Workers of the World, unite!

THE INTERNATIONALIST PROLETARIAN

ORGAN OF THE INTERNATIONAL COMMUNIST PARTY

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WHAT DISTINGUISHES OUR PARTY: The line that goes from Marx to Lenin, to the foundation of the Communist International and the Communist Party of Italy (Livorno 1921); the struggle of the Communist Left against the degeneration of the International, against the theory of the "socialism in a single country" and the Stalinist counterrevolution; the refusal of the Popular Fronts and the Resistance Blocks; the hard work of restoration of the revolutionary doctrine and organ, in contact with the working class, outside the personal and electioneering politicking.

RELATIVE OVERPRODUCTION: FLAMMABLE MATERIAL FOR TRADE WAR

It is in this context of relative overproduction of commodities and capital that the trade war has accelerated with the grandiloquent imposition of tariffs by the US on practically all the states of the world and its subsequent retreat, which we will analyse in the next article of this magazine. The following citation from Engels serves perfectly to summarise this article and to introduce the next one:

"The daily growing speed with which production may be enlarged in all fields of large-scale industry today, is offset by the evergreater slowness with which the market for these increased products expands. What the former turns out in months, can scarcely be absorbed by the latter in years. Add to this the protective tariff policy, by which every industrial country shuts itself off from all others, particularly from England [today this role is played by China!] *and also artificially increases domestic production capacity.* ***The results are a general chronic over-production, depressed prices, falling and even wholly disappearing profits****; in short, the old boasted freedom of competition has reached the end of its tether and must itself announce its obvious, scandalous bankruptcy."* (Engels' remark in Book III of Capital, Ch. XXVII) – read article on page 8

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LESSONS FROM THE DEFEAT OF THE CHINESE PROLETARIAN REVOLUTION OF 1926-1927 (p. 5)

China was the testing ground for the principles and tactics of class collaboration in the national and colonial movements.

Denial of the autonomous role and specific objectives of the proletariat, "anti-imperialist" alliance with the bourgeois parties, adherence to the Menshevik theory of the need for a "democratic stage": these are the principles which Moscow imposed in China and which the CPC made its own forever.

Turning their backs on the teachings of the Manifesto of the Communist Party, on the lessons of the revolutions of 1848 and 1871 in Europe, as well as on the line followed by the Bolsheviks in October 1917, these positions not only led the Chinese proletariat to an irreparable defeat but were transferred to all the anti-colonial revolutions of Africa and Asia.

1922 – Theses on the tactics of the Communist Party of Italy, Rome

One month after the startling resolution of the Executive Committee of the International on the *united front* and one month before the First Enlarged Executive meeting was convened to discuss this issue, the Communist Party of Italy, led by the Left, approved the Theses on the Tactics of the Communist Party of Italy - Rome (1922).

The Theses of Rome on tactics provide a structured response to the question of what type of *'united front'* is consistent as a tactic derived from communist principles in mature capitalism and the overcoming of which limits turn this tactic into submission to social democracy and an emptying of the communist content of the parties. The Theses **contain a complete solution to the problem of tactics in mature capitalism** and a specific delimitation of the possibilities for the application of the tactic of the *'united front'*, **excluding the *'political united front'* or *'from above'*** and advocating the **sole correct variant of the *'labor union's united front'* or *'from below'***.

The Left was able to respond so quickly and comprehensively from the leading position of the Communist Party of Italy, with the support of the vast majority of the party because **the Left had developed its previous struggle as an uncompromising Marxist current in an environment of developed and mature capitalism**. This environment was prevalent in Europe, but **it was not the environment in which the Bolsheviks had to carry out their actions in the context of the doble revolution**, which began with an anti-feudal revolution (and, therefore, a democratic-bourgeois one) in which other classes besides the proletariat played a revolutionary anti-feudal role. That is why **the Bolsheviks did not have and could not provide a solution to the problems of tactics under mature capitalism and democracy**.

For this material reason, **it was the Italian Left that had the 'vaccine' against that mature democratic environment**, the result of its previous experiences, which it had already contributed in points 5, 6, and 12 of the third part of the Theses of the Communist Abstentionist Faction of the PSI (1920).

1922 – I Enlarged Executive

The First Enlarged Executive of February 21 to March 4, 1922 approves the December declaration of the Executive of the International on the united front in its erroneous interpretation of **political united front.**

That same Enlarged Executive approves the participation of the 3rd International in the joint conference with the 2nd and 2 ½ Internationals in April.

- July 1914 – Start of World War I (bankruptcy of the II International)
- 1917 – February and October Revolution in Russia
- 1917 – Foreign military intervention and civil war in Russia
- March 1918 – Treaty of Brest-Litovsk
- November 1918 – Kiel Mutiny
- November 1918 – End of World War I
- December 1918 – Foundation of the Communist Party of Germany
- January 1919 – Assassination of Rosa Luxemburg and Karl Liebknecht by the social democracy
- March 1919 – 1st Congress of the 3rd International
- March-August 1919 – Hungarian Soviet Republic (participation of social democrats dynamite it)
- April 1919 – Soviet Republic of Bavaria
- March-April 1920 – Kapp/Lüttwitz "putsch" + Ruhr Uprising
- May 1920 – *Theses of the Communist Abstentionist Fraction of the PSI*
- July-August 1920 – II Congress of the 3rd International→ "21 conditions of admission" (in particular, the 21st).
- August 1920 – Defeat of the red army in Warsaw
- September 1920 – Occupation of factories in Italy
- December 1920 – Fusion of the 'left' of the USPD with the KPD
- January 1921 – Foundation of the Communist Party of Italy
- January 1921 – 'Open letter' of the KPD to the SPD and the trade unions
- March 1921 – Failure of the March action in Germany
- June-July 1921 – III Congress of the 3rd International→ **"conquest of the masses"** (of the majority...)
- December 1921 – Resolution previous to the 1st Enlarged Executive→ **"political united front".**
- January 1922 – *Theses on the tactics of the Communist Party of Italy (Rome)*
- February 1922 – 1st Enlarged Executive
- April 1922 – Joint Conference with the II International and the II ½ International
- June 1922 – 2nd Enlarged Executive (**workers' government).**
- August 1922 – Submission of the CPC to the Kuomintang
- October 1922 – March on Rome
- November 1922 – *Project of Thesis presented by the CP of Italy to the IV Congress*
- November-December 1922 – IV Congress of the 3rd International→ **"workers and peasants government"**
- January 1923 – French occupation of the Ruhr
- February 1923 – Arrest of the leaders of the CP of Italy, handpicking of Togliatti for the direction
- June 1923 – "National Bolshevism" in Germany
- October 1923 – Communist ministers in the governments of Saxony and Thuringia (and ulterior military dissolution)
- January 1924 – Death of Lenin
- June-July 1924 – V Congress of the 3rd International→ **"bolshevization"**
- June 1924 – Assassination of Matteoti and Aventine pantomime
- April 1925 – Hindenburg's presidential election in Germany
- January 1926 – *Theses of the Left to the III Congress of the Communist Party of Italy (Lyon)*
- February 1926 – VI Enlarged Executive
- March 1926 – Betrayal of the proletarian revolution in China (massacre of Shanghai and Canton in 1927).
- May 1926 – Betrayal of the miners' strike in Great Britain (Anglo-Russian Committee)
- December 1926 – VII Enlarged Executive→ **"socialism in one country"**, defeat of the Russian opposition
- October 1929 – Crash of 1929
- 1936, 1938 – Moscow processes
- May 1937 – May events during the Spanish civil war
- September 1939 – Start of the 2nd Imperialist World War II
- May 1943 – Formal dissolution of the 3rd International

A representative of the Left in the Enlarged Executive synthesized the situation follows: *"It is possible, we think, that with the means suggested by the Executive the masses will be won over; but* ***we shall never again have Communist parties; we shall have parties that will resemble like drops of water the old Socialist parties****."*
During the sessions, **the positions of the Italian Left will be distorted** and presented in such a way that even we would be against it. Then **the blows are directed against this scarecrow created for the occasion**, instead of analyzing the positions and arguments really put forward. On this occasion it fell to Trotsky to apply this method, which will become more and more habitual against the Left, to pass off the theses of the political united front. It is enough to read the Rome Theses in comparison with Trotsky's speech to realize his ignorance of the positions of the Italian Left or his conscious misrepresentation of them.

An article published in March 1922, emphasized: *"For us, the independent existence of the communist party is still a vague formula if the value of that independence is not specified based on the reasons that have compelled us to build it through the split, which identifies it with programmatic consciousness and the organizational discipline of the group.* ***The content and programmatic direction of the party****, which in its militancy, and in the broader sense that encompasses trade unions and other fields,* ***is not a crude machine but precisely at the same time a product and a factor of the historical process, can be unfavorably influenced by erroneous tactics.*** *(...)*

These ***tactical limits are not outlined by theory but by reality****, and this is so true that, without being pessimists, we foresee that* ***if we continue to exaggerate this method of unlimited tactical oscillations and agreements between opposing political parties, we will gradually undermine the results of bloody experiences of the class struggle****, not achieving brilliant successes, but* ***extinguishing the revolutionary energies of the proletariat****, running the risk that once again opportunism celebrates its revelries over the defeat of the revolution, whose forces it already portrays as uncertain and wavering, and heading down the road to Damascus."* (The Task of Our Party, in 'Il Comunista' on March 21, 1922).

1922 – II Enlarged Executive: 'workers' government'

During the Second Enlarged Executive Committee, the slogan of the *'****worker's government****'* was officially launched, a logical consequence of the conquest of the *'majority'* in the Third Congress and the *'political united front'*. The slogan of the *'worker's government'* is not only a **tactical deviation** but also, and above all, a **programmatic deviation** because Marxism does not admit any *'worker's government'* other than the **dictatorship of the proletariat**.

Furthermore, this slogan was **never precisely defined and underwent various mutations** in the following years. Behind the pretense of making the concept of the dictatorship of the proletariat accessible to the masses, the **true objective of participating in bourgeois governments, labeling them as *worker's*** because they were controlled by social democrats, was poorly concealed.

Anyone who wants to make the concept of the **dictatorship of the proletariat** accessible to the working masses has no need for pseudonyms or substitutes. **Pseudonyms and substitutes are only suitable for those who want to generate confusion or hide their true intentions**. We had learned, first from Marx and then from Lenin that:

- *"The Communists disdain to conceal their views and aims. They openly declare that their ends can be attained only by the forcible overthrow of all existing social conditions."* (Manifesto of the Communist Party, 1848).
- *"The whole point is that* ***a bourgeois State*** *which is exercising the dictatorship of the bourgeoisie through a democratic republic cannot confess to the people that it is serving the bourgeoisie;* ***it cannot tell the truth, and has to play the hypocrite****.*
  But the state of the Paris Commune type, the ***Soviet state, openly and frankly tells the people the truth and declares that it is the dictatorship of the proletariat****."* (The Proletarian Revolution and the Renegade Kautsky, Lenin, 1918)

1922 – March on Rome

Despite the efforts of the party, the general action was late (in August 1922) and the proletarian defeat was inevitable.

In August 1922, at the peak of a violent defensive battle on all fronts of the Italian proletariat, the Alliance of Labor decided to proclaim a general strike. Note that the powerful CGL had to rely on the clandestine network of the Communist Party of Italy to communicate the directives for the strike on August 1st, using a secret code. However, the reformists saw it only as a means of pressure to resolve the governmental crisis in the direction of a liberal-social democratic coalition.

The General Confederation of Labor (CGL) had so little faith in this policy, and especially in its ability to control the masses, that the 'secret' strike order was publicly disclosed by a social democratic and confederal organ, 'Il Lavoro,' thus allowing the State and the blackshirt squads to act promptly. The strike itself was suspended after 24 hours, while the masses mobilized without the slightest desertion and continued to fight with splendid valor against the repressive forces.

Since then, fascism, openly supported in its violent struggle by the forces of the State led by liberal democracy, became the master of the country, and only later was the legal formalization of its dominance choreographed with the march on Rome.

1922 – August: Submission of the CPC to the Kuomintang

On July 1, 1921, the Communist Party of China was founded in Shanghai, which was to act in accordance with the **Theses on the national and colonial question** approved at the Second Congress of the International.

However, already in August 1922 the envoy of the International Maring imposed the decision that the members of the Communist Party of China must also join the Kuomintang, arguing that it should be *"transformed from within"*, an **imposition completely contrary to the theses of the Second Congress.**

For a more detailed account of the process of betrayal of the Chinese proletarian revolution, see in this review the article *"Lessons from the defeat of the Chinese proletarian revolution of 1926-1927"*.

1922 – Draft Thesis presented by the CP of Italy at the IV Congress of the Communist International

The Left prepared the Draft Theses presented by the CP of Italy to the IV Congress of the Communist International (1922) but they **were not even discussed during the Congress.**

The draft Theses synthesizes the content of the Rome Theses and emphasize that, in the correct Marxist approach, **even the united front from below should not be mechanically applied,** without assessing whether its foreseeable development does not lead to a strengthening of communist influence or not:

*"Therefore, the tactic of the united front is a **means to gain preponderant ideological and organizational influence for the party**.*

*The instinctive tendency of the masses towards unity should be used when it can serve the favorable use of the united front tactic; **it should be fought when it leads to the opposite result**.*

*Consequently, **the serious tactical problem of the united front has limits beyond which our action would not fulfill its own objectives**. (...)"* (Draft Thesis presented by the CP of Italy at the IV Congress of the Communist International, 1922).

1922 - IV Congress of the 3rd International

The IV Congress of the Third International definitively ratifies the tactic of the *"political united front"* as well as that of the *"workers' government"* and its twin, the *"workers' and peasants' government".*

What all Marxists had learned to criticize as a betrayal even during the time of the Second International was now enshrined as the star tactic of the Communist International.

Lenin, in Marxism and Revisionism (1908), describes with alarming precision the **end point** of the slippery slope that the Communist International was beginning to slide down:

*"The experience of alliances, agreements and blocs with the social-reform liberals in the West and with the liberal reformists (Cadets) in the Russian revolution, has convincingly shown that **these agreements only blunt the consciousness of the masses**, that they do not enhance but weaken the actual significance of their struggle, by **linking fighters with elements who are least capable of fighting and most vacillating and treacherous. Millerandism**[1] in France — the biggest experiment in applying revisionist political tactics on a wide, a really national scale — has provided a practical appraisal of revisionism that will never be forgotten by the proletariat all over the world.*

*A natural complement to the economic and political tendencies of revisionism was its attitude to the ultimate aim of the socialist movement. "The movement is everything, the ultimate aim is nothing" — this catch-phrase of Bernstein's expresses the substance of revisionism better than many long disquisitions. **To determine its conduct from case to case, to adapt itself to the events of the day and to the chopping and changing of petty politics, to forget the primary interests of the proletariat and the basic features of the whole capitalist system, of all capitalist evolution, to sacrifice these primary interests for the real or assumed advantages of the moment — such is the policy of revisionism**. And it patently follows from the very nature of this policy that it may assume an infinite variety of forms, and that every more or less "new" question, every more or less unexpected and unforeseen turn of events, even though it change the basic line of development only to an insignificant degree and only for the briefest period, will always inevitably give rise to one variety of revisionism or another."* (Lenin, Marxism and Revisionism, 1908).

The **complete timeline**, with the explanation of each event, can be consulted interactively on the **installable web app** by accessing through the QR code.

(The publication of this series, which we began in "The Internationalist Proletarian" n.12 as a result of the collective study work of the general meeting of August 2023, will continue in the following issues of the review).

ALTERNATIVE TO THE CAPITALIST MERCANTILE SYSTEM - documentary video (in Spanish)

How does capitalism work and what is its alternative? Exposition of the Marxist theory of the functioning and development of the capitalist mercantile system and its overcoming by a society without class division, without wage labor, without private property, without state or crisis or war.

This is the story of a sinking society that, while sinking, keeps telling itself: so far so good, so far so good, so far so good... but the important thing is not the fall, but the touchdown...

Unlike the societies that have preceded it, capitalism is characterized by an enormous waste, squandering and destruction: destruction of productive forces, of already created commodities, of the environment and of human lives.

But what are the foundations of this society, the gears that inevitably produce these results?

" The wealth of those societies in which the capitalist mode of production prevails, presents itself as "an immense accumulation of commodities," its unit being a single commodity. " (Capital, Book I, Section I, Chapter I).

" But in bourgeois society, the commodity-form of the product of labour – or value-form of the commodity – is the economic cell-form. (…) the analysis of these forms seems to turn upon minutiae. It does in fact deal with minutiae, but they are of the same order as those dealt with in microscopic anatomy. " (Capital, Book I, preface first German edition).

Continues in the following link or in the QR:

https://youtu.be/YZAFRvEK7xc

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[1] ***Millerandism*** is precisely the entry of proletarian parties into bourgeois governments.

In these notes we will recall the process of the betrayal of the Chinese proletarian revolution, on the ashes of which the current false Chinese socialism developed, the loincloth of the current capitalist power, guarantor of the world counterrevolution.

Theses on the national and colonial question

At the II Congress of the III International (1920), the **Theses on the national and colonial question**, among others, had been approved. They contained the tactics to be followed by the communists and their parties in the countries where the anti-feudal and/or anti-colonial revolution was still pending. These Theses had established the following **tactical limits**:

" 11.- With regard to the more backward states and nations, in which feudal or patriarchal and patriarchal-peasant relations predominate, it is particularly important to bear in mind: (...) fifth, ***the need for a determined struggle against attempts to give a communist colouring to bourgeois-democratic liberation trends in the backward countries****; the Communist International should support bourgeois-democratic national movements in colonial and backward countries only on condition that, in these countries, the elements of* ***future proletarian parties, which will be communist not only in name, are brought together and trained to understand their special tasks, i.e., those of the struggle against the bourgeois-democratic movements within their own nations.*** *The Communist International must enter into a temporary alliance with bourgeois democracy in the colonial and backward countries, but* ***should not merge with it, and should under all circumstances uphold the independence of the proletarian movement even if it is in its most embryonic form****."* (Theses on the national and colonial question, II Congress of the Communist International, August 1920).

"9.- (...) In the first stage of its development the revolution in the colonies must be carried out according to the programme of purely petty-bourgeois demands, such as distribution of the land and so on. ***But from this it must not be concluded that the leadership in the colonies can be allowed to fall into the hands of the bourgeois democrats. On the contrary, the proletarian parties must carry out an intensive propaganda of communist ideas and found workers' and peasants' councils at the first opportunity.*** *These councils must work in the same way as the Soviet Republics in the advanced capitalist countries in order to bring about the final overthrow of the capitalist order throughout the whole world."* (Supplementary Theses on the National and Colonial Question, II Congress of the Communist International, August 1920).

It can be seen in the development of the Communist Party of China (CPC) the **disastrous consequences of transgressing the limits of such tactics**, and particularly the consequences of sacrificing the complete organizational autonomy of the communist organization.

A Party sacrificed as soon as it was born

On 1st July 1921 the Communist Party of China was founded in Shanghai, which should act in accordance with the Theses of the II Congress. However, already in August 1922 the envoy of the International Maring imposed the decision that the members of the Communist Party of China must also join the Chinese bourgeois nationalist Kuomintang party, arguing that it should be *"transformed from within"*, **an imposition completely contrary to the theses of the II Congress.**

The submission to the Kuomintang (and later to the left Kuomintang) was postulated in greater or lesser measure since then by the International and had its apogee precisely on the dates immediately preceding the great proletarian defeat of 1926 – 1927, reaching the point where the degenerated International named the Kuomintang as a sympathizing party in the VI Enlarged Executive (after having institutionalized this completely anomalous figure since the V Congress of 1924) and Chiang Kai-shek himself as an honorary member of the Presidium of the International. The representative of the degenerated International in China at that time stated that *"in the present period, the communists must do coolie work for the Kuomintang".*

The rehabilitation of Menshevism

Martinov, a former 'economist' and then Menshevik whose political past was rehabilitated in Russia and in the International by Stalinism, set the stage (in a contrary line to the Theses of the II Congress): *"****In China the initiative emanates from the industrial bourgeoisie and from the bourgeois intellectuals and therefore the Chinese Communist Party must strive not to create obstacles*** *to the revolutionary army against the great feudal lords, against the militarists of the North and against imperialism".* (Review of the Communist International No. 5, March 1927).

This is how the deformed tactic of the CPC is described in the report presented to the VII Enlarged Executive (1926):

*"****The greatest danger consists in this: that the movement of the masses progresses towards the left.*** *(...) It is extraordinarily difficult for us to define the tactic in relation to the petty and middle bourgeoisie, since* ***strikes of workers working for artisans or strikes of employees are nothing more than conflicts within the petty bourgeoisie itself.*** *And since the one and the other of the parties in struggle (that is, the employers and the workers) are necessary for the national united front (...) The employees of enterprises supplying objects of basic necessity* ***should never appeal to strike*** *if there is the slightest possibility of reaching concessions by a peaceful way. (...) Being afraid of the elementary development of the workers' movement, the Party has consented to compulsory arbitration in Canton and then in Hankou."*

The double betrayal: metropolis and periphery

At the same time that the Chinese revolution (then **periphery** of capitalism) was betrayed, also the **miners' strike in Great Britain** (then **metropolis** of capitalism), which became a general strike for 9 days, was betrayed. With

this double betrayal the premises of the world revolutionary resumption were tragically eliminated at the same time that the Stalinist counterrevolution took control of the 3rd International.

During 1926 at least 169 strikes took place in Shanghai in which more than 200,000 workers participated. On March 21st, 1927, the Shanghai General Union called for a **general insurrectionary strike**. Chiang Kai-shek approached Shanghai while the armed workers' groups were repressed. He declared martial law and began the repression in Shanghai. The degenerated International went on to accuse Chiang Kai-shek of being a traitor and to consider the left of the Kuomintang government in Wuhan as the center of the revolution. Shortly thereafter, acting on the basis of lurches and without a plan, the degenerated International went on to consider that the Chinese revolution was at its apex and called to carry out insurrections. Without any kind of conditions nor preparation, they all failed.

Consequences and lessons

In December 1927 **several groups of armed workers insurrected and were able to take control of Canton with a workers' program** (reduction of the working day, confiscation and distribution of private property, etc.). The Chinese proletariat made a last demonstration of revolutionary energy but all the previous actions of opportunism had condemned it to defeat. The Kuomintang reorganized and brutally repressed the Cantonese workers. The Commune in Canton lasted from December 11th to 13th, 1927.

"Hence, the coup of April 13, 1927 struck a proletariat politically, organizationally and militarily disarmed against its own class instinct, and to which it was nevertheless impudent enough to give a glimpse of a possible 'Chinese road to socialism' at the precise moment when the very bases, international and only international, of such a perspective were being destroyed; it struck down a party induced to sacrifice itself to strengthen the class adversary by ceding to it even the secret of organizational centralization and the uniqueness of political leadership - a suicidal party." (In memory of the proletarian militants murdered in Shanghai in April 1927 and in the succeeding months throughout China, Il Programma Comunista 6-7, 1977).

"China was the testing ground for the principles and tactics of class collaboration in the national and colonial movements. ***Denial of the autonomous role and specific objectives of the proletariat, "anti-imperialist" alliance with the bourgeois parties, adherence to the Menshevik theory of the need for a "democratic stage": these are the principles which Moscow imposed in China and which the CPC made its own forever.*** *Turning their backs on the teachings of the Manifesto of the Communist Party, on the lessons of the revolutions of 1848 and 1871 in Europe, as well as on the line followed by the Bolsheviks in October 1917, these positions not only led the Chinese proletariat to an irreparable defeat but were transferred to all the anti-colonial revolutions of Africa and Asia. With the proletariat defeated, it was still necessary to give an answer to the social question and a political framework to the accumulation of capital. It was the urgency of this response, the gravity of the antagonisms which had mobilized all the classes of the old society, which pushed Mao to play the role of "real Kuomintang". Having refused to arm the Chinese workers, he armed the petty bourgeois peasantry. Having denied the conquest of political power by the proletariat, he assumed the responsibilities of founding "popular democracy".* (Le mouvement social en Chine, Programme Communiste, numbers 27 to 37 from 1964 to 1966).

Maoism means sunyatsenism

The party re-founded by Mao Zedong's line (practically absent from the first line of the CPC leadership until then) after the Canton defeat, peasant based and without any link to the urban proletariat, always followed the approach of Sun Yat-sen's Chinese bourgeois nationalism, becoming in reality the **"true Kuomintang"**. Mao himself acknowledged as much: *" **These views of ours are completely in accord with the revolutionary views of Dr. Sun Yat-sen** (....) But all Communists and sympathizers with communism in China must struggle to achieve the objective of the present stage; they must struggle against foreign and feudal oppression to deliver the Chinese people from their miserable colonial, semi-colonial and semi-feudal plight and establish a proletarian-led new-democratic China whose main task is the liberation of the peasantry, **a China of the revolutionary Three People's Principles of Dr. Sun Yat-sen, a China which is independent, free, democratic, united, prosperous and powerful**. This is what we have actually been doing. "* (On Coalition Government, Mao Zedong, 1945).

However, what had Lenin said about Sun Yat-sen?

*"**Sun Yat-sen (...) a progressive Chinese democrat**, he argues exactly like a Russian. His similarity to a Russian Narodnik is so great that it goes as far as a complete identity of fundamental ideas and of many individual expressions. (...) Bourgeois democracy in China, as we now see, has the same Narodnik colouring. (...) Indeed, what does the "economic revolution", of which Sun Yat-sen talks so pompously and obscurely at the beginning of his article, amount to? It amounts to the transfer of rent to the state, i.e., land nationalisation, by some sort of single tax (...) or, in other words, nationalising the land. **Is such a reform possible within the framework of capitalism? It is not only possible but it represents the purest, most consistent, and ideally perfect capitalism**. "* (Democracy and Narodism in China, Lenin, 1912).

That is, the approach of Mao's party, in line with that of Sun Yat-sen, was nothing other than the extension of the Chinese bourgeois revolution and the development of capitalism in China.

The bourgeois nature of Maoism, as of Stalinism, has allowed it or versions of it to be a suitable ideological shell for a variety of nationalist bourgeoisies - some revolutionary from a bourgeois point of view, others not even this - in different places of the world (China, Vietnam, Cambodia, Korea, Cuba, Venezuela, etc.) where they have never represented a struggle for the overcoming of capitalism, nor in which neither communism nor socialism has ever been established.

The false Maoist socialism

The bourgeois politics of Maoism have always included the maintenance of wage labor (exploitation) and the guarantee of corporate profit (accumulation of capital):

*"The policy of **adjusting the interests of labor and capital** will be adopted under the new-democratic state system. On the one hand, it will protect the interests of the workers, institute an eight- to ten-hour working day according to circumstances, provide suitable unemployment relief and social insurance and safeguard trade union rights; on the other hand, **it will guarantee legitimate profits to properly managed state, private and co-operative enterprises**, so that both the public and the private sectors and both **labor and capital will work together** to develop industrial production."* (On Coalition Government, Mao Zedong, 1945).

Consistently with its bourgeois character, Maoism will defend the survival of commodity production and the law of value in socialism, that is, the maintenance of capitalism, falsifying Marxism at convenience:

*"Commodity production is not an isolated thing. Look at the context: capitalism or socialism. In a capitalist context it is capitalist commodity production. In a socialist context it is **socialist commodity production*** [sic]*."* (Mao, annotations to the economic problems of socialism, 1959).

The Marxist approach

Against this approach of Stalinism and Maoism, which is that of the Proudhon-Bakunin-Dühring-Stalin-Mao line, we will recall in three simple quotations the line of Marxism, the line of communist revolution for the overcoming of commodity production:

*"It is an incontrovertible truth, elementary to political economy, which even by everyday experience and the observation of ordinary people will confirm, that **once you have exchange the small economy is bound to develop the petty-bourgeois-capitalist way.**"* (Lenin, The Tax in Kind, 1921).

*"**the law of value is precisely the fundamental law of commodity production and also, consequently, of the highest form of this production, that is, capitalist production.**"* (Anti-Dühring, F. Engels, 1878).

*"**Within the co-operative society based on common ownership of the means of production, the producers do not exchange their products**; just as little does the labor employed on the products appear here as the value of these products, as a material quality possessed by them, since now, **in contrast to capitalist society,** individual labor no longer exists in an indirect fashion but directly as a component part of total labor."* (Critique of the Gotha Programme, K. Marx, 1875).

FUNDAMENTAL TEXTS OF THE PARTY AVAILABLE TO MILITANTS AND SYMPATHIZERS (I)

We have printed fundamental texts of the Party in Italian and Spanish at the disposal of militants, sympathizers and readers:

- Selection of writings of the Communist Left 1912-1917
  - For the intransigence of thought (1913)
  - Socialist Party and workers' organization (1913)
  - From Principle to Method (1913)
  - For the theoretical conception of socialism (1913)
  - Southern socialism and moral questions (1912)
  - Organization and Party (1913)
  - Democracy and Socialism (1914)
  - Humanitas (1917)
  - Circular of the intransigent revolutionary fraction (1917)
- Theses of the Communist Abstentionist Fraction of the PSI (1920)
- Party and Class (1921) - Party and Class Action (1921)
- Theses on the Tactics of the Communist Party of Italy (Rome 1922)
- The Left at the VI Enlarged Executive of the Communist International (1926)
- The Politics of the International (1925)
- The opportunist danger and the International (1925)
- The Marxist theory of currency (1967)
- The New Deal or state interventionism in defense of big capital (1952)
- Volcano of production or swamp of the market? (1954)
- Property and Capital (1948)
- Elements of Marxist economics (1947)
- Setting down our approach (1946)
- The factors of race and nation in Marxist theory (1953)
- Force, Violence, Dictatorship in the Class Struggle (1946-1948)
- Class, Party and State in Marxist Theory (1953)
- Party and Class (1921) - Party and Class Action (1921)
  - The Batracomiomachy (1953)
  - The Squawk of Praxis (1953)
  - Dance of puppets: from consciousness to culture (1953)

(continued on page 25)

RELATIVE OVERPRODUCTION: FLAMMABLE MATERIAL FOR THE TRADE WAR

Questions of method

We take this occasion to remember what the method of the school of intransigent Marxism has been, which we follow in our publications and in particular in this article and those that follow:

"To enable the reader to obtain the most well-grounded idea of imperialism, I deliberately tried to quote as extensively as possible bourgeois economists who have to admit the particularly incontrovertible facts concerning the latest stage of capitalist economy. With the same object in view, I have quoted detailed statistics which enable one to see to what degree bank capital, etc., has grown, in what precisely the transformation of quantity into quality, of developed capitalism into imperialism, was expressed." (Lenin, Imperialism: The Highest Stage of Capitalism, 1916).

Illustrating the development of capitalism in this way, it is especially important to understand that the statements of representatives of the bourgeoisie or other classes that are mentioned must never be taken as the driving force of events. They are a reflection of the relations of production, a reflection often hallucinated in the sense that the aims they think they are pursuing do not necessarily coincide with the real aims towards which their actions tend, even if we can also deterministically explain why they think they are pursuing these aims:

"Our critique is equivalent to a complete and definitive depreciation, not so much of the action of each of the individuals, presented even as protagonists of the historical events, but rather of the intentions and perspectives with which they believed they were able to coordinate this action." (Lyon Thesis, 1926).

Causes and effects

As earlier with the confinements and then with the war in Ukraine, now the erratic tariff policy of the new US governing faction becomes in many media the sufficient explanation and supposed cause of all phenomena.

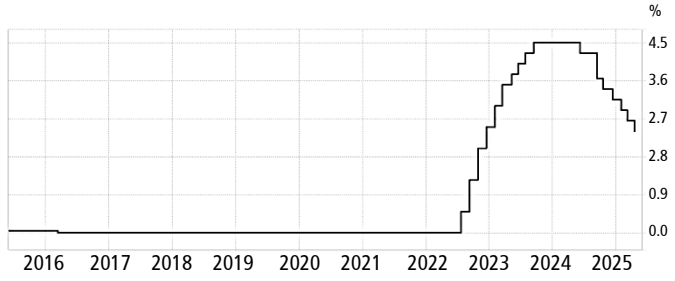
We Marxists know that accidentality appears at the intersection of necessary processes, and it is on the basis of these big processes that we make the study of the course of capitalism, without prejudice to examining also with dialectical materialist method the concrete series of events through which necessity imposes itself.

Capitalism tends towards OVERPRODUCTION, DEFLATION and a FALL IN THE RATE OF PROFIT. The very development of this ineluctable process detonates and will detonate a series of counter-processes that tend to slow down, postpone or even momentarily reverse the main process. The more capitalism sinks in its overproduction, the more forcefully will be detonated these kinds of counter-processes, which tend to destroy or paralyze part of the productive capacity and merchandise already created.

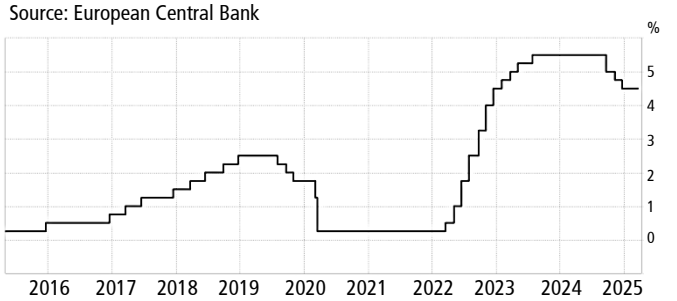
These counter-processes are carried out, desired and theorized by those who delude themselves that they are free of material determinations and, on the contrary, their actions, desires and theories are completely dominated by material circumstances that normally cause their actions not to produce the desired result, but the result imposed by necessity.

Interest rates evolution

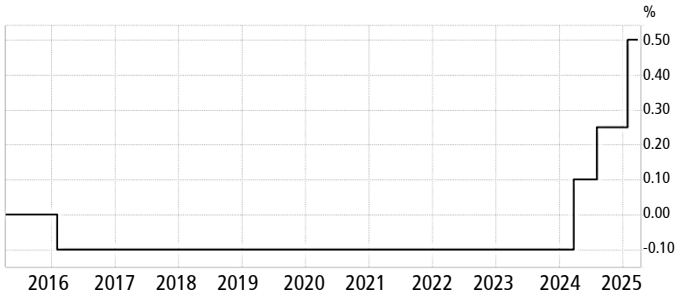
As we have seen in previous issues of the review, after the electroshock of the paralysis and epileptic resumption of capitalist production and circulation, the premises of the previous situation are once again manifesting themselves. We can see them in the fall in interest rates which - at different paces - is taking hold in the Western capitalist economies.



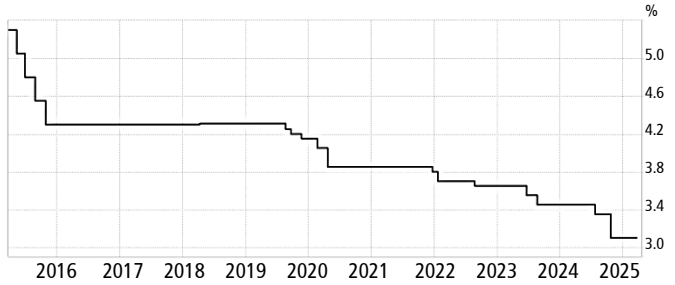
Source: European Central Bank



Source: Federal Reserve



Source: Bank of Japan



Source: People's Bank of China

The central banks of other Western capitalisms such as Switzerland or the United Kingdom follow – with greater anticipation or delay – the rate curve in the EU and the US. Regarding the latter two countries (Japan and China), we will make the following point. In the case of Japan, the fact is that it has not managed to take off beyond 0.5% and has lagged behind the rest. As for China, the downward trend is obvious, although it has not reached 0, like the rest. In addition, it can be observed that since China is the epicenter of the production volcano, the spasm that manifested in the periphery did not occur, as it did not manage to emerge from the deflation imposed by the productive overcapacity and the relative overproduction of goods and capital.

What is the importance for Marxists of this tendency of the rate of interest to fall and to be placed even in negative ranges? The answer is now to be found in Part 5 of Volume III of Capital, Chapter XXII:

"All other conditions taken as equal, i.e., assuming the proportion between interest and total profit to be more or less constant, the functioning capitalist is able and willing to pay a higher or lower interest directly proportional to the level of the

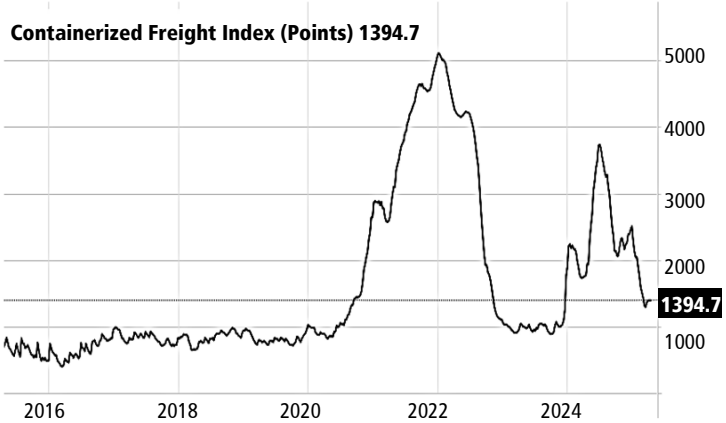
rate of profit. Since we have seen that ***the rate of profit is inversely proportional to the development of capitalist production, it follows that the higher or lower rate of interest in a country is in the same inverse proportion to the degree of industrial development*** *(…) In this sense it may be said that* ***interest is regulated through profit, or, more precisely, the general rate of profit****. And this mode of regulating interest applies even to its average.*

In any event ***the average rate of profit is to be regarded as the ultimate determinant of the maximum limit of interest****."* (Capital, Volume III, Part 5, Chapter XXII, K. Marx).

That is to say, the average rate of interest will always be lower than the general rate of profit, it is limited by the latter: no capitalist will borrow at a rate of interest higher than the rate of profit he expects to make on the investment of the borrowed capital. The tendency of the rate of profit to fall is expressed in the chronic collapse of interest rates and in the impossibility of the central banks to increase them in a lasting way (see 'The Internationalist Proletarian No. 6, March 2021, p. 9 for a more extensive explanation of the tendency of the rate of profit to fall).

Maritime transport price developments

Despite the difference, which we already saw in 'The Internationalist Proletarian' No. 15 (January 2025, p. 8) as to the reasons and repercussions between the peak in 2022 and 2024, the price of transport is deflating again, approaching pre-2020 levels.



Source: Freigthos

At the second peak, the Suez Canal used to carry 12% of the world's trade and was the fastest maritime connection between European and Chinese ports. But the major shipping lines redirected their freighters via the Cape of Good Hope, which has seen a 76% increase in traffic in the last year. This change of route means an extra 15 days of crossing and higher fuel costs, but it has been a boon for the shipping lines, which have seen it as a refuge from the collapse in transport prices.

The biggest immediate loser is Egypt, which is losing $800 million a month ($7 billion since the conflict began) due to the decrease in Canal earnings. The reduced transit situation is pushing Egypt to look for customers and investors willing to continue transiting the Suez Canal and to industrially develop the area: *"Today less than half as many ships pass through this canal as before the war, mostly* ***Chinese and Russian vessels****, which have the safe-conduct of Iran and the Yemeni militia. (...) Just this week the* ***Egyptian government signed a $1.65 billion deal with a Chinese company to develop several metal factories*** *in the Suez Canal area, further consolidating China's already strong economic presence in the region."* (La Vanguardia, 30-03-2025).

In any case, in the medium to long term, shipping lines face a serious overcapacity problem. The expected combined effect of the China tariffs, the potential reopening of the Red Sea route and the increase in the world fleet is that capacity utilization *"(…) - will come under severe downward pressure in 2025, with a potential declin 30% to 40% compared with 2024"* (Bloomberg, 02-03-2025).

Oil price evolution

As we saw in 'The Internationalist Proletarian' No.13 (March 2024, p. 31) the price of oil is more than 40% cheaper than a decade ago, at levels of the early 2000s, and even in nominal terms it is returning to pre-lockdown levels, and falling.



Source: Trading Economics

The cheapening of non-fuel energy sources (in addition to generating increasingly negative prices along with sudden energy surpluses and deficits) means that *"oil's share of total world energy demand fell below 30% last year for the first time in history, 50 years after a peak of 46%, according to figures released yesterday by the International Energy Agency."* (Expansión, 25-03-2025).

And not only has oil's market share of total energy demand fallen, but the share of crude oil in the oil market has also fallen, which includes biofuels and Natural Gas Liquids (NGL)[1]: *"Back in the late 1990s, crude accounted for almost 90% of the petroleum market, so it was a good proxy for overall supply and demand. (...) The share of crude in the total oil market has dropped to 74%. (...) . The most recent monthly data shows the US pumped 13.49 million barrels per day of crude in December; but it also produced 7.1 million barrels of NGLs, lifting total oil liquids to 20.6 million barrels — and there's an additional 1.44 million barrels of biofuels."* (Bloomberg, 19-03-2025).

This leads to a clear overproduction of oil in general and of crude oil in particular, which is blocking attempts by the main OPEC+ countries to increase their production, as the drop in oil prices below $90 makes it very difficult for them to cover their States' costs.

[1] Do not confuse Liquefied Natural Gas (LNG), which is mainly methane gas cooled to -160°C for storage and transport, with Natural Gas Liquids (NGL), which are hydrocarbons such as propane, butane, pentane, hexane and heptane that can be liquid at ambient temperature but at higher pressure.

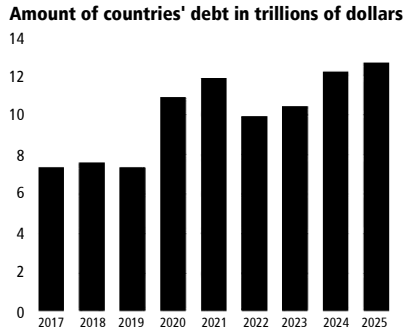
"Global oil markets face a supply surplus of 450,000 barrels a day this year even if OPEC+ keeps output flat, as rival supplies — from the US, Brazil, Canada and Guyana — overwhelms growth in consumption." (Bloomberg, 03-03-2025). *"However, OPEC+ already this weekend stopped short of an attempt by eight countries to go further in reversing cuts (...) the OPEC+ Joint Monitoring Committee on Saturday rejected their plans, demanding compliance with agreed production quotas."* (Expansión, 08-04-2025).

"The oil cartel yesterday cut its demand forecasts for both this year and next, reducing global oil consumption by 150,000 barrels a day this year, to 105.2 million barrels a day for the year as a whole, and by 300,000 barrels a day next year, to 106.63 million barrels a day." (Expansión, 15-04-2025).

As we have seen on previous occasions, this is not going to translate into a smoother migration, but just the opposite. We can see this in the case of coal, the price of which has followed the usual post-lockdown curve: *"Investment in new production has dwindled in much of the world as shareholders and banks increasingly refuse to approve new spending on projects. Demand, however, continues to rise in India and China, outpacing breakneck rates of expansion in solar and wind, while even developed countries look to coal to help power the artificial intelligence boom."* (Bloomberg, 02-03-2025).

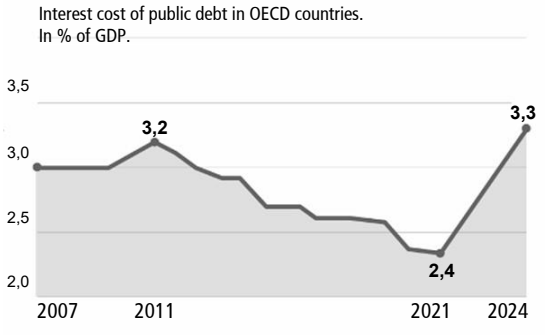
Overall debt

The forecast is that *"global government borrowing will reach a record $12.3 trillion ('11.6 trillion) this year".* (Expansión, 05-03-2025).



Source: Expansión

And this debt has to be financed at prevailing interest rates which, although they have started to fall, are still comparatively high.

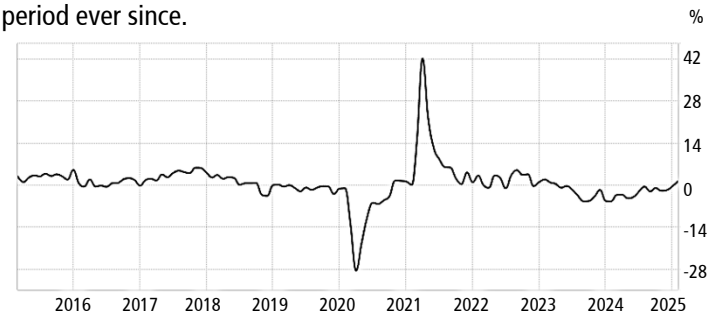


Source: OECD

As a result, interest costs on public debt in the OECD countries have risen *"in just three years from 2.4% of GDP in 2021 to 3.3% of GDP in 2024, higher even than during the debt crisis of 2010-2012"* and that *"interest payments in developed countries have become the sixth largest item in national budgets (...), behind pensions, health, administration, education and economic affairs, and ahead of other items that are now becoming more important, such as defence, security or housing"* (Expansión, 21-03-2025).

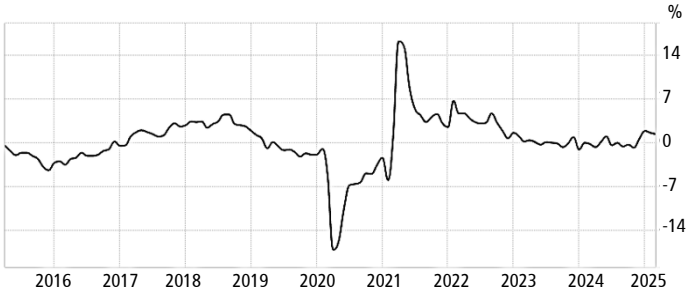
Industrial production evolution

In the case of European imperialism, the rebound effect of the epileptic resumption of production was short-lived and the rate of industrial production has been negative for a prolonged period ever since.



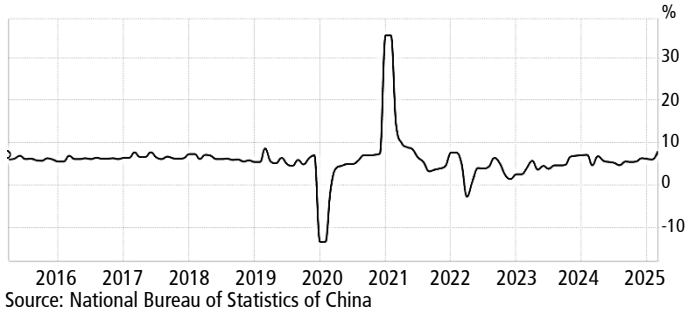
Source: EUROSTAT

In the case of US imperialism, it can be seen that the rebound effect was a little longer, although with a downward trend that by 2023 had placed the industrial production index in the negative.



Source: Federal Reserve

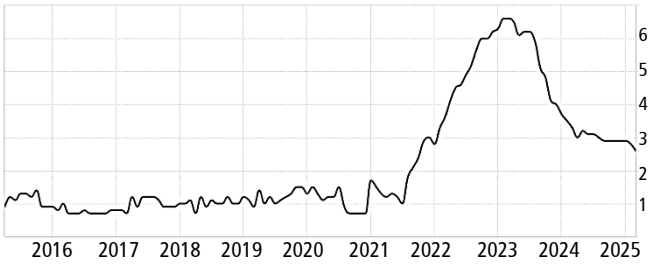
The third industrial production index to compare is the Chinese imperialist one. After the second fall in April 2022 due to the confinements in Shanghai, the industrial production index has remained positive, constituting the epicenter of the production volcano that floods the rest of the markets with goods.



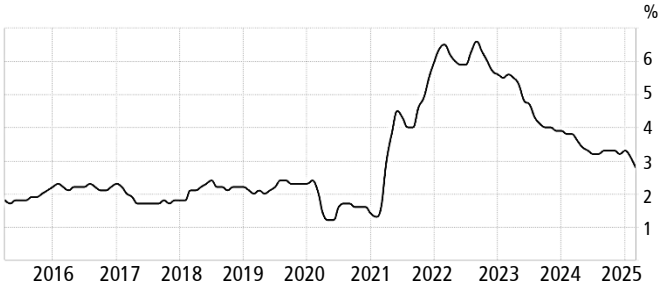
Source: National Bureau of Statistics of China

Core inflation

As for core inflation in both the EU and the US, the curve has been falling once the impact of the stop and epileptic resumption of capitalist production and circulation has passed.

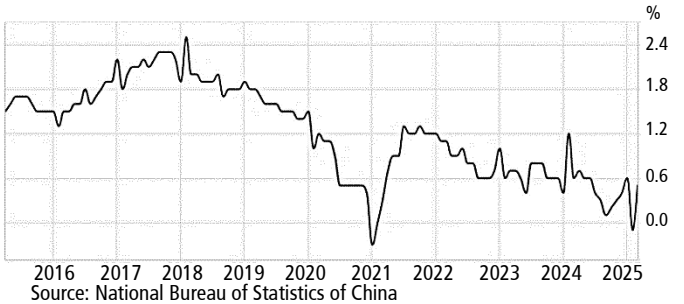


Source: Eurostat



Source: U.S. Bureau of Labor Statistics

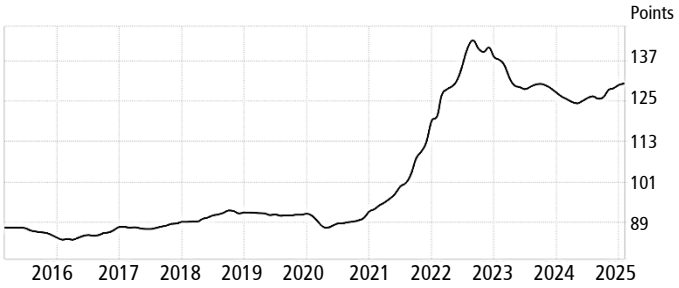
In the case of Chinese imperialism, since the production halt in 2020, underlying inflation has not taken off, remaining very low and even below zero.



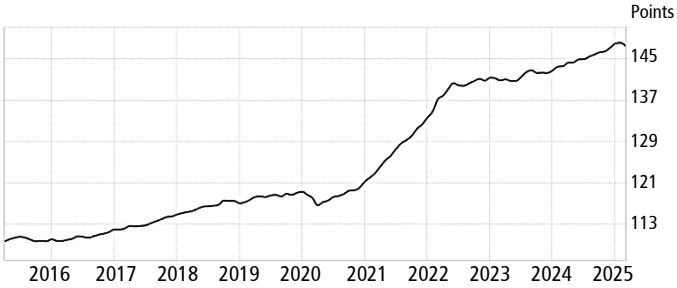
Source: National Bureau of Statistics of China

Industrial prices

Even more significant is the development of producer prices. In the EU, after a prolonged fall, they have started to rebound slightly. In the US, the gradual but sustained upward trend has been interrupted.

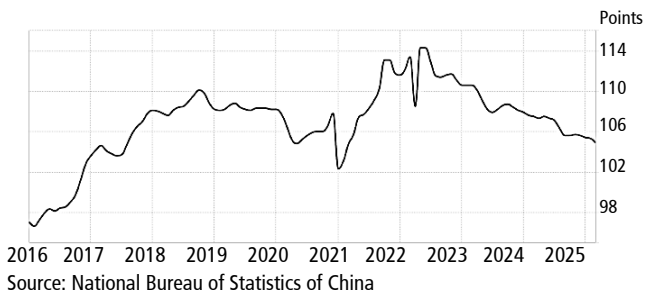


Source: Eurostat



Source: U.S. Bureau of Labor Statistics

And in China, they have been steadily falling over the last three years, a tangible manifestation of the domestic overproduction that is struggling to flood markets abroad.



Source: National Bureau of Statistics of China

Overproduction and the trade war

The overproduction of capital engenders tremendous competition between different capitals to offload onto their competitors the losses that capitalism as a whole will inevitably have to suffer.

"The rate of profit would not fall under the effect of competition due to over-production of capital. It would rather be the reverse; ***it would be the competitive struggle which would begin because the fallen rate of profit and over-production of capital originate from the same conditions."*** (Capital, Volume III, Part 3, Chapter XV, K. Marx).

"How much of it will be left unemployed is up to the struggle of the competition to decide. (…) ***The class, as such, must inevitably lose. How much the individual capitalist must bear of the loss, i.e., to what extent he must share in it at all, is decided by strength and cunning,*** *and competition then becomes a fight among hostile brothers"* (Capital, Volume III, Part 3, Chapter XV, K. Marx).

It is in this context of relative overproduction of commodities and capital that the trade war has accelerated with the grandiloquent imposition of tariffs by the US on practically all the States of the world and its subsequent retreat, which we will analyze in the next article of this magazine. The following quote from Engels serves perfectly to summarize the current article and to introduce the next one:

"The daily growing speed with which production may be enlarged in all fields of large-scale industry today, is offset by the evergreater slowness with which the market for these increased products expands. What the former turns out in months, can scarcely be absorbed by the latter in years. Add to this the protective tariff policy, by which every industrial country shuts itself off from all others, particularly from England [Today this role is played by China!] *and also artificially increases domestic production capacity.* ***The results are a general chronic over-production, depressed prices, falling and even wholly disappearing profits****; in short, the old boasted freedom of competition has reached the end of its tether and must itself announce its obvious, scandalous bankruptcy."* (Engels' remark in Book III of Capital, Ch. XXVII).



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THE US WITHDRAWAL PROCESS, AMIDST GAMBLES, BLUFFS AND CAPITULATIONS

US and its *zugzwang* situation

In chess a *zugzwang* situation (literally obligation to move, in German) occurs when a side has no move that does not worsen its situation but is forced to play and, with it, to worsen or get into a losing position. As we have repeatedly said, the US can only choose between losing moves and, nevertheless, cannot "pass" but has to move.

The various fractions of the U.S. bourgeoisie present their variants, discuss and struggle to impose one plan or another on the game. And when the plan in course proves ineffective, a change is imposed and a replacement of the driver is made. But, as soon as a fraction dislodges the previously ruling one, it becomes evident that the implementation of its plan also leads to a worsening of its position, executing themselves the materialization of a withdrawal imposed by the development of the productive forces in the rest of the areas of capitalism, by the displacement of the center of gravity of capitalism and by the tendency of the rate of profit to fall which, while generally imposing itself, affects with greater intensity the older capitalisms.

It is not a question of what the US bourgeoisie wants to do, of what it hopes to do or plans to do, but of what it is and will be forced to do. And this is notwithstanding the fact that the different fractions of the bourgeoisie have wishes, illusions and plans, which in turn are subjected to the same determinations that are imposed on their actions and on the result of their actions.

The US cannot recover its hegemonic position through diplomatic and military expansion, nor can it do so through tariffs, just as it cannot solve the effects of its internal social situation through deportations and by consuming only *made in America*. And yet, they cannot stop trying.

The American Dream

The premise of the so-called "American dream" can be summarized as follows: "if you work hard, you will progress". This premise is, in general terms, completely false since under capitalism those *"who work, acquire nothing, and those who acquire anything do not work"* (Manifesto of the Communist Party, 1848).

This question is definitively resolved in the Manifesto of the Communist Party: *"But does wage-labour create any property for the labourer? Not a bit. It creates capital, i.e., that kind of property which exploits wage-labour, and which cannot increase except upon condition of begetting a new supply of wage-labour for fresh exploitation."* (Manifesto of the Communist Party, 1848).

With this "dream" millions of native-born and immigrant proletarians in the US have been fooled for decades, leaving their skin and their lives on the workplace, subjected to wage exploitation, for the accumulation of Capital.

And yet, this premise had its sphere of application. Precisely for this reason it could appear as the carrot for all those who were excluded from that scope. While the US gained positions in industrial production and world trade, while it was able to impose itself on the rest of the contenders (defeated or victors) by appearing late in the two world wars and demonstrating its destructive brutality, while it was able to impose the dollar standard with the Bretton Woods agreements, maintain it with the petrodollars and then through its own inertia, while it has been able to increase its trade deficit and its indebtedness at the expense of the rest; while American capitalism has been able to maintain this expansive trajectory or take advantage of the positions obtained, not only have some crumbs fallen on the tables of the wage earners as a whole, but a part of the labor aristocracy and of the bourgeois classes have been able to prosper and make a career, giving material sustenance to the illusion of the "American dream".

But this premise (reality for a minority and deception for the overwhelming majority) began to blow up when, instead of this expansive imperialist process, the material reality of the development of the productive forces imposed the rupture of the post-World War II division of the world, the displacement of the center of gravity of capitalism to Asia and the gradual withdrawal of the United States. Thus, the share of the cake not only does not grow but shrinks. The labor aristocracy, the small and medium bourgeoisie, the agents of exploitation see their careers evaporating and are astonished to see themselves sinking instead of climbing. It is a stage in the process of the **social slaughter of the middle classes**, a necessary prelude to the resumption of the proletarian class struggle.

Tariff panaceas

No measure had ever been announced so loudly as a measure to restore the "American dream", no measure had been repeated so frequently during the electoral campaign as tariffs, presented as the panacea that would reindustrialize the US, create qualified employment, increase the State's coffers by allowing tax reductions and serve as a negotiating tool to impose advantageous conditions on other States for the US in other areas besides the strictly commercial one.

And however, as we pointed out in the previous issue of the magazine: *"There has been one major absence among the measures immediately taken: the absence of new tariffs. (…) Of course, this does not mean that the US will not put the promised tariffs in place after a certain period of time, short or long. However, it denotes the style of the little personage who embodies the current resultant of the jumble of contradictory interests of the US bourgeoisie and is very reminiscent of the barking dog, but not much of a biter. Implicit in the situation of US imperialism is the difficulty of charting a clear course and the condemnation of successive swings in one direction and in the opposite."* (The Internationalist Proletarian n.15, January 2025, p. 19).

The events that have unfolded afterwards could not be a better confirmation of this characterization of US imperialism.

Bluffs, gambles and capitulations

The sequence of announcements, postponements, withdrawals, denials and promises of resumption on tariffs began like this.

In early February, the US announced a 10% tariff on China, to which China responded with a 15% tariff on coal and LNG and a 10% tariff on crude oil, agricultural machinery and vehicles. Also in early February, the US announced tariffs of 25% on Canada and Mexico and 15% on China. On the day of its initiation, Canada responded by applying tariffs of 25% but during the same day the tariffs on Canada and Mexico were suspended until a month later. A month later, on March 4, the US re-imposed tariffs on Canada and Mexico, increasing the tariffs on China by 20% (in addition to the previously existing 15%, bringing the final rate to 35%). Canada, Mexico and China began to respond.

Canada applied *"a 25% rate against products with a combined annual trade value of $155 billion."* (Expansión, 05-03-2025).

Chinese imperialism announced *"additional tariffs between 10% and 15% on the import of US agricultural and livestock products, including chicken, pork, soybeans and beef (...) China is one of the main importers of US agricultural products (...).*

Immediately, the General Administration of Customs of China decided yesterday to suspend the import of lumber from the United States. It also withdrew the qualification as soybean exporters of three US companies, citing 'ecological safety' and consumer health risks (...) Beijing has added ten more companies to its list of unreliable entities: TCOM, Stick Rudder, Teledyne Brown Engineering, Huntington Ingalls Industries, S3 AeroDefense, Cubic Corporation, TextOre, ACT1 Federal, Exovera and Planate Management Group.(...)." (Expansión, 05-03-2025).

The effects on US agri-food products soon became apparent:

"Corn, wheat and soyabean prices in Chicago have dropped since mid-February, coming under further pressure this week after China and Canada said they would impose a range of tariffs on US foodstuffs. Mexico, the biggest market for US corn, said it planned to announce its own countermeasures this weekend. (…) Wheat, which has slumped more than 17 per cent in three weeks, rebounded 2.1 per cent to $5.60 per bushel following Trump's decision. Contracts tracking corn, which have fallen 9 per cent in the last month, rose 2.8 per cent to $4.52 a bushel. Soyabeans, which had fallen 8 per cent since mid-February, added 1.5 per cent to 1,017 cents a bushel.

China announced on Tuesday that it would impose a 10 per cent tariff on imports of soyabeans, sorghum, pork and beef from the US, alongside a 15 per cent levy on chicken, wheat, corn and cotton. As the world's biggest pork producer, China accounts for more than 40 per cent of US soyabean sales. Both soyabeans and corn are primarily used for livestock feed." (Financial Times, 06-03-2025). In the following days, tariffs affecting the automotive industry were postponed for at least one month and all commodities that were part of the US free trade agreement with Canada and Mexico were left out of the new tariffs. Tariffs against China were maintained.

On March 12, the US imposed a general tariff of 25% on steel and aluminum. The US threatened to raise them to 50% for Canada but then left them at 25% as for the rest of the States.

On April 2, announcing it as "Liberation Day" no less, the buffoon in the White House announced tariffs against a list of 34 states. The leader of the hegemonic capitalist state after World War II, which has intervened militarily throughout the world to impose its interests and on this basis has been appropriating an enormous part of the surplus value ripped from the world proletariat by the bourgeoisies of the rest of the states, affirmed undauntedly that: *"our country has been looted, pillaged, raped, and plundered by nations near and far, both friend and foe alike"*. And then he announced the recovery of the "American dream" through the imposition of supposedly "reciprocal" tariffs (we will see a little later how they were calculated and what they actually represent).

From that moment on, the ground began to spin around the buffoon: US stock markets plunged, the dollar fell, 10-year bonds after an initial rise also plummeted, his political allies implored him to stop the mess, China responded and the EU prepared to do so while other states, between astonished and incredulous, asked for a hearing.

The buffoon and his camarilla were then forced to initiate the withdrawal and to announce a 90-day pause for all countries that had not taken countermeasures, except for China which would see its tariffs increased by up to 125%. The pause was to benefit only those states that had passively accepted the tariff measures, but... the EU had just announced that same day that it would impose tariffs on the US in retaliation. It was then also announced that European imperialism would be exempted from the tariffs for the same period of time.

Not only had the US's reliability as an ally been bankrupted, not only had it become clear that whatever the concession there could be new tariffs, not only had the unpredictable and capricious nature of the buffoon's decisions and the absence of a plan been confirmed, but above all, the **weakness** of the US in the face of both the tariffs imposed by other capitalist countries in retaliation and in the face of its own tariffs imposed by the US itself (!) on the rest of the States was made evident, and there was no other way but to back down.

This is one more example of **history's puppet** character of those who delude themselves to be great men and to be deciding the courses of future development: *"Either we read history as Marxists, or we fall back on the scholastic masturbations which explain colossal events by the maneuvers of the monarch (who in turn pretends to present them as the effect of an efficient cause, which would be the transmission of the crown to the heir or descendants), or by the exploits of the mercenary chief, who was driven by the intention of being glorified and immortalised by posterity! The link between a conscious foresight, a driving will and a direct result that "shapes" society and history, we consider as forbidden to the individual, not only to the poor christ-molecule lost in the social magma, but above all to the crowned, the one who carries the scepter, the one invested with positions, honors and whose name is marked by titles and capital initials**. ***It is precisely that man who does not know what he wants and does not achieve what he intended, and to whom, if you will excuse the noble image, historical determinism reserves the highest dose of kicks in the ass. If our doctrine is accepted, it is the chief who plays to the utmost the role of the puppet of history***". (Foundations of Revolutionary Communism, 1957).

The following days

Subsequent events followed the usual buffoonish course. The US raised tariffs against Chinese imperialism from 125% to 145% but China only raised them to 125%, with the following statement: *"'Given that American goods are no longer marketable in China under the current tariff rates, if the US further raises tariffs on Chinese exports, China will disregard such measures,' according to the statement (…) In a separate statement Friday, the Commerce Ministry said Washington's repeated use of excessively high tariffs has become little more than a numbers game (…) 'It's become a joke,' the ministry said"* (Bloomberg, 11-04-2025). The US has had to announce in the following days exemptions on Chinese electronic products (smartphones, laptops, hard drives and computer processors and memory chips, as well as flat panel displays), general exemptions for copper, steel and aluminum, and is considering more exemptions for imported vehicles and parts and even *"could offer some exemptions to his 10% tariff on most US trading partners."* (Bloomberg, 12-04-2025).

And to conceal these capitulations, the White House continues with the recipe of announcements that are as

theatrical as they are deceptive: *"China now faces U.S. tariffs of up to 245%, the White House said last night as it unveiled a probe into critical minerals. But that total appears to apply only to two types of goods—electric vehicles and syringes—and isn't new.*

The figure comes from adding Trump's second-term China tariffs of 145% to previously existing levies. In his first term, Trump put 25% tariffs on Chinese EVs, which President Joe Biden increased to 100% last year, when he also imposed a matching tariff on Chinese syringes.

The 245% total does not reflect any new tariffs, then, but just reflects existing maximum charges. The White House 'just now decided to add up' the total tariffs, an official said." (The Wall Street Journal, 17-04-2025).

With these number games the US remains entertained, while Chinese imperialism continues to take measures where it hurts, in addition to the aforementioned tariffs:

- *"Immediately restrict exports of seven types of rare earths*
- *Launch anti-dumping probe into medical CT X-ray tubes from the US and India*
- *Halt imports of poultry products from two American companies*
- *Add 11 American defense companies to an unreliable entity list*
- *Impose export controls on 16 US firms*
- *Halt imports of sorghum from a US company*
- *Investigate DuPont China for suspected antitrust violations."* (Bloomberg, 04-04-2025).

The seven affected rare earths are: *"samarium, used in optical lasers and powerful magnets; gadolinium, used as a contrast agent for MRI scans; terbium, used in display devices; dysprosium, used in magnets for wind turbines and electric vehicles; lutetium, used in oil refineries; scandium, used in aerospace and yttrium, used in radar technology."* (Bloomberg, 04-04-2025).

China has also taken steps to prevent new investment in the US: *"Several branches of China's top economic planning agency, the National Development and Reform Commission, have been instructed in recent weeks to hold off on registration and approval for firms that are looking to invest in the US."* (Bloomberg, 02-04-2025) also targeting the aerospace sector in general and the already badly wounded Boeing in particular: *"China has ordered its airlines not to take any further deliveries of Boeing Co. (…) Beijing has also requested that Chinese carriers halt any purchases of aircraft-related equipment and parts from US companies."* (Bloomberg, 15-04-2025).

What effect do tariffs have?

With no intention of exhausting the theoretical explanation in one page, but with the aim of moving away from simplistic explanations of the effects of tariffs and providing a framework for the various examples throughout this article, we will pause to sketch a few notes on the effects of applying tariffs to a set of products:

1. If the profit margin of a set of products to which a tariff is applied is high enough, it may be that the prices of these products remain unchanged. In this case, part of the profit is used to pay the tariff, which plays a tax collection function but does not prevent the flooding of the market by these commodities.

If all the products under a tariff have no alternative on the domestic market, and therefore all the competition is subjected to the same surcharge, then the price of this set of products will become more expensive. The profit will stay the same, the tariff will be paid, which will also play here an essentially tax collecting function, and the consumers of these products (whether they are other companies or individuals) will have to bear the surcharge. Depending on the consumption for which these products are destined (constant capital for enterprises, consumption of the great bourgeoisie, consumption of the petty bourgeoisie and working aristocracy, consumption of the working class) they will affect the purchasing power of one or another social class. We can assume that typically at the level of immediate consumption this situation (absence of alternative in the domestic market) will affect mostly the consumption of the bourgeois classes or strata of the labor aristocracy. But wherever there is an absence of alternative in the domestic market in basic products of working class consumption, or this situation affects the constant capital required for the production of specific products of working class consumption, this surcharge will affect the purchasing power of the wages.

The illusion of those who impose these tariffs is that this context is advantageous for the emergence of alternatives in the domestic industry that can wrest a market share from existing companies. In any case, this illusion encounters considerable obstacles, since it does not solve by itself the need for new capital investment, the acquisition of the appropriate technological know-how, access to the raw materials necessary for this industry, advertising investment to change the consumption habit and the advertising previously made, etc.

2. If, on the contrary, the group of products subject to tariffs has competition in the domestic market and its profit margin does not allow it to absorb the payment of tariffs, then part or all of that product will be expelled from that market and tariffs will mainly play a role not as a tax-collecting but as an effective instrument in the trade war. We say "effective" in the sense that it alters or affects the course of the trade war, but by no means in the sense that it necessarily produces the results expected by the tariff wall erectors. Multiple cases are possible:

a) That the resulting overproduction in the domestic market of exporting capitalism forces a drop in prices which, in turn, redoubles the need to export even at the cost of a significant reduction of the profit margin and the transfer of part of it to the payment of the tariff (a case similar to case 1 previously analyzed).

b) That since the imported products are not completely displaced by their alternatives in the domestic market, the higher prices of the imported commodities act in a manner similar to the production of relative surplus value and the domestic industry can sell at that price, adding to its profit an extra profit equivalent to the tariff tax.

c) That as a result of the increase in the price of some imported raw materials (product of case 2), the profit margins of specific final industries are stifled, and they have to raise their prices and cede the market to their external competitors or at least are not able to dislodge them as expected.

d) That the exporting industry displaced from the domestic market stops consuming part of the raw materials of that

domestic market, generating an overproduction of those other commodities.

e) That the tariff actions (both those initially imposed or those imposed in response to them) prevent exports generating a domestic overproduction in a situation in which the tariff cannot be absorbed by the profit margin. In this case, the commodities affected may simultaneously be too expensive to sell abroad and their price may sink in the domestic market to the point of making their production unprofitable.

f) That the commodities displaced from the tariff-protected market are diverted to other markets, flooding them with devalued commodities.

As it can be seen, in the case of very specific tariffs or in the case of unidirectional tariffs, the outcome can be predicted to a certain degree, but once the pandora's box of the trade war is opened and each major power begins to impose tariffs on the other, the behavior and outcome of each specific action on the trading system under stress falls within the framework of production anarchy and cannot be planned.

And nonetheless, it is foreseeable that in average terms the capitalist powers with the highest rate of profit and productive capacity will stand to gain in the resulting chaos, while the capitalist powers that are pushed to erect defensive walls themselves are the most vulnerable and least prepared for the trade war unleashed. As we have known for some time: *"**the cheap prices of commodities** are the heavy artillery with which it batters down all Chinese* [or those of the US...] *walls, with which it forces the barbarians' intensely obstinate hatred of foreigners to capitulate."* (Manifesto of the Communist Party, 1848).

US expectations

One of the most elementary ideas of the US ruling sector is to use the money raised through tariffs to lower taxes. In their fantasy, without affecting retail prices. The US expectation is set out by the Secretary of the Treasury himself: *"With the China tariffs, I am highly confident that the Chinese manufacturers will eat the tariff go up."* (Bloomberg, 04-03-2025).

And indeed this has been the initial intent of companies such as Walmart, which have provoked the intervention of the Chinese capitalist state, although other major retailers are counting on having to raise prices: *"Chinese authorities summoned Walmart Inc. executives on Tuesday over reports it asked suppliers to bear rising costs incurred by increased US tariffs (…) Chinese exporters are resisting any moves to cut their prices further as they already have razor-thin margins due to Walmart's strategy of sourcing goods at a low price to stay competitive. (…) While Treasury Secretary Scott Bessent downplayed concerns about the tariffs, saying Chinese manufacturers will eat the extra cost, big box retailers Target Corp. and Best Buy Co. have warned shoppers should expect higher prices (…)."* (Bloomberg, 12-03-2025).

As we have seen, when tariffs affect all competitors in a market across the board, prices tend to rise to compensate for them because the rest of the competitors are under the same conditions. This is the specific case of cosmetics, as one industry executive explains *"it is very likely that a significant part of the tariffs will be passed on to the price of the product," since "practically 100%" of the manufacture of its perfumes and cosmetics is European."* (Expansión, 01-04-2025), and it is also the situation in which two-thirds of the companies estimate to be: *"Overall, Allianz Research expects around two-thirds of companies to pass on costs to consumers."* (Financial Times, 06-04-2025).

Trickster's game, or the formulas of vulgar bourgeois economics

A. Smith and D. Ricardo could not carry their economic analysis to the end because their conclusions clashed with their class interests. It was K. Marx who pushed the preceding analysis to its ultimate consequences, overcoming the previous deficiencies and revealing the exploitation of the working class and surplus value as the only form of profit as well as the transitory historical character of capitalism as manifested in its tendency of the rate of profit to fall.

Since then, bourgeois economics totally renounced the scientific approach to economics, but dressed up this drift towards vulgar economics precisely with a supposedly scientific formalism.

The most recent development in this trickery of "modern" economic formulation, which has caused many 'economists' in the pay of the ruling class to blush or even tear their hair out, has been the announcement of the formula for calculating the alleged "reciprocal tariffs" by the United States Trade Representative's Office (USTR). Here is the published formula:

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}.$$

The variable x represents exports and the m represents imports. The subindex i means that it has a different value for each country.

What about the two additional Greek letters in the denominator? As a first note, the reader will have noticed that the letters ε and φ in the formula do not have the subindex i and, therefore, are two constants that apply to all cases regardless of country or other circumstances such as sector.

As stated in the note published by the USTR *"Let $\varepsilon<0$ represent the elasticity of imports with respect to import prices, let $\varphi>0$ represent the passthrough from tariffs to import prices"*. It may sound profound but the emptiness of the approach is shown when the same source clarifies how the selection of the numerical values of these parameters has been made: *"Parameter values for ε and φ were selected. The price elasticity of import demand, ε, was set at 4. (…) The elasticity of import prices with respect to tariffs, φ, is 0.25"*.

In other words, parameters have been taken such that $\varepsilon \cdot \varphi = 4 \cdot 0{,}25 = 1$. And as is well known, the result of the product of any value by 1 is that same value. By magic, or by convenient manipulation in the selection of values, the two sophisticated concepts cancel each other out.

Even if one takes this formula seriously, which may serve more as an empirical approximation than a causal relationship, anyone would easily see (as we have succinctly elaborated above) that the response in terms of the volume of imports per 1% tariff increase (that is what ε is intended to represent) or the increase in the price of imported commodities per 1% tariff increase (that is what φ is intended to represent), will vary according to the type of commodities, the existence of local alternatives, their production costs, the profit margin of the exporters subject to the new tariff, the competition of other

international competitors and their respective costs, margins and tariffs, etc.

Therefore, it is evident that the generic assignment of a static value for any type of commodity, in any country, demonstrates the fallacy and artifice of the approach of those who try to camouflage themselves behind the apparent complexity of the formula.

Until the Second Vatican Council, the Catholic Church affirmed in the Masses that the wine truly became the blood of Christ and the bread his flesh, and to this end it placed the altars facing the wall to give a halo of mystery to the obvious falsehood. Modern bourgeois economics adorns its formulas with Greek letters (in themselves as respectable and useful as the rest of the alphabets when they are not a means for economic legerdemain) with the same objective.

What this formula actually calculates then (after the additional Greek letters are cancelled out) is the trade imbalance between two States: the difference between export and import, divided by import. And it calculates a tariff corresponding to half of this percentage difference. This is the resulting table:

Country	Tariffs to the US estimated by the White House	Tariffs to be applied by the US
China	67	34
EU	39	20
Vietnam	90	46
Taiwan	64	32
Japan	46	24
India	52	26
South Korea	50	25
Thailand	72	36
Switzerland	61	31
Indonesia	64	32
Malaysia	47	24
Cambodia	97	49
United Kingdom	10	10
South Africa	60	30
Brazil	10	10
Bangladesh	74	37
Singapore	10	10
Israel	33	17
Philippines	34	17
Chile	10	10
Australia	10	10
Pakistan	58	29
Turkey	10	10
Sri Lanka	88	44
Colombia	10	10
Peru	10	10
Nicaragua	36	18
Norway	30	15
Costa Rica	17	10
Jordan	40	20
Dominican Republic	10	10
United Arab Emirates	10	10
New Zealand	20	10
Argentina	10	10

An excuse like any other

What economic sense does it make to impose tariffs according to this formula? As we have seen, it does not even make specific empirical sense for each sector and according to each trade relationship. It is a generic and general gamble that is thrown to the four winds (after several delays and hesitations) with the intention of forcing a negotiating position.

The countries with the greatest trade imbalance with the US (which export more to the US than they do not import) receive, according to this formula, a much higher tariff rate. The expectation of the US ruling faction is that, in order to see the tariffs imposed reduced, the bourgeoisies of these capitalisms will agree to give concessions to the US in a variety of fields.

One example that was quickly showcased as a major victory was Vietnam's willingness to eliminate tariffs on the US. But under the formula used, there would still be a huge trade imbalance.

Can Vietnam, let alone Bangladesh, raise imports of US commodities to their export level? What are the economic bases that would make this miracle possible?

How will US commodities be made cheaper until this is minimally viable for the Vietnamese capitalist economy? How will Vietnamese capitalists and proletarians be forced to need US-produced commodities?

A confirmed forecast

Let us pause and re-read the following clear description contained in the Manifesto of the Communist Party of 1848 of the direction of the development of commerce in capitalism. This situation was under way in 1848, so that it could be observed and recorded, but its most profound value is that at that time for most of the world it was a prediction, a prediction which has been confirmed in an ever more overwhelming and more widespread manner:

*"The bourgeoisie has **through its exploitation of the world market given a cosmopolitan character to production and consumption in every country**. To the great chagrin of Reactionists, it has drawn from under the feet of industry the national ground on which it stood. All old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that no longer work up indigenous raw material, but raw material drawn from the remotest zones; industries whose products are consumed, not only at home, but in every quarter of the globe. In place of the old wants, satisfied by the production of the country, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal inter-dependence of nations. And as in material, so also in intellectual production. The intellectual creations of individual nations become common property. National one-sidedness and narrowmindedness become more and more impossible, and from the numerous national and local literatures, there arises a world literature."* (Manifesto of the Communist Party, 1848).

It has been clear since then that all tariff fantasies could only collapse in the face of this process, and they can only collapse today in the face of the production volcano.

The tariff bully

The US is used to a weak or non-existent response. Chinese

capitalism has been taking tariff imposition after tariff imposition, sanction after sanction, although it was already beginning to respond (see "The Internationalist Proletarian" No.15, January 2025 p.11) but, with the multilateral imposition of tariffs by the US, China has found the general legitimization to deploy all the firepower we have seen above.

Moreover, the US has forced a whole series of capitalist countries (even reluctantly, like the EU) to respond with tariff measures. And, to top it all off, the US has had to back down from its general gamble in record time, revealing its weakness. The other states, even though the tariffs against them have been withdrawn, have learned that they cannot trust the US and this only deepens the already ongoing process of US withdrawal.

The US attack on all capitalist countries without exception is undoubtedly a shot in the foot. One of the main guarantors of Trump's candidacy, Bill Ackman had no choice but to state: *"'By placing massive and disproportionate tariffs on our friends and our enemies alike and thereby launching a global economic war against the whole world at once, we are in the process of destroying confidence in our country as a trading partner, as a place to do business, and as a market to invest capital.'"* (Bloomberg, 09-04-2025).

What this agent of US capitalism cannot admit is that this process will be imposed by one way or another, because the current situation is yet another moment of US withdrawal from its position of hegemonic capitalist power. Its actions to maintain its dominance or on the basis of this dominance have no other result than to undermine it, forcing the rest of the competitors ("allies" or not) to impose tariffs on the US and/or to tighten ties with each other.

Anxious reactions

Anxious reactions to the scenario ranged from financial analysts, bank and investment fund managers to Republican congressmen and medium-sized companies, each for their own reasons:

"'If people don't like the dollar, don't like investing in the US, don't want to hold an unlimited number of Treasuries; if we just make people mad,' Marks said, 'the fiscal situation will be very complicated.'" (Bloomberg, 04-04-2025).

"Texas Senator Ted Cruz said tariffs everywhere 'would destroy jobs here at home and do real damage to the US economy.' On his podcast, he warned the levies make Republicans vulnerable to a 'bloodbath' in 2026 midterms elections." (Bloomberg, 05-04-2025).

" At Optical Foundry, a Minneapolis-based business with about 50 employees that sells eyeglasses, CEO Rob Rich expects significant cost increases from the tariffs. The company sources from Japan and China, and has already seen its sales in Canada drop by 30% to 40% in the past two months due to backlash from consumers." (Bloomberg, 06-04-2025).

"'Whose throat do I get to choke if this proves to be wrong?' Senator Thom Tillis, a North Carolina Republican facing a competitive reelection race next year, asked during a congressional hearing Tuesday." (Bloomberg, 09-04-2025).

"A series of Wall Street executives criticized the plan this week, including JPMorgan Chase & Co. Chief Executive Officer Jamie Dimon, who in his annual shareholder letter Monday called for a quick resolution to trade policy uncertainty and warned against a potentially 'disastrous' fragmentation of America's long-term economic alliances.

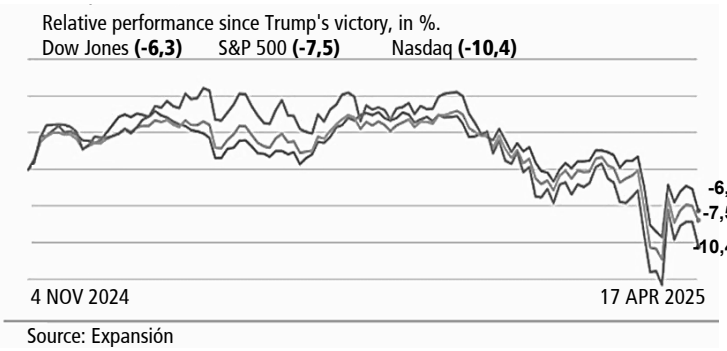
(…) CEO Elon Musk, who advises Trump, called Navarro a 'moron' in a social media post after Navarro called him a 'car assembler' rather than a car manufacturer." (Bloomberg, 09-04-2025).

"Elon Musk hopes for a "zero-tariff" system between the US and Europe that would effectively create "a free-trade zone," he said on Saturday, days after levies set by US President Donald Trump sent global markets into a tailspin." (Bloomberg, 05-04-2025).

US assets exodus

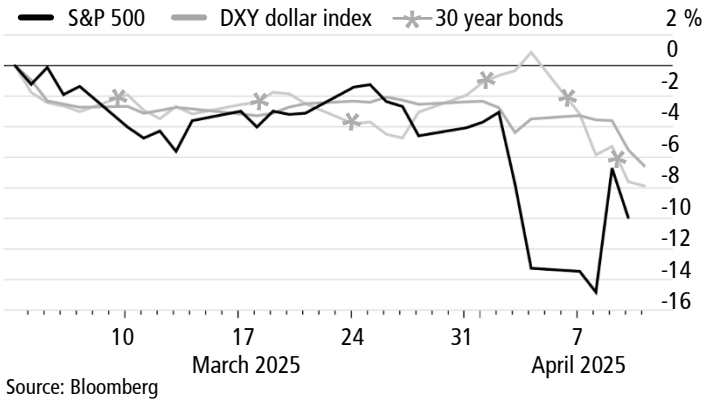
The following chart shows the evolution of the three main US stock exchanges since Trump's election victory on November 4, 2024 (rise and fall).

The drop from April 2 to April 17 for the S&P 500 was 7.79%, the Nasdaq fell 7.47% and the Dow Jones fell 6.25%.



Source: Expansión

And in the following chart the fall of the stock market (S&P 500), the dollar and 30-year US bonds, since the beginning of the dance of tariff announcements and the most drastic fall since the announcement in early April.



Source: Bloomberg
Note: Data shows change since March 3.

The usual swindled

Incidentally, the rise of the US stock markets following Trump's election victory attracted the petty bourgeoisie and the labor aristocracy, while the subsequent stock market crash was brewing: *"Individual investors have pumped almost $70bn into US stocks this year even as professional money managers are slashing their exposure to the market"* (Financial Times, 24-03-2025).

These small speculators are the eternal swindled. On the other hand, others were able to sell before the crash and buy on the cheap before the subsequent rise: *"Insiders including Meta Platforms Inc.'s Mark Zuckerberg, Oracle Corp.'s Safra Catz and JPMorgan Chase & Co.'s Jamie Dimon cashed out shares worth billions of dollars before President Donald Trump's tariff announcements roiled markets."* (Bloomberg, 20-04-2025).

"The data indicate that trading volume intensified before his

turnaround on tariffs transpired. The world's richest people added $304 billion to their combined net worth on Wednesday, the biggest one-day gain in the history of the Bloomberg Billionaires Index." (La Vanguardia, 11-04-2025).

Dollar decline

We are interested in analyzing the above-mentioned speculative bubble burst inasmuch as it is specifically a phenomenon related to assets linked to the US and the dollar.

The dollar's decline relative to other currencies is the result of a general distrust of that currency, a distrust that is far from being total. A buffoon's lurches alone will not end the dollar's role as a currency, but this distrust and the need for an alternative are gradually asserting themselves through the actions that US capitalism is forced to take, including these lurches.

The large volume of the dollar markets means that it is not easily replaceable, for example, among other things, because *"the size of the US debt market makes it the most liquid in the world, allowing investors to trade large blocks of securities without affecting the price."* (Bloomberg, 28-03-2025).

The euro fell short in its attempt to significantly displace the dollar, but the process of gradual de-dollarization of the reserves of capitalist states is a fact. A weaker dollar would reinforce the drive to diversify the currencies accumulated in reserves. And this, in turn, would put downward pressure on the dollar. The dollar is not simply replaceable today, but the necessary processes are underway: the progressive withdrawal of the US, the erratic sanctioning policy on the basis of the dollar, the development of payment systems and free trade agreements outside the influence of the US, develop the bases which, once sufficient critical mass is reached, can make this replacement possible.

However, a deeper crisis of the dollar would have a chain effect that would impact all capitalisms. As an example: *"Almost a quarter of European banks have insufficient US dollar funding to cover their exposures in the currency (…). The EU's main banking regulator said in a report published on Thursday that 60 out of 267 banks with sizeable US exposures did not have enough dollar funding to cover them."* (Financial Times, 03-04-2025).

Junk bonds and Treasury bonds

"The tariff offensive (...) has triggered the biggest sell-off in the US junk bond market since 2020 (...) The premium demanded by investors to hold speculative-rated corporate debt, compared with that offered by US government bonds (an indicator of default risk), has soared by one percentage point, to 4.45 percentage points, since Wednesday, according to data from ICE BofA. This is the biggest increase since the coronavirus triggered widespread confinements in 2020." (Expansión, 07-04-2025).

But it is not only junk bonds that have been massively sold, US Treasuries have also suffered a massive sell-off:

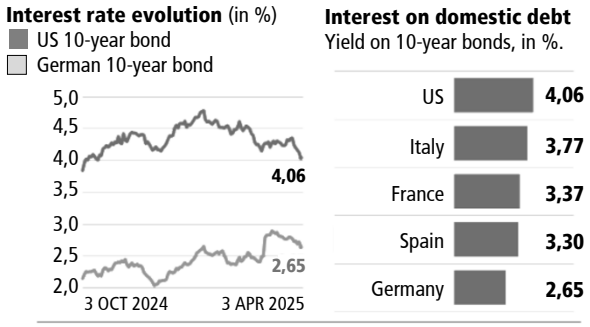
"Last week, bond prices rose as stocks fell, apparently due to growing fears of a recession. But this week they have plunged on signs of low demand at a Treasury bond auction." (Expansión, 10-04-2025).

Normally, the stock market decline is accompanied by an increase in the nominal value of Treasury bonds, as the money obtained from stock market sales is reinvested in an asset considered safer.

What has happened this time is that US bonds have followed the same oscillation as the stock markets (and not the reverse as usual). US bonds *they trade a bit like a risky asset. Or, as former Treasury Secretary Lawrence Summers has said, like the debt of an emerging market country."* (Bloomberg, 11-04-2025).

Needless to say how important it is for US economic parasitism that its bonds are perceived by the world's capitalists as the safe asset to buy when speculative business goes bad, and what a serious problem it would be if the opposite dynamic were to set in.

With its massive sell-off, the yield demanded on US bonds began to rise, approaching 5%, although it then fell back to 4%.



Source : Bloomberg

This rate is relevant for two reasons. The first is that this is the interest rate at which US debt is financed and its increase means a higher cost of financing in a highly indebted economy. The second is in comparison with bonds issued by other states. The difference between them means that there is a risk premium on the US bond that denotes a growing distrust of the US: it is considered riskier to buy its debt than that of Germany, France or even Spain.

US and China debt

There has been speculation that Chinese capitalism may have been behind the sale of US bonds, although the Treasury Secretary (Bessent) has discarded this.

The distribution of US government debt has the following structure: *"China holds $760 billion of US debt and could use it both as a bargaining chip and as an instrument of confrontation by massive selling. However, there is more than 20 trillion, most of which is in the hands of US investors and the Fed. And in the hands of other allies, such as Japan, another trillion."* (Financial Times, 11-04-2025).

In addition to this debt, as we saw in "The Internationalist Proletarian" No. 7 (July 2021, p.12), the US foreign exchange accumulated in Asia (half of which in China) is huge as well, exceeding $7 trillion.

Indeed, this gives considerable firepower to the Asian imperialisms and China in particular, with the nuance that the devaluation of the dollar and the US debt would also have an impact on them. That said, the option of an attack against the dollar from this source should not be ruled out, equivalent to that carried out by the US against the European Monetary System in 1992 or like the one Saudi Arabia threatened to carry out to prevent the law allowing the Saudi royal family to be tried in the US from prospering.

The Fed's interest rates

All these plunges were followed by the outraged call by the buffoonish US President to fire the Fed Chairman for not lowering interest rates. The reason is simple.

A lowering of Fed interest rates should have as a standard effect an increase in the nominal value of the stock market and fixed income (of all capitalized income in fact). This is the reason why the current administration is pressuring the Fed to lower interest rates, in order to mask – with the expected nominal increase – the fall in stock markets and bonds caused by the announcement of indiscriminate tariffs.

In any case, it is too much to suppose that there would not have been a similar movement of outflow of US assets, because the motivation of the runaway of values is structural, it is about the gradual loss of credibility of US imperialism as the hegemonic piece of imperialism in general by its own self-injurious acts.

The needs of high-tech companies

One of the most resounding clashes of the illusion of the current ruling camarilla with reality has been in the field of high-tech companies. These companies had decided to seek shelter behind the faction in favor of the walled-in withdrawal and supported it in the elections, only to discover that their operations and business were literally made impossible by the effect of the tariffs.

As mentioned above, the US government was forced to exclude smartphones, laptops, hard drives and computer processors and memory chips, as well as flat panel displays, from both the 125% tariff in the case of China and the overall 10% benchmark tariff to all other countries. The effect of the exclusion, which was published late on April 11, was backdated to April 5.

What is the volume of this exemption? No more and no less than 22% of China's imports to the US.

"The exemptions cover almost $390 billion in US imports based on official US 2024 trade statistics, including more than $101 billion from China, (…)

The biggest category related to China is smartphones. The US imported smartphones valued at more than $41 billion from China in 2024, or about 9% of total imports from China. Also covered are computers and similar devices, of which the US imported more than $36 billion in 2024.

Altogether the exemptions cover consumer electronics and semiconductors that accounted for about 22% of US imports from China in 2024." (Bloomberg, 12-04-2025).

Despite having established this exemption, both the President and the Secretary of Commerce promised the public in his theater that *"The semiconductor tariffs are "coming in probably a month or two," Lutnick said."* (Bloomberg, 13-04-2025).

The illusions of certain buffoons collide with the small detail of the INTERNATIONAL DIVISION OF LABOR. The reality is that the US *"lacks the rich ecosystem of suppliers, manufacturing and engineering know-how that — for now — can only be found in Asia. (...) Apple's biggest FATP facilities — short for final assembly, test and pack-out — are massive and incomprehensible to many people outside of Asia. They are almost towns themselves (…) 'What city in America is going to put everything down and build only iPhones? Because there are millions of people employed by the Apple supply chain in China,' said Matthew Moore, the co-founder of a startup and a former Apple manufacturing engineer. 'Boston is over 500,000 people. The whole city would need to stop everything and start assembling iPhones.'. (...)*

China is home to millions of people educated in operating machinery and the skills needed to build iPhones — a process that still requires a lot of manual work. 'The engineering support to run a factory is not in America,' Moore said. There just aren't enough students studying STEM, or science, technology, engineering and math, he said. (…)

Chief Executive Officer Tim Cook laid out the reasons for relying so heavily on China during a Fortune magazine event in 2017, saying it wasn't because of low labor costs. 'China stopped being the low labor cost country many years ago,' he said. 'The reason is because of the skill and the quantity of skill in one location.' You could fill multiple football fields with state-of-the-art tooling engineers in China, Cook said at the time. 'In the US, you could have a meeting of tooling engineers and I'm not sure we could fill the room.' (…)

'You design the thing, rebuild the factory, and then you only have six months to sell it,' according to a person with knowledge of Apple's supply chain who asked not to be identified. 'The pace of change makes it so much harder to automate.'

Though Apple has indeed diversified production of iPhones, reducing the share made in China to below 90%, it's difficult to duplicate the process in other countries. Apple production hubs in Thailand, Vietnam, Malaysia and Indonesia are focused on devices like Macs, AirPods, smartwatches and iPads. (…) For now, at least, the Indian factories will help Apple avoid the Chinese tariffs. Already the company has been filling its US channels — its biggest single market — with iPhones made in India, Bloomberg News previously reported. That country could also be enough, at least for now. The estimated 35 million units it's now making a year could cover a large portion of its needs in the US." (Bloomberg, 11-04-2025).

And if the international division of labor were not enough of an obstacle and difficulty, the current ruling faction wants to eliminate the so-called Chip Law and break the economic commitments acquired with the manufacturers:

"President Donald Trump called for ending a bipartisan $52 billion semiconductor subsidy prog spurred more than $400 billion in investments from companies like Taiwan Semiconductor Manufacturing Co. and Intel Corp. "Your Chips Act is a horrible, horrible thing," the president said in a prime-time address to Co Tuesday. (…)

On Monday, Trump credited the tariff threats for TSMC's decision to invest $100 billion in the previous $65 billion commitment. He touted that project in his address Tuesday, referencing the total $165 billion figure. 'We're giving them no money,' Trump said. 'All that was important to them was want to pay the tariffs.'." (Bloomberg, 05-03-2025).

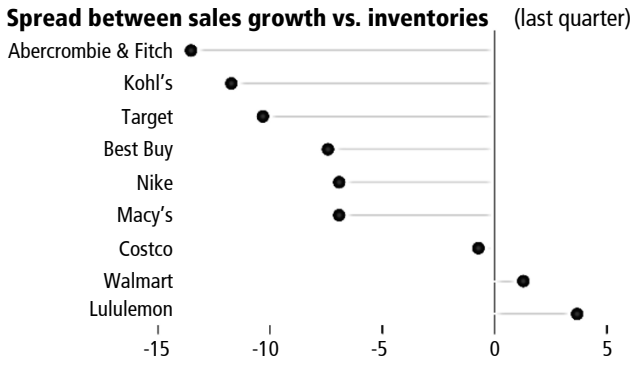
Supply chain effects of tariffs

The announcement and imposition of tariffs has triggered various reactions in the supply chain. In the anarchy of commodity production, the law of "every man for himself" is the rule: price increases, preventive stockpiling, suspension of imports, discounts, new investments.

"New York copper traders have also ***paid a record premium over the London price to buy copper as they seek to secure supply*** *in the face of the possible imposition of U.S. tariffs. The difference between the benchmark New York Comex futures price and the London Metal Exchange price grew by more than $1,254 per ton this week, surpassing its February high of about $1,149, a new record (...) Meanwhile, the red metal has been leaving the network of warehouses managed by the London Metal Exchange (LME). Although the destination of the metal leaving LME warehouses is not made public, US trade data*

indicate a pickup in copper imports into the country." (Expansión, 21-03-2025).

"Sales of the new Galaxy S25 family of handsets played a key role in Samsung's strong performance in the quarter. This range with artificial intelligence features saw strong demand in the US, driven in part by ***pre-orders from distributors who wanted to get ahead of potential price hikes stemming from expected import tariffs****. Analysts also note that some Samsung customers have* ***stockpiled memory chips*** *in anticipation of possible tariffs. In addition,* ***Chinese companies are stockpiling*** *on fears of new U.S. restrictions on imports of semiconductors for artificial intelligence, including high-bandwidth memory chips. "* (Expansión, 09-04-2025).



Source: Company reports, Bloomberg Intelligence
Note: A negative figure indicates that inventories are growing more than sales.

Purchases in the US have also skyrocketed: *"The biggest driver of the mini-boom was the rush to* ***buy new cars before Trump's tariffs on finished vehicles*** *kick in"* (Bloomberg, 16-04-2025). But, as can be seen in the previous graph, inventories at all major retailers have increased at a faster pace.

"German luxury carmaker Audi has ***suspended stateside imports****. Sogrape SA, Portugal's biggest wine exporter, will* ***draw down on a six-month stockpile it's been building up*** *for this very moment. Swiss drugmaker Novartis AG announced* ***plans to pour*** *$23 billion into American operations over the next five years. And Jeep owner Stellantis NV, which already* ***halted production in Canada and Mexico****, will extend employee discounts to customers to bolster sales. (…) To avoid higher costs, Mercedes-Benz Group AG is* ***racing to import higher-end models before anticipated price hikes go into effect****, and Volvo Car AB plans to* ***increase production*** *at its South Carolina plant. Volkswagen AG has warned US dealers that* ***it will add import-related surcharges*** *to the sticker prices of vehicles entering the country — effectively shifting the cost burden to American buyers."* (Bloomberg, 12-04-2025).

And in addition to this variety of attempts to survive in the snake pit, business opportunities inside and outside the US can open up for non-US firms:

"Ryder, the CEO of Applied Nutrition Plc, did point to one potential upside of the unfolding trade war: should countries launch retaliatory tariffs against American products, European businesses could stand to benefit. His company has already seen a surge in Canadian distribution, and he expects to find similar traction in Japan and China. (…)

In other cases, European companies already operating in the US could even gain an edge over US competitors that import into the country. Backmarket, a French company that sells refurbished electronics and smartphones, has seen US sales more than double in the past several days, said CEO Thibaud Hug de Larauze. That's because of anticipated price hikes from companies like Apple, which is doubly exposed to tariffs as it assembles many of its products in China using US-made components, then ships them back to the US. 'If you put yourself in the shoes of an American consumer, buying reconditioned was already cheaper than buying new,' he said. 'Now, it's going to become much, much cheaper.'" (Bloomberg, 12-04-2025)

The breakup with Canada

The bullying strategy pursued by the US against Canada has pushed the Canadian bourgeoisie to look for other ways out and has allowed it to win interclassist support through the poison of patriotism: *"Canadian Prime Minister Mark Carney made it clear a few days ago: 'We have to reimagine our economy; our historic relationship with the US is over'".* (Expansión, 12-04-2025).

The US will have to deal with a decline in tourism in general and also with the decision to divest Canadian and Danish funds in retaliation for its tariff action:

"Some top Canadian funds are backing away from taking on more US private assets because of geopolitical concerns and fears they will lose tax breaks on their American investments. Canada Pension Plan Investment Board, which has C$699bn ($504bn) in assets, is among those considering its approach. Meanwhile, one of Denmark's biggest retirement funds has paused new investments in US private equity because of concerns over stability and Trump's threats to take over Greenland, an executive at the fund told the Financial Times. (…) Another Danish fund is also pulling back. Anders Schelde, chief investment officer at AkademikerPension, which manages DKr150bn (€20bn), (…) said he had started considering "pretty fundamental changes" to his portfolio" (Financial Times, 12-04-2025).

Oil's role in tariffs

One of the reasons for discord between U.S. and Canadian imperialism has to do with oil. Canada sells almost all of its oil to the US and at a discount. This was the case until the completion of the Trans Mountain pipeline fork to load tankers on the Canadian coast:

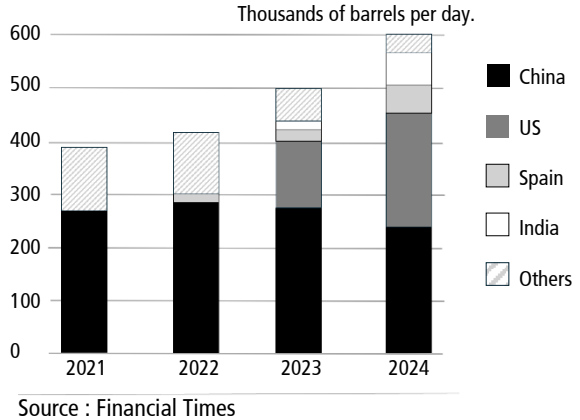


"Almost every day since the expansion of Canada's Trans Mountain pipeline was completed in May, a tanker laden with oil sands crude shipped through the line has passed under Vancouver's Lions Gate Bridge en route to refineries around the

Pacific. Those tankers, bound for China and Japan among other markets, mark a significant shift for Canada, which has long been stuck exporting its vast flows of oil solely to the US." (Bloomberg, 05-02-2025).

The US tariff attack on Canada has reinforced the projects of its bourgeoisie to gain autonomy in the general oil market and not have to sell all the oil at a discount to the US. There are several projects on the table that include extending the Trans Mountain pipeline, creating another east-west pipeline or pushing forward the natural gas project.

On the other hand, the US has been determined to reiterate its attempt to seize Venezuelan oil, years later. As can be seen in the graph, the US has been increasing its positions.

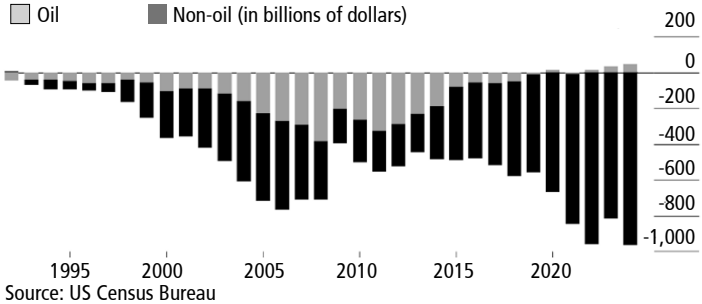


Source : Financial Times

The remedy found by the US bourgeoisie is to impose a tariff-dressed sanction on any other capitalist bandit who dares to extract oil in Venezuela:

"The US will impose a 25% tariff on any country that buys oil or gas in Venezuela, but will let its multinationals continue to operate in the region. A decision that benefits the US giant Chevron. (...) The 25% tariff on those who buy crude oil from Venezuela will be applied to any commercial exchange with the United States." (Expansión, 25-03-2025).

One of the contradictions in which the current US government is immersed is the convenience of having cheap oil to compensate for the maintenance of tax exemptions, which conflicts with the oil industry's need for a certain price per barrel in order to be profitable.



Source: US Census Bureau
Note: Trade in commodities and services, balance of payments.

"Back in the mid-2000s, petroleum imports accounted for nearly half of the American trade deficit. (…) the shale revolution turned what two decades ago was a nearly $400 billion-a-year oil trade deficit into a $45 billion surplus in 2024. (...) Yet, $50-a-barrel will have another macroeconomic consequence: widening the trade deficit that Trump wants to reduce. Drill, baby, drill doesn't work at $50-a-barrel – and if the US doesn't drill, it must import. On Wednesday, West Texas Intermediate touched a four-year low of $55.12 a barrel." (Bloomberg, 11-04-2025).

One of the achievements of the US with the Ukraine war has been to become *"(...) the main energy supplier to the EU, to which it exports between 3.5 and 4 million barrels per day of oil and a maximum of 5.9 million tons of LNG in January 2025, representing approximately 59% of European LNG imports in the last six months."* (La Vanguardia, 24-03-2025).

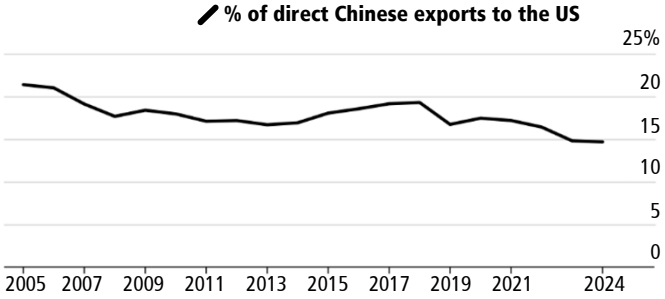
The truth is that Western imperialism was never able to make its sanctions on Russian oil truly effective. But it is also true that the relaxation of these sanctions is linked to the change in the US approach towards Russia: *"As well as vetoing Canada's proposal to establish a task force to monitor for sanction breaches, the draft G7 statement (…) shows the US pushed to remove the word 'sanctions', as well as wording citing Russia's 'ability to maintain its war' in Ukraine by replacing it with 'earn revenue'."* (Bloomberg, 08-03-2025).

It is worth noting that *"almost 60% of Russia's phantom oil tankers, used by Moscow to circumvent European economic sanctions, previously belonged to Western European firms that did not hesitate to sell them to the Russians. For the most part, they were Greek companies."* (La Vanguardia, 03-03-2025).

Is it possible to contain the production volcano?

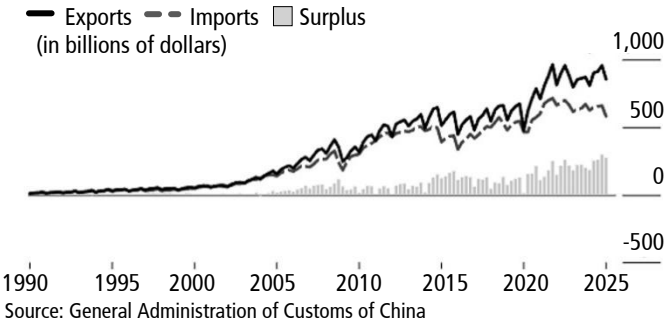
Even if the US could block Chinese imports, where will the Chinese commodities that cannot be sold in the US go?

The percentage of Chinese exports to the US has been declining for years:



Source: General Administration of Customs of China

And yet, China's trade surplus continues to grow.

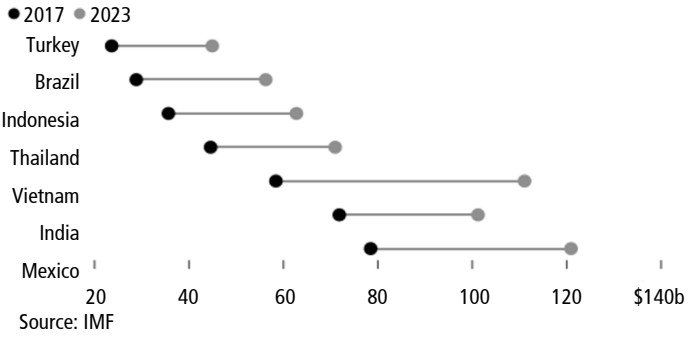


Source: General Administration of Customs of China

These commodities are not dumped into the sea, but rather are tried to be sold (with redoubled competition) both in the domestic market and in the rest of the world market, increasing Chinese exports to other countries (see next graph).

Part of these exports are finished products destined for the local market, but another significant part represents a **redirection of some supply chains**.

Value of Chinese exports to emerging markets



Source: IMF

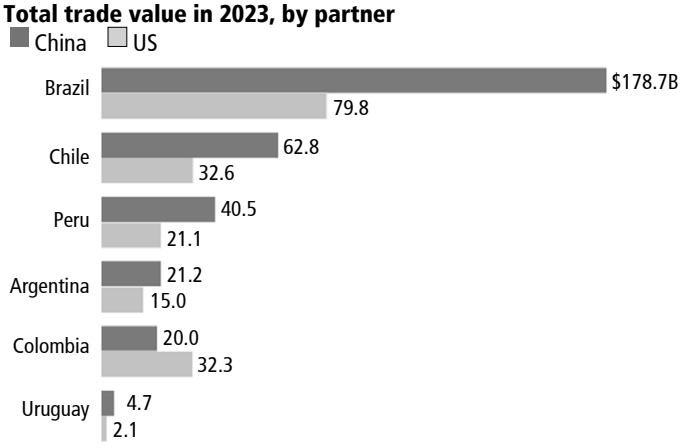
Thus, direct tariffs to China cause the final product destined for the US to be assembled in another country, but with components of Chinese origin, or even arrive as finished products to be re-exported to the US.

These countries have already begun to feel the effects of the partial redirection of the flood of commodities and are trying to cope with it:

"Mexico has already raised tariffs on textile and apparel imports from China to as much as 35% (...) Malaysia added a 10% sales tax on online purchases of low-value goods (…) Vietnam's government, meanwhile, ordered Temu and Shein Group Ltd. to suspend operations in the country last year (…) Countries in Southeast Asia have generally refrained from erecting trade barriers and instead quietly subsidized local producers who've run into trouble." (Bloomberg, 19-03-2025).

In Latin America, too, trade with China far exceeds trade with the US.

Total trade value in 2023, by partner



Source: IMF and Bloomberg

Tariffs and China's diplomacy

The first reaction of most Southeast Asian states was not to impose tariffs in retaliation against the US, but to try to negotiate the situation. Despite this, the wake-up call in the face of the attack suffered at the same time by all, led to the following statement *"Malaysia, as Asean chair, will lead efforts to present a united regional front, maintain open and resilient supply chains, and ensure Asean's collective voice is heard clearly and firmly on the international stage, Anwar said."* (Bloomberg, 06-04-2025).

The Chinese president visited Vietnam, where he was received with full honors, and also Malaysia, where he made a statement: " *'Together we will safeguard the bright prospects of our Asian family.' (…) China and Malaysia agreed to enhance collaboration on industry, supply chains, data and talent (…) building a 'high-level strategic Malaysia-China community.'"* (Bloomberg, 17-04-2025). Thailand and Indonesia were not part of the visit because their representatives went to China in February and December. Visits that resulted in *"in the deportation of forty Uyghur Islamists who had been in Bangkok for a decade and in the repatriation of more than a thousand Chinese involved in cyber-scamming (...) and in* ***the incorporation of Indonesia – a nickel mine – as a full member of the BRICS group****".* (La Vanguardia, 14-04-2025).

In other words, the US moves to isolate Chinese imperialism result in the further integration of the rest of the countries with China. And this, combined with the following global warning sent out by Chinese imperialism, that it: *"'resolutely opposes any party reaching a deal at the expense of China's interests' (…) If that happens, Beijing 'will never accept it and will resolutely take reciprocal countermeasures,' the ministry added."* (Bloomberg, 21-04-2025).

The false Chinese socialism

Although it seems difficult for anyone to still harbor doubts about the capitalist character of China's false socialism, in the following statements regarding the US tariff measures, we have the umpteenth demonstration: *"'violate the rules of the World Trade Organization (WTO)', 'harm the rules-based multilateral trading system', ' affect the stability of the global economic order' warned the Chinese government (...) urged all countries to 'adhere to true multilateralism and safeguard the WTO-based multilateral trading system'."* (Expansión, 07-04-2025).

On page 5 of this issue of the review one can read the article *"Lessons from the defeat of the Chinese proletarian revolution of 1926-1927"* in which it is analyzed how the betrayal and defeat of the Chinese proletarian revolution of 1926-27 created the basis for the bourgeois revolutionary movement of Maoism to mask itself as communist. On the basis of this false Chinese socialism were prepared the conditions on which has developed what is today the first world capitalist power, which declares itself the guarantor of the GLOBAL ECONOMIC ORDER and keeper of the current capitalist TRADE SYSTEM.

The US bourgeoisie is shaking in its boots

On April 15 the official speech was still: *"'China needs to make a deal with us. We don't have to make a deal with them," White House Press Secretary Karoline Leavitt said Tuesday, reading what she said was a statement Trump dictated."* (Bloomberg, 15-04-2025).

A week later, the previously confident Secretary of the Treasury (see p. 15) stated in *"a closed-door investor summit Tuesday that the tariff standoff with China cannot be sustained by both sides and that the world's two largest economies will have to find ways to de-escalate. That de-escalation will come in the very near future (…). He characterized the current situation as essentially a trade embargo, according to people who attended the session."* (Bloomberg, 22-04-2025).

After this "private" position designed to turn public, the US president rectified his earlier position by saying that he had no intention of firing the Fed chairman and that he had no intention of firing the Fed chairman and *"on Tuesday, saying he'd be willing to "substantially" pare back his 145% tariffs on China"*. (Bloomberg, 23-04-2025). He was finally convinced *"after meeting with executives from Walmart Inc., Home Depot Inc. and Target Corp., who said import taxes could disrupt supply chains and raise the prices of goods (…) Warnings about the*

potential for empty store shelves within weeks seemed to resonate (…)" (Bloomberg, 23-04-2025).

Although the first reaction of Chinese imperialism has been to play strong in view of the weakness demonstrated by the US, demanding the unilateral withdrawal of tariffs by the US, the fact is that it is also interested in a reduction of tariffs so it cannot be excluded that there will be negotiations. That said, whatever "understandings", "agreements" or simple pauses may generally unfold following the tariff circus we have discussed, the POWDER BARREL upon which CAPITALISM rests continues to grow steadily and the TRIGGERS of future explosions continue to accumulate unabated. The present instability is not motivated by the psychological profile of individuals, but by the OVERPRODUCTION that feeds and sharpens the COMMERCIAL WAR. In capitalism, only the DESTRUCTION of productive overcapacity can make it possible to relaunch a lasting cycle of accumulation.

WAR is the only capitalist solution to the CRISIS. And the only real alternative to this is the proletarian solution: the ANTI-CAPITALIST SOCIAL REVOLUTION.

Can the US get out of the quicksand?

When we speak of quicksand now, we are referring to the gradual but inexorable process of the withdrawal and decline of the US as the hegemonic power of world capitalism after World War II. The US resembles someone sinking in quicksand whose moves to try to get out of it only sink it faster. And as we have begun by saying, the inevitability of its sinking does not mean that the US can avoid moving to try to get out, thus speeding up the very process.

The question that remains to be definitively posed is whether these desperate acts of the US to escape the quicksand will translate into a military conflict on a world scale, into an internal military outbreak generated by the accumulated contradictions within the US itself, into a decline and implosion similar to that experienced by Stalinist Russia since 1989, or whether, although today it seems a distant probability, it will link up with a RESUMPTION OF CLASS STRUGGLE and the development of the International Communist Party on a world scale that will see the proletariat once again attempt to take the citadels of world capitalism by storm, taking advantage of the instability of the capitalist order to overthrow it, destroying through an authentic COMMUNIST REVOLUTION all the capitalist States of the world, including the false Chinese, Vietnamese or Venezuelan socialism.



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RISE AND TRIBULATIONS OF EUROPEAN IMPERIALISM (I)

Characterization of European imperialism

In this article we will analyze the development of European imperialism and the tendencies which, from within or from outside, push for its integration or disintegration as the case may be. But before continuing, let us take as a safe reference Lenin's Marxist assessment in 1915 of the slogan of the United States of Europe (the current European Union):

"From the standpoint of the economic conditions of imperialism—i.e., the export of capital and the division of the world by the "advanced" and "civilised" colonial powers—a ***United States of Europe, under capitalism****, is either impossible or* ***reactionary****. (…)* ***A United States of Europe under capitalism is tantamount to an agreement on the partition of colonies. Under capitalism, however, no other basis and no other principle of division are possible except force****. A multi-millionaire cannot share the "national income" of a capitalist country with anyone otherwise than "in proportion to the capital invested" (with a bonus thrown in, so that the biggest capital may receive more than its share). Capitalism is private ownership of the means of production, and anarchy in production. To advocate a "just" division of income on such a basis is sheer Proudhonism, stupid philistinism. No division can be effected otherwise than in "proportion to strength", and strength changes with the course of economic development. Following 1871, the rate of Germany's accession of strength was three or four times as rapid as that of Britain and France, and of Japan about ten times as rapid as Russia's.* ***There is and there can be no other way of testing the real might of a capitalist state than by war. War does not contradict the fundamentals of private property—on the contrary, it is a direct and inevitable outcome of those fundamentals.*** *Under capitalism the smooth economic growth of individual enterprises or individual states is impossible. Under capitalism, there are no other means of restoring the periodically disturbed equilibrium than crises in industry and wars in politics.*

Of course, temporary agreements are possible between capitalists and between states. In this sense a United States of Europe is possible as an agreement between the European capitalists … but to what end? Only for the purpose of jointly suppressing socialism in Europe*,* ***of jointly protecting colonial booty against Japan and America*** *(…)."* (On the Slogan for a United States of Europe, Lenin, 1915).

Despite the hundred years that have passed since these precise quotations, all their fundamental points are still valid and even tremendously up to date.

The internal borders in Europe have changed. There is no more Austria-Hungary or the German Empire, although they were correctly characterized as already capitalist powers then by Lenin. The European Union is not only fighting for the conquest of markets against Japan and the US but also against China, India, Russia, Turkey, South Africa, Brazil, etc. But its sense of existence remains the same as it was in 1915: to prevent and smash if necessary the proletarian revolution within the European Union, and to defend itself together against the other capitalist powers.

In the last two decades it is no longer Germany or Japan that are growing much faster than their rivals, but Asia in general and China in particular that are growing at a much faster rate, but the resulting imbalance is of the same nature.

And is it not obvious that the division of the world after the 2nd imperialist slaughter has collapsed, that as in 1915 another division can only be made by force, and that war is both the inevitable development of capitalism and the only way to prove the real current power of the capitalist States currently in conflict?

After having recalled the reactionary character of the current European Union in the face of the proletarian revolution as well as its imperialist nature, we will place ourselves at the end of the Second World War to analyze how European imperialism has been shaped from that moment on, how its rise has been and in what its stagnation consists.

Victors and defeated, or the other way around

In 1945, Germany, which would later become the core and powerhouse of today's European imperialism, had just been defeated in the war, was divided into four parts, militarily occupied and deprived of an army.

Over the immediate following years, two of the victors and occupiers, French and British imperialism, saw their empires dismantled as a result of the development of bourgeois democratic revolutions in Asia and Africa as well as the Russian-American condominium over Europe and the world.

Thus, while fascism was militarily defeated only to be embraced in practice by all the capitalist States of the world (State intervention in the economy, integration of trade unionism into the networks of the bourgeois State, hypertrophy of the bourgeois State, concentration of the repressive capacity and militarization of all areas of society), two of the supposed victors of the war (France and the United Kingdom) were in reality the great losers in the second world slaughter.

The independence of India (1947), the defeat of France at Dien Bien-Phu (1954) and the later independence of Algeria (1962) are episodes of this retreat. The disempowerment of the United Kingdom and France by Russia and the US vis-à-vis Egypt in the Suez Canal crisis in 1956 would highlight the loss of power of these classic capitalist powers.

Miracles of the defeated

In 1949, the German bourgeoisie recovered its instrument of class domination and the German Federal Republic was founded. Only two years later (1951) the European Coal and Steel Community (ECSC) was constituted on the basis of the Franco-German alliance, also including Belgium, Italy, Luxembourg and the Netherlands, with the express aim of avoiding a repetition of the world war on European territory. The experiences of the first two wars had taught these capitalists that the US had been able to prevail over the other contending countries precisely because the war was not fought on American territory.

After six years (1957) both the European Economic Community (EEC) and the European Atomic Energy Community (EAEC) were formed by the same capitalist states. The embryo of European imperialism was consolidated around the defeated and still divided Germany.

The Berlin Wall and false Russian socialism

Against the expansion of this embryo of European imperialism and against the working class, the nefarious Berlin Wall was erected by the false Russian socialism in 1961.

This wall built for anti-communist purposes was an emulative cobweb for the capitalist businesses on both sides of the curtain, but it was an enormous and suffocating weight for the European

working class. No wall could prevent years later the great confession of the capitalist character of the so-called Eastern bloc, but it did serve for a part of the working class to learn to reject socialism or else to fight for a false objective, contrary to its needs and historical purposes, erroneously identifying in both cases socialism with the tattered capitalism of the area of influence of Stalinist Russia (which for us is not substantially different before or after the death of the individual Stalin).

On the contrary, when the revolutionary proletariat will succeed in taking power in one or several countries, in the heat of the next revolutionary wave about which we are fully certain despite the fact that it does not appear as immediate and not

FUNDAMENTAL TEXTS OF THE PARTY AVAILABLE TO MILITANTS AND SYMPATHIZERS (II)

(continued from page 7, texts in Italian and Spanish)

- Formation and Structures of Ancient China (1958)
- The Great Historical Questions of the Revolution in Russia (1955-1958)
  - The Great Historical Questions of the Revolution in Russia
  - Economic and Social Structure of Russia 1913-1957
  - Russia in the Great Revolution and in the Contemporary Society
- In defense of the continuity of the communist program
- Program of the Party
- Theses of the Abstentionist Communist Faction of the PSI (May-1920)
- Theses on the tactics of the Communist Party of Italy (Rome-1922)
- The tactics of the Communist International in the draft theses presented by the CP of Italy at the IV World Congress (Moscow-1922)
- Draft theses presented by the left to the III congress of the Communist Party of Italy (Lyon 1926)
- Nature, function and tactics of the revolutionary Party of the working class (1945)
- Characteristic Theses of the Party (1951)
- Considerations on the organic activity of the party when the situation is historically unfavorable (1965)
- Theses on the historical task, the action and the structure of the world communist party, according to the positions that for more than half a century have formed the historical heritage of the communist left (1965)
- Supplementary Theses on the historical task, the action and the structure of the world communist party (1966)
- The Revisionist Doubt's Assault on the Foundations of Marxist Revolutionary Theory
  - The Theses of the Left (1947)
  - The Revolutionary Program and the False Resource of Activism (1952-1953)
- Fundamentals of Revolutionary Communism (1957)
- Party and class
  - Theses on the role of the communist party (1920)
  - Party and class (1921)
  - Party and class action (1921)
  - The democratic principle (1922)
  - Proletarian dictatorship and class party (1951)
  - The inversion of praxis (1951)
- For the motto of anonymity and anti-personalism
  - The individual as puppet of history (1953)
  - Carlyleian Ghosts (1953)
  - Plaidoyer for Staline (1956)
  - Politique d'abord (1952)
  - The Historical Invariance of Marxism (1952)
  - Marxism and the Human Person (1949)
- The Organic Structure of the Party is the Other Face of its Unity of Doctrine and Program (1965-66)
- The continuity of action of the Party in the historical thread of the Left (1967)
- Fascism and anti-fascism, two faces of capitalism
  - The social democrats and violence (1921)
  - The roads that lead to noskism (1921)
  - The role of social democracy in Italy (1921)
  - Fascism (1921)
  - The fascist program (1921)
  - May 4, 1937: lead, shrapnel and prison (1937)
  - Auschwitz or the great alibi (1960)
  - Remembering the Warsaw Commune - 1944 (1953)
  - The corpse still walks (1953)

even close, not only will it not raise any wall but it will be instead the capitalists of the rest of the countries who will raise it. And they will raise it to prevent the thrust and extension of the communist revolution and the spread of the news about the establishment of the revolutionary dictatorship of the proletariat: destruction of the bourgeois State, expropriation of the means of production, drastic reduction of the working day, incorporation of the proletarian masses to the exercise of revolutionary power, elimination of money and wage labor, expropriation of the housing stock and other buildings to eliminate the shortage of housing and eradicate the use of unhealthy rooms, etc.

The creation of the European Monetary System

The gradual attraction of the various capitalist countries of Western Europe followed its course: in 1973 Denmark, Ireland and the United Kingdom joined the EEC, followed by Greece (1981), Spain and Portugal (1986), but a milestone in the development of European imperialism was the creation in 1979 of the European Monetary System (EMS), the basis of the future currency with which European imperialism would try to dispute the primacy of the dollar as reserve currency or international currency.

The possibility of printing dollars and exchanging them for real commodities had been the basis for the appropriation by the US of part of the profit obtained by the rest of the world bourgeoisies through the surplus value exploited from their respective working classes. This was the function of the Bretton Woods agreements (1944), imposed by the US in the final stretch of the second imperialist slaughter and which had blown up in 1971, coinciding with the first US trade deficit.

The trend towards integration in the Eurasian area

In 1982 the construction of the Russia-Europe gas pipeline began. In an attempt to prevent this energy integration between Western European capitalism and Russia, the US embargoed the French subsidiary of Dresser (manufacturer of the compressors needed to liquefy the gas), which was followed by its requisition by France in order to seize the compressors.

This virulent reaction of US imperialism to prevent the energy connection between Europe and Russia was the prelude to a constant in US policy. In turn, the European reaction was a manifestation of a real tendency on the part of European capitalism, and German capitalism in particular, to realize this integration. The links of this tendency with Russia could be seen years later in the role of G. Schröder (former president of Germany) at the head of the Nord Stream 2 gas pipeline and in his positions in Rosneft.

Also on the production level, all the countries of the Eastern bloc were falling into a relationship of dependence with the German capitalism of the GDR, and in a high degree of financial indebtedness with the FRG

Fall of the Wall and German reunification

Russian capitalism could not prevent in 1989, the fall of the Berlin Wall and the beginning of the crumbling of its bloc due to a combination of factors (military defeat in Afghanistan in an imperialist war initiated ten years earlier in 1979 and the great waves of strikes inside Russia, see "El Comunista" No. 19, November 1989, p.14) which prevented it from mobilizing the army as it had done in 1968 in Czechoslovakia and in Poland in the strikes of 1970, repeated later in 1976 and 1981.

The massive indebtedness of all the countries of the Eastern bloc and also of those of the West to Germany, together with the crisis of relative overproduction in the Russian area, determined the complete collapse that followed.

With the fall of the Berlin Wall and the breakdown of the Eastern Bloc, the foundations of the Russian-American condominium and the division of Germany collapsed: right after that, in 1990, the German capitalist State was reunified, and in the same year the European Economic and Monetary Union was formed (see "El Comunista" No. 20, May 1990, p.14).

The breakup of Yugoslavia

A year later, in 1991, the breakup of Yugoslavia, the process of subduing Serbia and the recovery of the direct exit to the Mediterranean by Germany began. The successive declarations of independence of Slovenia and Croatia, promoted by Germany in whose academies the Slovenian and Croatian military cadres had been trained, were the prelude to the Bosnian war whose population was cynically sacrificed in an artificially prolonged war (as was the Iran-Iraq war of 1980-1988) to wear down and reduce Serbia. The absence of a class alternative and of an uncompromisingly internationalist approach making no concessions to any kind of nationalism, determined a bloodbath that lasted until 1999 with the Kosovo war and the bombing of Serbia, the first foreign military action of the German army after the second imperialist slaughter.

US competitors: Japan and Germany

With Russia in free fall and China in the process of industrialization (initiated after China's defeat by Vietnam in 1979 and the launch of the Special Economic Zones in 1980), two capitalist powers threatened to oust the US: Japan and the nascent European imperialism.

Japanese imperialism was already investing in areas that had been US hunting areas, such as the construction in 1980 of the world's largest refinery in Abadan (Iran), with a production capacity of 2.5 barrels per day. And by 1990, Japan had displaced the US in the world's top 10 banks by assets. By 1994, there were 413,578 industrial robots in Japan compared to only 65,198 in the US. Note that comparatively small Germany also already had 56,175.

This prompted the US show of force with the first Iraq war in 1990 (after conveniently inciting Iraq to provide an excuse by invading Kuwait) and the campaign to make Japan and Germany pay for the costs of the war: the two defeated of the second world slaughter who were challenging US world primacy.

On this basis US was able to apply against Japan the production quota as well as the delivery of the two most advanced supercomputers. By preventing Japanese commodities from being sold if they were not produced in the USA, the Japanese bourgeoisie was condemned to stew in the sauce of the installed productive overcapacity. But it could not subdue Germany and European imperialism, which was continuing its process of integration and expanding its influence towards southern and eastern Europe, which was in the process of collapsing.

The attack on the EMS and the formation of the EU

In an attempt to dynamite the process of conformation of European imperialism, in 1992 speculative attacks were launched against the Italian lira, the Spanish peseta and the pound sterling. These currencies were massively sold in order to devalue them and force them out of the European Monetary System, obtaining huge profits by buying back these devalued currencies at a much lower price. This attack against the EMS was led by G. Soros, with the participation of both US and Scandinavian speculators, among them and very significantly the

current US Treasury Secretary in the second Trump term (S. Bessent).

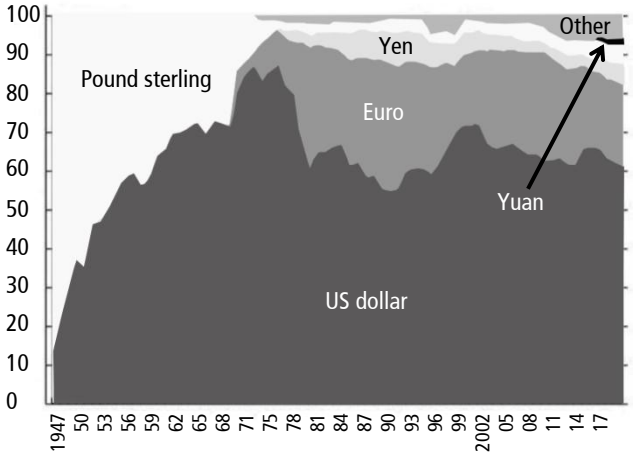
Despite their effectiveness against the Italian, Spanish and British currencies, the speculators crashed against the French franc, or rather, they crashed against the Bundesbank (German central bank), which bought all the francs that were massively launched for sale. With this, the attempt to push the franc out of the EMS also failed, and the effort for the unity of German and French capitalism was demonstrated, as well as the economic power of this bourgeoisie which had resisted the attack.

The failed financial attack could not prevent the formation of the European Union the following year, 1993, on the basis of the "European Communities", i.e. the ECSC, the EEC and the EAEC.

European Central Bank and the launch of the euro

And in 1998 the European Central Bank was created, a step prior to the launching of the Euro as a currency for international transactions in 1999 and its introduction as a general currency in 2002. European imperialism had equipped itself with a single currency and intended to unseat the dollar as reserve currency, although it never came close to achieving this.

When analyzing the following chart, it should be noted that prior to 1999 the Euro category includes all the European currencies that later joined the euro. The strength with which the US dollar displaced the pound sterling is striking. The gradual rise of the European currencies and the Japanese yen in the years following the breakdown of the Bretton Woods agreements can be observed.



Sources: IMF, Currency Composition of Official Foreign Exchange Reserves (COFER) database; and IMF staff calculations.

Around 1990 (as a result of the Iraq war), the dollar expanded again, on account of the loss of ground by the European currencies and the Japanese yen. In 1999 and then in 2002, with the introduction of the euro, the European currencies grouped in this way recovered ground. But from then on, the euro did not really advance. And the dollar declined, but not so much because of the euro as because of other currencies. These currencies (yuan, ruble, rupee, dirham, etc.) did not yet have a specific weight in 2017, when the chart ends, but they showed an upward trend that they have maintained.

Expansion of the EU to the East

If the last incorporations to the EU prior to the launch of the euro, in 1995, were Austria, Finland and Sweden; from the launch of the European currency, mainly Eastern European states joined: in 2004, the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia, in 2007, Bulgaria and Romania, and in 2013, Croatia. In this way, the radius of European imperialism reached almost the whole of Europe and its peak. From this moment on, the admissions as candidates to join the EU have ceased to be a genuine attempt at imperialist expansion to become a promise to maintain expectations and prevent these states from getting too close to other capitalist powers, such as China or Russia.

In 2022, Bosnia and Herzegovina, Moldova and Ukraine were admitted as candidates, which were put in line for actual admission with North Macedonia (since 2005), Montenegro (since 2010), Serbia (since 2012) and Albania (since 2014).

Euromaidan in Ukraine

In 2013, China announced the launch of the New Silk Road, in which Ukraine was to play the role of distribution hub in Europe. On the one hand, the European bourgeoisie had been realizing the progressive hollowing out of its backyard by China and, on the other hand, the US had been investing systematically for years in an attempt to wrest Ukraine from the Russian sphere of influence and drag Russia into a war against the European states.

The result was the Euromaidan, which deposed President Yanukovych after he suspended the EU-Ukraine Association Agreement that had been approved by Parliament. This move wrested the bulk of Ukraine from Russian influence and prevented Ukraine from being the platform for the flooding of Europe with Chinese commodities brought in by train.

But Russian imperialism did not stand still and in 2014 occupied Crimea and Sevastopol, as well as the territories of Donetsk and Lugansk. Then began the EU and US sanctions against Russia and the low-intensity war in the Donbas that continued until the outbreak of open warfare with the entry of the Russian army into Ukraine in February 2022.

To be continued

In the next issue we will analyze how, after the almost uninterrupted rise we have been following until before 2013, the process turns from here on into a period in which internal disputes will be highlighted at the same time as some states act as a fifth column of either Russia or the US, important deficiencies in military field and in key technologies become apparent, the approach of commercial complementarity with China fades away at the same time that the US becomes an unpredictable ally, the United Kingdom will separate from the EU to end up in a worse position than it was in, European imperialism is expelled from the Sahel, its energy integration with Russia is dynamited and the US manages to trigger a war in Ukraine to then begin normalization negotiations with Russia at the expense of European imperialism.

These are some of the elements, added to the effects of the crisis of overproduction, which we will analyze as generators of centrifugal and centripetal tendencies acting in opposite terms in the process of integration or disintegration of European imperialism.

In either of these two eventualities, **the working class has nothing to gain either by the maintenance of the national States or by their fusion into a single State in capitalism**: in both cases **the only way forward is the revolutionary destruction of the existing capitalist States (whichever they may be at the time) for the overcoming of capitalism**, establishing the World Proletarian Dictatorship which will work relentlessly towards its own extinction, disappearing once the social classes and the attempts of restoration of capitalism have been definitively eliminated.

CAPITALISM IS CHAOS, WASTE AND DESTRUCTION

*"**CAPITAL eschews no PROFIT,** or very small profit, just as Nature was formerly said to abhor a vacuum. With adequate profit, capital is very bold. A certain 10 per cent. will ensure its employment anywhere; 20 per cent. certain will produce eagerness; 50 per cent., positive audacity; 100 per cent. will make it ready to trample on all human laws; 300 per cent, and **there is not a CRIME at which it will scruple, nor a risk it will not run, even to the chance of its owner being hanged. If turbulence and strife will bring a PROFIT, it will freely encourage both.** "* (Capital, Volume I, Chapter XXXI).

"Natural" disasters or a product of greed?

When there is a **FIRE** or a **FLOOD**, it is quickly qualified as a "natural" disaster. But how can it be considered "natural" that houses are knowingly built on flood lands, that these houses have real mousetraps in which part of the working class is condemned to live and die, that forests are left uncleared because it is not profitable, or that they are deliberately set on fire to collect subsidies, or that bridges that are known to be in a precarious condition are left unfixed until they collapse?

Fire, water and gravity are natural forces, but the reasons and consequences of these natural forces throwing thousands of people to their deaths are **social reasons and consequences**. It is the **EAGER OF PROFIT** imposed by the **process of ACCUMULATION of Capital** (impersonal force that feeds on the exploitation of the working class) that produces the circumstances in which these natural forces cause ravages dragging thousands of people to premature death: *"(…) when society places hundreds of proletarians in such a position that they inevitably meet a too early and an unnatural death, one which is quite as much a death by violence as that by the sword or bullet; when it deprives thousands of the necessaries of life, places them under conditions in which they cannot live – forces them, through the strong arm of the law, to remain in such conditions until that death ensues which is the inevitable consequence – knows that these thousands of victims must perish, and yet permits these conditions to remain, its deed is murder just as surely as the deed of the single individual; disguised, malicious murder, murder against which none can defend himself, which does not seem what it is, because no man sees the murderer, (…). But murder it remains."* (Condition of the Working Class in England, F. Engels).

Labor murders: squandering of workers' lives

And these circumstances do not only occur in the housing sector, but also in the workplaces. According to the ILO report, **more than 2.9 million workers worldwide die every year** as a result of so-called "accidents" at work or work-related illnesses.

This is consubstantial to CAPITALISM, its very nature leads to this result: *"The capitalist mode of production proceeds to count the prodigious **dissipation of the labourer's life and health** (…) Since the labourer passes the greater portion of his life in the process of production, **the conditions of the production process are largely the conditions of his active living process, or his living conditions** (…) overwork, the transformation of the labourer into a work horse, is a means of increasing capital, or speeding up the production of surplus-value. (…) **The capitalist mode of production is generally, despite all its niggardliness, altogether too prodigal with its human material.**"* (Capital, Volume III, Chapter V).

To cover up this mass murder, the labor origin of all the illnesses suffered by the working class because of the conditions and rhythms of work is denied and covered up by the mercenary doctors paid by Capital and the State whose bonuses and good life depend on making us go to work sick. The integrated and subsidized trade unionism on its side signs in the collective agreements "absenteeism bonuses" to criminalize the sick fellow workers and to pressure everyone not to take sick leave, with the same objective of forcing us to work sick.

For the abolition of wage labor

The way in which Capital appropriates surplus value (unpaid labor of the working class) is through wage labor. **Under capitalism, labor force is just another commodity** and, as long as we do not eliminate the commodity character of our labor force, we will inevitably suffer the situations described above: "[The working class] *ought to understand that, with all the miseries it imposes upon them, the present system simultaneously engenders the material conditions and the social forms necessary for an economic reconstruction of society. Instead of the conservative motto: "A fair day's wage for a fair day's work!" they ought to inscribe on their banner the revolutionary watchword: **"Abolition of the wages system!".**"* (Value, Price and Profit, K. Marx).

However, while we cannot yet achieve this revolutionary aim: *"(…) the working-class ought to renounce their resistance against the encroachments of capital, and abandon their attempts at making the best of the occasional chances for their temporary improvement? If they did, they would be degraded to one level mass of broken wretches past salvation. (…) **By cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.**"* (Value, Price and Profit, K. Marx).

Precisely to liquidate or corset any impulse of struggle even on the immediate level, the bourgeoisie finances and subsidizes integrated unionism, authentic life insurance for capital. And for this reason communists must support and encourage the development of a **network of union struggle outside and against integrated unionism: the class union.**

Capitalism means waste and squandering

The internal laws of CAPITALISM determine the inevitable overproduction of what is not needed while not enough is produced to satisfy other pressing needs, leads to the same processes being carried out in duplicate and kept under commercial secrecy, leads to a multitude of unproductive jobs from a social point of view, to a multitude of other antisocial jobs (think of the bureaucratic apparatus at the service of the domination of the bourgeoisie), to the production of commodities destined to spoil in order to be sold again (programmed obsolescence), and, finally, to the periodic destruction of the productive forces already created through crises and wars.

Therefore, only with the communist revolution and the **abolition of the anarchy of commodity production** will we be able to eliminate all this redundancy and waste of effort, eliminate all useless and antisocial work, incorporate the entire population into production, thus **reducing the obligatory**

working time to a minimum fraction of the day, through the **combination of the obligation to work with the distribution of this work among the entire population**, at different durations and intensities according to age and other personal circumstances.

Trade war leads to military war

As long as capitalist mercantile production and anarchy of production continue to exist, supply will precede demand and more than can be sold will be produced. The development of this process leads at the same time to the **RELATIVE OVERPRODUCTION OF CAPITALS** and to the **TENDENCY OF THE RATE OF PROFIT TO FALL.**

The **ANARCHY OF COMMODITY PRODUCTION** produces at the same time **OVERCROWDING** and **SHORTAGE.** If a lot of energy is produced and the price drops, then all the unprofitable generators are taken out of production and the result of the initial abundance is a sudden shortage, capable of generating a **BLACKOUT** because the infrastructure is both insufficient and excessive for both situations. If too many commodities are produced then the price drops so low that the capitalist powers have to impose the stoppage of production and circulation with **HOUSE ARRESTS** and **LOCKDOWNS.** But when circulation is resumed, where there were too many goods, there are now too few goods ready and too few means of transport. Then there is over-ordering, prices soar and circulation is saturated. Until it has accumulated so much at the destination that there is again overproduction and inventories are so full that it is necessary to sell at a discount. And when this **EPILEPTIC ATTACK** has passed, world capitalism returns to the same situation of overproduction, waiting for new **SPASMS** that have the momentary effect of stopping the fall in prices. Nothing new: *"And how does the bourgeoisie get over these crises? On the one hand by* ***enforced DESTRUCTION of a mass of productive forces;*** *on the other, by the* ***CONQUEST of new markets, and by the more thorough EXPLOITATION of the old ones.*** *That is to say, by* ***paving the way for more extensive and more destructive crises,*** *and by diminishing the means whereby crises are prevented."* (Manifesto of the Communist Party, 1848).

The pressure exerted by overproduction drives the rush of goods to other markets. England played this role until it was displaced by the USA, which has now been displaced by the capitalist China. **The center of gravity of world capitalism has shifted to Asia.** For this reason, the former exporting powers that conquered the world with their commodities are now trying to build **tariff walls**.

This displacement was accompanied by **rupture of the division of the world** after World War II and the **retreat of the USA,** forced by material circumstances. But a new distribution of the world cannot be made without recourse to the use of force and all this has its culminating point in the **MILITARY WAR**, the capitalist solution to the crisis. The capitalist world is already on this path.

Facing the growing **MILITARIZATION** of capitalist society, and the bourgeoisie's use of any circumstance to inculcate and introduce in the population the normality of war, the militant communist position is that of **REVOLUTIONARY DEFEATISM**, the transformation of the imperialist war into revolutionary civil war: *"The proletariat must not only oppose all such wars, but* ***must also wish for the defeat of its 'own' government*** *in such wars and* ***utilize its defeat for revolutionary insurrection,*** *if an insurrection to prevent the war proves unsuccessful."* (The Military Program of the Proletarian Revolution, Lenin, 1916).

For social revolution, for communism

At present, **we live under the dictatorship of the bourgeoisie,** no matter how much embellishment they put on it. It is a truth that we feel at every moment in the strikes, in the courts, etc. For this reason, **we will not succeed in breaking or modifying the system of capitalist relations of production, from which exploitation derives, without overthrowing the bourgeois State.** The working class will have to equip itself in turn with its own instrument **to prevent the restoration of slavery and exploitation: the dictatorship of the proletariat,** history does not allow a middle term. However, **this revolutionary State is only necessary in a transitory period and will die out** and will be gradually replaced by the collective organization of the associated free producers.

To be able to carry out this task, the working class needs a Party with a scientific understanding of history and a program that is not one of reform or conservation of the present society: **this party is the International Communist Party that must gather the most advanced and determined part of the proletariat, unifying the efforts of the proletarian masses by leading them from the struggle for contingent interests and results to the general struggle for the revolutionary emancipation of the proletariat.**

It is essential to understand that ***"without revolutionary theory there can be no revolutionary movement"*** (Lenin) and to study the scientific foundations of Marxism *("Wage Labor and Capital", "Manifesto of the Communist Party", "Anti-Dühring", "Capital", "Critique of the Gotha Programme")* together with the lessons drawn by the Communist Left from the tactical-programmatic-organizational degeneration of the Communist International (degeneration of which "Trotskyism" was a co-participant), which ended up abandoning the world communist revolution in 1926 with the Stalinist counterrevolution whose effects have weighed like a slab on the possibility of the resumption of the class struggle.

This bourgeois world is sinking and threatens to drag us down with it, we have no patches or mends to apply it but a new society to fight and live for. And not a caricature of it with changed names but **a truly communist society:** without wage labor, without market, without anarchy of production, without private property, without State, without crisis or war... in which ***"the free development of each will be the premise of the free development of all"*** (Manifesto of the Communist Party, 1848).

Alternative to the mercantile-capitalist system



INTRODUCTION TO THE 1952 SPLIT

The initial formal constitution of the Internationalist Communist Party in 1943 and the first period until 1951 was not exempt from a whole series of insufficiencies and deficiencies, from ambiguities about the anti-fascist partisanship, through the approach of democratic internal debate to the acceptance of participation in parliamentary elections[1].

Notwithstanding the above, in that period will begin to be published as a process of political clarification – and until 1951 as an external contribution – *"Property and Capital"* from 1948 and the series "Threads of Time" from 1949, as other fundamental texts of continuity and Marxist theoretical restoration had been produced before[2].

The true reconstitution on an integrally Marxist basis of the Party took place in 1951 when, on the basis of all the preceding work of political clarification, a clear and categorical delimitation of the positions of the Party with respect to the revisionist positions that were manifesting inside the Party was established. *"Theory and action in the Marxist doctrine"* (Rome and Naples meetings) and the *"Characteristic Theses"* (Florence meeting), initially published in the form of a synthetic extract as *"Bases for the organization 1952"*, collect this platform in perfect coherence with other fundamental texts published in that period. Both texts are expressly referenced in n. 5 of *Battaglia Comunista* of 1952, as delimiting texts of the approach and extension of the organizational framework, practical tasks and of the action of the Party.

The clarification of the fundamental positions according to the thread of the tradition of Marxism and of the Communist Left of Italy (and more specifically of its battle against the degeneration of the III International) led to the separation from the Party's leadership by those who would later kidnap the Party's publications by asserting their commercial ownership over them. The continuity of the historical thread of Marxism had to keep up the publication of the Party review under another headline: *il Programma Comunista*. Both *Battaglia Comunista* and *Prometeo* remained in the hands of the activist, alliancist, parliamentary and anti-union line which had resorted to bourgeois legality for this purpose.

We will synthesize beneath, for schematic facility of reference, the points of separation that led to the rupture, without prejudice to referring to the study of the mentioned fundamental texts and of others, from where it is truly important to study and assimilate them.

The current of integral Marxism, of the continuity of the lessons of the struggle of the Italian Communist Left against the degeneration of the III International, the current that represented the continuity of the *historical Party*, delimited itself from the revisionist current, in the following points:

a) Understanding of the severity and depth of the counterrevolutionary situation and the distance of the resumption of the class struggle, preponderance of the work of theoretical restoration and publication of the review, of the defense of the historical line of preparation for the future resumption of the movement, without renouncing all forms of activity characteristic of favorable moments insofar as the situation allows it[3];
b) Understanding of the bourgeois revolutionary process that was developing in Asia and Africa (later completely culminated around 1975) and of the necessary triumph of bourgeois revolutions over feudalism for the birth and generalization of capitalism (a process closed in Europe in 1871)[4];
c) Rejection of any form of revisionism of Marxism and of the freedom of new doctrinal elaboration tending to the foundation of new theories or of pretended new schemes and explanations of the contemporary social world that assumes that the facts of capitalism in its present phase cannot be explained by the fundamental Marxist theory[5];
d) Rejection of the revisionist and gradualist theory of a supposed descending branch of the curve of capitalism, which in reality develops through a series of ascending curves that lead to points of discontinuity (crisis)[6];
e) Characterization of the Russian economy as tending towards State industrialism and rejection of the anti-Marxist position of the "bureaucracy" as a new social class that would have become the dominant class in Stalinist Russia[7];

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[1] In fact, in 1946 the formal organ of the party still participated to the election to the Italian Constituent Assembly.

[2] Such as the texts known as *"Theses of the Left"* in 1944-45 *("The assault of revisionist doubt on the foundations of Marxist theory", "The historical cycle of the capitalist economy", "The historical cycle of the political domination of the bourgeoisie", "The historical course of the class movement of the proletariat. War and opportunist crisis"), "Nature, function and tactics of the revolutionary Party of the working class"* of 1945, the *Tracciato d'impostazione* (Setting down our approach) of 1946 or *"Force, violence and dictatorship in the class struggle"* (1947).

[3] *"Activism (Small dictionary of the revisionist nails)"* (1952): *"We are eternally accused of making «abstraction of the situation», the same as Bukharin used to say. Well, let us observe for a moment this famous situation. Here is how it presents itself, the bourgeois world, year in course: The dominant class has managed, by maneuvering the levers of opportunism, to crush to the marrow the revolutionary movement, in a damned war that was to conclude the process of counterrevolutionary involution of the workers parties. A state machine of unheard proportions and repressive capacities keeps the masses chained to exploitation, worse than the lathe to the body of the condemned to torture. The chaotic confusion and the sufferings of the masses are such and so many that the working class is transformed into a bleeding trunk that moves unconsciously: its brain is obscured and intoxicated, its sensibility narcotized, the eyes do not see, the hands writhe over themselves. In the place of the class struggle, there is the horrifying ravage of the internecine struggle, typical of castaways on the life raft at the mercy of the waves. In the factories, and this is not a new thing in history, there prevails espionage, snitching, rancor, mean and mischievous vengeance, the most stupid and bestial opportunism, prepotency, neurasthenic abuse, but in the masses oppressed by the consequences of thirty years of tremendous defeats, there is not even the strength to feel authentical nausea, because this is expressed in the miasmatic exhalations of company syndicalism, of corporativism and, on the political level, of social conciliationism and impotent pacifism."*

[4] The Party carried out a work of theoretical clarification among which stand out *"Factors of race and nation in Marxist theory"* (1953) and *"Multiple revolutions and the occidental anti-capitalist revolution"* (Genoa meeting, 1953).

[5] *"The historical 'Invariance' of Marxism – The false resource of activism"* (Milan meeting, 1952).

[6] *"Theory and action in Marxist theory. The inversion of praxis"* (Rome meeting, 1951).

[7] The Party developed an in-depth study during the following years which was published in *"Economic and social structure of today's*

f) Rejection of the expedients and tactical maneuvers of the united political fronts, of the organizational fusions between heterogeneous groups;
g) Necessity of the resurgence of the network of economic struggle (class union), as a connective tissue between the Party and the masses, outside the influences of the dominant class[8];
h) Rejection of participation in bourgeois elections, not as a question of principle, but as a tactical limitation acquired and established for mature democratic capitalism;
i) Rejection of personalism, slogan of anonymity[9];
j) Revindication of organic centralism and rejection of democratic centralism;

The above points are closely interrelated among them and could be arranged in different ways as one leads to others. The evaluation of the depth of the crisis is linked to the reality of the development of bourgeois revolutions in Africa and Asia, without a proletarian movement in Europe and America. Faced with this situation, any form of revisionism of the original Marxist doctrine is rejected, under any situationist pretext, which leads to the rejection of the theorization of new capitalist forms (in Russia and outside Russia), of new dominant classes (the bureaucracy!) and of the theory of the decadence of capitalism, a convenient lever to try to alter and subvert the doctrinal and tactical positions of Marxism. Consequently, the tactical lessons of the degeneration of the III International are revindicated, rejecting the tactical maneuvers, the fusions and the political united fronts, rejecting the participation in the bourgeois parliament but revindicating the necessary activity in the class union field, field in which the integration carried out by fascism obliges to raise the necessity of the resurgence of organisms of class union struggle outside the influence of the bourgeois State. Derived from all the above and from the disastrous play of names in the course of the degeneration of the International, arises the necessity of anonymity and the definitive overcoming of the democratic fraud within the organization. All this in perfect coherence with the approach of the Communist Left of Italy in its struggle within the Italian Socialist Party, for the separation of the revolutionaries from the opportunists, and later within the Communist Party of Italy, against the degeneration of the International.

In reverse order, it was quite normal for those who desired their quota of individual nominal protagonism[10] and theoretical innovation saw with complete frustration this approach, demanded debates and sovereign congresses, made a fuss for the maintenance of the tactic of parliamentarism[11], let themselves be seduced by the theory of the bureaucracy as the new dominant class and by the simplifying (but erroneous) theory of the decadence, a gateway to the anti-union positions (theorizing that it will be another type of organs which will serve as a bridge between the Party and the masses[12]) and of abstraction of the bourgeois revolutions in course in more than half the world at that moment, and would throw itself into the most varied organizational caprioles of fusions with other

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Russia" (Naples and Genoa meetings of 1955), within the context of the general study of the Party on the Russian question which can be read among others in *"Dialogue with Stalin"* (1952), *"Russia and revolution in Marxist theory"* (Bologna meeting, 1954), *"The great historical questions of the revolution in Russia"* (1955), *"Russia in the great revolution and in contemporary society"* (Turin meeting, 1956) and in *"Dialogue with the dead"* (1956). More specifically, against the theory of the "bureaucracy" class and the specific positions of *"Socialisme ou Barbarie",* see, among others: *"The batrachomyomachy", "Squawk of praxis"* and *"Dance of puppets: from consciousness to culture"* (1953).

[8] *"Theory and action in Marxist theory. Revolutionary Party and economic action"* (Rome meeting, 1951) whose Summary states: *"In the several phases of the bourgeois trajectory (revolutionary, reformist, counter-revolutionary), the dynamics of labor union action underwent profound changes (interdiction, tolerance, submission); but this does not alter the fact that it is organically indispensable to have among the mass of proletarians and the minority within the party an additional layer of organizations that are politically neutral in principle, but constitutionally accessible only to the workers, and that organizations of this type must* ***resurge*** *in the phase in which the revolution is approaching."*

[9] In *"The individual as puppet of history"* (1953) we read: *"Now, it seems to us that the juice of the hard lessons of so many decades is this: to renounce to remove men and to win through men is not possible, and precisely we, the left, have maintained that the collectivity of men that fights cannot be the whole mass or the majority of it, it must be the not too big party and the vanguard circles in its organization. But hook names have dragged forward by ten, and then ruin by a thousand. Therefore, we stop this tendency and as soon as possible, in practice, we suppress it, not by the way the men, but the Man with that given Name and with that given curriculum vitae... (...) The cult to the leader, of the entity and person, no longer divine, but human, is an even worse social narcotic, and we will define it as the cocaine of the proletariat. Hope in the hero who inflames and leads to struggle is like the injection of sympamine (a drug that stimulates the nervous system); the pharmacists have found the appropriate term: heroin. After a brief pathological exaltation of energies, chronic prostration and collapse follow. There are no injections to be given to a revolution in liquidation, to a society awkwardly eighteen months pregnant, and still infecund. Let us throw away the vulgar resource of extracting successes from the name of the man of exception and let us cry out: another formula of communism: it is the society that has discarded the puppets."*

[10] This current continued to publish its works under the author's name, generating a specific personalism around its best-known representative, Onorato Damen, a former parliamentarian who continued to dream of his seat, as it is recalled in "Activism" (1952).

[11] At the Congress organized by the activist, parliamentarist and anti-unionist current (see below for more details), the following motion was approved which maintained the nefarious tactic of parliamentarism: *"The II Congress of the Internationalist Communist Party approves the set of theses presented by the Congress Committee as the political basis of the organization and activities of the party and, delegating their application to its central organs, reaffirms the following: (...) The Party, from the Congress of Livorno onwards, has never made abstentionism in electoral campaigns its own as an informing principle of its policy, just as it has never accepted systematic and undifferentiated participationism, as is its class tradition. The Party will evaluate each time the problem of its participation according to the political interest of the revolutionary struggle and whenever it is possible to mobilize around it a part, however modest, of conscious proletarians."*

[12] Letter of O. Damen: *"I believe that the present corporativist trade union (fascist, social-democratic or communist it does not matter) by its function of indispensable organ for the vivification of the capitalist system is destined to live to the end the economic, social and political vicissitudes of dying capitalism and will only be broken with the imperialist state by the attack of the revolutionary proletariat. In such a phase of advance or conquest of power, the regroupment of the forces of the proletariat will not wait for a repetition of the traditional practice of the trade union, (…)".*

currents[13], sighing for an unreal immediate resumption of the class struggle in the moment of more depth of the counterrevolution. And this is what characterized the current that appropriated *Battaglia Comunista* and *Prometeo* through the bourgeois courts, permeated by the revisionist positions of the French group *Socialisme ou barbarie.*

To conclude this synthetic introduction, we will quote an extract from another fundamental text, from 1965[14], entitled *"The organic structure of the party is the other face of its unity of doctrine and program"*, which reflects the moment of the rupture in these terms:

"In 1952 our Party was undergoing the phase we have recalled, and in which it was proceeding to expel from its inside counterrevolutionary residues and slags. In 1952, those pretended, among other things, that the democratic mechanism should be applied in the party. And with an argumentation typical of the opportunists of all times, they accused us of wanting to sterilize the party, of wanting to remain on the margin of the real class struggle. And they boasted, needless to say, of being truly "political".

In this situation, the last number of Battaglia Comunista, organ of the Party, was published on September 12-28, 1952. The last, because the opportunists then succeeded with truly... "political" maneuvers to appropriate the headline of the newspaper and the review "Prometeo". In fact, whoever reads n. 16-1952 of Battaglia Comunista, finds on the last page a "Notice to the readers" in which it is stated that those responsible for the "legal" theft of the newspaper from the revolutionary Party "will no longer be able to return on the ground of the revolutionary party. It is useless, therefore, to speak of their names and their motives, today and later". The following number carries the headline Il Programma Comunista, reprints the "Notice to readers" and carries in large type the indication: "Year I-N. 1".

It is thus a capital event in the history of the party, a crucial episode that irrevocably marks its tradition. In fact, the number of September 12-28, 1952, of Battaglia Comunista refers: "An important meeting of the Party in Milan on September 6 and 7". In the same period, and also in Milan, the opportunists of whom we spoke above announced their "sovereign congress", with votes, motions, presidency, debate and second rounds of voting, with the pleased presence of representatives of the ultra-opportunist review "Socialisme ou Barbarie", today already unmasked as what it always was, an organ of social democracy. The important meeting of our Party was thus radically opposed, in the same city and in the same period, to all those opportunists. Two antithetical methods of understanding the nature of the revolutionary Party, its function, and its organization were then opposed forever.

The meeting had the character of a true mobilization of the forces of the whole party, and the themes presented later in the review "Following the Thread of Time" (Sul filo del tempo) were treated under the title: invariance of revolutionary Marxism, and impersonality of the class. Theses, these, which characterize us for years and years in opposition to all the opportunists. We transcribe from the summary:

"The two sessions of the seventh day, very well attended by comrades from Milan and from every region, had the character of a real Congress, although announced with the formula of the "Study Meetings" already proven to have a wide and advantageous effect. Comrades from the organizations of Turin, Asti, Casale, Genoa, Parma, Forlì, Ravenna, Bologna, Florence, Palmanova, Trieste, Milan, Luino, Naples, Rome, etc. and French comrades were present.

"The common democratic and philistine position, typical of the "courters" and corrupters of the "base" will deny character of Congress to a session where only the speaker takes the word for a conclusive and profound exposition, and the meeting manifests its consensus by participating in the work only with an uninterrupted and serious attention and understanding: so that the report in its theses proves to be an effective expression of the common and unanimous thought. There is a lack, it is often said more or less hypocritically, of contradictory debate. It is forgotten that in 48 hours of stay in the city of the meeting the comrades, all or in groups, besides the 6 hours of session with the speaker, carry out a very ardent exchange of opinions, news, purposes and precise work programs; they do not dedicate the available hours to gossip and comments on the bravery of the leaders, on the tones of their voice or the color of their hair, but to the serious problems that can interest real militants. And among these there were young and old, who intertwined the questions of today with the solutions dictated by the experience of a struggle of more than half a century ago. Whatever the formal democracy and the votes on motions, historically the effects of the congresses have always been determined outside the official hall of parliamentary type sessions, to which it is time to turn our backs forever" (Battaglia Comunista, September 12-28, 1952, n. 16).

All comrades can verify that the description of the mode of functioning and the dynamics of the revolutionary party is identical here, even in words, to that found in points 7 and 8 of the "Theses on the historical task, action and structure of the world communist party", published in n. 14, 1965 of Il Programma Comunista. We also recall that the text has been transcribed in its entirety, without adding any modification. And now, let us reread the last paragraph, allowing ourselves to underline the words, 13 years later:

"Whatever about the formal democracy and the votes on motions, historically the effects of the congresses have always been determined outside the official hall of parliamentary type sessions, to which it is time to turn our backs ***forever****".*

[13] Such as the creation of the *Quadrifoglio*, a heterogeneous aggregate called Movement of the Communist Left, formed in 1956 by the then *Battaglia comunista* together with the Trotskyists of the Gruppi Comunisti Rivoluzionari, with the Gruppi Anarchici di Azione Proletaria and Azione Comunista (which together with the former will end up forming Lotta Comunista) or the later creation of the *International Communist Tendency* (TCI), an organization which at the same time claims not to be the Party while continuing to publish *Battaglia Comunista* as an organ of the *Internationalist Communist Party*. A critique of *Quadrifoglio* can be read in "Diarrheic Microphonies (the quadrifoglio interviewed on the radio)" in il Programma Comunista n. 5, 1957.

[14] Written at a moment when the Party once again had to fight against the current that tried to reintroduce the democratic lie, at the same time that it was fighting against the mystical-idealist current that served as a complement to the previous one; a fight that gave rise to the Theses of Naples (1965) and Milan (1966) as well as to the previous Notes (1964) and Considerations (1965).