

The world capitalist crisis and the drive to world war

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This speech was delivered by Nick Beams, leading member of the Socialist Equality Party (Australia) to the May 3 International May Day Online Rally, organized by the International Committee of the Fourth International.

On this May Day, almost seven years have passed since the global financial meltdown, precipitated by the bankruptcy of the US investment bank Lehman Brothers, in September 2008.

The analysis of the International Committee of the Fourth International, made at the time, that this event signified a breakdown of the entire capitalist economic order, has been confirmed many times over.

Even official bodies, such as the International Monetary Fund, which play a crucial ideological as well as economic role, have now abandoned the notion that there is some economic recovery waiting just around the corner, if only the right policies are put in place. In its latest assessment of the global economy, the IMF acknowledges there will not be any return to pre-crisis conditions.

One of the main problems is the fall in productive investment—the main source of economic expansion—in the major capitalist centres. At the same time, the belief that growth in China and other emerging markets could form a new base of stability for global capitalism has turned out to be an illusion.

The dominant feature of the world economy today is the unending growth of financial parasitism, headquartered in the United States, but extending globally, including to China. This is being fuelled by the provision of ultra-cheap money, and the setting of near-zero interest rates, by the world's major central banks.

On the one hand, fears are mounting that this is creating massive financial bubbles, establishing the

conditions for another financial crisis, even more serious and far-reaching than in 2008.

On the other, financial authorities view with increasing trepidation a return to what were once considered normal and prudent monetary policies, lest this produce unprecedented financial turbulence.

The social conditions facing the working class, arising from the capitalist breakdown, are assuming a uniform character all over the world: declining real wages and cuts to vital areas of government spending—health, education and pensions. Unemployment remains at high levels, coupled with the spread of part-time and casual jobs, without the entitlements necessary for modern-day life.

At the same time, the rise of financial parasitism has seen a staggering growth of social inequality. Every year, the proportion of wealth and income appropriated by the very top levels of society increases, to the extent that some 85 billionaires now command more wealth than over half of the rest of the world's population combined.

Having no way out of the crisis, and fearing the eruption of social and class struggles as a result of the financial collapse they know is coming, the ruling classes in every country are honing their instruments of state repression.

Herein lie the economic roots of the militarisation of the police in the US and unending police killings—a tendency that finds expression in every country under the fraudulent banner of the “war on terror”.

As took place before 1914 and in the 1930s, the ever-deepening economic contradictions of world capitalism are driving towards the eruption of a new world war.

The past weeks have witnessed the further disintegration of the structures of the post-war economic order, with the decision of major powers to

defy Washington and sign up for the China-backed Asia Infrastructure Investment Bank, hoping to take advantage of the economic opportunities it might open up.

In conditions of economic decline, the US response will be to further escalate its use of military might as it strives to maintain global dominance. For their part, faced with persistent economic stagnation and recession, Britain, France, Germany and other major powers will conclude that their own pursuit of profit requires military means.

A new war for the division and redivision of the world is in the making, threatening the very destruction of human civilisation.

What must be the standpoint of the international working class, in order to prevent this catastrophe? What must be *its* political economy, as it confronts the consequences of the failure of the political economy of the profit system?

In Greece, Syriza, hailed by all the petty bourgeois and pseudo-left tendencies around the world as the model they aspire to emulate, advances the perspective of “saving capitalism from itself.”

The capitalist system cannot be saved — unless war, military and fascist forms of rule along with the impoverishment of the masses are considered a way out.

It must be overturned by the working class, taking political power in its own hands, to open the way for the writing of a new chapter in mankind’s historical development — the establishment of a planned world socialist economy to end war, poverty and oppression, based on the satisfaction of human needs, not profit.

Karl Marx once noted that if the foundations for a new and higher form of society did not already exist in the old, then all attempts to overturn it would be but a utopian dream.

The internationalist perspective of the ICFI for the unification of the world working class and the establishment of a planned global socialist economy is not a utopia. It is grounded in objective reality.

The globalisation of production has come into headlong conflict with the profit and nation-state system, creating insoluble contradictions and crises. However, at the same time, it has established the objective foundations for a higher form of socioeconomic organisation.

The international financial system, which tracks the movement of money and provides real-time information in the space of nanoseconds, is the source of ever-deepening crises.

But the vast and complex information system it has set in place establishes the framework for a planned economy, consciously regulated and under the democratic control of the world’s producers, the working class.

One hundred years ago, as the contradictions of capitalism, revealed theoretically by Marx, took living form in the death and carnage on the battlefields of Europe, Leon Trotsky wrote that the only way the working class could meet the “imperialist perplexity of capitalism” was by opposing to it “as a practical program of the day the socialist organisation of world economy.”

This is the program for which the international working class must fight as we celebrate May Day.



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