

WSWS International Editorial Board meeting

# The dead-end of European capitalism and the tasks of the working class

## Part One

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WSWS IEB chairman David North's report was posted on 27 February. SEP (Australia) national secretary Nick Beams' report was posted in three parts: Part one on February 28, Part two on March 1 and Part three on March 2. James Cogan's report on Iraq was posted on March 3. Barry Grey's report was published in two parts: Part one on March 4 and Part two on March 6. Patrick Martin's report was published in two parts: Part one on March 7 and Part two on March 8. John Chan report on China was published in three parts: Part one was posted on March 9, Part two on March 10 and Part three on March 11.

Two events in the opening weeks of 2006 cast a sharp light on the explosive political situation in Europe.

On January 1, the national Russian energy company GASPROM cut off gas supplies to the Ukraine in order to enforce a five-fold price increase. As a former Soviet republic, the Ukraine had previously received Russian gas for the special price of \$50 for 1,000 cubic metres—just one-fifth of the world price.

A compromise defused the conflict after a few days, but the fundamental problems remain.

Alexander Rahr, a German expert on Russian affairs, pointed out that throughout the Cold War, Moscow had never used its “most effective instrument of power”—the “energy weapon”. He concluded that the fact that the Kremlin was now using this “weapon” represented a new stage in the development of the international situation.

He connected the “gas war” to the growing encirclement of Russia by the US and the increasingly embittered relations between Moscow and Washington.

According to Rahr: “After the loss of its influence on the Ukraine, Russia, during the first half of the year, also had to accept the loss of its sphere of interest in the South Caucasus and vacate its military bases in Georgia. With the opening up of the Baku-Ceyhan oil pipeline, Moscow had lost to the West its monopoly over energy supplies from the Caspian region.

“It did not take long for Russia to respond: in the summer, the Shanghai Organization for Co-operation was reorganized into a political-military alliance under Russian-Chinese leadership and American military bases were driven out of central Asia. India, Pakistan, Iran and Belarus joined as

observers to the new centre of power—as a counter to the uni-polar world order that the US would like to see. Turkmenistan and Uzbekistan were obliged to ensure that their gas supplies to the West circumvented Russia. Russia set aside existing agreements and began to build up anti-missile defence systems with Iran and Syria.

“The US reacted by announcing the expansion of its military presence on the west coast of the Black Sea, and the stationing of an American anti-missile defence system in Poland, and by integrating the Ukraine more closely into the structures of NATO and driving Russia out of its naval bases in the Crimea.”

The conflict over gas supplies that took place at the start of the year thus anticipated future confrontations between the great powers over the control of energy supplies—a conflict that will far exceed those surrounding the Iraq war, a point to which I will return later.

The second important development is the exposure of the German secret service's participation in the Iraq war. There could be no more damning indictment of the cynical and deceitful character of Germany's former Social Democratic Party (SPD)-Green Party government. In its official statements, the government rejected the Iraq war and criticized it as mistaken. But in practice, the German government not only made its air space available and guaranteed the security of US bases in Germany. Its secret service was also directly involved in the war.

This shows that not a single government in Europe was, or is, prepared to oppose American militarist aggression. The disastrous policies of US imperialism in Iraq have also accelerated the decline and crisis in Europe. In order to understand this process, it is necessary to review the analysis that we made one and a half decades ago, at the beginning of capitalist restoration in Eastern Europe and the Soviet Union.

Fifteen years ago, when the Stalinist regimes in Eastern Europe and the Soviet Union collapsed, we explained this was an expression of the deep crisis of world imperialism.

In a 1990 statement on the disintegration of East Germany, we wrote: “The collapse of the Stalinist regimes in Eastern Europe marks the collapse of the economic and political equilibrium on which the relative stability of imperialism was based since the Second World War. The chain of imperialism has broken at its weakest link in Eastern Europe... The bankruptcy of Stalinism does not augur the opening up of new period of capitalist growth, but a new revolutionary epoch, a new period of embittered class warfare and wars in which the bourgeoisie will attempt to establish a new equilibrium on the bones of workers, while the possibility arises for the working class of overthrowing imperialism world-wide.” [1]

If one considers that at that time, the fall of the Berlin Wall was generally celebrated (or regretted by some—depending on their point of

view) as the triumph of capitalism, our statement was a very far-sighted declaration. Fifteen years later, it has been entirely confirmed. American and European imperialism are in deep crisis. All the domestic and external contradictions that beset Europe in the first half of the twentieth century, leading to violent class warfare and two world wars, are erupting again today.

American imperialism regarded the end of the Soviet Union as an opportunity to attain unchallenged world domination and expand its supremacy across those regions of the globe that had formerly been under Soviet influence.

European and, in particular, German imperialism, regarded the fall of the Berlin Wall as an opportunity to shake off American supremacy, expand the European Union into Eastern Europe and develop into a power that—economically and militarily—was on a par with, or superior to, the US.

In January 1991, a military alliance led by the US attacked Iraq. It was the beginning of a prolonged series of attempts to expand American hegemony by military means. Then followed the war against Yugoslavia, the eastward expansion of NATO, the war against Afghanistan, the stationing of troops in central Asia and the second Iraq war.

In the same year, 1991, the European heads of government met in Maastricht in December and made plans for the transformation of the European Community into a political union; the introduction of a common currency able to compete with the dollar; a common foreign and security policy, which would enable Europe to act politically and militarily independently from the US; close co-operation regarding policing and jurisprudence; and the eastward expansion of the European Union up to—and partially beyond—the borders of the former Soviet Union.

Nine years later, these plans were supplemented in the Lisbon statement, with its aim of transforming the European Union into the “most competitive and dynamic, science-based economic region in the world”.

The attempt to establish the US as the “solitary world power” has resulted in a military disaster, for which US imperialism has only one answer: additional and even more aggressive military adventures.

The European bourgeoisie has learnt the painful lesson that it is one thing to integrate the continent economically *with the support* of the US, but quite another to unite it politically *against* the US.

## European Union in disarray

The European Union (EU) is in severe crisis. Apart from the expansion of police powers, the process of unification has experienced one setback after another. The European constitution failed because of differences between the various European governments, and in the face of widespread opposition from French and Dutch voters. There is no trace of a common foreign policy today. Militarily, the US-dominated NATO calls the tune in Europe. Britain will not join the euro-zone in the foreseeable future. And in the absence of any common financial and tax policy, the euro is increasingly less credible.

The US has used its powerful position in Europe to encourage intra-European conflicts. This became clear during the Iraq war when US Secretary of Defense Donald Rumsfeld provocatively referred to the divide between “old” and “new” Europe.

After the Second World War, the US assumed the role of arbitrator in European affairs. This is now no longer the case, and means that the old unresolved questions are emerging once again: Which nation will dominate Europe? How can a reunited Germany be kept under control? How can Britain prevent the dominance of a Franco-German axis? How can the smaller member states protect their interests against the bigger

states? How can Poland prevent itself from being squeezed between Germany and Russia?

European governments are watching their neighbours warily, and none of them trust one another.

Trotsky was right when he wrote in 1915: “... a relatively complete economic union of Europe from above, by agreement between capitalist governments [is] a utopia. The issue cannot proceed beyond partial compromises and half measures. Therefore *an economic unification of Europe*, which is of great advantage both for producers and consumers and for cultural development as a whole, becomes a revolutionary task of the European proletariat in its fight against imperialist protectionism and its weapon—militarism.” [2]

The European bourgeoisie does not dare confront American imperialism—and this includes the German and French ruling classes who spoke out publicly against the Iraq war.

In Germany, the SPD and the Greens won the Bundestag (parliamentary) election in 2002 as a result of their official opposition to the Iraq war. But they did nothing to impede Washington’s unrestricted use of its bases on German soil for carrying out the war—although this was contrary to international law, as was later confirmed by the German high court.

The German and French governments did not oppose the war because of any scruples about international law, or doubts about the bombardment and military conquest of a largely defenceless country. They were exclusively motivated by their own economic and strategic interests in the Gulf region, which they saw threatened by American aggression. After the war had begun, they lined up unreservedly in favour of military victory for the invaders.

While millions took to the streets in Germany to oppose the war, the Greens leader and foreign minister at the time, Joschka Fischer, and Chancellor Schröder’s chief-of-staff Frank-Walter Steinmeier (now Germany’s new foreign minister) agreed to far-ranging co-operation with the US government behind the backs of the public. The German secret service supported the US in its hunt for Saddam Hussein and assisted the US military in identifying targets in Iraq to be attacked—as has recently come to light.

Later, the German government kept silent as German citizens were kidnapped and tortured by the CIA, while suppressing any criticism of Guantánamo Bay and other illegal US practices.

American imperialism’s aggressive assertion of strength confronted European governments with a dilemma. As we wrote at the beginning of the Iraq war, if they follow the US, they can only end up as American lackeys. If they oppose the US, they risk splitting Europe and a likely catastrophic military confrontation in the long-term.

This dilemma is posed in an acute form for Germany. In the conflict over the Iraq war, the government of Gerhard Schröder relied heavily on France and Russia, provoking fears that German foreign policy could become dependent on Paris or Moscow, who both pursued their own interests.

Then, as Russia turned off gas supplies to the Ukraine at the start of this year, the demand for new orientation in German foreign policy became louder. As a consequence of its dependence on Russia, Germany could be blackmailed—this was the fear frequently expressed in ruling circles.

Since then, the new German Chancellor, Christian Democrat Angela Merkel, has been attempting to shift the axis of German foreign policy increasingly toward Washington. “Closer to America, more realistic with Russia, more competitive with China” was the new foreign policy line, according to one newspaper.

But so far, this re-orientation has been limited to diplomatic gestures. The tensions between Washington and Berlin have deeper causes that cannot be overcome simply through diplomacy.

## Energy conflicts

In the struggle for the re-division of the world, America and Germany, as well as the other European powers, confront each other as rivals. It would require an extensive investigation to fully analyze the current complex network of international trade relations. I want to limit my remarks to one question that is increasingly becoming the focus of dispute in international relations: the securing of long-term energy supplies.

Most worldwide energy consumption is provided by fossil fuels—oil, natural gas and coal. Such resources are finite. Scientific estimations of the extent of these resources vary. It is widely acknowledged, however, that supplies will dry up in a matter of decades. Within 20 to 60 years, world demand will clearly exceed existing resources.

While the growing energy needs of China and the consequences of the Iraq war have already led to rising prices, future conflicts will inevitably lead to supply shortages, and threaten entire national economies. Access to energy sources, therefore, has become a question of survival for the ruling elites all over the world—and an issue for which they are prepared to resort to military measures. It plays just as important a role as access to coal and steel reserves did in the period before the First and Second World Wars.

Germany is particularly vulnerable. Apart from relatively inefficient brown coal, extremely expensive deep-mined coal and limited gas deposits, it has no energy reserves of its own. It obtains three quarters of its power requirements from foreign sources and imports 97 percent of its oil, 83 percent of its natural gas and 60 percent of its deep-mined coal requirements.

These three sources of energy, together with German brown coal, constitute 84 percent of Germany's primary energy consumption. Only 13 percent is derived from nuclear energy (the fuel for these reactors also has to be imported) and 3 percent from renewable energy sources.

A substantial portion of German energy imports comes from Russia. Last year, Germany obtained 43 percent of its natural gas, 34 percent of its oil and 16 percent of its deep-mined coal from Russian sources.

Although this is a matter of rising concern in German ruling circles, such dependence will continue to grow following the construction of the Baltic Sea pipeline, which is due to be finished in 2010 and will connect Russia directly with Germany. A major incentive for the new pipeline was the Iraq war, which has destabilized the Gulf region and placed it under American domination. The Gulf not only contains the world's largest oil deposits. Iran has the world's second largest natural gas reserves after Russia.

The dispute over gas between Russia and the Ukraine led to loud demands in Germany for a greater diversification of its power supplies. But that is more easily said than done. Wherever one looks—to central Asia, the Middle East, north and central Africa or Latin America—energy reserves are located in regions in crisis, where other great powers are already striving to strengthen their influence. Securing energy supplies is increasingly being reduced to an issue of political and military power.

The ruling class in Germany is fully conscious of these developments. Policy guidelines drawn up for the German Army in the 1990s aimed at its transformation from a defensive to an international strike force. Its future task was identified as the "promotion and securing of world-wide political, economic, military and economic stability", as well as the "maintenance of free world trade and access to strategic raw materials".

Thus, in the Russian-Ukrainian gas dispute, we are undoubtedly witnessing the advent of international conflicts involving all the major great powers.

### Notes:

1. "GDR: the Working Class at the Crossroads", statement by the central committee of the BSA, June 2, 1990, in *The End of the GDR*, pp 369-370.

2. Leon Trotsky, "The Peace Program".

*To be continued*



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