the sum of the unpaid labor grows. But at the same time it means that more capital must be invested in machines. This diminishes the ratio of employed capital to obtained profit. To counteract this *tendency of the*

rate of profit to fall the capitalists must *increase the mass of profits* by expanding production as a whole and drawing more and more workers into wage labor or continuously extending their living labor time. If this does not succeed because, for example, the increased flood of goods often no longer can be absorbed by the stagnating markets, crises of overproduction and other manifestations of the overproduction of capital occur. According to Marx, the tendency of the rate of profit to fall, which he terms capitalism's law of crisis, "*appears as a threat to the development of the capitalist production process*. It breeds over-production, speculation, crises, and surplus-capital alongside surplus-population." (Marx, *Capital*, Vol. III, pp. 241-242; emphasis added)

Anyone seeking to abolish the capitalist crises must not tinker around on its symptoms, but must abolish capitalism and build socialism! This is the basic view of Karl Marx, which the theoreticians of the Left party really don't want to hear about anymore.

In the process of the reorganization of international production the 500 biggest supermonopolies subjugated the capitalist world market and capitalist world production to themselves. The basic economic law of modern capitalism today is the conquest and defense of a position of domination in the world market for the purpose of securing maximum profit. One consequence was the tremendous inflation of the equity capital of the 500 largest supermonopolies from US\$3.2 trillion in 1994 to \$11.1 trillion in 2007. During this period, even according to their official figures they increased their profits from \$282 billion to \$1,593 billion, or almost sixfold. This led to a *chronic overaccumulation of capital* because the markets did not keep pace with the growth of capital. This implies a chronic impossibility to expand the accumulated capital by creating maxi-

imum profit within the scope of the spontaneous cycle of production and reproduction. The glaring contradiction between the growing productivity and the complete inability or lack of interest on the part of the capitalists to use it for the benefit of mankind characterizes the extraordinary decay and chaos of the imperialist mode of production.

As long as capitalism could easily expand by including more and more countries in the capitalist mode of production and tapping new markets in this way, it was able again and again to delay the solution of its own inherent contradictions. This historic process is drawing to an end in tendency, because every new extension of the market is quickly overtaken by production, and because the now complete world market is proving to be just as much of a barrier as the restricted national markets used to be.

We sum up this new stage of imperialist development in the book, *Twilight of the Gods – Götterdämmerung over the “New World Order”*, in these words: “Imperialism comes up against a relative historic limit which it cannot overcome” (pp. 547-548).

The chronic overaccumulation of capital had a number of significant consequences which will put their stamp on the entire future capitalist mode of production:

Firstly, it led to a *chronic international structural crisis* on the basis of the reorganization of international production. More and more capital must be *constantly* destroyed for the process of production and reproduction to function at all. It is a widespread, mistaken belief that during the whole period of the reorganization of international production neoliberalism, that is to say, the keeping of activities of the state out of the economic sector, predominated. The whole process of the reorganization of international production would have been

impossible without continuous state crisis management. The role accorded to the capitalist and imperialist governments was to act as service providers for “their” resident supermonopolies, be it to finance general conditions for monopolist investment activities and competition, to initiate the required laws and agreements on a national and international level, or simply to support the supermonopolies’ expansion into other countries and shift the cost of these “services” to the masses in their respective countries.

The growing government share of the process of reproduction of monopoly capital and the socialization of the burdens of constant capital destruction objectively mean a *process of the increasing socialization of accumulation on an international scale.* This is an important *material prerequisite for the realization of the united socialist states of the world.*

Secondly: The gigantically overblown speculation assumed a dominant role in the world economy no later than with the reorganization of international production. It has become a *necessary, i.e., universal component of the self-expansion of capital, which calls for maximum profit.* In the last few years speculative capital has virtually exploded. The international finance sector grew about five times faster than production. In 2007 the worldwide financing volume – the totality of all credits, financial products, foreign exchange markets, etc. – came to 2.3 quadrillion euros. That is 65 times the value of the real world social product.¹³ To the extent the possibility of attaining maximum profits in the industrial process of production and reproduction becomes restricted on account of the chronic overaccumulation of capital, the international monopolies increasingly seek to speculate with their surplus capital on the international financial markets to obtain maximum profits in this manner. This leads at regular intervals, even

outside the cyclical overproduction crises, to the devastating bursting of speculative bubbles, each time throwing the entire bourgeois financial world into disarray. This greatly *increases the general instability of the bourgeois financial system.*

The petty-bourgeois crisis theoreticians from “Attac” have an entirely different explanation for the phenomenon of excessive speculation, however: “The financial markets have become independent.”¹⁴ According to them, speculative capital has become independent of real production as source of surplus value and the mass of profits, and one can distinguish between the “acceptable” tangible capitalist economy and unacceptable speculation. However, the bursting of the speculative bubble shows that speculation is rooted in the real overproduction of capital, for which it can provide temporary channels for the draining of capital, but from which it can only temporarily free itself with impunity. Speculation does not result in any real increase in value, but is itself only the anticipation of a future profit. Surplus value only can be produced by exploiting wage labor, i.e., exploiting living labor power. Speculation profit is thus purely “*predatory profit*” which is merely redistributed among the holders of the capital interests through the various forms of stock market speculation.

Speculation meanwhile has penetrated into *all social sectors of production, trade and life.* More and more pyramids and interlocking structures and forms of fictitious capital have been invented to carry the speculation further and delay the outbreak of the speculation crisis. For example, more and more industrial monopolies have set up banks to directly make money out of these speculative deals. One form of speculation also has promoted the speculative expansion of productive investments often far beyond the possibilities for realizing maximum profits through the sale of the goods. With the beginning of the world economic crisis the international automobile

monopolies, for example, diagnosed “overcapacities” of 39 million units worldwide.

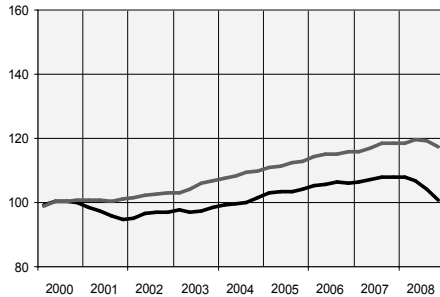
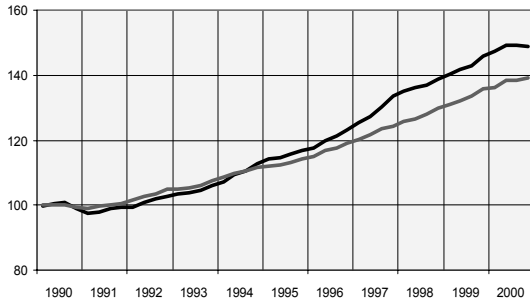
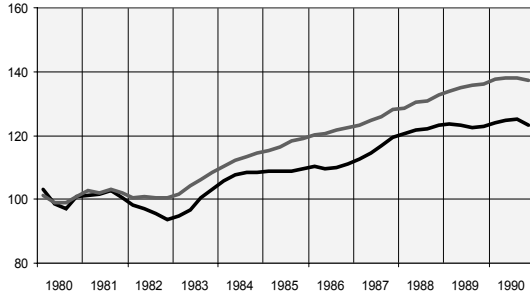
In the meantime, speculative capital increasingly dominates *all sectors of human welfare and the production and reproduction of immediate life*. Elementary goods like wheat, rice, water, healthcare, education, energy, social insurance, etc., have become objects of speculation. When speculative capital temporarily became concentrated in the raw materials and food sector in 2007/2008, it caused such a worldwide upsurge in prices that the poorest people in the countries exploited by imperialism no longer could afford this food. In spring 2008, in eleven countries hunger revolts took place in which two to three million people participated.

Thirdly: The capitalist world economy’s general susceptibility to crisis is growing, revealing itself particularly in the tendency to a shortening of the crisis cycle and the prolongation of the crisis and/or the following depression phase. Thus, the duration of the crisis cycle since the last world economic crisis in 2001–2003 shortened from previously ten years to 7.5 years. (Compare charts showing industrial output and gross domestic product in the crisis cycles 1980–1990, 1990–2000, 2000–2008 in the USA, Japan, Germany)

Fourthly: General crisis management becomes one of the chief economic functions of the state. Viewed in the medium term, all of the measures taken now to dampen the crisis are powder kegs! The billions for the “protective umbrellas” for banks and corporations cause the public debt to explode. The capitalist logic says that these billions can only be repaid by launching a new round of redistribution from the bottom to the top. This will call all social gains into question. There already have been

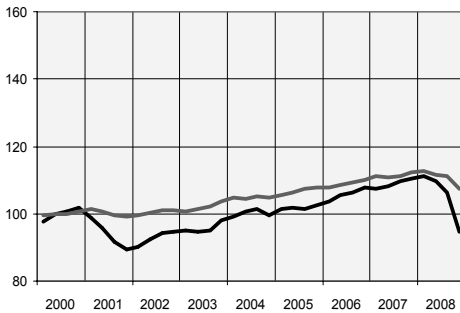
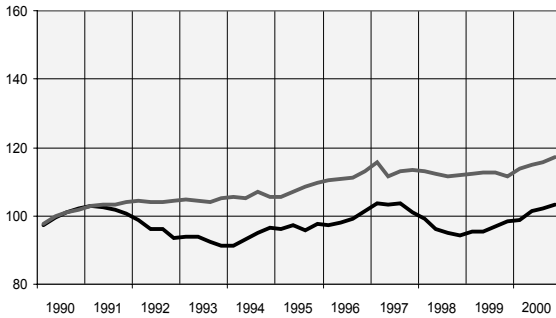
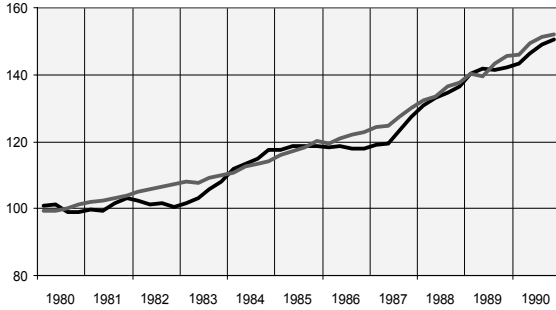
Industrial output and gross domestic product in three imperialist countries

Crisis cycle in the USA



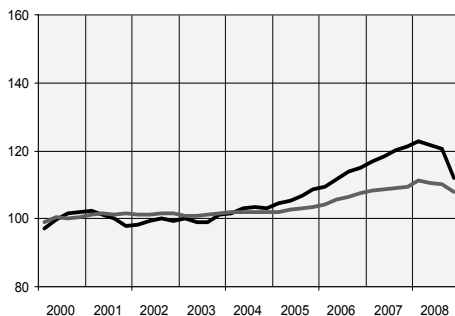
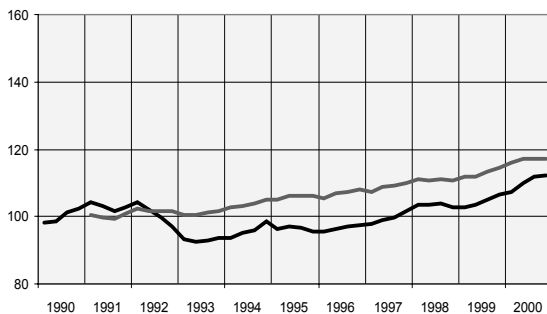
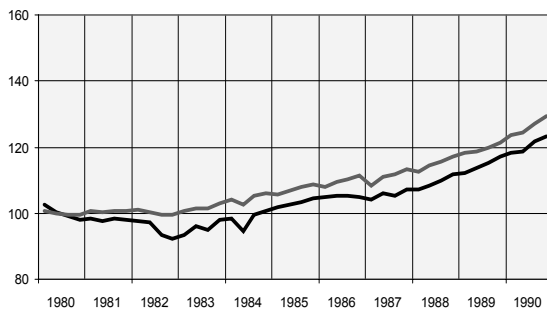
— Industrial output — Gross domestic product

Crisis cycle in Japan



— Industrial output — Gross domestic product

Crisis cycle in Germany



Note: Index 1980 = 100, 1990 = 100, 2000 = 100

Sources: OECD, German Central Bank; own calculations

repeated discussions in bourgeois circles about the “excessive Hartz IV unemployment relief rates.” The short-time work given as a gift to the monopolies will eat up the reserves of the Federal Employment Agency and lead to pension cuts due to the decline in total gross wages and salaries. The social insurance systems will collapse as a result of the sharp rise in unemployment. The present crisis can be overcome only at the price of the preparation of new, more comprehensive and deeper crises. And for all that the state crisis management itself is speculative, betting that the extensive state guarantees and securities provided for the banks and corporations will not be used and will entail no losses.

Fifthly: The dimensions of the present world economic and financial crisis make it unique in the history of capitalism. In the crisis *these factors for the overaccumulation of capital culminate in a general breakdown of the conventional world financial system and of the worldwide process of production and reproduction.* The state crisis management transmits the general proneness to crisis of the imperialist world economy to the national budgets and gives rise to the *chronic danger of a general national bankruptcy.*

The internationally coordinated crisis management

In the book, *Twilight of the Gods – Götterdämmerung Over the “New World Order”*, the MLPD stated:

Joint, internationally coordinated action by the three main economic powers, the USA, Japan and the EU, has been frustrated to date by imperialist rivalry. (p. 440)

On November 15, 2008, the heads of state of the G20 countries met in Washington for a hectically convened “historic world finance summit.” There had to be exceptional reasons for this! Indeed, owing to the new dimension of the world financial crisis and its interaction with the world economic crisis, international finance capital saw the acute danger of a collapse of the imperialist world financial system and internationally organized capitalist production. At the same time, fear grew of the unfolding of the class struggle on a broad scale to the point of mass strikes, unrest, revolts and revolutionary crises.

Taking into account the experience of the world economic crisis from 1929 to 1932, when crisis dampening measures of the state were largely dispensed with, a globally coordinated crisis management now was agreed. It was to have at least a volume of four percent of the world gross domestic product. The state bailout packages were supposed to prevent leading big banks from collapsing, and with them the international financial system. The central banks and imperialist states previously had pumped trillions of dollars into the money circuit with this in mind. Internationally coordinated interest rate cuts were supposed to revive the credit system. Russia, social-imperialist China, and the most important emergent countries like Brazil and India were included in the effort. So at this summit, the governments of 20 nations that together account for 90 percent of the world social product assembled. In its assessment of the Washington and London summits, the Federation of German Industries (BDI) particularly emphasized the renunciation of protectionist measures, the demand for the “guaranteeing of open markets for trade and investment”¹⁵ and the demand for higher equity capital standards for risky speculative transactions. This shows that ruling finance capital was chiefly interested in *maintaining the maximum profit producing economic structure even under crisis conditions.*

Temporarily putting aside the inter-imperialist contradictions had political and ideological reasons along with encouraging the huge national support operations for banks and industrial groups. The first G20 meeting was intended mainly to assuage the rapidly spreading distrust of the masses in the severely shaken capitalist financial and economic system. This is borne out by the sequel to the world financial summit on the 2nd of April in London. The agreements reached there to increase the funds for the International Monetary Fund and the World Bank and provide export guarantees – overall total 1.1 trillion US dollars – serve mainly to *prevent revolutionary crises*. The Thuringian newspaper *Freies Wort* of April 3, 2009, aptly describes the fears that dictated these measures to the imperialist governments:

At least it will help stabilize the regions where political turbulence threatens first, and with it especially dangerous consequences of the world economic crisis.¹⁶

At the same time, the display of unity put on by the participants of the world financial summit must not obscure the fact that behind the scenes a scuffle is in progress. The very enlargement of the G8 group to a G20 group is an expression of an *increasingly uneven development of the imperialist countries*. It is characterized by a weakening of US imperialism and Japanese imperialism and a strengthening of the chief imperialist competitors EU, Russia, China, as well as powers like India or Brazil which are pushing their way to the fore. China openly questions the dominance of the US dollar as international reserve currency. The federal government and the monopoly associations in Germany have announced their aim of emerging from the crisis as “winners.” The unparalleled *state economic stimulation programs* of the imperialist governments have reached the previously unheard-of volume of five trillion

US dollars worldwide. They serve above all to *strengthen the competitiveness of the international monopolies* of the respective country in the world economic crisis as well as to *damp the class contradictions*.

The two economic stimulation programs adopted by the *Merkel/Steinmeier government*, volume 80 billion euros, look modest by comparison. Because of the extremely high export rates of Germany's international monopolies, the government is aware that stimulatory measures have only a very limited effect. But the German monopolies attach special importance to their sophisticated method of rule of the social system of the petty-bourgeois mode of thinking to impede the further transition to the working-class offensive in the big industrial enterprises. And so the state has financed the extension of the payment of short-time working compensation from 12 to now 24 months, as well as assuming the employers' social insurance contributions as of the seventh month of short-time work, in order to avoid open mass layoffs if possible. At the same time, tax relief for the masses, higher child benefits, tax relief for people commuting to work, a reduction of health insurance contributions as well as an extraordinary increase in pensions have been granted. But these blessings for the masses, which are more symbolic in nature, are based on the assumption of a relatively short crisis which has to be bridged only until the predicted revival sets in. True, layoffs especially of colleagues with agency contracts and temporary employment contracts have taken place, but mass layoffs of the permanent workforce initially were avoided. This changed after the second crisis summit meeting of the German federal government in April 2009 when the economic forecast of December 2008 was completely revised and a deepening of the world economic and financial crisis assumed. The federal government does not expect the production volume to return to the pre-crisis level until 2012.



The strike of the Opel workers in 2004 initiated the transition to the working-class offensive on a broad scale

This means that the monopolies no longer base their assumptions on a transitional situation, but intend to effectively reduce their production capacities, meaning to say they will undertake mass layoffs and closures.

State crisis management not only has taken supporting measures and made financial resources available, but increasingly has taken on the function of *national capitalist*. That includes the direct intervention of the state in the banking system or in the crisis management of monopoly industry. It would be naive

to regard this nationalization of the banks as the transfer of monopoly ownership into the hands of the people. Rather the purpose is the *organized socialization of speculation losses and capital destruction* and the shifting of responsibility for them to society as a whole. As soon as these crisis-ridden banks again operate so that they obtain maximum profits, the state will again withdraw little by little from its direct economic participation in order to ensure the private appropriation of the billions in profits. All the same, because of the general increase in the crisis-proneness of the imperialist world economy we can expect that state crisis management will remain the most important function of state activity in the economic field. This process is one of the most important material preparations for socialism because it documents the *ineptitude of private-enterprise anarchy*. It truly cries out for overcoming capitalism and establishing socialism for the benefit of all mankind. This necessity and possibility once was pointed out by Lenin, who explained that

socialism is merely the next step forward from state-capitalist monopoly. Or, in other words, socialism is merely state-capitalist monopoly *which is made to serve the interests of the whole people* and has to that extent *ceased* to be capitalist monopoly. (Lenin, *Collected Works*, Vol. 25, p. 362)

The immediate orientation of the nation states to the function of supreme crisis managers has screwed up budgets worldwide. It is planned to finance more than half of the 2009 US budget of 3.4 trillion US dollars with \$1.8 trillion in new debt. This is like handing the financial jugglers operating on the world's exchanges a blank check for speculation to satisfy their insatiable greed for profit; it prepares the ground for tremendous new financial crises. The rapidly growing public debt is a lucrative source of profits for the banks, but can be financed

by the states only by raising taxes, further cutting public services, or heating up inflation in order to devalue the state debt. The “reforms” of the financial supervision of rating agencies and hedge funds announced at the world financial summit and the institution of an international “early warning system” essentially will not change this. The measures of the state communicate the crisis to the national budget, and sooner or later this will bring on *national bankruptcies in the individual nation states*.

Instead of a huge outcry about these unprecedented subsidies for finance capital at the expense of government budgets, from the leadership of the Left party we hear an offer to help shape and even expand the state crisis programs, an offer which it tries to sell with radical phrases. Oskar Lafontaine vindicated himself in the Bundestag by giving out the slogan that one has to step on the gas harder for the 580 billion euro government subsidy scheme for banks and corporate groups:

We have no other choice than to get the financial market system, as it's called, immediately back into operation.¹⁷

Relatively little has been brought “back into operation” to date by the state crisis programs, apart from the fact that the international financial systems have not yet collapsed uncontrollably. Apart from that we witness a sustained deepening of the world economic and financial crisis. Following the intermezzo of short-time work for 1.5 million workers, and the already effected layoffs of 500,000 mainly agency and temporary workers in Germany, the rulers now plan to put mass layoffs “into operation.”

Even after the crisis downswing one can hardly expect an immediate revival, let alone a period of prosperity, as was the case

for the world economy as a whole after the previous world economic crisis from 2001 to 2003. Instead, a *phase of depression* will follow, about which Willi Dickhut* wrote:

The *depression* completes the work of the crisis. It is characterized by stagnation in industrial production. In this phase, the capitalists try to find a way out of the crisis by lowering the production costs. (Willi Dickhut, *Crises and Class Struggle*, p. 80)

In all probability, this will lead to an unprecedented increase in the exploitation of the international working class. In the last world economic crisis, towards the end of the crisis phase, the 500 largest supermonopolies multiplied their profit per employee, according to their official data, from US\$2,871 in 2002 to \$15,926 in 2003 and to \$19,383 in 2004. Let us remember that in Germany the number of “marginal” part-time workers soared by 66 percent in 2003 and 2004, from 4.1 to 6.8 million; the number of temporary workers toiling for extremely low wages was catapulted in a few years to almost 800,000; general wage reduction was systematically pushed and the average wage level sank under what it had been in 1993. The “Agenda 2010” and the Hartz IV laws provided the necessary general legal framework for this.

The essence of the capitalist world economic and financial system has not changed one bit through the intervention of the state – the Left party would define this as “state control” – except that in the future there will be some state and intergovernmental institutions which are to become active when a crisis develops. What great social progress!

* Guiding intellectual force and cofounder of the MLPD. Head of the editorial staff of the MLPD theoretical organ for many years. Willi Dickhut died in 1992.

Nobody can predict today exactly how long the world economic and financial crisis and the subsequent depression will last. There are any number of indications that the depression will be more drastic than during the last world economic crisis.

The transitional phase after the crisis is a particular breeding ground for the sharpening of class contradictions and the open outbreak of the political crisis. Qualitative leaps in the transition to the working-class offensive took place at that point in the development of the crisis in 1984, 1993 and 2004.

In chorus with the entire petty-bourgeois Left – Left party, Attac, several union leaders, Trotskyite forces – the executive committee of the German Communist Party (Deutsche Kommunistische Partei, DKP) also imploringly calls for the “transfer of banks and corporations to public ownership under democratic control.”¹⁸ Its prayer was heard! The Merkel/Steinmeier government has meanwhile taken the Commerzbank and the Hypo Real Estate Bank under its state wings to avert their insolvency, in “democratically controlled” collaboration with the central organizations of finance capital. But that’s not all! The state promoted “bad banks” where hundreds of billions of euros of worthless speculative capital belonging to the distressed banks are more or less “transferred to public ownership” and can be resold as government bonds. The social progress of such a courageous nationalization cannot be overlooked. Every bank can now window-dress its balance sheet and so force up its stock prices. Nothing stands in the way of the renewed growth of speculative capital anymore. The executive committee of the DKP, however, beseeches the Left public: *That’s not what we meant – democratic control and the responsibility that the constitution demands of ownership have not been realized yet!* And who, if we may ask, is to realize this control under the dictatorship of the monopolies? The DKP’s

flight of fancy inspired by the trend to the left abruptly lands in a crash – the old familiar revisionist illusions of pushing back the power of the monopolies. Frederick Engels, to whom such fantasies were not unknown more than 130 years ago, would have been less enthused. He unequivocally declared:

The modern state, no matter what its form, is essentially a capitalist machine, the state of the capitalists, the ideal personification of the total national capital. The more it proceeds to the taking over of productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers – proletarians. The capitalist relation is not done away with. It is rather brought to a head. (Marx and Engels, *Collected Works*, Vol. 25, p. 266)

In state monopoly capitalism the monopolies not only have subjugated the state completely to their rule, merged their organs with those of the state apparatus and established their economic and political power over the entire society. Because of state monopoly capitalism's crisis-proneness since the reorganization of international production, the state becomes more and more the perfect national capitalist. As manager it drives the exploitation and oppression of the working class and the broad masses to extremes so that the power of crisis-ridden finance capital is maintained under all circumstances.

It cannot be overlooked that, confronted with such a new situation, the increasingly complex, completely internationalized imperialist economy again needs more the guiding role of the state. From an objective point of view, a unified world state would be necessary. Instead, what we have are nation states, whose relationship towards each other is either competition or dependence, as the decisive economic and power-political bases for the dictatorship of the international monopolies. Nothing else can exist under the power of international finance capital and with competition brought to a head!

What could be the nature of a world state? Should it be a bourgeois state, headed by Angela Merkel, Frank-Walter Steinmeier, Josef Ackermann, Klaus Zumwinkel, Hartmut Mehdorn, etc., under whose “democratic control” the destructive forces of the capitalist mode of production cause havoc without restraint and where the masses too are to be driven deeper and deeper into this disaster?

Or should it be a state that puts a stop to speculators, to a mode of economy based on the plundering of the working class for the benefit of a minority of the superrich? A state that guarantees, through conscious planning and distribution of the social resources, that the modern productive forces are applied in the interest of satisfying the growing material and cultural needs of the entire society! A socialist state of genuine democracy for the broad masses under the leadership of the working class – the dictatorship of the proletariat! To attain such a state it would be necessary, however, to eliminate in a revolutionary way the dictatorship of the monopolies, who are unwilling to share their power with anyone and will not give it up voluntarily either.

The potential of a revolutionary world crisis and the necessity of the cross-border coordination of the work of revolutionary parties and organizations

With the approaching May Day demonstrations in Germany in 2009, the chairman of the German Trade Union Federation (DGB), Sommer, warned of “social disturbances.” When Gesine Schwan, the SPD presidential candidate, echoed this consideration¹⁹, a heated debate was sparked off. Social disturbances

might be “provoked” by talking about them, was the reaction in particular of representatives of the Grand Coalition.²⁰ But Dennis C. Blair, the Obama government’s Director of National Intelligence and coordinator of the 16 US secret services, already had come to the conclusion in his “Annual Threat Assessment” of February 12, 2009, that the main threat to US imperialism no longer is from so-called international terrorism but, on the basis of the world economic crisis, from revolutionary struggles of the workers – in particular in Europe:

“The primary near-term security concern of the United States is the global economic crisis and its geopolitical implications,” said Blair, which can lead to “violent extremism.” He recalls explicitly “the dramatic political consequences wrought by the economic turmoil of the 1920s and 1930s in Europe” and points out that at the moment “Europe and the former Soviet Union have experienced the bulk of the anti-state demonstrations.”²¹

The present world economic and financial crisis has intensified all basic contradictions of the imperialist world system:

- The working class is affected most by the crisis through unemployment, intensified exploitation and general wage cuts. In the *class struggle against the international supermonopolies and their governments*, the international industrial proletariat, first and foremost, must exercise its leading role in the struggle against the imperialist world system.
- The *struggle for the liberation of women* goes hand in hand with the struggle of the working class for liberation from exploitation and oppression and includes the masses of the petty-bourgeois intermediate strata.
- The crisis aggravates the particular exploitation and oppression of the working-class youth and challenges them to *rebel*. The *masses of youth* must become the *practical vanguard* in the class struggle.

- *Active resistance against the development of a global climate catastrophe threatening mankind* must unfold across borders.
- The world economic crisis makes the imperialist countries and the international supermonopolies more aggressive in the struggle for the redistribution of spheres of influence and the world market. This sharpens the general danger of war and harbors the *danger of inter-imperialist wars*. The struggle for the defense of world peace must be utilized for revolutionizing the broad masses.
- These dramatic developments concentrate in the *deepening of latent political crises and the outbreak of open political crises*, which are connected in a law-governed way with the emergence of economic crises.

At the beginning of the crisis, mass struggles erupted in numerous European countries. The governments of Iceland, Belgium, and Lithuania had to step down. Britain, France, Italy and Hungary witnessed mass demonstrations and general strikes with millions of participants. *A general trend to the left among the masses* can be observed worldwide. In Latin America, after the ebb of the cross-border revolutionary ferment at the beginning of the millennium, this has led to the election of a number of progressive, partly anti-imperialist governments. In Nepal, the king was overthrown by a revolution; a mass debate has unfolded there over the further road to take in the new-democratic revolution on the way to socialism. Worldwide *a tendency has developed for growing parts of the masses to turn towards socialism*. However, the international trend to the left still manifests itself mainly in the broad masses' critique of the capitalist conditions and their search for a social alternative. Naturally, this is not free of Left-reformist and revisionist



Joint struggle of French and German Conti workers, April 2009

illusions. It will take the unfolding of the proletarian class struggle on a broad scale, and successful coping with the petty-bourgeois reformist and petty-bourgeois revisionist modes of thinking on a mass scale, to enable a revolutionary force to grow from this trend to the left. To the extent that economic and political mass struggles develop, that open class conflicts with the state apparatus take place, the *potential for a revolutionary world crisis* will reveal itself.

In Germany, the preparations for the situation of a permanent relative state of war are being intensified with the adoption of the “Security Strategy for Germany” by the CDU/CSU Bundestag faction on May 6, 2008. The establishment of a

“National Security Council” analogous to the one in the USA will serve the all-round militarization of all German foreign and domestic policy. The German Federal Intelligence Service (BND) has formed a *crisis management group* meanwhile because “the crisis is growing into the biggest danger for international security.”²² On the one hand, those in power want to influence the unfolding of the class struggle in a “de-escalating” way; on the other hand, they reckon with an upswing of the working-class struggles for which they are preparing themselves with their *fascization of the state apparatus*.

In connection with this, the tactics of monopoly capital in respect to the neofascists is changing. The refusal of the CDU Federal Minister of the Interior, Schäuble, to apply for the ban of the neofascists encourages activities by them where their character as openly terrorist shock troops against the revolutionary working-class movement becomes more apparent. On May Day 2009, for the first time since the Second World War the fascists attacked trade-union rallies and demonstrations in a concentrated way with the connivance of the state apparatus. Their aggression culminated in Dortmund, where 300 neofascists assaulted the demonstration with rocks and firecrackers.

Such deep social crises are always connected with the *polarization of the struggle between opportunist and revolutionary trends* in the working-class movement. The struggle between the proletarian and the petty-bourgeois modes of thinking in the working-class and people’s movements is unfolding. The Rightist union leadership advocates a line of open class betrayal and social chauvinism. While millions of blue-and white-collar workers are worried about their future, the chairman of the German Metalworkers’ Union, Berthold Huber, has initiated an “Agreement for the Future” which urges the workers “to continue to stand by the company” in the crisis.²³ Under the

pretense of saving jobs, Hubertus Schmoldt, the chairman of the Mine, Chemical and Energy Workers' Union, even held out the prospect of so-called opening clauses in wage agreements and thus voluntary wage reductions.

In particular in respect to revolutionary situations – the maturing of which can become immediate reality if the current world economic and financial crisis drags on and the class struggle develops – it will be fundamentally important for the revolutionary proletariat to draw a clear dividing line to opportunism. Lenin explained:

The objective situation in Europe is such that, among the masses, disappointment, dissatisfaction, protest, indignation, and revolutionary temper are mounting, which, at a certain stage of that temper's development, may turn into action with incredible speed. Either aid the growth and development of revolutionary action against one's own bourgeoisie and one's own government, or else hamper, soothe and extinguish the revolutionary temper—this is the only practical way in which the issue now stands. To achieve the latter of these alternatives, the liberal bourgeoisie and the opportunists will agree (and, from the standpoint of their interests must agree) to any verbal concessions to the Left, to any number of promises ..., reforms of every kind, anything under the sun, if only a rupture between the masses and their opportunist leaders, and a resumption of more and more serious revolutionary action can be averted. ("The State of Affairs in Russian Social-Democracy", Lenin, *Collected Works*, Vol. 21, pp. 281-286; www.marxists.org/archive/lenin/works/1915)

A new upswing of the struggle for socialism calls for a force superior to international finance capital and its imperialist world system. The strategic superiority of the revolutionary working-class movement can only develop through *proletarian internationalism*, the unification of the international working



“Forward to Socialism”, May Day 2009, Manila, Philippines

class all over the world in alliance with the broad masses of small and middle peasants and farmers, the petty-bourgeois intelligentsia and the anti-imperialist struggle of the peoples and nations.

Despite all the different historical and cultural characteristics and social and political conditions in the individual countries, which must be considered for the specific national strategy and tactics, the international socialist revolution also needs a *common fighting front*. It must bring the individual class struggles and democratic and progressive mass movements together into an internationally superior force against the imperialist world system. This requires that *in the different countries strong, autonomous Marxist-Leninist parties exist*

which have drawn effective conclusions from the revisionist degeneration of the old communist movement, are ideologically and politically clear, steeled in the class struggle, and very closely linked with the working class and the broad masses.

On the material foundation of the world financial crisis and world economic crisis, the understanding of and preparedness for the international union of the revolutionary forces is growing. Meanwhile more than 60 organizations are participating in the initiative for *building an international form of organization for coordinating the tasks in Marxist-Leninist party building and in the class struggle: ICOR*.

In the cross-border coordination and revolutionization of the international class struggle and the mutual support of party building, the course of giving a creative answer to the general crisis of capitalism will win through: *preparing and carrying out the international revolution* and achieving a socialist society free from exploitation of man by man – with the *perspective of the united socialist states of the world!*

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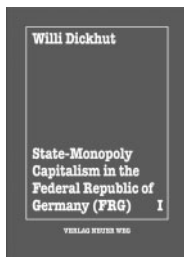
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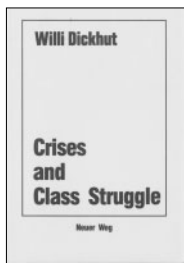


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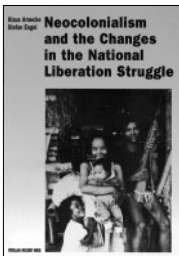


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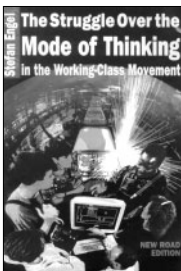


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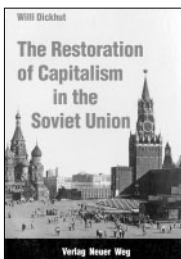


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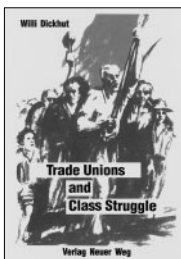


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