

On the world situation:

# IN THE FACE OF ANOTHER CRACKDOWN OF DECADENT AND ROTTEN CAPITALISM AND THE CORONAVIRUS PANDEMIC

## THE TRAITIONS OF THE REFORMISTS AND THE TASKS OF THE REVOLUTIONARIES

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This document is a contribution to the discussion on the world situation and the enormous historical tasks and responsibilities that fall on the international workers' vanguard. We know that, in the absence of an international regrouping of revolutionary Marxists, and in the absence of a proven and mature international leadership, the responses that small isolated revolutionary groups can give can only be partial and approximately correct. However, without these theoretical and programmatic approaches it will be impossible to advance in conquering the revolutionary regroupment that the proletariat needs and deserves in order to triumph, that is, to take firm steps on the road to re-founding our world party, the Fourth International. We put then to the consideration of the international working class vanguard the following contribution.

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## 1. INTRODUCTION

Towards the end of February 2020, a series of stock market collapses began in the world's stock markets, which by the 28th of that month had generated a loss of securities of such magnitude that there had not been a similar one since 2008, marking the beginning of a new crisis in the world capitalist economy. During the following weeks, the falls would continue with Black Monday on March 9, Black Thursday on March 12 and the following Black Monday on March 16, with the largest daily fall since the 1929 crisis. By mid-March, in just three weeks, Wall Street had lost the equivalent of everything it had gained since Trump came to power. By March 31 the losses on the Spanish and Italian stock markets were about 50 %, 40 % for the rest of Europe and 30 % for Wall Street.

The bourgeoisie talks about "the crisis of the coronavirus," trying to hide the fact that what we are really talking about is a new outbreak of the crack of the decadent and rotten capitalist economy. In reality, the capitalist system had long been bankrupt. The bourgeoisie had been kicking the crisis forward, injecting fresh, unsupported money into the U.S. repo market and printing and lending in Europe and Japan at zero or even negative rates, fictitiously sustaining the economy so that it would not go into recession. The coronavirus pandemic was only the pen that tipped the balance breaking the equilibrium point of the world economy, which had already been slowing down since 2018. Trump's trade wars against China, the EU (European Union), Mexico and Canada, etc., were the product of the deceleration of the capitalist economy, which was already threatening to enter a new crisis. Through these same trade wars, Trump was shaping the economy and the world division of labor to the needs of U.S. imperialism, while rationing the market share of his trade competitors. This, while allowing the U.S. to sustain the growth cycle of its economy, necessarily had to deepen the economic slowdown of its competitors. The slowdown of the world economy generated at the same time a fall in the demand for oil, which determined a crisis of overproduction of oil and a commercial war between Saudi Arabia and Russia, deepening the fall of the

stock markets on Black Monday, March 9th.

USA The U.S. was keeping the fictitious cycle going by injecting fresh money into the market, thus preparing for a major collapse of its economy. The coronavirus pandemic did not determine the outbreak of the crisis, but it undoubtedly accelerated and deepened it as much as it deepened the slowdown in the world economy. The fictitious growth cycle of the US economy had come to an end with a 4.8 % contraction in the first quarter of 2020 and the capitalist world economy, after "overcoming" the crisis of 2007/08, was entering a new and even greater bankruptcy.



Wall Street parasites in the face of collapsing stock markets.

We are then facing the beginning of a new end-of-cycle crisis of the capitalist economy, which is expressed as a crisis of enormous overproduction and accumulation of capital in certain branches of production, such as oil; crisis of underproduction in other branches, such as in face masks, respirators and other sanitary elements to confront the pandemic; and a health crisis resulting from the collapse of health systems around the world, undermined by all governments and regimes with the policies of "austerity" with which they unloaded the crisis of 2007/08 on the masses, all this in a world already divided among the great powers that puts on the agenda a new struggle among them for "a new distribution", today with trade wars and tomorrow, if not prevented by the proletarian revolution, with military means.

## 2. HOW CAPITALISM PREPARED THE CONDITIONS FOR THE HEALTH CRISIS

One of the characteristics of the capitalist mode of production is anarchy. The bourgeoisie, in its insatiable quest for profit, exploits the proletariat and nature, always seeking to obtain the maximum benefit. The search for immediate profit, outside of any plan based on the needs of the masses, leads the bourgeoisie to carry out actions that have unforeseen results. In this respect, argues Frederick Engels:

As long as the individual manufacturer or merchant sells a manufactured or purchased commodity with the usual coveted profit, he is satisfied and does not concern himself with what afterwards becomes of the commodity and its purchasers. The same thing applies to the natural effects of the same actions. What cared the Spanish planters in Cuba, who burned down forests on the slopes of the mountains and obtained from the ashes sufficient fertiliser for one generation of very highly profitable coffee trees – what cared they that the heavy tropical rainfall afterwards washed away the unprotected upper stratum of the soil, leaving behind only bare rock! **In relation to nature, as to society, the present mode of production is predominantly concerned only about the immediate, the most tangible result**(Frederick Engels, *The Part played by Labour in the Transition from Ape to Man*, 1876, bold ours).

Although it is not possible to rule out the possibility of the creation of the virus in a US or Chinese laboratory, we do not believe it is necessary, unless the evidence indicates it, to resort to that hypothesis. As soon as capitalism carries out an irrational exploitation of nature in search of an immediate benefit, the unexpected results can often play a dirty trick. The depredation of nature, the indiscriminate felling of trees, the intentional fires in the Amazon with the intention of gaining land for agriculture and cattle

raising, the trafficking of animals, among others, generate unforeseen results"such as the appearance of new diseases, epidemics and pandemics that affect to a much greater extent those who are exploited by the abysmal conditions of housing, food and economic and cultural degradation imposed on them by the capitalist system.

The coronavirus pandemic was not predictable, but it was foreseeable, since there have been pandemics in the recent past and scientists and specialists in the field had been warning about the issue. But the bourgeoisie did not predict or foresee anything. The capitalist governments first denied the importance of the disease and the WHO -that UN collateral in the service of the big monopolies of the imperialist health industry, laboratories and pharmaceuticals-declared COVID 19 a pandemic only on March 11, when it should have done so due to objective conditions as of the third week of January. The capitalist parasites were kicking the financial crisis forward and knew that the pandemic would affect the economy, deepening the crisis, as it finally did.

One of the necessary conditions for a way out of the 2008 crisis was the attack on the standard of living of the masses and, as part of this, the policies of "austerity" with its corollary of attacking the public health and education systems and their privatization. Hospitals lack basic supplies and staffing. At the same time, many health professionals cannot find employment, and the working conditions of those who do have jobs are precarious; to this panorama we must add that, with the budgetary suffocation of education, the number of health professionals is not sufficient, nor is the quality necessary to provide full coverage for the health of the popular classes.

Thus, the indiscriminate and anarchic exploitation of nature and the undermining of the health and education systems, created the conditions for a virus that usually parasitizes bats or pangolins to evolve as a zoonosis and lead to a pandemic that has already left thousands of dead around the world, with the corpses piling up in hospital corridors or buried in mass graves as in New York, USA, or rotting in the streets as in Guayaquil, Ecuador. And all this is aggravated



by a crisis of underproduction of basic supplies such as masks, antibacterial gel, respirators, etc, which has led to the spread of thousands of doctors and nurses, and has placed them before the violence of having to choose who to assign a respirator to, being forced to let the elderly die without adequate treatment - many of them workers who contributed their entire lives to the social security systems and now, when it is their turn to make use of them, their right to enjoy them is expropriated - or those who were considered part of the population at greatest risk, as is the case in Spain and Italy.

We are paying for the defeats of the world working class and the thousand and one attempts of the international proletariat to take power: hundreds of revolutions throughout the 20th and early 21st century defeated by the betrayals of the reformist leaderships. In a socialist society, with its planned economy, a balanced distribution of housing, overcoming the opposition between town and country, a rational exploitation of nature, a population of well-

fed producers with strong defenses, a high cultural level based on the most developed scientific knowledge, solid health and education systems, and the most advanced productive forces put at the service of the needs of society, with its enormous amount of resources; for that society COVID 19 could never represent a challenge. Thus, a virus that with a rational organization of society would not have caused any problem to the human being, has been transformed into an uncontrolled catastrophe and a real massacre of thousands of exploited and oppressed people all over the world. Meanwhile, the rich, those parasites who created the conditions for this capitalist barbarism, are carrying out their quarantines in their yachts, their summer homes or their mansions, where they do not have to worry about the lack of food and supplies, proving once again that in this system, natural and economic disasters, if not paid for by the bourgeoisie with the proletarian revolution, are always paid for by the exploited by immersing themselves in the worst of barbarities.

### 3. GOVERNMENTS RESPOND TO THE CRISIS SAVING THE CAPITALISTS AND DUMPING IT ON THE EXPLOITED

The bourgeoisie, in the face of the economic crisis, has responded by saving the parasites of finance capital and unloading it on the exploited. U.S. imperialism had been buying up treasury bonds through the Fed (Federal Reserve System, U.S. central bank) and injecting from the end of 2019 millions of dollars into the repo market to prevent interest rates from skyrocketing and illiquid banks from going bankrupt. The repo market is at the service of bankers, who lend each other short-term liquid money to falsify their balance sheets and comply with legal requirements. The rise in interest rates to historical levels was a sign that banks no longer had money to lend to each other and that their coffers were empty. The Fed intervened by printing money and pumping into the repo market billions of dollars a day for months to prevent interest rates from skyrocketing and starting a string of bank failures. By October it had pumped in \$1.061 trillion.

This only kicked the crisis forward. However, with the expansion of the pandemic outside of China and the economic deceleration, the crisis became uncontrollable and the bourgeoisie could no longer prevent a new blow from the *crack*. The US bourgeoisie responded to it by lowering interest rates to zero percent, and with the Fed injecting \$700 billion, buying treasury bonds and junk debt bonds, even buying debt bonds issued by the same companies. Later, with a gigantic fiscal stimulus for two trillion dollars, that includes tax exemptions and subsidies for the transnationals, checks for \$1,200 million for more than one hundred million citizens - a measure of containment to make the attack on the exploited pass through, and to make them accept salvation from the parasites of Wall Street - that is added to the \$300 billion in credits at zero rates for the companies in bankruptcy.

Germany, in turn, promoted a rescue plan of 822,000 million Euros, of which 400,000 were destined





to the partial nationalization of companies to avoid their bankruptcy. Once again, the states and capitalists nationalized the losses and privatized the profits. Similar measures were promoted in the rest of the EU countries and Japan. Meanwhile, the European Central Bank announced, among other measures, a new refinancing program called PELTRO, where the banks can ask for loans with negative interest of 0.25 %.

Meanwhile, taking advantage of the pandemic in their favor, and with the complicity of the treacherous leaderships, they began to unload the crisis on the masses with layoffs of millions of workers, making the labor force more flexible and with an enormous cost of life that threatens to leave millions of exploited people throughout the world in the worst misery. In the US alone, by the first days of May, 33 million formal jobs had been lost in seven weeks, that is, almost one out of every five workers had lost their jobs. To this sum must be added millions from the informal economy, such as migrant workers, who do not enter the statistics. The ILO (International Labour Organization) forecasts the loss of 10.5 % of working

hours worldwide, which is equivalent to 305 million jobs, if we take into account weeks of 48 hours. According to the same source, the crisis directly affects 76 % of informal jobs. In addition, the monetisation of the debt, that is, the injection of fresh money into the coffers of the banks and the transnationals in exchange for treasury bonds and junk debt bonds, is paid by those exploited by inflation, attacks on health, education, layoffs, etc.

At the same time, they Bonapartized the regimes by declaring states of emergency and attacking democratic freedoms, with the excuse of “quarantine”. The fact is that, as Lenin defined, imperialism is reactionary throughout the line and imposes the most undemocratic governments and regimes it can. Meanwhile, as the pandemic develops, the health systems around the world are collapsing one by one, undermined by the policies of attacking public health promoted by all the governments worldwide. The global death toll, according to official data, exceeds 300,000 - the actual figure is surely incalculably higher - and the number continues to rise.

## 4. WITH THE BEGINNING OF THE CRISIS, IT IS QUESTIONED THE CAPITALIST EQUILIBRIUM

Trotsky defines capitalist equilibrium as follows:

Capitalist equilibrium is an extremely complex phenomenon. Capitalism produces this equilibrium, disrupts it, restores it anew in order to disrupt it anew, concurrently extending the limits of its domination. In the economic sphere these constant disruptions and restorations of the equilibrium take the shape of crises and booms. In the sphere of inter-class relations the disruption of equilibrium assumes the form of strikes, lockouts, revolutionary struggle. In the sphere of interstate relations the disruption of equilibrium means war or – in a weaker form – tariff war, economic war, or blockade. Capitalism thus possesses a dynamic equi-

librium, one which is always in the process of either disruption or restoration. But at the same time this equilibrium has a great power of resistance, the best proof of which is the fact that the capitalist world has not toppled to this day.

(León Trotsky, *Report on the World Economic Crisis and the New Tasks of the Communist International*, June, 1921).

The current capitalist crisis combines three aspects and each one of them acts in a different way on the capitalist equilibrium: we refer to the crisis of overproduction in the framework of a world already divided among the powers, the underproduction of elements of health to confront the pandemic and the health crisis resulting from the disinvestment of the bourgeois States in public health and education.



Looting in southern Italy.

As we stated above, the capitalist crisis was postponed. However, the bourgeoisie was already launching its attacks on the standard of living of the masses, with fiscal, labor and pension reforms, etc. These attacks had generated a whole series of responses from the masses that set up foci of revolutionary struggle as in France, Chile, Colombia, Haiti, Honduras, Iraq, Iran, Hong Kong, Lebanon, Algeria, among many others. The pandemic acted by disorganizing these battles, making them go backwards in time; and the bourgeoisie, with the collaboration of the traitorous leaderships, through an offensive on democratic freedoms and the strengthening the Bonapartist features of the regimes, managed to immediately remove the masses from the scene. Even so, the fighting was not crushed, but diverted and contained. At the same time, the economic crisis immediately prepares new leaps in the class struggle and new ruptures in the ultra-precarious equilibrium between the classes conquered by the bourgeoisie today. Hundreds of conflicts are even erupting in the world, from Argentina to Spain, from Italy to Mexico and the US, of uprisings by workers who are forced to work in unhealthy conditions, even in branches of production that the governments themselves do

not consider essential, fighting for healthy working conditions and paid quarantines. It is to be expected that when the pandemic is under control - or perhaps sooner, if it is sustained for a long time - and the masses want to return to their jobs, they will find that, in the conditions of economic crisis, capitalism is incapable of re-establishing their jobs, generating the conditions for new higher class clashes. What is at stake again is which class pays for the capitalist bankruptcy, whether the bourgeoisie with the proletarian revolution or the proletariat with job losses, conquests, the cost of life, fascism, wars, etc.

On the other hand, the health crisis has generated an enormous speculative business based on a crisis of underproduction of materials and inputs to address the pandemic. This has generated that, to the commercial wars that were being developed before the outbreak of the current crisis, the fight between the States and governments for materials and supplies has been added. Thus, we saw France confiscate 4,000,000 masks destined for Spain and Italy - EU member countries and partners - which were being sent through its territory, although after complaints from its partners it released 1,000,000 for each, leaving only 2,000,000. In addition, an order



for 6,000,000 masks from Germany disappeared from an airport in Kenya. Also the interior minister of Berlin accused the US of 'modern piracy' and of seizing 200,000 masks confiscated in Thailand. France accused the U.S. of diverting Chinese masks by offering more money for them just before they were shipped, and in Miami a shipment of 600 Chinese respirators destined for Brazil was blocked just before shipment and sold to local buyers. There are even fights between different US states over ventilators and respirators, and between them and the Federal State, causing prices to soar. Thus, the crisis of underproduction of sanitary supplies and materials, a fabulous business for speculators, calls into question the balance between the states and the order of the day for acts of pillage, sharpening the inter-bourgeois and inter-imperialist disputes.

But if the crisis of underproduction of health inputs and materials calls into question the balance between the states that are ripping them out of their hands, the crisis of overproduction, in the context of an already scattered world market that is shrinking, can only worsen the trade wars and the struggle for markets and zones of influence. As Lenin says, the monopoly does not liquidate competition, but brings it to its knees. "America first!" Trump said, and from the moment the economy was slowing down in 2018, he launched his tariff and trade wars to shape the world division of labor according to the needs of his transnationals. The fact is that, in conditions of crisis, the US makes its condition as a dominant power weigh much more heavily than in times of upsurge. With its tariff wars on China, it has sent a number of state and private enterprises into bankruptcy, some of which have been saved by the Chinese state. It also imposed on the bourgeoisie of the CCP to open its economy and its banks to investment by the imperialist transnationals, which, as a result of these reforms, could begin to acquire more than 50% of the shares and which are already rubbing their hands in the loot. In addition, it imposed sanctions on the North Korean bourgeoisie to bring it to its knees. In North America, it imposed the renegotiation of NAFTA on Mexico and Canada. Meanwhile, he is maintaining his counter-offensive in his backyard with the Helms-Burton Act, with which he is disputing the business of capitalist restoration in Cuba with

Canadian, French, Spanish and other imperialisms. He imposed a fascist coup in Bolivia to strike at the Latin American Revolution and take over the privatization of natural resources and lithium. He tried to impose a coup several times in Venezuela, put a price on Maduro's head and surrounded that nation with his military fleet and the collaboration of 22 Gurkas armies, seeking to keep the oil and natural resources, while confiscating Venezuelan assets abroad. Meanwhile, the EU is trying to sneak into the Yankee's backyard with trade agreements like the one just ratified with Mexico or the one they are promoting in MERCOSUR. In the Middle East, the US occupied the Syrian oil wells, plundering them. It assassinated the Iranian Quds Force commander Qasem Soleimani to force the Iranian bourgeoisie to sit down to negotiate while imposing economic sanctions on him. In Europe, it imposed trade sanctions on the EU and called into question the Nord Stream II project, which allows Germany, in partnership with the great Russian oligarchy represented by Putin, to plunder Russian gas through a new pipeline connecting Russia directly to Germany through the Baltic Sea, putting Ukraine and the Kiev government, an agent of the Yankees, out of business, losing Ukraine's international importance as a transit country and putting the US out of business, which has been supplying liquid gas to the EU at much higher prices. Germany has already defined that the project will be carried out.

But trade disputes and the struggle for markets are not limited to the initiative of the US. The world market rationing imposed by the US on the EU is causing it to crackle everywhere, generating nationalist tendencies within the states and a centrifugal force that threatens to blow it up everywhere. The Brexit, with the exit from the union of what was until then the second most important economy of the union is a clear example. But the disputes do not stop there. Italy and Germany accused France of being colonialist for its policy of plundering Africa through the CFA franc. France, which has just signed the Treaty of Aachen with Germany -an agreement of political and military collaboration- responded with the ECO (denomination of the new currency, continuity of the CFA franc), extending its zone of influence to the entire ECOWAS (Economic Community of West





African States) market, but incorporating Germany into the business. Thus, two incipient imperialist axes are beginning to be defined in the struggle for the markets and the zones of influence on a world level. On the one hand, the one headed by the United States, with vassal imperialisms like Japan, Canada, England, Australia, etc. And on the other, the Franco-

German axis, which seeks to maintain the European Union as its vital space and prevent Spain, Italy, Greece, etc., from going after the dominant imperialism. In the coming period we will undoubtedly see new 'brexits' and new centrifugal forces questioning the reactionary European Union of Maastricht.



G7 Leaders (Group of Seven) Summit in Quebec, Canada, June 2018.

This does not mean that there are no opposing interests among the imperialisms that, in principle, seem to be aligned; for example, China is a disputed terrain between the US and Japan. The Franco-German axis has become involved in that struggle, not only with the investments of its transnationals, but with the new 'Silk Route', the Chinese project of infrastructures and maritime, land and rail routes that allows it to position itself before the imperialist transnationals as a recipient of investments that would allow them to export their goods to the rest of Asia, to Africa, and Europe, through the new routes, thus increasing labor productivity and making goods cheaper, while giving them access through the same routes to their juicy domestic market of 400 million middle class consumers. The Franco-German axis leading the EU, taking advantage of the gaps opened between the US and Japan by the control of

China, with the new silk route is thus positioned on its offensive for the colonization of China.

At the same time, the struggle for Russia is sharpening. Already Trump has defined a policy of military encirclement of Russia through NATO, its military bases and anti-missile shields watered by the Eastern European states, and the military bases installed in Japan to encircle Russia from the Far East. To this must be added the economic and political sanctions imposed in 2014 for daring to take Crimea without the permission of its masters, which earned it a recession that continues to this day. At the same time, US imperialism is one of the biggest investors in Putin's Russia, seeking to position its transnationals in the colonialist offensive. The crisis is accelerating the race to define which power or bloc of powers gets the business of re-colonizing Russia. Germany and France, while keeping one foot inside NATO and





also applying sanctions in 2014, are responding to the aggressive policy of the US with a *New Deal*, or 'good neighbor' policy, associating the Russian bourgeoisie in the plundering of their natural resources. That is why Macron maintained at the G7 summit in Biarritz, in August 2019, that relations with Russia must be normalized, and in November of the same year, in a meeting he told the Secretary General of NATO, Jens Stoltenberg: "The enemy is not Russia or China, but terrorism.

It cannot be ruled out that, if the bourgeoisie manages to control the pandemic, it will immediately succeed in regaining a very precarious point of capitalist equilibrium, on the basis of a very brief and weak recovery of the economy. This scenario could combine the struggles of a sector of the proletariat for the redistribution of wealth with the struggles of sectors of the masses for not bearing the costs of the crisis and could generate a revolutionary situation.

However, the most likely scenario is that of an immediate sharpening of the clashes between classes and a leap in inter-bourgeois disputes. The crisis puts once again on the agenda the struggle between revolution and counter-revolution on an international level. The imperialisms are currently in a real race to see which one unloads the crisis more and first on its own proletariat and which one positions itself better in that way for the inter-imperialist disputes. In this sense, the U.S. offensive trying to ration the mar-

ket in Europe becomes a revolutionary factor, since it forces the European bourgeoisie to clash head-on with its own working class, and also with its own colonies and semi-colonies. In that framework, the native bourgeoisies are trying to rely on the inter-imperialist breaches to defend their share. This is how we see it with Maduro, for example, flirting with the Italian ENI and the Spanish REPSOL to privatize PDVSA and negotiate from that location with the US government. The crisis is then preparing a leap in the trade wars, the struggles for the zones of influence, the sources of raw materials, etc. It also prepares new outbreaks of the regional markets - as is already happening with Mercosur - new crises of the institutions of international domination of imperialism, including new colonialist wars of occupation and, if the proletarian revolution does not prevent it, new inter-imperialist wars. Macron and Merkel, affirming the need for a purely European NATO - which, with the enormous military investment that it implies, would be a way of developing a counter tendency to the fall in the rate of profit, which would allow them to get out of the recession-, announce, if it takes place, the loss of the European arms market for the US and, without doubt, a new arms race between the US and the Franco-German axis that would put on the agenda a new war for the distribution of the world.

## 5. HOW IMPERIALISM CAME OUT OF THE 2008 CRISIS

The 2008 crash marked the beginning of a new revolutionary historical period, determined by capitalist bankruptcy in a world already divided among the great imperialist powers. A revolutionary period does not mean that the proletariat can pretend to take power at any moment, but what characterizes it is the lack of stability of the capitalist equilibrium point, the sudden changes in the situation. In this respect, Trotsky maintains:

The revolutionary character of the epoch does not lie in that it permits of the accomplishment of the revolution, that is, the seizure of power at every given moment. Its revolutionary character consists

in profound and sharp fluctuations and abrupt and frequent transitions from an immediately revolutionary situation; in other words, such as enables the communist party to strive for power, to a victory of the Fascist or semi-Fascist counter-revolution, and from the latter to a provisional regime of the golden mean (the "Left bloc," the inclusion of the social democracy into the coalition, the passage of power to the party of MacDonald, and so forth), immediately thereafter to force the antagonisms to a head again and acutely raise the question of power. (León



Trotsky, *The Third International After Lenin*, 1929).

Obama and Raúl Castro.

In the revolutionary period that began in 2008, the conditions of crisis, wars and revolutions that characterize the entire imperialist epoch are sharpening. From the last crises imperialism had come out advancing in the capitalist restoration of the former workers' states, that is, winning for the world market the economies of the states of Eastern Europe, Russia, China, Vietnam, etc. The capitalist restoration was, as Trotsky defined it, an injection of fresh blood into the sclerotic veins of the decadent and rotten imperialist system. It also came out with wars like Afghanistan and Iraq. By 2008 the economies of most former workers' states had been absorbed into the world division of labor as colonies and semicolonies of this or that imperialism.

Moreover, the U.S. working class had been confronting the hated Bush administration and no longer allowed a new military adventure. Between the heroic Iraqi resistance and the combat of the U.S. proletariat a "Vietnam scenario" had developed that had left the U.S. imperialist general staff in serious crisis. Obama's victory, which reformism presented as "the expression of the struggles against Bush"-hiding that it was really the bourgeois expropriation of his battles-, allowed the dominant imperialism to re-compose its general staff and re-legitimize the regime of the Republicrats. Beginning in 2009, the economic recovery of US imperialism began, initiating that year the most extensive cycle of growth in its history, although at relatively low rates. However, as is the norm in this decadent system, it was a fictitious cycle, based on speculation and the creation of destructive forces.

It is from there that Yankee imperialism, strengthened by the betrayals of reformism, began to launch its counter-offensive. The more it defeated the masses of the colonial and semicolonial world, the stronger it was to attack the standard of living of millions of exploited people in the interior of the U.S. with high costs of living, layoffs, wage cuts, taxes, etc. This allowed it to strengthen itself to win the disputes with the other powers, leaving imperialist countries like Greece, Italy and Japan in recession or with very low rates of growth. Thus, Greece, an imperialist country that is a lackey of Germany and the US, lost 23.6 % of its GDP from 2008 to 2018. Italy, the third largest economy in the Eurozone, only behind Germany and France, has been sustaining the same per capita GDP since 1998, and this year entered its fourth recession since 2008. France has been growing since that same year at an average of only 0.9 % per year. And Spain, for its part, began an economic recovery from 2014, coming to recover by mid-2018 values similar to those before the crisis of 2007/08. However, this growth was based on speculation, as indicated by the fact that the level of employment only recovered by 51 % until mid-2018. For its part, Japan has grown from 2008 to 2018 an annual average of 0.5 %.

To carry out his counter-offensive, Obama relied on counter-revolutionary pacts with his agents: that of Chávez-Uribe to surrender the Colombian resistance, that of Obama-Castro to hand over Cuba to Wall Street, the nuclear pact to discipline the Iranian bourgeoisie, the Geneva, Astana and Sochi agreements to crush the Syrian Revolution, and the Minsk agreements to surrender the Dombas militias in Ukraine, among others. These counter-revolutionary pacts could only be carried out by the betrayals of the workers' bureaucracies and aristocracies and the leaderships of the reformist left. Thus, in the face of the revolutionary responses of the working class on an international level, it was these leaderships that were in charge of betraying those battles, creating the conditions for the masses to suffer harsh defeats. In Latin America they maintained the farce of the Bolivarian 'Revolution', diverting the struggles of the Latin American proletariat. In sub-Saharan Africa they supported the popular-front governments and their policy of "Pan Africanism. In the U.S. they





dedicated themselves to “pressure” on Obama and the Democratic Party and then knelt down before Sanders. In Europe they supported the Syriza ‘New Left’, Podemos and the left wing of the Labour Party led by Jeremy Corbyn, while the social-democratic and Stalinist union bureaucracies transformed the general strikes of the European proletariat into economic pressure struggles for the bourgeoisie to ‘contain’ the adjustments. In the Ukrainian civil war, they sustained the fascist insurrection of Maidan or presented Putin, the executioner of the masses of Eurasia, as an ally of the Dombas workers. All collaborated in the defeat of the revolutions in North Africa and the Middle East, promoting and sustaining the parliamentary detours that prepared the way for new Bonapartist coups, or openly sustained the counter-revolution by slandering the workers’ militias of Libya and Syria as being terrorist or armed by the CIA and NATO. In Asia, they support the CCP, which they present as an ally of the peoples of the world to fight for a “multi-polar world”.

This whole regrouping of social-democratic, Stalinist, Zapatista, anarchist and renegades from Trotskyism, defenders of the policies of “minimum and maximum program”, of “pressure” on the bourgeois institutions, of stagism, are the ones that, with their betrayals, allowed imperialism to unload the crisis on the masses and advance in conquering a precarious capitalist equilibrium and a new cycle of growth. In this imperialist epoch of decadence of the productive forces, the explanation for the economic recoveries must not be sought in the automatic laws of the capitalist economy, but in the laws of class struggle. Only by unloading the crisis on the masses, will imperialism be able to advance in creating a new cycle of expansion which, without doubt, will be based on the development of more parasitism, of destructive forces, and on a new leap in barbarism and decadence. Socialism or barbarism, proletarian revolution or fascism, are the historical alternatives which, with the explosion of the crack, are more and more a reality.





## 6. THE VALIDITY OF LENIN'S THEORY OF IMPERIALISM: IMPERIALISM IS SUSTAINED BY REPRODUCING PARASITISM. NEW BUBBLES PREPARE THE DEEPENING OF BANKRUPTCY

Lenin defines imperialism as follows:

(Lenin, *Imperialism and the Split in Socialism*, 1916).

We have to begin with as precise and full a definition of imperialism as possible. Imperialism is a specific historical stage of capitalism. Its specific character is threefold: imperialism is monopoly capitalism; parasitic, or decaying capitalism; moribund capitalism. The supplanting of free competition by monopoly is the fundamental economic feature, the *quintessence* of imperialism. Monopoly manifests itself in five principal forms: (1) cartels, syndicates and trusts—the concentration of production has reached a degree which gives rise to these monopolistic associations of capitalists; (2) the monopolistic position of the big banks—three, four or five giant banks manipulate the whole economic life of America, France, Germany; (3) seizure of the sources of *raw material* by the trusts and the financial oligarchy (finance capital is monopoly industrial capital merged with bank capital); (4) the (economic) partition of the world by the international cartels has *begun*. There are already over one hundred such international cartels, which command the entire world market and divide it “amicably” among themselves—until war *redivides* it. The export of capital, as distinct from the export of commodities under non-monopoly capitalism, is a highly characteristic phenomenon and is closely linked with the economic and territorial-political partition of the world; (5) the territorial partition of the world (colonies) is *completed*.

Against all revisionist theories that speak of a “neoliberal stage” of capitalism, in which it would be proposed for the proletariat the struggle against neoliberalism in alliance with the anti-neoliberal bourgeoisies, the Trotskyists maintain that the theory of Lenin’s imperialism remains in full force and that the decomposition of capitalism raises the immediate need to fight for the socialist revolution. We affirm that the features of imperialism described by Lenin in the quote above are the same that define capitalism today. That a handful of monopolies with a handful of banks merged with them, 1% of humanity, that are concentrated in a few blocks of Wall Street, the City of London, Paris, Berlin and Tokyo, already concentrate more than 50% of the wealth of the world. A handful of advanced nations dominate the immense majority of oppressed nations of the colonial and semi-colonial world, in a planet whose territories are already divided. These advanced countries concentrating finance capital-merging monopoly capital industrial and banking - that have developed to gigantic degrees the parasitism, that is, the rentier sector, whose characteristic feature is separation from production, capital export and exploitation of the labor of several colonial and semi-colonial countries.

Another of the fundamental features of imperialism is decomposition. The economic law that governs all of humanity’s historical development is that of work productivity. This law drives the human being to to extract from nature the greatest possible amount of wealth, using the least amount of manpower possible. This law, in capitalism, is expressed as competition between the different individual capitalists. This competition forces the capitalists individual to develop the productivity of the work, incorporating latest



technology machinery to the detriment of live work. This is how the free competition capitalism of the nineteenth century engendered the monopoly, and therefore, the decomposition of capitalism. The tendency to incorporate machinery to the detriment of the number of workers develops a tendency for the capitalists' rate of profit to fall. In other words, they must invest increasing amounts of capital in order to receive a proportionally smaller profit. The tendency for the rate of profit in production to fall, as a consequence of the increase in constant capital - from which no capital gain is extracted - to the detriment of variable capital - labor force, the only source of value creation and, therefore, of capital gain - generates the need for the monopolies to artificially brake the application of the latest technology and advances in science to production. The automation, robotics, artificial intelligence, etc., under this decadent system, are put to the service of developing destructive forces instead of putting them at the service of developing the productive forces, which would serve to liberate man to a great extent from the weight of the work. The war industry has become a fundamental economic factor in the imperialist era, since in war production is destroyed, generating an almost unlimited market and generating, for that reason, a fundamental counter-trend to the drop in the rate of profit. That is why the III International:

The normal development of the industrial cycle was cut short by the war, which itself became the most powerful economic factor. The war created virtually unlimited markets for the basic branches of industry, completely secure against com-

petition. This reliable and insatiable customer was ever in want of goods. The production of the means of production was replaced by the production of the means of destruction. Primary necessities were devoured at very higher prices by millions of individuals engaged not in production but in destruction. This process meant ruin. But by virtue of the monstrous contradictions of capitalist economy this ruin assumed the guise and form of enrichment. The state floated loan after loan, one issue of paper money followed upon another and the state budgets which used to carry millions began carrying billions. Machines and equipment became worn out and were left unrepaired. The land was poorly cultivated. The capital construction work in the cities and on the systems of communication was discontinued. Meanwhile the number of government bonds, credits and treasury bills and notes kept growing incessantly. Fictitious capital swelled in proportion as productive capital kept being destroyed. The credit system became transformed from a means of circulating commodities into a means of mobilizing national wealth, including that which is still to be created by future generations, for war purposes.

(Third Congress of the Communist International, *Theses of the Third World Congress on the International Situation and the Tasks of the Comintern*, July, 1921).



Lenin at the First Congress of the Third International

In the imperialist era, war has become a factor of first order, as we will demonstrate later. But first we must stop at a fundamental question: Does the fact that capitalism is in its decadent epoch, of decomposition of the productive forces, mean that it is incapable of creating new cycles of growth? In this respect, Trotsky argues:

The explosive character of this new epoch, with its abrupt changes of the political flows and ebbs, with its constant spasmodic class struggle between Fascism and communism, is lodged in the fact that the international capitalist system has already spent itself and is no longer capable of progress as a whole. This does not mean to imply that individual branches of industry and individual countries are in-

capable of growing and will not grow any more, and even at an unprecedented tempo. Nevertheless, this development proceeds and will have to proceed to the detriment of the growth of other branches of industry and of other countries. The expenditures incurred by the productive system of world capitalism devour its world income to an ever increasing degree.

(Trotsky, *The Third International After Lenin*, , 1929).

The enormous productive forces conquered by capitalism, in contradiction to the narrow borders of the national states, cannot be developed in block and there can only be cycles of development, in certain branches, in certain countries, to the detriment of





the rest of the world economy. This decline sharpens the competition between the great powers and the monopolies, first as commercial wars and then as real insurrections of the productive forces against the borders of the national states, in inter-imperialist wars for the control of the markets and the zones of influence.

Another of the consequences of the tendency towards a fall in the rate of profit is the need, on the part of the imperialist monopolies, to look for new sources - detached from the process of production - to valorize their capital. Thus, in the face of the fall in the rate of profit, capital flees from the productive process to concentrate on the development of fictitious values, which are not the product of human labor, but of speculation, that is, surplus value which is expected to be wrenched from the proletariat in the future. Thus, the cycles of growth are based, not on the production of real values, but on speculation on fictitious values, which circulate as if they were real values in the decadent and rotten capitalist economy.

The economic slowdown of 2018 signaled the moment when in the branches of the economy that were the engine of the previous cycle, the rate of profit began to decline. In the 2008 crisis, China played a fundamental role as a trend counteracting the fall in the rate of profit. Since 2003, until 2007, China had been in the world division of labor as a supplier of semi-slave labor for the imperialist transnationals that came to the country to do juicy business by relocating their companies there. The enormous concentration of capital led to the valorization of the labor force and by 2007 many companies began to look for new places to relocate their maquilas, such as Mexico, Central America, Bangladesh, India, Vietnam, etc. China, competing with those countries to receive investments from imperialism, took advantage of the formation in those years of an enormous middle class and workers' aristocracy that formed a market of about 400 million consumers. This internal market became a comparative advantage for transnationals to invest in the country. In addition, it relocated China into the global division of labor, no longer just as a supplier of semi-slave labor, but as an importer of consumer products. The Chinese state lowered interest rates to encourage loans and took fiscal stimulus measures to favor the imperialist

transnationals. In addition, it injected 586 billion dollars into its banks that were lent at low interest to its middle classes and its workers' aristocracy to develop a fictitious cycle of consumption, based on debt. But this petty bourgeoisie not only went into debt to enter the cycle of consumption, but also took advantage of cheap loans to bet on financial gambles. The fact that the stock market counts on the contribution of millions of small investors means that the big imperialist capitals that control them can manage the capital of millions of small owners who are very often swindled by the magnates of finance capital.

Most of the money injected by the State went to the stock market and the real estate market, developing a stock market bubble and a real estate one in the main cities such as Shanghai, Beijing, and Shenzhen. At that time, local governments took advantage of low interest rates to get into debt and invest in all kinds of unviable projects destined to fail, thus increasing the real estate bubble. They also subsidized all kinds of loss-making state enterprises. The companies went into debt to avoid bankruptcy and financed their debts by acquiring new ones. In addition, the People's Bank of China forced its financial institutions to reduce their mandatory reserves three times from 2011 to 2014. New financial institutions were also created parallel to the state-owned banks, which lend the banks' money at reduced rates, serving the purpose of disguising and falsifying the banks' balance sheets. For in their balance sheets, the loans appear as other types of investments.

In mid-2015, Chinese stock markets fell, losing about 30 % of their values and evaporating \$2.8 trillion, and a large part of small investors' savings vanished in the process. This indicated that the rate of profit, despite low interest rates and fiscal stimuli, was falling and that the economy was beginning to slow down. This led to the flight of millions of savers. The government responded by injecting the equivalent of 134 billion euros to rescue the markets; it also allowed pension funds to invest up to 30 % of their assets in the stock market, injecting the Chinese public pension fund with 150 billion euros. In addition, the government devalued the yuan making its goods more competitive in the world market by trying to recompose to some extent the rate of profit, kicking



the crisis forward.

However, all these measures have not been able to prevent the economy from continuing to slow down and, in 2018, in the midst of the US trade war, some 19,000 private companies went bankrupt. In addition, low interest rates have for years fueled a housing bubble - with "ghost towns" or partially populated and thousands of unsaleable homes, apartments and offices - that threatened to throw the economy into recession, in the context of a huge bad debt that threatens to bankrupt the entire Chinese state bank. Within this framework, the CCP bourgeoisie has launched a privatization offensive, agreeing with the United States to open up its economy so that imperialist companies could become majority shareholders of their banks and state-owned companies, with their corollary of restructuring and layoffs. This will undoubtedly provoke new clashes between the Chinese pro-surrendering bourgeoisie and the most concentrated battalions of the proletariat. The coronavirus did not send to recession a vigorous economy that could act as a locomotive of the world economy, but rather accelerated a crisis that was in the making and that, as we have already shown, was being postponed by low interest rate loans, fiscal stimuli, the injection of millions of dollars into the stock markets by the State, thus developing a stock market bubble and a real estate bubble that threatens to deepen the recession in which it is currently submerged, with the contraction of 9.8% of its economy in the first quarter of 2020.

But if the Chinese housing bubble is a latent danger, a recent report from the Swiss bank UBS points to the cities of Munich, Toronto, Hong Kong, Amsterdam, Frankfurt, Vancouver and Paris as the greatest dangers of housing bubbles.

However, one of the businesses where the parasitic character of the capitalist economy in its imperialist epoch is most evident, is the Bitcoin and similar crypto-currencies, which act as a "refuge" where capital is concentrated in the hope that the value of the "currency" in question will increase. In 2017, the virtual currency had been quoted at values close to US\$20,000, a year later it was quoted at US\$3,850 and its capitalization went from US\$300,000 million to US\$67,000 million. In other words, in 2018, the cryptomoney lost 80% of its value. These contributions

bear no relation to the amount of social work needed to produce -mine- a bitcoin. A bitcoin has a use value -that is, it serves to speculate- and an exchange value, determined by the amount of social work necessary to produce it. However, the fluctuations in its price are given by financial speculation. In the mining of a bitcoin, real values are mobilized - work force, buildings, computers, energy, etc. - and are put at the service of creating fictitious values. If the use value of a bitcoin is to be the object of speculation, then we are faced with an amount of work invested in its creation that is useless, wasted work, a great deal of human labor and material resources that are necessary for the production of those fictitious values. Currently its price is around US\$7,588 with a slight upward trend, which indicates that we are before the development of a new bubble.

But if the Chinese economy worked as a counter-trend to the crisis -first as a supplier of semi-slave labor and then on the basis of the development of stock market bubbles, real estate and a consumption cycle based on indebtedness - and if bitcoin and cryptomonies work as a small speculative market, the US economy is a true world center of parasitism, in Lenin's words, squared. The US military budget is 738 billion dollars. We are facing a military expenditure greater than the GDP of entire countries like Poland. That spending is sustained on the basis of a deficit in the state budget of \$1.02 trillion, and it is already estimated that this year it could triple to \$3.7 trillion. For decades the US economy has had one of its fundamental pillars in the development of destructive forces. In addition to the war in Afghanistan and its forces deployed in Iraq and Syria, it has more than 800 military bases deployed in more than 40 countries around the world. In addition, Trump ordered the creation of an Army space branch "to ensure U.S. dominance of the cosmos" that will also receive tens of millions of dollars in funding. Also planned is the modernization of its atomic arsenal. All of this enormous investment in destructive forces is aimed at the development of its military industrial complex: a true military Keynesianism that is fundamental to sustaining the development cycles of its economy. The values that are mobilized for the development of the military industry are at the service of destruction and are feasible to be destroyed. However, the state



has indebted itself in billions of dollars in the form of treasury bonds to produce them. In order to recover its investment and to be able to honor its debts, the U.S. must wring out those trillions of dollars from the international proletariat, from its colonies and semi-colonies and from the other imperialist powers.

But America's parasitism doesn't stop there. The big tycoons of US financial capital, those parasites that control the world economy from Wall Street, have put their capital to work in new financial bubbles that have nothing to envy from the sub prime mortgages that burst in 2008. For example, student debt is the second most important private debt, after home mortgages, and the fastest growing. In 2019 the accumulated debt was close to two trillion, exceeding the GDP of entire countries like Italy or Spain. Recent years have seen a growing increase in defaults, due to the precarization of jobs and the freezing of wages. Currently 8 million people are in default. Working families are unable to meet their commitments. Currently a quarter of the adult population has a student debt and almost half of university students are in debt. In 2019 the average debt was \$37,000, this is due to the fact that in the last three decades tuition fees have increased by 1100%. A student in debt begins to pay six to nine months after graduation, but even if a deferment is achieved, interest continues to rise.

If student debts, with the outbreak of the crack, threaten to unleash a wave of defaults, the oil companies pose a much greater immediate threat. The deceleration of the world economy caused an overproduction crisis that threw down oil prices. This generated a trade war between Russia and Saudi Arabia that led to the latter increasing its production and putting further downward pressure on prices. Even prices have come to be quoted in negative territory, something unprecedented in history. Overproduction has reached such proportions that storage centers are beginning to run out and producers are paying buyers to take the oil away. By the end of April, the barrel had lost 80% of its value in the US and 70% in Europe, causing oil company shares to fall. However, with the economic deceleration it became clear that the rate of profit had been falling for some time. It is not by chance that the Rockefeller family sold all its oil assets in 2014 to "reinvest them in clean energies".

Those who are suffering the most from the drop in oil prices are the American companies dedicated to fracking, which are the ones with the highest production costs and are only profitable with a barrel that is quoted above US\$50. Fracking is a bubble fed by debts contracted by the oil companies with the main Wall Street banks: JP Morgan, Bank of America, Citigroup and Wells Fargo. The coronavirus did not generate the oil crisis, it only accelerated and deepened it, but already in the last quarter of 2019, 91% of US corporate bankruptcies took place in oil and gas companies. Last year, the fracking companies were unable to pay 26 billion dollars in debt. It is currently estimated that if the barrel recovers to US\$20, 533 oil companies could go bankrupt in 2021, but if there is only US\$10 left, there could be more than 1100 bankruptcies. The collapse of prices immediately calls into question the return of 120 billion euros.

But fracking is not the only bubble linked to oil. The derivatives and futures market is another speculative bubble where buyers invest in a fictitious, speculative security that is not backed by any real barrel of oil. It is a bet where a purchase price for a barrel of oil that does not yet exist is fixed in advance. It is currently calculated that, for every real barrel of oil, there are 500 worthless "papers", that is, promises of future liquidation, which transforms this market into an enormous bubble that moves around 2 trillion dollars on the world market. Derivatives and futures markets also exist linked to the production of commodities and all kinds of raw materials like wheat, soy, corn, etc.

Faced with the fall in the rate of profit, capital begins to withdraw its capital from the branches of production where its profits are falling and begins to migrate towards the branches where there is underproduction and which promise profits, such as technology, renewable energies, health and mining companies that produce gold, an active refuge for big capital. At the same time, new bankruptcies are being prepared, new mergers and a leap in the concentration of capital, where the companies that come out of the crisis triumphant, are bought at the price of the losers, in bankruptcy.

As we argued above, governments intervened in the crisis by injecting fresh money and saving their bankrupt transnationals. The tycoons of finance ca-





pital do not invest most of that money in production, but rather put it to work in their own bankrupt companies, buying back their own shares and thus generating a speculative bubble that has nothing to do with the real state of their companies, which are bankrupt, or they distribute it as dividends among the shareholders. This is parasitism. A handful of the rich, 1 % of the world's population, who live, according to Lenin, by cutting coupons, have monopolized more than 50 % of the wealth that exists on the planet and that they have not produced. To save these parasites, the States are getting into debt, creating consumption cycles based on debt and buying up the debts of the bankrupt companies. According to 2019 values, it is estimated that the world debt reached 322 % of the planet's GDP, with some 255 billion dollars, that is, benefits that have already been devoured and that human work has not yet produced. These values do not take into account the debt plans with which they saved the transnationals from bankruptcy in 2020. Of that enormous amount of debt, 20 trillion in bonds and global loans must be cancelled before the end of 2020, and of those, 4.3 trillion belong to the "emerging countries," that is, the colonial and semi-colonial world. This puts new defaults and bankruptcies on the agenda, especially among countries directly affected by the fall in oil prices like Venezuela, Colombia and Ecuador in Latin America, or in the OPEC countries or those that depend to a great extent on oil production.

Meanwhile, as we said above, the ECB implemented a new loan program to banks with negative

interest of 0.25 %. That is, the ECB pays them interest for lending them money, which they can use to give loans to consumers, to borrow from the colonial and semi-colonial world at usurious rates, to buy back shares, futures markets, real estate, or simply to distribute them as dividends among their shareholders, among other parasitic options. Similar programs are being prepared in the U.S.

The crisis, developing as a crisis of overproduction here or underproduction there, puts in evidence the anarchic character of the capitalist system. The monopolies plan their production within their companies in a millimetric way. But this planning within is expressed as anarchy in the market, given that its production is opposed to that of the competing monopolies. In other words, the fact that a handful of parasites control the world economy in search of their own profits does not eliminate anarchy, but rather sharpens it. This is currently evident with the overproduction of oil - where the production of companies working at a loss is subsidized, as with fracking in the US, and is boycotted where it is productive, artificially limiting that of OPEC-, the underproduction of sanitary elements to face the pandemic, the enormous resources destined to develop destructive forces and fictitious values- wasting a lot of human labor- and the fact that, to give just one example, U.S. farmers slaughter 700,000 healthy pigs a week to shut down meat plants, let crops rot without anyone lifting them, and let milk spill out while millions of exploited people go hungry and millions of children die of malnutrition around the world.

## **7. DESPITE THE ECONOMIC DOWNTURN OF THE INTERNATIONAL PROLETARIAT THE WORLD SITUATION REMAINS UNDEFINED**

As we argued above, the masses were fighting hard in a whole series of countries such as France, Chile, Haiti, Honduras, Lebanon, Iraq, Iran, among many others. The health crisis acted by disorganizing the mass struggles, allowing the bourgeoisie to advance in uprooting democratic freedoms with its 'states of alarm', 'emergency', making use of the latest technological advances to increase control over the

exploited and strengthening the Bonapartist features of the regimes. Furthermore, they have advanced in unloading the crisis on the masses by laying off and making more flexible the working conditions of millions of exploited people throughout the world. To be able to carry out this policy of reaction, the bourgeoisie relied on the trade union bureaucracies and the reformist leaderships, who act as advisors to the

capitalist governments, to whom they are dedicated to pressuring them to take this or that measure to confront the pandemic. These workers' bureaucracies, supported by the reformist leaderships, have imposed

a real reactionary policy of “moving scale of layoffs, suspensions and wage reductions,” just as they did in the 2008 crisis.



Northern Mexican maquila workers fight pandemic

Meanwhile, the masses are accumulating hatred against the governments and regimes, which are attacking the health systems and are responsible for the thousands of deaths among the exploited. Despite the economic downturn, the masses are trying to respond to the economic and health crisis with their methods of struggle, with strikes of resistance like in Amazon in the US and the maquilas in northern Mexico, bread riots like in Bolivia, Venezuela and France, looting and general strikes like in Italy, riots like in the migrant detention centers in Mexico, and independent mass actions attacking bank property like in Lebanon, among others. The capitalist bankruptcy is preparing new superior mass struggles, making the situation objective, in spite of the temporary, pre-revolutionary setback. However, a pre-revolutionary situation, because of the non-revolutionary action of the reformist leaderships that control the organizations of struggle of the masses, can become counter-revolutionary. The

crisis creates the conditions for open confrontation between the classes, for new clashes between revolution and counter-revolution on an international level. The role of the reformist leaderships is to disorganize the struggles, generating the conditions for heavy defeats. Meanwhile, the bourgeoisie is enlisting its counter-revolutionary forces. In conditions of polarization between classes, the fascist bands will emerge like mushrooms after the rain. When Trump blames China for the virus and threatens new sanctions, while deciding to suspend migration for sixty days to protect "the work of the Americans," he pursues two objectives: to deceive the masses by inventing an enemy "outside their country," and to blame the migrants for the lack of work, developing chauvinist tendencies in the petty bourgeoisie and sectors of the proletariat. We internationalists affirm that, in the imperialist powers, the main enemy is at home. The need to combat chauvinism, starting from defending



the interests of the most oppressed sectors of the masses - such as migrants, youth, working women and racial minorities - is a question of life and death for the international proletariat. Only with such a policy can the armed bodies of mass political struggle be created and developed. In Europe, Japan, the U.S.

and in the colonial and semi-colonial world, the alternative communism or fascism "will be transformed more and more into an immediate alternative. For the moment, due to the contradictory tendencies of the present, the situation has become indefinite.

## 8. LEADERSHIP CRISIS

The currents of the reformist left, in the face of the pandemic and the economic crisis, have dedicated themselves to throwing dirt on the eyes of the proletariat, refusing to defend an independent policy so that the crisis will be paid for by the bourgeoisie, and they maintain, in fact, a real policy of a "sliding scale of layoffs, suspensions and wage cuts. They dedicate themselves to pressuring the capitalist governments to apply this or that measure and "denounce" the anti-worker policy applied by them as insufficient. There are even those who, like the tendency of the PO of Altamira in Argentina, call on the bourgeois state to be consistent in applying state coercion to guarantee quarantine. Their models for confronting the pandemic are China or Germany, where the exploited have died by the thousands because of the anti-worker policies of the capitalist governments. They want to convince us that it is possible to get out of the health crisis at no cost to the exploited without attacking capitalist property and without taking power.

The Trotskyists maintain that the health crisis is one of the forms that the capitalist crisis has taken, which is of a structural character. That, in order to put an end to the coronavirus pandemic, but also to dengue, tuberculosis and dozens of preventable diseases that affect the exploited to a much greater extent, it is necessary that the capitalists pay for the crisis. We cannot end the capitalist pandemics, epidemics and diseases, many of them pre-capitalist, without attacking the enormous profits of that handful of parasites, 1 % of the world's population, that concentrate more than 50 % of wealth.

Only the working class, with its independent revolutionary mobilization, is capable of a progressive way out of this crisis. It is necessary that immediately all the properties of the richest 1 % of the

world, those parasites of Wall Street, London, Berlin, Paris and Tokyo, among others, pass into the hands of the working class. The monopolies and the transnationals, in the first place, the laboratories, the pharmaceutical companies, the companies linked to health, must be expropriated without payment and controlled by the workers. All available working hours must be distributed among all the arms that are in a position to work in order to end unemployment and impose a sliding scale of wages according to inflation calculated according to the workers' organizations. Every company that fires or suspends workers must be expropriated and put under workers' control. The transport companies must be expropriated and put under workers' control, to guarantee that the people do not travel like cattle and the virus does not spread. The transnationals of the food industry and the landowners must be expropriated to guarantee cheap food and agricultural distribution among the poor peasants. Grassroots committees of workers, poor peasants, health workers, scientists and specialists must be set up to define, on the basis of workers' control of production, which enterprises are essential and must function and which can be dispensed with immediately. These committees must guarantee the necessary health conditions so that the enterprises can function without putting the health of the workers at risk. It is also the task of these committees to define the effectiveness of quarantines and these must be guaranteed by workers' organizations. Large supermarkets, middlemen and speculators must be expropriated and housewives and supply committees organized so that no working class family is left without first class food. Health and education budgets must be increased, private health care, clinics, etc., as well as hotel chains and urban landowners must be expropriated to end overcrowding, housing





problems and lack of beds. We must defeat the states of siege, legitimized by the pandemic and the treacherous leaderships, and organize workers' and peasants' self-defense committees to defend our organizations from the attack of the bourgeois state, of paramilitary groups and fascist gangs. Finally, it is necessary to develop and centralize at the regional and national level all the democratic committees and organizations of the masses in struggle to rise to power the exploited. These are some of the measures that we believe should be promoted at the international level to provide an immediate response to the crisis. These measures must be precise and adapted to the unequal development of the class struggle and objective conditions in each country, and articulated with national and local demands. These measures which we revolutionaries propose will clash with the resistance of the trade union bureaucracies and reformist leaderships, faithful servants of the capitalists. There will even be those who will take some of these demands and propose them to governments that they consider "progressive", "anti-neoliberal", etc., or they will present them as bills to the Parliament of the exploiters. Marxists maintain that only with independent and revolutionary mobilization can they be carried out. Therefore, victory over the exploiters will only be possible on the basis of defeating the traitorous leaderships, agents of capital, and their social-democratic and popular-front policies.

Lenin, in his work *Imperialism and the Separation of socialism*, denounces the passage to the camp of the bourgeoisie of the privileged layer of the proletariat, of the workers' aristocracy, and explains what the economic basis for this corruption is:

A handful of wealthy countries—there are only four of them, if we mean independent, really gigantic, "modern" wealth: England, France, the United States and Germany—have developed monopoly to vast proportions, they obtain superprofits running into hundreds, if not thousands, of millions, they "ride on the backs" of hundreds and hundreds of millions of people in other countries and fight among themselves for the division of the particularly rich, particularly fat and particularly easy spoils.

(...)

The bourgeoisie of an imperialist "Great" Power can economically bribe the upper strata of "its" workers by spending on this a hundred million or so francs a year, for its superprofits most likely amount to about a thousand million. And how this little sop is divided among the labour ministers, "labour representatives" (remember Engels's splendid analysis of the term), labour members of War Industries Committees, labour officials, workers belonging to the narrow craft unions, office employees, etc., etc., is a secondary question.

(Lenin, *Imperialism and the Split in Socialism*, 1916).

Exactly. The super-profits obtained from the plundering of the colonial and semi-colonial world allow the great powers to create a workers' bureaucracy and aristocracy, the social basis of the opportunism of the treacherous leaderships. These workers' aristocracies and bureaucracies are also developed in the colonies and semicolonies, although in lesser proportion and for that very reason they are less powerful. It is the traitorous leaderships, corrupted and bribed by the bourgeoisie, that are in charge of sustaining this decadent and rotten system. As the Transitional Program maintains: *The Transitional Program*:

All talk to the effect that historical conditions have not yet "ripened" for socialism is the product of ignorance or conscious deception. The objective prerequisites for the proletarian revolution have not only "ripened"; they have begun to get somewhat rotten. Without a socialist revolution, in the next historical period at that, a catastrophe threatens the whole culture of mankind. The turn is now to the proletariat, i.e., chiefly to its revolutionary vanguard. The historical crisis of mankind is reduced to the crisis of the revolutionary leadership.

(Trotsky, 1938).



León Trotsky

The Trotskyists maintain that in the historic period that opened in 2008 there has been no lack of willingness to fight among the masses. The proletariat has sought again and again the road of revolution, but its leaderships imposed the conditions of defeat on them. The new coup of the *crack* puts new clashes between classes back on the agenda, new confrontations between revolution and counter-revolution and a fierce sharpening of the struggle of parties within the workers' movement. The need to attack the standard of living of the masses, to unload the crisis on their shoulders, reduces the room for maneuver of the reformists and strengthens the positions of the revolutionaries. In this period of counter-reformism, it will be increasingly difficult for the treacherous leaderships to pass off crumbs as reforms and they will increasingly have to play the role of strikebreakers, as we saw in Syria, accusing the militias of being organized by the CIA and NATO, or in the Ukraine, supporting the fascist insurrection of Maidán and accusing the Dombás militias of being organized by Putin. Or as we see it in Latin America, supporting anti-worker and repressive governments like that of Maduro, Ortega and Diaz Canel, who have nothing to envy from the more 'neo-liberal' governments of Piñera or Duque. Does this mean that the way is

open to the masses for revolutionaries? We know that our forces are still insufficient. But we also know that this is not an isolated insurrection, but a whole revolutionary historical period. In this respect, Trotsky maintains:

The capitalist world has no way out, unless a prolonged death agony is so considered. It is necessary to prepare for long years, if not decades, of war, uprisings, brief interludes of truce, new wars, and new uprisings. A young revolutionary party must base itself on this perspective. History will provide it with enough opportunities and possibilities to test itself, to accumulate experience, and to mature. The swifter the ranks of the vanguard are fused the more the epoch of bloody convulsions will be shortened, the less destruction will our planet suffer. But the great historical problem will not be solved in any case until a revolutionary party stands at the head of the proletariat. The question of tempos and time intervals is of enormous importance; but it alters neither the general historical perspecti-



ve nor the direction of our policy. The conclusion is a simple one: it is necessary to carry on the work of educating and organizing the proletarian vanguard with tenfold energy. Precisely in this lies the task of the Fourth International.

(Trotsky, *Manifesto of the Fourth International on Imperialist War and the Proletarian Revolution*, 1940).

The Trotskyists of the NTI consider ourselves a public faction of the International Leninist Trotskyist Faction. We consider that this international faction has taken important steps on the road to conquering an international regroupment of the healthy forces of Trotskyism. However, in recent years it has taken a centrist turn, of adaptation to the reformist leaderships, liquidating within itself all revolutionary demo-

cracy so that dissident positions cannot be expressed that would call into question the opportunist policy of its petty-bourgeois direction. The centrist degeneration of the FLTI leadership puts on the agenda the struggle for a revolutionary regroupment within it to regenerate the international faction in a revolutionary way.

At the same time, the definitive passage to the field of reformism of the leaderships that speak in the name of Marxism, socialism and Trotskyism puts on the agenda the struggle to regroup the healthy forces of Trotskyism on an international level. What is at stake for us is the conquest of an international regroupment, a new Kiental and Zimmerwald of the healthy forces of Trotskyism and the revolutionary workers' organizations. The Trotskyists of the NTI-CI have put one hundred percent of our forces into achieving this goal.

**For an international regrouping of the healthy forces of Trotskyism!  
For the re-foundation of the Fourth International on the basis  
of the theory, principles, strategy and program of 1938!**