

Editorial

A Clash of Expectations

The election of Barack Obama as president of the United States has created a wave of euphoria, not only in the U.S., but around the world. In the U.S., people are talking about a new era of peace, equality and social justice, universal health care, a reduction in poverty, cleaning up of the environment and so on. Internationally, people are hailing Obama as a president who will bring peace to the world and who will put an end to the hegemonic, militaristic and bullying foreign policy of the Bush regime. Even Hugo Chavez, the president of Venezuela and Amadinejad, the president of Iran have stated that they welcome Obama's election and hope that he will live up to his promise of "change".

The irony is that Barak Obama never promised peace, equality, universal health care or any of the other things that people are so euphoric about. In fact, when he spoke about "change" Obama was

very careful not to promise much of anything. He spoke in abstracts and broad generalities. He expressed concern about the problems facing the people without actually saying that he would do anything to help solve those problems.

On the other hand, when he did make promises they had little to do with change. He promised the Israel lobby that he would continue to support Israel unconditionally. He promised the Cuba Mafia that he would escalate the economic embargo against Cuba. He promised that he would step up the pressure against Venezuela and Iran. He also promised that he would escalate the war against Afghanistan and carry it into Pakistan, while withdrawing from Iraq when the Iraqi government is able to take over security in that country. Furthermore, he promised that he would restore the lost power and prestige of the U.S. in the

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Can the G-20 Summit Solve the Problems of the Capitalist Crisis?

The leaders of the G-20 countries – the main industrialized and developing economies – met in Washington two weeks ago in an attempt to regain control of international financial markets and to establish new rules for international trade and finance. Following the meetings it was announced that the leaders had reached a consensus on lessening the impact of the crisis by running deficits, as well as on the necessity to take measures to prevent such a thing from ever happening again. Since many of the G-20 countries, most notably the U.S., were already running deficits and preventative measures are always vowed after serious financial declines, it is unclear how the summit is going to have any affect on the severity or duration of this crisis.

Some have referred to the meeting as the beginning of a new BrettonWoods arrangement which stabilized the international capitalist world in the post-Second World War period. However, the circumstances then and now could not possibly be more different, as will the outcome.

The Bretton Woods meetings took place in the middle of 1944 as the Second World War was drawing to a close. The main capitalist economies, with the notable exception of the U.S., were in shambles and were facing a serious threat of revolution and socialism. The United States had emerged as the sole capitalist superpower and every

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international arena. In other words, what he did promise was to maintain the status quo and to implement the Bush Doctrine, albeit in a kinder, gentler way.

Similarly, on the issue of the economy Obama's positions have little to do with change. He supported the \$700 billion bailout of the failing financial institutions and he supports a \$25 billion bailout of the Big Three American automakers. In fact, prior to the election Obama was critical of McCain for delaying the Wall Street bailout. The enormous increase in the U.S. national debt created by these and the many future bailout which are inevitable will be used as an excuse for Obama to renege on those minor reforms that he did commit himself to during the campaign. In his election speech he was already starting to backtrack, stating that much of his vision of "change" would not be achievable in his first term in office.

Interestingly, it appears that vast numbers of people did not hear what Obama actually did promise. If they did hear they apparently have dismissed those promises as the necessary lies that a candidate must tell in order to get elected president of the United States. It also appears that they have inserted their own hopes and aspirations into the vacuum that is Obama's vision of "change". In fact, the whole phenomenon that is Obama can only be understood from the perspective that the American and world's people are demanding fundamental change, for an end to the destruction and misery created by capitalism and imperialism and the creation of a new economic and political order based on equality between peoples and nations. In other words, people are yearning for socialism, whether they are aware of it or not. They are so desperate to achieve fundamental change that they are ready to invest all of their hopes and dreams in someone who speaks in vague generalities about "change" in the abstract, but who supports the status quo concretely.

Unfortunately, these are not the only expectations invested in Barack Obama. There are also the aspirations of the U.S. monopoly capitalists, some of the biggest of whom were strong supporters of Obama. The expectation of the U.S. monopoly capitalists is that Obama will restore their previous levels of profit and re-establish U.S. imperialism as the world's sole superpower. The problem that

Obama faces is that in order to restore the profits of the monopoly capitalists he must crush the American working class and drive down their wages, while supporting regimes abroad to accomplish the same thing in their countries. Furthermore, in order to re-establish the U.S. as the world's pre-eminent imperialist superpower, Obama has no choice but to continue the foreign policy of his predecessors, which is based on seizing control of energy sources in the Middle East and Central Asia.

Meanwhile, the monopoly capitalists in other countries are also expecting Obama to rescue the imperialist system and restore their profit levels. However, most are also determined that he will not be able to restore U.S. imperialism to its previous dominant position and that he will be forced to make concessions to them in order to keep the capitalist/imperialist system running. They are openly stating that they want to return to the post-war style of multilateralism, but they are equally adamant that it will not be on the basis of the U.S. running the show as it was previously. Russia and China, in particular, have stated that they will support a special role for the U.S. as the main guarantor of the international financial system, but they will not tolerate U.S. attempts to encircle them and cut them off from their sources of energy.

The problem is that these various expectations and aspirations are mutually incompatible. Capitalism and imperialism can never give rise to an era of peace, equality and social justice. Capitalism and imperialism are synonymous with war, inequality, exploitation and oppression. It cannot and will not change its nature. The aspirations of the U.S. imperialists and their imperialist rivals will necessarily lead to trade wars, as well as shooting wars. The only aspiration they share is the one to crush their respective working classes and drive down wages in order to prop up falling capitalist profits.

The question is: Which expectations will Barack Obama fulfill and which will he crush? The answer is quite obvious. Barack Obama is the champion of the U.S. monopoly capitalist class, not of any rival monopoly capitalist class and he is certainly not the champion of the American working class. He has promised repeatedly to restore U.S. imperialism to its

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Is Intervention or Non-Intervention in the Economy the Issue?

Much has been made of the fact that U.S. President George W. Bush made an about-face in October when he supposedly went against his long-standing opposition to state intervention in the economy and handed over \$700 billion to the big financial institutions. Similar claims of an “ideological shift” were made when Canadian Prime Minister Stephen Harper began speaking about the possibility of a deficit budget in Canada and bailouts for the auto industry. These commentaries are discussing the issue as if intervention in the economy is synonymous with increasing social spending. However, this is far from the case.

When George W. Bush and Stephen Harper were preaching against state intervention and equating non-intervention with the public good, the state was busy transferring wealth from the public sector into the pockets of the rich through various methods. One of those methods was to increase the flow of taxation revenues to the rich financiers in the name of “paying down the debt”. The claim was made that the only way to accomplish this, which supposedly was good for the Canadian people, was to reduce expenditures on social spending, such as health care, education and social welfare. Another method was to privatize public assets at fire sale prices under the hoax that the state should not intervene in the economy.

Now that the monopoly capitalist system has gone

into crisis and the profits of those same finance capitalists are collapsing, Bush, Harper and their ilk are claiming that it is in the public good to simply hand over truckloads of cash to them. If this is not done, they say, working people will lose their jobs and suffer.

In reality there has been no ideological shift and no change in position. The U.S., Canadian and other capitalist states were intervening in the economy prior to this crisis in order to enrich the monopoly capitalists and they are still intervening in the economy to enrich the monopoly capitalists. All that has changed is the form of intervention. Before an attempt was made to cover up the massive transfer of wealth from the poor to the rich and now in is being done in broad daylight.

Bush, Harper and others like them have a habit of talking out of both sides of their mouths. If it serves monopoly capital for the state to pretend that it is not intervening in the economy, then that is equated with serving the interests of the people; while if it serves monopoly capital for the state to openly intervene in the economy, then that is equated with serving the interests of the people. In fact, in both circumstances it is the monopoly capitalists who benefit and the people who pay the bill. How does this represent an ideological shift? An ideological shift would be if Harper were to state that the monopoly capitalists and their system are the source of this crisis and that they should, therefore, be the ones to pay for it.

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capitalist government in the world was eager to come under its protection and hegemony. Furthermore, the period of capitalist crisis which began in 1929 had come to an end, largely due to the enormous destruction of capital during the war, and a period of unprecedented capitalist expansion was beginning. The productive and consumptive power of the U.S. economy and the resulting strength of the U.S. dollar were the key ingredients in that expansion. Even so, it took almost two years of negotiations for the big powers to reach an agreement.

The G-20 summit, on the other hand, comes at the beginning of an economic crisis of unprecedented proportions. It comes at a time when the U.S. economy is in severe decline and the U.S. dollar is also expected to drop in the coming months. There is no immediate threat of revolution and socialism and

the major capitalist economies are no longer looking to the U.S. for protection. They are also challenging U.S. hegemony in international financial affairs. The European Union, led by France and Germany, is making a bid for the Euro to replace the U.S. dollar as the main instrument of international commerce. China, India and Brazil are demanding a greater say in regulating international finance, while Saudi Arabia, by dint of providing most of the capital for the bailout of the Western financial institutions, has also emerged as a major player. Furthermore, many of the G-20 leaders have already blamed the U.S. for creating the current crisis and have indicated that they will not accept a U.S. dictated “solution”.

Talk about “solving” the current crisis and adopting rules to ensure that such a crisis does not occur again is window dressing to fool the people. That is not what

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the G-20 summit is really about. None of the G-20 leaders seriously believes that capitalist crises can be prevented or that capitalist greed can be “regulated”. Rather, the talks are about how to cope with the current crisis in such a way as to block the working people and the oppressed from seeking solutions outside of the capitalist system. Yet another aspect to these talks is to work out which capitalists will benefit the most from the current crisis and which will lose.

The Americans and Europeans are both talking about tighter controls over the smaller and weaker economies by the main capitalist countries, In other words, they are talking about further strengthening the neo-liberal policies which have bled those economies during the past 25 years and which have resulted in the transfer of enormous quantities of wealth into the hands of the biggest monopoly capitalist groups in North America, Europe and Japan. Those who created the current crisis are demanding that the world’s people pay for it. However, they have sharp differences over which monopoly capitalists will benefit the most from this increased exploitation of the world’s poor. The U.S. does not want to see any substantial changes to the current arrangement which allows it to dictate to everyone else. On the other hand, the Europeans want to replace the U.S. at the centre of the capitalist world. Whoever has the main say in these matters and whichever currency becomes the currency of international trade translates into huge extra profits for those monopoly capitalists. Some experts have estimated that the U.S. has enjoyed a 10 percent advantage due to its currency being the medium of international trade. U.S. corporations have also enjoyed an advantage over their competitors as a result of American control over the International Monetary Fund (IMF) and the World Bank.

It is, therefore, inconceivable that any agreement can possibly come out of the G-20 summit. The U.S. is determined to preserve its position of hegemony and has the military power to threaten any country which represents a serious challenge to its economic dominance. However, it is essentially bankrupt and incapable of defeating the people of Iraq and Afghanistan. It has also lost control of international natural gas supplies to Russia and is being challenged

by Russia for military domination of Europe and Central Asia. Therefore, it is not in any position to dictate a “solution” to the Europeans, as it was in 1944. For their part, the Europeans are not strong enough economically or militarily to push their agenda through and the Chinese and Indians have their own problems to deal with as their export markets dry up. This has created a situation in which no bloc of capital can dictate to the others and no bloc is willing to submit to the others. This is not a situation which lends itself to agreement, but rather one which lends itself to conflict and war.

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position of pre-eminence in the world and he has repeatedly denied that he stands for any kind of socialism. Whether he can succeed in fulfilling the expectations of the U.S. monopoly capitalists remains to be seen. U.S. imperialism is in decline and it will only be possible to restore profit levels of the U.S. monopoly capitalists by restoring U.S. imperialism to its former unchallenged position in the capitalist world. It goes without saying that America’s imperialist rivals will have something to say about that. However, whether he succeeds or not, the very attempt to do so means necessarily that he must shatter the expectations of tens of millions of Americans and billions of people in the rest of the world. That betrayal will turn the current euphoria into anger and disillusionment. That, in turn, could very well create conditions favourable to the advance of the revolutionary anti-capitalist and anti-imperialist movement on a world scale.

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