

EU summit: bracing for trade war and war

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“The eruption of American imperialism is part of a global imperialist redivision of the world, in which all the major capitalist countries are taking part,” the World Socialist Web Site noted in its New Year’s statement. “The European powers have responded to Trump’s election, and the possibility of a change in policy on Ukraine, by insisting on the need for an independent foreign policy—if necessary in opposition to the United States.”

The European Union (EU) summit on Monday showed just how accurate this assessment was. One day after Trump unleashed an open trade war against Mexico, Canada and China and also threatened the EU with massive tariffs, the European heads of government met in Brussels and threatened to take countermeasures if no agreement is reached with Trump. At the same time, they agreed on a historic rearmament of the continent and the continuation of the NATO war in Ukraine against Russia.

“As a strong economic area,” the EU could “organise our own affairs and also react to tariff policies with tariff policies. That is what we must and will do,” threatened German Chancellor Olaf Scholz (Social Democrats) in a statement in Brussels. “The perspective and the goal” should be “that we proceed in such a way that it amounts to cooperation,” Scholz continued. “But it is clear” that “the prerequisite for an agreement is that we recognise our own strength. Europe can act.”

Other heads of government and EU representatives expressed similar sentiments. Luxembourg’s Prime Minister Luc Frieden stated with regard to Trump’s threat of tariffs: “We are not weaker than the United States of America. If someone wants a trade war, they’ll get one.” But trade conflicts are “always bad” and good transatlantic relations are important, Frieden added.

After the informal meeting ended, EU Commission President Ursula von der Leyen also warned Trump against the introduction of new tariffs and threatened to take countermeasures. “If we are deliberately treated unfairly or arbitrarily, the European Union will react decisively,” she announced, “We are prepared.” At the same time, she also emphasised that an escalation should be stopped through talks if possible. “Tariffs increase business costs, harm workers and consumers, create unnecessary economic disruption and drive inflation,” she warned. There is “nothing good in this.”

Trump announced shortly before the EU summit that he would impose tariffs on imports from the EU. “That will definitely happen for the European Union,” he said. The US President did not give any precise details on the amount of tariffs or the products they might be imposed on. But it would happen “fairly soon.” EU diplomats said on the sidelines of the summit that the European Commission has already prepared possible countermeasures.

During Trump’s first term in office, the EU already responded to US tariffs on European steel and aluminium products with counter-tariffs on bourbon whiskey, Harley-Davidson motorcycles and US jeans, among other things. The now escalating conflict goes far beyond this and threatens to plunge the entire world into a spiral of trade war and war. The declarations by EU officials that they would prefer to settle the impending confrontation with Trump “peacefully” are nothing more than window

dressing. The conflict, for which the working class will ultimately pay with massive attacks on their jobs and wages, has deep objective causes.

Trump’s trade war and the corresponding European reactions to it are ultimately rooted in the insoluble contradictions of capitalism, which is unable to overcome the contradiction between the international character of production and the nation state. As on the eve of the First and Second World Wars, the struggle between the imperialist powers for raw materials, sales markets, spheres of influence and cheap labour is once again triggering fierce conflicts that are leading to trade wars and war.

In this regard, it was significant that the EU summit was dominated by rearmament and war. “This is the first time we have met for a meeting dedicated exclusively to defence. But we are not starting from scratch,” announced European Council President António Costa in his press statement at the beginning of the meeting. Even though no concrete decisions have yet been made, his concluding remarks gave an impression of the far-reaching plans that are being hatched behind the backs of the population.

Costa explained that the talks “focused” on “three main topics”: “capabilities, funding and partnerships” in order to organise “our own defence... better, stronger and faster.” Among other things, it was about European “defence capabilities,” including “missiles and ammunition, military mobility and strategic requirements.” At the “centre” of these efforts must be “the strengthening of the European defence industry,” i.e. the establishment of a European war economy. “We need to produce more of the required capabilities, and faster,” he said.

Above all, he demanded that defence spending must be massively increased. The member states have already made “great efforts at the national level” and defence spending within the EU has already increased “by 30 percent between 2021 and 2024” to an average of around 2 percent of GDP. But now “work must continue in the same direction,” demanded Costa.

The sums being discussed behind the scenes are gigantic. A €500 billion EU defence fund is being considered. With regard to national defence budgets, there are now calls for an increase to 3 or even 5 percent of GDP. NATO Secretary General Mark Rutte declared at a joint press conference with British Prime Minister Keir Starmer, who also attended the EU summit:

To prevent wars, we need to spend more... I welcome the plans to further increase investment in defence, because in a more dangerous world, 2 percent will not be enough to guarantee our security. We need to invest significantly more. We also need to replenish our stocks, and quickly. There is no time to lose in reviving our defence industry. Increasing defence production is an absolute must.

In fact, the EU, just like Washington and NATO as a whole, is not concerned with “preventing wars,” but with waging and expanding them. And not for “human rights” and “democracy,” but for economic and

geopolitical goals. At stake is nothing less than the imperialist redivision of the world in the 21st century, in which all imperialist powers are intervening ever more aggressively. Rutte explained:

If you look at Ukraine, it's not just a problem between Ukraine and Russia, which would be bad enough. It's a geopolitical issue that's going on. The USA is aware of it, the European side of NATO is aware of it. China, North Korea and Iran are all linked to Russia. So it's a geopolitical issue that's going on with Ukraine at the moment. And that's why Ukraine needs to assert itself, not just for Ukraine's own sake, but also because of the geopolitical implications.

Even if the European rearmament and war offensive against Russia and China is (at least for now) still being closely coordinated with the US-led NATO alliance, the military tensions between the imperialist powers are already enormous. Regarding Trump's declared claim to Greenland, which belongs to Denmark, a journalist at the press conference with Rutte asked: "One NATO ally is threatening to take territory from another NATO ally. This is much worse than ever before. Isn't it time for Europe to get realistic and start planning a defence strategy for the future that may have to do without the United States?"

Rutte tried to down play the conflict, merely stating that he found it "very useful that President Trump has drawn our attention to the fact that there is a geopolitical and strategic issue at stake in the far north." In fact, there is already open discussion within the EU about stationing European troops in Greenland in order to emphasise its own claim to the resource-rich and geostrategically important Arctic.

"The island is of great importance from a geopolitical point of view and is also highly relevant from a security policy perspective," explained General Robert Brieger, Chairman of the European Union's Military Committee, in a recent interview with *Die Welt*. "In my view, it would make perfect sense not only to station US forces in Greenland, as has been the case to date, but also to consider stationing EU soldiers there in the future."

Leading German and French politicians have also already signalled their support for such plans. A few days ago, French Defence Minister Jean-Noël Barrot stated that there was "very strong solidarity among European countries and they are prepared to consider [deploying troops] if it came to that."

If the German "Bundeswehr [armed forces] has the appropriate technical potential," it should "participate, because it is also in our interest that this passage is secured," explained Marie-Agnes Strack-Zimmermann (Free Democrats), Chair of the EU Defence Committee. This was simply a matter of "signalling to the US that they do not have sole sovereignty there, but that we all need to take responsibility." Support also came from the ranks of the Greens. "Greenland has a central geographical location, especially for monitoring Russian nuclear submarines," Green defence politician Philip Krämer told *Der Spiegel*. And here, "the naval aviators of the German Armed Forces are proven experts."

It is clear that the European war and rearmament offensive is also exacerbating tensions between the European powers themselves. After two failed attempts and unspeakable crimes in the 20th century, German imperialism in particular is once again preparing to organise Europe under its leadership in order to play a role as a world power. "For Germany itself, too, Europe is the most important national interest we have," declared Scholz in Brussels, and also reiterated the call for higher military spending and the establishment of a veritable war economy. "We need constant, large-scale, joint production to ensure that we can ramp up production when it counts," he said.

At the same time, he clearly rejected plans for common European debt to finance armaments and praised the recent tightening of European asylum policy, which enables the "registration" of refugees, "better protected" external borders and more deportations, as "successful" and "also very much in Germany's interest."

This is a warning in two respects. When Scholz emphasises that the rearmament must be financed without debt, he is saying explicitly that there will ultimately be nothing left of the social spending that remains in Europe. And the constant agitation against refugees, which is at the centre of the German election campaign, is aimed at dividing the working class, establishing a police state at home and strengthening fascist forces, which are needed to push through the planned war offensive and the accompanying social counter-revolution against the growing opposition among the population.

Significantly, Scholz attacked Christian Democratic Union chancellor candidate Friedrich Merz, who is openly in league with the fascist AfD, from the right in Brussels and accused him of blocking "important laws to limit irregular migration within the framework of European regulations" and on internal security. "This must stop. These laws to limit irregular migration and improve internal security must be passed before the general election," he demanded.

The Socialist Equality Party condemns the growth of fascism within German and European politics just as much as the war madness that is conjuring up the danger of a third world war. The SGP "is contesting the federal elections to oppose the all-party coalition advocating war and austerity. Together with our sister parties of the Fourth International around the world, we are building an international movement to halt the madness of war, mass layoffs and wage cuts," we say in our election manifesto. the statement continues:

We counterpose the European Union of banks and corporations, of mass death and war, with the perspective of a Socialist United States of Europe—the unity of the European working class to break the power of the banks and corporations. Instead of fighting one another, we call on Russian and Ukrainian workers to unite against the warmongers in their respective countries.

Against the EU of banks and corporations, of mass death and war! For a Socialist United States of Europe!

Defend democratic rights!

Equal rights for migrants and refugees!



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