

The New World Disorder

World Relations at the dawn of the 21st Century

"Just as the 19th century came to a close with the outbreak of the first world war in 1914, the war that has started in Kosovo, Europe's first since 1945, marks our true entrance into the 21st

century. That we should be entering a new era in the same tragic way we did the previous one, and more or less in the same place, is highly symbolic... The events taking place there reflect the changing clout of the various international actors..."

"The United States is clearly the sole 'hyper power', an imbalance that could prove damaging."

Dominique Moisi, deputy director of the Paris-based Institut Francais des Relations Internationales writing in the Financial Times (29/3/99)

Exactly one hundred years ago
Kropotkin wrote that war is the normal

condition of Europe. Yet for a long period--half a century--this dismal prediction appeared to be contradicted by reality. In the period after the Second World War, world capitalism experienced a strong period of growth. This was the objective basis for the relative stability of relations between the classes, and also between the national states in the post-war period. It was this long period of economic upswing--together with the division of the world between US imperialism and the USSR--which gave rise to this relative stability in world relations. But now everything has changed.

The reason why they could get this so-

called peace was because of the balance of terror between mighty Stalinist Russia on the one hand and mighty American imperialism on the other. The struggle between two mutually contradictory social systems with the so-called 'cold war'.

The changing face of war

For a period of 50 years after the Second World War, there was relative stability in world relations, based on the balance of terror between Stalinist Russia on the one hand and American Imperialism on the other. They divided the whole world up into what seemed to be immutable blocs and spheres of

influence. At that time there would have been no question whatever of the Americans attacking Yugoslavia or bombing Iraq. It would have led to war between the USA and the Soviet Union, and such a war was ruled out for 50 years. It was impossible for the reasons that Engels anticipated over a hundred years ago. At that time it was wrong--as the great slaughter of 1914-18 subsequently showed. But it was right for the last 50 years. The Cold War was the manifestation of a struggle between two mutually contradictory social systems on a world scale. In this so-called period of peace, the fundamental contradictions were not removed. On the contrary. Tremendous contradictions

were building up. This was revealed by the monstrous arms race, which devoured a large part of the wealth of society. The question is: why these contradictions did not lead to war between America and Russia at that time?

Towards the end of his life, old Engels wrote of the development of imperialism and militarism, which were then new phenomena. Up until the French revolution there were never standing armies. The monarchical states of the 18th century maintained small professional armies. The French Revolution changed all that. Before the French Revolution, it was fairly common

for the generals of two contending armies to arrive at a gentleman's agreement to avoid a costly battle by deciding which side had "won". War was an expensive business! This kind of warfare was undermined, first by the American revolutionary War of Independence, when the colonial irregulars, in Engels' words, refused to dance the military minuet with the forces of the English crown. But it was completely destroyed by the French revolution which, for the first time, confronted reactionary-feudal Europe with the spectacle of an armed revolutionary people.

Brilliant revolutionary generals like

Lazare Carnot evolved entirely new military tactics and methods, especially the *leveé en masse*, in effect a mobilisation of the whole people, which carried all before it. Bismarck learnt that from the French Revolution. As early as 1807 Hardenberg wrote to the king of Prussia: "We must do from above what the French have done from below." The Prussians based themselves on Carnot's idea of an armed people, but did so in the reactionary spirit of militarism. Nevertheless, the Prussian military machine was perfected and won a series of spectacular victories. This enabled the conservative Junker Bismarck to carry out the historically progressive task of German unification, but in a

reactionary way--under the domination of feudal-bureaucratic Prussia.

By the 1890s the Prussian state, always bureaucratic and militaristic in spirit, had evolved into a vast monster, spending unprecedented sums on armaments. The French and others naturally followed the trend. The whole of Europe was becoming transformed into a huge armed camp. When Engels saw the vast accumulation of military might of Germany and other powers and new weapons of destruction he concluded that this could lead to the collapse of the state. He also thought that it might mean that a European war might now be impossible. Later history proved

that Engels was mistaken. The antagonisms between Germany, France, Britain, Russia and Austro-Hungary led to the First World War, the fuse for which was lit in the Balkans. That war led to at least ten million dead and reduced Europe to rubble. The Second World War led to 55 million dead, and came very close to destroying civilisation. Although Engels was wrong at the time he predicted that war had become too expensive, his arguments are correct today. What Engels wrote at that time about military expenditure and militarism is nothing compared to the present situation. In the last period world arms expenditure has amounted to over a trillion dollars. Since 1945, there

have been no more world wars.

This was a period of "peace", at any rate as far as the great powers were concerned. As a matter of fact, for most of the world peace remained an unattainable dream even in this period. For the last 50 years on a world scale there were just 17 days of peace. There was always a war going on in some part of the world--mainly the colonial world. There were the long wars of liberation in Kenya, Algeria, Angola, Mozambique and others. There were important wars involving the great powers using proxies, like the Korean War and the Vietnam War. Later on we had the wars in Nicaragua and Afghanistan, the Gulf

War and finally the war in Kosovo. This was the first war in Europe for 50 years. It represents a decisive turning point which will have all manner of repercussions far beyond the immediate issues on the Balkans.

The question of war is a very concrete question. Why has there not been a war between the great powers in the last 50 years? Why, despite all the crying contradictions, was there no war between America and Russia? The answer is quite clear. With the development of nuclear weapons, there has been a change in the nature of war. The bourgeoisie does not wage war for fun, or patriotism, or to save the poor

Kosovars, or to save little Belgium, or anything of that character. They wage war for profits, for markets, for raw materials and for spheres of influence. They do not wage wars to exterminate people. That is not the point of imperialist wars. That wasn't even the purpose of the Mongols under Gengis Khan although they did exterminate a lot of people. But although he used mass terror as a weapon of war, Gengis Khan's aim was not to exterminate the whole population, but to conquer and enslave them and to extract loot from them in the form of tribute.

The purpose of capitalist wars is to capture markets, not to exterminate

whole populations. But a nuclear war would have signified the complete destruction of both Russia and America--at the very least. This makes absolutely no sense from a capitalist standpoint. Although there were some crazy American generals who did arithmetic calculations to try to prove that, even if a nuclear war killed a few tens of million people in the USA, that would be all right, because America would have won--such a view was not taken seriously by the US Establishment, but merely confirmed them in the truth of President Truman's assessment of the mental abilities of American generals when he said that war is too serious a business to be left to the generals.

The amounts currently spent on arms especially by the main imperialist powers make the arms spending of Bismarck and even Hitler look like child's play. After the fall of the Berlin Wall there was a lot of talk in the West of a "Peace Dividend". The perspective was put forward of a new world order in which the whole world would enter a long period of peace and prosperity under the aegis of the USA, the sole world super-power. But things worked out differently. The ink was not dry on George Bush's speech when the Gulf War broke out. Now, over the issue of Kosovo, we have just experienced the first war on European soil since 1945. Far from giving a lead in disarming, the

USA continues to arm to the teeth. In the United States every year for every American citizen \$804 is spent on arms. France is next in line, with an annual expenditure of \$642 per head on arms.

Britain, which despite its total loss of economic and industrial power, likes to pretend that it is still mighty, spends \$484--an absurd figure for a country which, having lost its industrial superiority, was long ago reduced to a second-rate world power. In the Kosovo war, Tony Blair pretended to act as the representative of a big power. But his attempted imitation of Winston Churchill fooled nobody. Given the doubts and hesitations of his other European allies,

it suited Clinton to humour his over-zealous "friend" in London and, at least for a time, to play along with his delusions of grandeur. Other people in America were not amused. They grumbled that the British, with their shrill demands for a "war to the finish" were prepared to fight to the last drop of American blood. Because, in the event of a ground war, it would have been the Americans, not the British or French, who would have had to do most of the fighting--and take most of the casualties.

The question must be asked: what is the purpose of this insane arms race? During the Cold War it was explained in terms of the alleged danger from the USSR.

But this excuse no longer applies. The "official" reason is the need to uphold world peace and democracy. This will fool no thinking person. The actions of the imperialists are determined solely by what the Germans called *Realpolitik*-- that is, the most cynical and calculating self-interest. Of course, for the sake of public opinion, diplomacy must always present this in the most favourable light ("humanitarian missions", "peacekeeping forces", "ethical foreign policy" and so on). There is nothing new in this. Cynicism and self-interest have always been the guiding principles of bourgeois diplomacy. When it suited their interests to appease Hitler, in the hope that he would turn his attentions to the East and

attack the Soviet Union, the "democratic" British ruling class did not hesitate to hand over Czechoslovakia to the tender mercies of the Nazis, just as a man would throw a bone to a hungry dog. Speaking about Czechoslovakia in 1938 the British Conservative prime minister Neville Chamberlain referred to it as: "a far-off country, about which we know little."

The war between Iran and Iraq caused the deaths of one million people. Yet this passed virtually unnoticed because it did not affect the West's vital interests. In fact, it suited the West to have Iraqis and Iranians slaughter one another, since this would exhaust both of them. In fact,

Saddam Hussein was given every encouragement and supplied with arms and equipment by Britain and America--until he trod on their toes with the invasion of Kuwait. The same cynical indifference characterised the attitude of the West to the horrific genocide in Rwanda. This merely serves to underline the hypocrisy of the so-called humanitarian interventions of imperialism in Bosnia, Kosovo and East Timor. It is necessary in each case to cut through the fog of diplomacy and lay bare the class interests that lie behind the diplomatic manoeuvring and propaganda.

Behind all the talk of humanitarian

motives and peacekeeping missions there lies the most sordid self interest. The USA's war against Iraq was no more motivated for concern about poor little Kuwait than the First World War motivated by the fate of poor little Belgium. The main worry was the threat to America's oil supplies posed by the huge increase in the power of Iraq in this strategically important region. The savage bombing of Iraq was intended as a warning to the peoples of the Middle East and the Gulf. "You step out of line, and see what you will get!" Almost a decade later the bombing of Iraq continues, although it is clear to everyone that Iraq has been beaten into the ground and cannot pose a serious

military threat to the USA. The bombing and military harassment is backed up by the no less monstrous economic blockade, which includes, among other things, a ban on the trade in pencils-- clearly very dangerous weapons in the hands of Iraqi schoolchildren!

The colonial revolution

The emergence of US imperialism as the sole major world power is an unprecedented world situation. The USA is now the most counter-revolutionary force ever seen in history. It is prepared to use any means to undermine governments not to its liking. In Africa, Asia and Latin America it has been

prepared to give aid to gangsters and thieves to fight those forces it perceives as being against its strategic interests.

For the whole of the last 50 years cheap raw materials have played a vital role in the development of Western capitalism. This is not a secondary consideration. The control of the outlets of oil and other raw materials is a major factor in the global policies of America and all the other imperialist powers. Therefore they have been prepared to use the most brutal methods against the colonial peoples. One of the most impressive facts of this long period of so-called peace has been the Colonial Revolution. This was the biggest movement of the

peoples since the fall of the Roman Empire: a magnificent movement of the oppressed people in China, India, Indochina and Africa, involving hundreds of millions of slaves, and pack animals. As a movement of oppressed people fighting for their national and social emancipation, history knows no comparable movement. If we look for a parallel, there are only two things which suggest themselves: the movement of the early Christians, which began as a revolutionary movement and the awakening of the Arab nation in the early days of Islam. But the colonial revolution was a far bigger movement than either of them.

In this titanic struggle imperialism was defeated. This colossally progressive development had been predicted by Trotsky before the Second World War. He said that there would come a point in which it would not be worth while to try to hold down the colonial masses by direct means. This became a colossal drain on resources and manpower. The British imperialists were the first ones to understand this. They saw that it was impossible to hold down the colonial masses in Africa and in India by military means. The handing over of India was not the result of a humanitarian gesture. The British were forced out of India by the movement of the masses. It is not generally known that British imperialism

conquered India and held onto it with Indian troops. That is the only reason that they could maintain control. There was not a national consciousness. India was split up into small states.

Paradoxically it was British imperialism that created a national consciousness in India. In 1947, General Auchinleck was asked by the British government how long he could hold India. He answered: three days. The British were faced with mutinies in the army, riots, strikes and demonstrations. Once the Indian people became conscious of themselves as a nation and stood up against their oppressors, that was the end of the story.

In one country after another the

imperialists were forced to abandon direct military bureaucratic control of the colonies. De Gaulle in France had learned that lesson by 1958. Having come to power on the slogan of *Algerie Française!* (Algeria is French!) he took one look at what it was costing them to wage war against the Algerian people, and decided to get out. This caused a revolutionary crisis which could have been a revolution, if the French Communist Party had had a revolutionary policy. This shows precisely the way in which the colonial revolution can have profound effects in the metropolitan countries. The same thing was shown in Portugal in 1974-5, when the attempt to hang onto Angola,

Mozambique and Guinea-Bissau led to revolution in Portugal itself. In 1960 Belgium was forced out of the Congo. But before they left the Congo they deliberately caused the chaos which exists at the present time.

Although the colonial revolution was a big step forward, on a capitalist basis it could not provide a solution to any of the fundamental problems of these countries. After half a century of so-called independence, the bourgeoisie has solved none of the problems of either India or Pakistan. The agrarian problem has not been solved, nor the task of modernising society. In India (and also to some extent Pakistan) the caste

system, that relic of barbarism, remains in place. Neither India nor Pakistan have solved the national question, which has festered and acquired explosive consequences, especially in Kashmir. And neither country, despite the trappings of formal independence, are really free. In fact, they are more dominated by imperialism than they were half a century ago.

Recent developments in the Indian Subcontinent reveal the existence of unbearable contradictions. These two nuclear powers came within an inch of a war. In an attempt to divert attention away from the mess inside Pakistan, Nawaz Sharif made a desperate

gambler's throw in Kashmir. Perhaps he wanted to take advantage of the governmental crisis in India, but in the event the Pakistanis not only failed but the failure set in motion the events that led to a coup d'état. They tried to occupy territory in the mountains of Kashmir. In order to retake it, the Indian army suffered hundreds of deaths. Given the difficulties of a frontal assault on these heights, the Indian army was actively considering launching a flanking manoeuvre, which would have entailed violating the frontier with Pakistan. Such a step would inevitably have led to all-out war between the two countries with incalculable consequences. Only the pressure of Washington on Nawaz Sharif

prevented it. But in trying to excuse himself before Pakistan public opinion, he committed the unpardonable sin of trying to blame the army for the defeat. This sealed his fate, leading directly to a new military coup in Pakistan. This itself is a reflection of the total impasse of capitalism in that country. Needless to say, the Kashmir question is not resolved and carries within itself the seeds of new wars.

Everywhere the ex-colonial countries are racked by wars and instability. This is an expression of the impossibility of resolving their problems under capitalism, which, as Lenin once said, is "horror without end". In Africa at this

moment in time there are at least four or five terrible wars, characterised by ethnic slaughter, barbarism and even outbreaks of cannibalism. Some of these wars are taking place in countries which should be rich, such as Angola and the Congo. With characteristic hypocrisy, the imperialists shake their heads and publish articles of a racist character presenting the Africans as sub-humans savages. The wars in Africa are presented as tribal wars, when in practice many of these wars are proxy wars caused by the interference of capitalist powers who are struggling for markets and raw materials in Africa. Countries, like the Congo or Angola possess enormous mineral wealth which

is of great interest to the imperialists. The case of the Congo is particularly striking. A potentially rich country has been reduced to rubble. Vast swathes of it are under the control of rebels and foreign troops. Zimbabwe, Angola and Namibia are propping up the government of Kabila, whose writ does not cover more than half the country. Uganda and Rwanda control the rebels and Burundi is also present. All are eager to get their hands on the Congo's diamond mines and other mineral wealth. Despite all the attempts at cease-fire, the conflict in the Congo remains unsolved. This is a reactionary war on both sides. America and France are conducting a struggle in Africa using proxy armies. They are

very largely responsible for all this mess.

Never in human history has the world seen such a colossus of economic and military power as US imperialism. Never has the planet been so totally dominated by a single country. In its relations with other countries the USA displays the most amazing arrogance. It is prepared to use any means to undermine governments not to its liking. In Africa, Asia and Latin America it has been prepared to give aid to gangsters and thieves to fight those forces it perceives as being against its strategic interests. In the case of Yugoslavia, Washington's line from the beginning

was "Do as we say or we will bomb you." Yet, upon closer examination, we see that this colossus has feet of clay. Its power is limited even in the field where it appears to be most invincible. Trotsky also made another prediction. He said that America would emerge victorious from the Second World War and would dominate the world. But he added that it would have dynamite built into its foundations. That is precisely the present situation. 100 years ago British imperialism made a very handsome living out of the colonies. They bled the colonies. British imperialism made a handsome profit out of dominating the world. Now America has inherited the role of Britain as the world policeman

but in an entirely different historical context. In the period of the decline of capitalism, instead of benefiting from that it will be an enormous drain an enormous cost to the Americans and ultimately will have profound social effects within the United States itself. The recent demonstration outside the WTO Conference in Seattle is a graphic illustration of this fact.

The Vietnam war was the turning-point. This was the first war in American history where America had lost. And that fact had a fundamental effect in shaping the whole consciousness of the American ruling class. It was a trauma. Let us not forget the fact that American

imperialism was not defeated in Vietnam. It was defeated in America. There was a mass upsurge, a mass movement against the war which had revolutionary connotations. The American Army in Vietnam was so demoralised that one American general said that the mood of the US troops could only be compared to the situation in Petrograd in 1917. The mightiest imperialist power that has ever existed in history was defeated by a barefoot army of guerrillas in the jungles of Vietnam. That had a fundamental affect in American military thinking as we explained at the time.

After the Vietnam war we pointed out

that American imperialism could not intervene with ground troops in any country in the world--with one important exception: Saudi Arabia. Because of its extreme importance to the American economy, the USA would be compelled to intervene, probably seizing the coastal areas where the oil is and leaving the desert to the Saudis. Even now this observation remains true. Saudi Arabia is extremely unstable. The public debt now stands at 10 percent of GDP. The ruling clique based on the royal family can no longer afford the kind of lavish concessions to the population as in the past. The splits at the top, reflected in feuding within the royal family, are the reflection of the growing tensions in

Saudi society. The spectre of revolution is hovering over the Arabian Peninsula. And not only in Saudi Arabia. As a result of the violent fluctuations in the price of oil, there is not one single stable bourgeois regime in the whole of the Middle East.

The history of revolutions shows that they do not begin at the bottom but at the top, with splits in the ruling class. The famous French sociologist and historian Alexis de Tocqueville dealt with the process in some detail and shows what happens when the old regime enters into crisis. One section of the ruling class says, if we do not reform there will be a revolution and another section says if we

do reform there will be a revolution-- and both are correct. These words precisely express the situation faced by the monarchical Arab regimes at the present time. These regimes appear at first sight to be very prosperous, very rich and apparently stable. Saudi Arabia, Bahrain and Kuwait are all run by Royal families. The same is true of Jordan and Morocco, although the latter do not enjoy the blessings of oil wealth. Yet every single one of these royal families are split. That is an indication of developments of revolutionary tensions in those societies.

Everywhere the spectre of revolution is beginning to reappear. In Iran, after

twenty years of barbarous reaction under the mullahs, the masses are stirring. As always, the movement begins with the students and intelligentsia, that most sensitive barometer of the hidden tensions within society. The mass demonstrations last Summer served notice on the regime that the patience of the masses was exhausted. The explosion of the students is the beginning of a new Iranian Revolution. The movement has since died down in the face of ferocious repression. But it will inevitably re-surface with redoubled vigour. The strategists of Capital, with a slight delay, have come to the same conclusion as the Marxists. A recent issue of Business News writes: "Many

observers view last July's rioting, which pitted university students against the police and vigilante thugs from the extreme religious right, as a warning of things to come if the Establishment doesn't bend. 'Khatami is the last chance for peaceful reform. If he is defeated, then the system will be threatened with overthrow,' says Ali Rezar- Alavi Tabar, an editor of the Sobh-e-Emrooz newspaper in Teheran and a key Khatami supporter."

The revolutionary events in Iran are an anticipation of the process that will unfold throughout the Gulf and the Middle East in the next period. This is a momentous development and it is of a

fundamental importance not just for Iran, but for the World Revolution. The events in Iran must have had the American imperialists trembling in their shoes. Iran is not just any country, it is a strategic country. But here we see precisely the limits of the power of US imperialism. Iran was also a strategic country in 1979. Yet there could be no question of an intervention of America to save their ally the Shah. They watched in impotent rage while the old regime was overthrown and their embassy in Teheran ransacked. If they could not intervene in 1979, how much less could they do so now against a revolution of the Iranian masses which will inevitably have a completely different character:

anti-mullah, anti-capitalist and anti-imperialist.

Such a development would have revolutionary implications throughout the Middle East. US imperialism would be forced onto the defensive everywhere. If, as is highly likely, they decided to intervene in Saudi Arabia to protect their oil interests, that would provoke uprisings in every country in the Middle East. Not a single American embassy would be left standing. And the repercussions would be felt throughout Asia, Africa and Latin America. That is why the American, British and French imperialists are arming to the teeth in preparation for the storm that impends.

However, the limits of the power of imperialism is shown by the extreme reluctance of the Pentagon since Vietnam to agree to the deployment of troops on the ground in any country. On the few occasions where this has occurred over the past 20 years, with the partial exception of Iraq, it has been against small and weak countries. In most cases it has ended either not very well, or extremely badly. America was forced to stage humiliating withdrawals in the cases of the Lebanon and Somalia. As Stratfor points out:

"The intervention in Iraq was the first of a series of interventions that included Somalia, Haiti, Bosnia, and now

Kosovo. Not all of these ended well. Somalia was, by any measure, a failure. The Haitian invasion displaced the former government but no one would argue that Haiti has been lifted out of its misery. Bosnia was intended to be a short-term intervention but has become a permanent presence. But none of these interventions have forced the United States to face the core question: what are the limits of American power?" (STRATFOR's Global Intelligence Update: The World After Kosovo May 3, 1999)

This explains the extreme reluctance of the Pentagon to send ground troops into Kosovo, preferring to rely upon air

power alone. The Americans were under no illusions that they would have suffered very heavy casualties in a war on the ground in Kosovo. This would have had profound effects in all the NATO countries, but especially in America itself. The demonstrations in Seattle would have paled into insignificance compared to the explosions that would have ensued. Fortunately for Clinton, a deal was stitched up with the help of Russia which relieved them of this necessity. If it had come to a ground war in Kosovo, the outcome of the war would have been very different. Thus, despite all the noise, the Kosovo war has really not changed the position faced by the

Pentagon. True, the US airforce will be lobbying furiously for extra funds to perfect their arsenal of weapons of destruction. But ultimately, US imperialism will be faced with the need to employ ground troops in one country or another, and face the consequences.

The role of Germany

One of the most significant development in recent times is the tendency of the world to splinter into regional blocs. After World War Two, the USA dominated Western Europe totally. Europe was cut in two, with the East dominated by Russia. Now all that has changed. Even before the fall of

Stalinism, the world was already beginning to split up into rival trading blocs. NAFTA is a bloc dominated by US imperialism and including Canada to the North and Mexico to the South. In practice, the USA regards the entire Continent of America as its private concern. Japan is striving to create its own economic sphere of influence in Asia. And the European capitalists have formed the European Union.

The launching of the Euro has been widely interpreted to mean that the movement in the direction of a European super-state or at any rate a Federation, has acquired an irresistible impetus. This is a complete misunderstanding of

what is taking place. It is true that the process of integration of the EU has gone further than the Marxists had anticipated. But this process still has its limits, and in any case has far from abolished the contradictions between the different national states that make up the EU. The central point is that there is only one state economically strong enough to lead Europe, and that is Germany. This fact, which should have been obvious from the start, has become glaringly evident ever since the fall of the Berlin Wall in 1989. This was a turning-point in the history of Europe and the world.

The Irish writer and politician Conor Cruise O' Brien has argued that French

and German enthusiasm for European integration has always been a hypocritical cover for national ambitions on both sides:

"The language of federalism, on the lips of political traders," he writes, "has become a coded way of appealing to rival bodies of nationalists in the two countries. French nationalists, listening to their president recommending federalism, are expected to think: 'We will outsmart them because we are so much cleverer, and we will run Europe as well as our own country.' The German nationalists, listening to virtually identical language from their own chancellor, are expected to think:

'We must necessarily dominate a federal Europe because of our size, our number, our strength of character and our national habits of thrift and hard work.'

In historical retrospect, it is likely that the introduction of the Euro will be seen as the high water mark of European integration on a capitalist basis. At every level, conflicts of interest abound. Germany's strength lies in industry, while France still has a considerable agricultural interest, which it is determined to defend, also for social and political reasons. Germany looks to the East, to its former colonies in the Czech Republic, Poland and the Balkans. France looks to the South, to its former

colonies in North Africa and its Mediterranean neighbours, Spain and Italy, which it sees as potential allies. Britain is a somewhat special case. After decades of industrial decline, Britain has lost most of its power and influence in the world, but not its dreams, illusions and delusions of grandeur. In reality, it has become a parasitic rentier economy, as France was before the War, and a semi-satellite of US imperialism. The lesser European powers, as always, gravitate around the big three, now to one now to another, according to the interests of the moment. All are guided by their own narrow national self-interest. Greece has its own policy in relation to Serbia and Turkey,

for example. But the decisive power remains Germany.

The original intention behind the European Union was to bind Germany to France as a means of preventing a new war between the two countries. But the aim of France was always to be the dominant partner. At the beginning this appeared to be the case. Germany was still struggling to emerge from the catastrophic defeat of 1945. But as time passed, Germany's powerful industrial base enabled her to leave France far behind. Paris comforted itself with the thought that, while Germany was the economic power-house of Europe, France would remain politically and

militarily supreme. but now all these calculations have turned to ashes. With unification, Germany is rapidly re-emerging as a super-power in its own right. It was always utopian to think that her economic might would not find a political and military expression, and that the German ruling class would be content forever to play second fiddle to the French on the world stage.

With unification we see a revival of all the old dreams of German greatness. Germany currently spends somewhat less than Britain and France on arms, \$355 per head, but Germany has got a very powerful army, a mighty industrial base, and a big population of 80 million

in the heart of Europe. It has already achieved by economic means what it failed to do in two world wars--to unite Europe under German domination. But Germany's huge economic power is not at all reflected in its political and military clout. This was starkly revealed during the Kosovo crisis when for the first time since 1945 German troops participated in a military action on the soil of another European country. The scale of this participation was modest. But its symbolic meaning was tremendous.

There are clear signs that Germany is becoming impatient with the artificial restrictions placed on its European role

by the suspicious attitudes of its neighbours. In August 1999, Chancellor Schröder declared that "Germany has every interest in considering itself a great power in Europe." And he added: "Germany is no better and no worse than any other country." In effect, the German chancellor was saying: "I don't know what people have got against Germany. It is a country like any other country." To which The Economist replied: "Yes Mr. Schröder, Germany is no better and no worse than any other country. Just very big and in the centre of Europe." These lines express with admirable clarity the real attitude of Britain and France towards Germany. But nothing can prevent Germany from translating its

economic and industrial muscle into military and political power.

Bismarck described "hegemony" as follows: "an unequal relationship established between a great power and one or more small powers which is nevertheless based on the juridical or formal equality of all the states concerned. It is not based on 'ruler' and 'ruled' but on 'leadership' and 'followers'." That is not a bad description of the state of affairs to which Germany now aspires in Europe. It will inevitably lead to collisions with France and Britain, who do not see themselves in the role of "followers" of Germany. German foreign policy

remains much the same as it was over 100 years ago. Its history, geographical position and economic interests makes it turn to the East, where it hopes to bring its client states into the EU. This brings it into conflict with France, since the inclusion of countries like Poland and Hungary in the EU would automatically spell the death of the Common Agricultural Policy, which benefits French farmers. On the other hand, Britain, while not opposed in principle to the entry of countries which may provide new markets for its goods, is violently opposed to any suggestion of a change in the EU's voting system that would entail the abolition of the right to veto. But how could an enlarged EU

permit small and poor Eastern European states to block its decisions? And in any case, Britain as a net contributor to the EU budget, would not be keen about increasing the costs by subsidising these countries for Germany's benefit.

The question of EU enlargement, therefore, provides plenty of fuel to throw on the flames of national discord. The naming of Berlin as the capital is a political statement pregnant with historical symbolism. The German capitalists have lost no time in establishing themselves in Poland and other East European countries. They are proceeding to reconstruct their old colonies and spheres of influence, in

accordance with the old German policy of the Drang nach Osten. The same policy led to the criminal break-up of Czechoslovakia. These actions clearly correspond to the interests of German imperialism, which, having gained economic domination of Europe, is now flexing its muscles as a political and military power.

The temporary alliances and conflicts can cause all kinds of shifting agreements and blocs, which form and re-form themselves like the eddies on a quickly-flowing river, but the main thing is that the old axis between France and Germany is rapidly breaking down. The Economist notes that: "France, at any

rate, seems to worry now and again that Germany is leaning Britain's way. A sense of incipient betrayal on France's part has inflamed a series of relatively minor squabbles with Germany since Mr. Schröder came to power." What is important is not the squabbles but the growing realisation in Paris that they can no longer count on automatic support from across the Rhine, and that Germany is now determined to follow its own destiny, whether it suits France or not.

As in the period before 1914, there is a constant jockeying for position between France, Britain and Germany. At first it was not clear whether Germany would not unite with Britain against France. But

the growing power of Germany which threatened to alter the balance of power in Europe, pushed Britain into the arms of her old enemy France. The question was settled by the entente cordiale, when Britain and France formed, in effect, a bloc against Germany. Now we face a similar situation. Someone in the British Foreign Office once said: "Nations have no permanent friends; they only have permanent interests". Despite the present frictions between Britain and France over the beef issue, it is inevitable sooner or later that the two countries will be forced to come together. Britain's permanent interests in Europe will compel her to unite with France to counter the weight of Germany.

Germany and the Balkans

As always, the causes of instability on the Balkans must be sought outside the Balkans. In this case, the starting point of the crisis in the Balkans was the collapse of the USSR and German unification. Exactly ten years ago the new reunification of Germany represented a fundamental change which is disturbing the balance of power inside Europe. In the same way, the rise of Germany as a result of German unification in the second half of the nineteenth century also changed the whole balance of forces in Europe and prepared the way for three wars. In both cases, the Balkans were affected in a

decisive way, and in turn affected the general world situation. It is an irony of history that the 21st century is beginning just as the 20th century began.

For Europeans, war was supposed to be for other people in other continents. The European working class had forgotten what war was like, just as they had forgotten what revolution and counterrevolution were like. The nightmares of the past, the bombing of civilians, the ethnic cleansing, the racial madness and the concentration camps, were all supposed to be things of the past. Now Europe has received a rude awakening. The war in Kosovo represents a major turning point in

European and world history. Prior to this the two super powers, the USA and the USSR, balanced each other out and this provided a relative stability to the world situation. There could have been no question of the USA daring to attack Iraq or bomb Yugoslavia. The disappearance of the Soviet Union as a super power has allowed the United States to emerge as the sole world power and given it the confidence to develop a more aggressive foreign policy.

In relation to the Balkans, all the material we have written over the last eight years entitles us to say that only this tendency has kept its head, and

maintained a class position an internationalist position on this question. What was the meaning of this conflict? Firstly, it represented a decisive turning-point in the world situation. It signifies a fundamental change in the balance of forces that has been developing over the past decade, since the collapse of Stalinism, and of the Soviet Union. Prior to the collapse of the Soviet Union the two super powers, the USA and the USSR, balanced each other out and this provided a relative stability to the world situation. The disappearance of the Soviet Union as a super power has allowed the United States to emerge as the sole world power and given it the confidence to develop a more aggressive

foreign policy.

There is a tendency to attribute to Washington's foreign policy a far-sightedness and intelligence to correspond with the degree of its military might. However, when we come to consider the actions of US imperialism, it is hard to detect a coherent long-term strategy in the Balkans, other than the simple principle of utilising its overwhelming advantage in firepower to bully the rest of the world and impose its will on every government. The principal (perhaps the only) objection to the present government of Yugoslavia was that it was not prepared to accept Washington's

dictates.

The only ones who seem to have known what they wanted in the Balkans from the beginning, who set themselves a series of well-defined aims according to a well-known plan of action, were the Germans. The most serious result of this was the catastrophe in Yugoslavia. Of course, there were internal problems. The abolition of the autonomy of Kosovo--itself an expression of the contradictions of the old system-- played a fatal role in encouraging chauvinist tendencies which Tito had always tried to keep under control. But, as always, the flames were fanned from outside. By interfering in the internal affairs of

Yugoslavia, encouraging the break-away of Slovenia and Croatia, Germany unleashed forces which neither it nor anyone else could control. Doubtless they did not anticipate the consequences of their actions. The resignation of the German foreign minister Genscher was virtually an admission that they had miscalculated. Be that as it may, they left it to others--particularly Britain and France--to pick up the bill.

Imperialist bullying

The insolence of US imperialism which seeks to impose its will on the rest of the world was shown first by the attack on Iraq and then by the bombing of Kosovo.

NATO is just a cover for the world-wide ambitions of the USA. At the summit held by NATO early in 1999, a new strategic concept document was presented which widened the scope of NATO intervention. This represents a fundamental revision of world relations which have remained basically unchanged for over 300 years, since the treaty of Westphalia in 1648. From that time till now, it was accepted that the basic principle of international conduct between states was non-interference in each other's internal affairs. The Kosovo war represented an unprecedented departure from all the accepted norms of international conduct. For whatever one's opinions of the problem of

Kosovo, it was no concern of the USA. Yugoslavia was still a sovereign state, far from the North Atlantic and posing no direct threat to America.

As far as Kosovo is concerned, it is not quite clear whether America was working to a plan worked out in advance. That is one possibility, but it does not seem to be probable. More likely, the whole war was the result of a miscalculation. Clinton was led to believe, by the State Department that the Belgrade government would surrender immediately if they dropped a few bombs. But things did not work out so simply. President Truman once remarked that American generals were not capable

of marching and chewing gum at the same time. However, in the Kosovo affair, for once, the Pentagon showed itself to be more intelligent than the present occupant of the White House. According to reliable reports, there was a struggle between the Pentagon and the State Department, as to what line of action to take. The Pentagon was worried about this adventure in Yugoslavia, and particularly about the possibility of a ground war. In order to reassure the generals, Clinton specifically ruled out a ground war from the outset--a decision much criticised by military experts both in America and elsewhere.

It seems clear that America did not want to be drawn into a war on the Balkans. What Washington wanted was stability in the Balkans. But it wanted a stable Balkans under its own control. The problem with Yugoslavia was that it would not act in accordance with America's wishes. The issue of prestige was therefore at stake. A successful military operation in Kosovo was essential to prove the seriousness of NATO in backing up its declared aims. Madelaine Albright--probably the most obtuse foreign secretary the USA has ever had--did everything in her power to provoke the Yugoslavs. The arrogance of Washington was shown by the notorious Rambouillet agreement which

was written in such a way that no sovereign government in the world could have accepted it. It was similar to the infamous ultimatum of Austria-Hungary to Serbia in 1914. Predictably, Belgrade refused to accept it, and the bombing commenced. But then things began to go badly wrong for NATO. Belgrade did not surrender and the Yugoslav Army could not be destroyed, so NATO deliberately bombed civilian targets: factories, houses, bridges, hospitals, schools. This was an attempt to terrify the people of Yugoslavia, to compel them to bend the knee before American imperialism, just as in Iraq. But after eight years of bombing and economic blockade, Washington is no nearer to

attaining its strategic objectives in Iraq than before. And it is unlikely to be any more successful in the Balkans in the long run.

American imperialism is a mighty military power and possesses extraordinary and terrifying means of destruction. But US propaganda systematically exaggerates the independent significance of America's military technology. For example, they made great play of the so-called smart bombs. These were so accurate, they said, that from a great height they were able to bomb even the smallest target. The purpose of this propaganda was to convince American public opinion that

they could win a painless war, just by bombing. However, if these claims are true, it is hard to understand why they bombed such targets as the Chinese Embassy, or columns of Kosovar refugees, or the territory of friendly states like Albania and Bulgaria. Such incidents show that the claims for infallibility of the so-called smart bombs were just so much nonsense.

It is often said that the first casualty in war is truth itself. In 1914 the British and French launched a massive propaganda campaign to demonise the Germans accusing them of all kinds of atrocities in occupied Belgium. Some of the stories of atrocities were true, many

were false or exaggerated. But the main thing was that propaganda was used as a military weapon, to soften up public opinion in preparation for the slaughter of the First World War. In the same way they attributed all kinds of dreadful crimes to the Serbs. Undoubtedly some atrocities were perpetrated against the Kosovo Albanians, but not on the scale they have presented. Most of these atrocities were carried out after NATO began bombing. These were carried out, not by the Yugoslav army but by the so-called Chetniks, paramilitary gangs little better than Serb Fascists. Similar phenomena have been seen in every war on the Balkans. And it is not true that these things are the exclusive monopoly

of Serbs. Croatia expelled 300,000 Serbs from land which they had occupied for hundreds of years. They also launched a dirty campaign of ethnic cleansing against the Bosnian Moslems in Mostar in 1993. Yet all this was totally accepted by the West, on the principle that "the enemy of my enemy is my friend". The West accepted all this in silent complicity, just as they are now silent about the ethnic cleansing and killings of Serb civilians by the KLA in Kosovo. This was deliberate imperialist propaganda to demonise the Serbs.

In any war the general staff uses the weapon of propaganda as an auxiliary to tanks, planes and guided missiles. But

the avalanche of propaganda which accompanied this conflict from the first day to the last must surely be without precedent. During the bombing campaign Nato leaders built up a barrage of propaganda aimed at convincing the people back home that this was a "just war". It was impossible for the mass of people to obtain a balanced version of events, let alone the truth. Although there was no enthusiasm whatsoever for the war in Britain (or America), most people grudgingly accepted it as inevitable. However, in Italy and Greece there was mass opposition to the war, and in Germany a similar mood was developing, causing serious internal problems for the SPD and the Greens.

The German people, unlike the British, have had no experience of war since 1945, and have no wish to acquire such experience. To any informed observer it was clear that all this propaganda was a pack of lies. That atrocities were carried out is clear, although the extent of them was exaggerated for propaganda purposes. The NATO strategists were not at all motivated by humanitarian concerns. That was shown by their refusal to let the refugees into their countries. They needed the killings to justify their bombing. It was never made clear that most of the killings were the result of the NATO bombing. And the more they could exaggerate the killings the more they could justify the bombing.

The picture which NATO likes to project of itself is one of a big happy family of democratic states united in the defence of peace and civilisation. After the fall of the USSR it has been busy expanding its membership, a process that is taking it right up to the border of Russia. But this picture is very far from the truth. NATO is not one homogeneous bloc, as the events in Kosovo have revealed. For example, at the end of April, NATO came up with the idea of imposing an oil embargo on Serbia, but it could not achieve unity over this question. To impose an embargo would have meant a possible conflict with Russia, because this would have implied the blocking of Russian oil tankers.

These would most likely have been accompanied by a Russian naval escort, and therefore an armed conflict was implicit in the situation. For this kind of operation to have been "legal" NATO would have had to get UN approval, but Russia and China, in the Security Council, would have blocked any resolution empowering NATO forces to stop and search ships on the high seas. This pushed NATO members, France, Greece and Italy to put a brake on the whole idea. In the end the idea had to be dropped, proving once more that NATO did not have a unified policy and was close to an open split in its ranks throughout the duration of the bombing.

During the whole bombing campaign the United States government had to struggle to hold the NATO alliance together. US military strategy was limited due to opposition from within NATO itself. As far back as March, the Italian government was in difficulty. The Italian parliament voted for the re-opening of negotiations and the suspension of the bombing. Thus Italy, together with Greece, two of the closest NATO members to the war zone, were constantly regarded as weak links in the alliance.

Germany, too, was not too keen on the war. One week into the bombing campaign opinion polls showed that only

one in four Germans were in favour of sending in ground troops. Even within the government there was dithering on the issue. The Greens were under pressure from their ranks to come out in opposition to the war, and there was also opposition inside the SPD. If they had gone ahead with the plans for a ground war it is most likely that NATO would have split. That is why NATO and the Americans were forced to manoeuvre with the Russians to bring about a solution to the conflict which would avoid a war on the ground.

Did NATO achieve its war aims?

It was inevitable that at the end of the

war they would shout 'We won, we won, we won!' What else were they supposed to say? The bombing had to be portrayed as being successful in destroying the Yugoslav war machine. NATO claimed that as much as one third of Serbian tanks had been destroyed. That would have meant hundreds of tanks. But so far only 13 have been accounted for! As *The Guardian*, 4.7.99, revealed, "The damage inflicted on the Serb ground forces turns out to have been minute compared to that claimed by Jamie Shea and his colleagues in effusive daily Nato press conferences."

The Yugoslav army was intact. It had dug in waiting for a ground war. It is

clear that the Yugoslav Army was prepared for a fight. If it had come to a ground war, it is not even certain that the Americans would have won. Certainly it would have been a very bloody affair, with huge losses on both sides. Under such circumstances the very fragile unity of NATO would have been subjected to enormous strain. There would have been tremendous opposition to the war in every country, not excluding Britain and the USA.

This was clearly very difficult terrain for the American army--not at all like the terrain on which the Gulf War was fought. It would have been a nightmare. That is why the Pentagon was against it.

The reason why they succeeded in forcing the Yugoslavs to withdraw was not because of the bombing. It was because the Russians particularly Yeltsin and Chernomyrdin were also terrified of the possibility of a war in Yugoslavia, fearing the effects inside Russia. At the end of the war, western correspondents scratched their heads in puzzlement when they saw the Yugoslav troops leaving Kosovo waving flags and making victory signs. "This doesn't look like a defeated army Don't they know that they have been defeated?" they asked. The Yugoslav Army was not defeated in war. The Yugoslav Army was betrayed, which is a different matter. And that will have a profound

affect in Yugoslavia and in Russia.

According to an article by Richard Norton-Taylor that appeared in The Guardian, (30/6/99), "Nato, of course, has no choice but to hail victory. A well tried way of claiming success when things haven't gone according to plan is to change the stated objective of the exercise." Back in March, on the second day of the bombing, the British Defence Secretary stated that the aim was "to avert an impending humanitarian catastrophe by disrupting the violent attacks currently being carried out by Yugoslav security forces against Kosovar Albanians and to limit their ability to conduct such repression in

future."

The facts are that most of the "ethnic cleansing" actually took place after the bombing started, and the Yugoslav army lost very little in Kosovo.

Thus Yugoslavia's military capability remains intact. The fact that the Yugoslav army was not defeated was even admitted by some KLA volunteers. The Guardian, (30/6/99) reported that according to Lirak Qelaj, a 26 year-old fighter in the KLA "the Serbs were not defeated. Nor was NATO's bombing as effective in Kosovo as he and his comrades had hoped. The KLA, he confirmed, had great difficulty standing up to Serb attacks and was able to do

little to protect the thousands of people displaced since late March. He also disclosed that it was KLA advice, rather than Serbian deportations, which led some of the hundreds of thousands of Albanians to leave Kosovo."

At the beginning of the bombing campaign NATO diplomats were saying that "...the alliance should go after the military goal of damaging or destroying his military machine. Once this is achieved, NATO can declare success..." (Financial Times, 27.3.99) Their aim was clearly to destroy Serbia's military capability. This was for strategic reasons as the domination of Serbia is a key to the domination of all the Balkans.

But by the end of April it was clear that, "The failure of the campaign to achieve its initial objective [had] caused growing unrest among politicians on both sides of the Atlantic." (The Financial Times, 23/4/99)

Once the bombing was over, a more realistic appraisal of the campaign began to emerge. As the Wall Street Journal, (8/6/99) pointed out "Éthere will be one thing lacking in this war's endgame: the sense that this was a victoryÉ the bottom line is that Milosevic has not been defeated. After 76 days of pounding by a vastly superior force using the most accurate and powerful conventional weapons known

to man, the head of a small state of only 11 million people was able to negotiate a compromiseÉ"

General Sir Michael Rose, the former commander of the UN Protection Force, Bosnia in 1994 wrote in a letter to The Times (of London) dated July 14 1999:

"I am surprised to see you supporting the current propaganda campaign by Nato and British politicians who are repeatedly stating that NATO's air campaign over Kosovo met its campaign objectives. It manifestly did notÉ After 11 weeks of one of the most intensive air campaigns in the history of warfare, it is clear that Nato had tragically failed to accomplish these initial objectives. For

thousands of people were brutally murdered and more than a million people were driven from their homes by the Serbs. The Alliance was thus compelled to redefine the purpose of the war as being that of allowing the safe return of the Kosovo Albanian people to their homes. Its success in achieving this lesser task should not be allowed to obscure the fundamental message that it is not possible to safeguard a people by bombing from 15,000 feet (5000 metres). Rather than engage in cynical propaganda exercises, Nato should examine how it is going to be able more effectively to fight humanitarian wars in the future. This will require the Alliance to develop better leadership and to

demonstrate a greater preparedness to deploy troops on the ground. Sadly, both these critical elements seem to be missing at present."

Destabilising effects on whole of the Balkans

Although the war was fought under the hypocritical slogan of the right of self-determination of the Kosovar Albanians, it is clear that the further break-up of Yugoslavia was not one of NATO'S aims. As the Financial Times, (27/3/99) pointed out, "The complete disintegration of Yugoslavia cannot be a NATO war aimÉ NATO resists the idea of an independent Kosovo as

destabilising to the region." Initially NATO decided to start the bombing campaign to avert a wider conflict, to attempt to stabilise the situation in the Balkans. But rather than stabilising it, they have made it worse. Now the whole of the Balkans are more unstable than before.

The original intention of the Rambouillet agreement was to occupy the whole of Yugoslavia. That is now out of the question. Nevertheless, at the present time, America finds itself in control of quite a big slice of territory in the Balkans. Not only Bosnia--which, like Kosovo, is another US protectorate--but it also controls the destinies of

Macedonia and Albania as well. Having ended up with this position, America must decide what to do with it. The Americans aimed to establish stability on the Balkans under American control, and to establish an American protectorate. But if we ask the following question: Did the invasion of Kosovo establish a more stable position on the Balkans? the answer must be no. Not content with reducing Serbia to rubble, the imperialists are maintaining a brutal economic blockade which will further disorganise its economy, creating terrible hardships for the population. However, there can be no question of an economic revival in the Balkans without the reconstruction of Serbia. The present

blockade will have serious consequences for all the neighbouring states, causing new hardships and instability.

There is also the danger of a new war in Montenegro, where the West is intriguing for its own ends. Although NATO probably would not welcome the complete collapse of Yugoslavia because of the repercussions it would have in the rest of the Balkans, nevertheless, it is looking for points of support in order to weaken and destabilise the government in Belgrade. The presence of Western troops, both in Bosnia and Kosovo is encouraging the government of Montenegro in its

attempts to break away from the Yugoslav federation. The Montenegrin government is clearly looking for investment from the West. It is interesting to note that the government plans to introduce its own mass privatisation programme. Significantly, it also wants to introduce its own currency, pegged to the German mark. However, secession on the part of Montenegro would certainly lead to a new war and further destabilise the area

Macedonia is also under extreme pressure. About 750,000 ethnic Albanians, about 23% of the population, live in the western region of Macedonia. And as the Financial Times, (27/3/99)

pointed out "Éit is equally hard to imagine the Albanians of Macedonia remaining unaffected. In short, if ethnic Albanian aspirations are given rein in Kosovo, the whole process of shifting borders, and of shifting peoples, could begin againÉ setting off a new round of the Balkan wars." Unemployment at around 40% only serves to exacerbate the problem further. The presence of 12,000 NATO troops is the only thing keeping the lid on.

In Kosovo itself the KLA is continuously beating the drum for Kosovo independence. They are trying to install themselves in power, but they are not likely to succeed because American

imperialism does not want an independent Kosovo. This would mean the creation of Greater Albania and this would have disastrous consequences for the rest of the region. Already the KLA is talking of including within Greater Albania not only part of Macedonia, but a part of Greece as well. This is dangerous stuff! It can only be the starting point of new wars and catastrophes for all the peoples of the Balkans. The conclusion is inescapable. The situation in the Balkans is more destabilised now than what it was before. Above all, the potential break-up of Macedonia poses the danger of new wars involving not just the immediate area, but would threaten to drag Greece,

Albania, Bulgaria, even Romania and Hungary into an armed conflict. This could even lead to a general war in the Balkans in which Turkey would be brought face to face with its old enemy Greece. The consequences of this would be incalculable for the USA, NATO and the EU. Thus, the Americans are now trapped in Kosovo as they are trapped in Bosnia They cannot withdraw without provoking a general upheaval on the Balkans which would involve their allies and might lead to the break-up of NATO itself.

Croatia has been very quiet of late. But after the death of Tudjman, the country faces further upheavals. Franjo Tudjman

was yet another former Stalinist turned reactionary bourgeois nationalist. This former "Communist" adopted the symbols and language of the Croat fascist Ustasha regime of the past--a regime so bloody that even the German Nazis complained of its brutality. As long as it suited their interests, the US imperialists went along with his brutal policy of ethnic cleansing of Serbs and Bosnian Moslems. But after the Kosovo affair the Americans had already begun to distance themselves from Tudjman, a change of heart that was partly due to the fact that he was not going to live much longer, but also because, in following his own Balkan agenda, Tudjman was not always prepared to toe the American

line. For example, he wanted the Bosnian Croats to have their own separate political identity. This was a move designed to prepare the way for eventual absorption into a Greater Croatia--Tudjman's long-term goal. This was in open defiance of the Dayton agreement. On the other hand, he warned that there were limits to his co-operation with the UN war crimes tribunal.

The Americans would now prefer Croatia to be ruled by more pliant stooges and will be manoeuvring to install a puppet regime in Zagreb. But slowly the realisation is dawning on the people that the movement towards capitalism has brought them nothing but

wars, suffering and misery. The workers of Croatia are becoming restive. All history shows that there is a relation between war and revolution. When the fumes of chauvinism wear off, the masses take stock of their real situation and begin to draw their own conclusions. Their anger is directed towards the ruling clique that led them into the path of death, destruction and impoverishment. While the war lasts, the working class has its head down. But that cannot last forever. Sooner or later the working class will enter the arena of struggle. In Croatia there have been big strikes of the working class, largely unreported in the West. This shows the process that will take place in one

Balkan country after another in the next period. At a certain stage the ground will be prepared for a class and internationalist policy, based on the goal of a socialist federation of Balkan peoples as the only way out of the present nightmare.

Reformism and imperialism

There is an organic connection between home and foreign policy. This was conveyed by the marvellous dialectical expression of Clausewitz when he said that 'War is the continuation of politics by other means'. This is profoundly true. Marxists do not have one policy for peace and another policy for war. War

is just a continuation of politics by other means. In one of his last articles, *Trade Unions in the Epoch of imperialist Decay*, Trotsky explained that in the present period there was an organic tendency of the tops of the trade unions to fuse with the capitalist state. This has been shown to be true. The trade union and Labour leaders in one country after another have become enmeshed in the capitalist state to an unprecedented degree. They act as the agents of the big banks and monopolies, and on the international stage they are the most enthusiastic cheerleaders of imperialism, especially American imperialism. Thus, Tony Blair was the most slavish supporter of Clinton in the

Kosovo war, and George Robertson, his foreign minister, has now been made general secretary of NATO. This is no accident.

The crushing economic and military dominance of the USA also finds its expression in the upper echelons of the labour movement. The reformist Labour leaders are dazzled by it. Naturally! The petty bourgeois are always impressed by power, whether at home or internationally. The Sri Lankan Trotskyist Colvin Da Silva once put it quite wittily, when he said: 'Whatever is the current Bible of the petty bourgeois, its God is always power.' That explains the attitude of Blair and Schroeder

towards American imperialism. It is a law which governs the conduct of the right reformists as absolutely as the laws of Newton and Einstein govern the movements of heavenly bodies. At home they are even more servile and dependent on the banks and the monopolies than the bourgeois politicians. The reason is not difficult to find.

The middle class, because of its intermediate position standing half-way between the working class and the big capitalists, always looks up to the ruling class with a mixture of fear, envy and awe. They feel inferior, and their feelings of inferiority produce in them a

powerful psychological need to prove that they are *reliable*, that they can be *trusted* to keep the masses in order, that they are the best defenders of the existing order, and so on. This is what explains why the Labour leaders in power are always more servile to Big Business than the ordinary Conservative politicians. They are less capable of having an independent policy.

Sometimes a Conservatives administration, staffed by bankers, landowners and businessmen, may come up with come up with a relatively independent policy in relation to the Banks and monopolies, which sacrifices the short-term interests of one or other section of big business, the better to

defend the long-term interests of the capitalist class as a whole. But the reformists are organically incapable of such behaviour. Like the foreman in a factory who bullies the workers from whose ranks he has risen and licks the boots of the manager, the right wing reformists lose no opportunity to kick the weakest and most downtrodden sections of society, while slavishly carrying out the dictates of the bankers and monopolists to the very letter. And on the world stage, the middle class labour leaders vie with one another to show their loyalty to NATO--that is to the Big Brother on the other side of the Atlantic. True, from time to time this gives rise to a kind of political schizophrenia when

the interests of their own bankers and monopolists clash with those of Washington. But the basic tendency of right reformism is always consistent--the defence of the rule of Big Business, nationally and internationally.

However, this process has another side. At a certain stage it will provoke convulsions and crises inside the mass organisations of Labour, paving the way for the formation of mass left wing currents which will be open to the ideas of Marxism. The left reformists will come to the fore again. But the left reformists are hopelessly confused and offer no serious alternative. Whereas the right wing Labour leaders stand openly

for the interests of Big Business and imperialism, the Lefts try to take up a middle position, reflecting the petit bourgeois nature of left reformism. Nowhere is their confusion more clearly revealed than on the issue of war. At home they accept the existence of capitalism, but would like it to be a bit kinder to the masses. In the arena of world politics, they accept the rule of imperialism and the giant monopolies but stand for "peace". On both counts they resemble a well-meaning vegetarian who attempts to persuade a man-eating tiger to eat lettuce instead of meat. Their bankruptcy and superficial utopianism is shown by their constant appeals to the United Nations, which they foolishly

imagine to be a kind of arbiter or referee which can keep the peace between the great powers, like a kindly British "Bobby" helping old ladies to cross the road.

The 'United Nations' and war

In addition to writing about the class struggle, Karl Marx spent a lot of time analysing diplomacy and the relationships between the powers.

Trotsky also strongly recommended that every conscious worker should study diplomacy, learn how it works, understand the reality behind the diplomatic lies. It is our duty also today to expose the falsehoods of imperialist

propaganda, and to lay bare the naked self-interest and cynical manipulations that lie behind the phrasemongering. The Marxists did their duty during the Kosovo war, exposing the lies and hypocrisy of American imperialism and its hangers-on in London, Paris and Bonn. An important part of our work is to expose the lie about the (dis) United Nations as an alleged force for peace.

It is necessary to approach politics, whether national or international, from a consistent class point of view. There are many parallels between the class war or wars between nations. The same basic principles apply. A treaty--whether it is a contract between the workers and

bosses in a factory or a diplomatic settlement between nations--is only a reflection of the balance of forces between the contending groups at a given moment. That is all. And woe betide the person who imagines that the signing of a piece of paper resolves any serious issue! The moment the balance of forces has changed, the treaty is torn up. In a factory, the contract is torn up--either by the workers, or, more normally, by the bosses. The matter is settled by a strike, which establishes the issue of which of the two sides is strong enough to impose a settlement favourable to itself. The same is true of treaties and agreements between nation states.

Hegel--that marvellously profound philosopher--is very unpopular with the bourgeois and the petit bourgeois because they cannot understand him.

Among all the other stupid criticisms of Hegel, they try to say that he was a war monger, a precursor of militarism and even Hitler. What Hegel actually said was that in history all serious problems are solved by war. It is difficult to see how one can argue with such an elementary proposition. All history shows that, when the ruling class is faced with fundamental problems of its basic interests it does not rely on paper treaties, negotiations and the rest of it. *It goes to war*. One may lament this, but it is nonetheless a fact.

The idea that the conflicts between nations can be resolved by peaceful arbitration is a complete illusion, as the experience of the League of Nations before the Second World War graphically shows. The question of the United Nations is continually being raised by all kinds of utopian pacifists and left reformists. But the history of the whole post-war period--and especially the last ten years--shows that nobody pays the slightest attention to the United Nations--except the so-called left reformists, who, in every international crisis, bleat like sheep. "United Nations, please!" They try to present it to the public as the solution to all wars and problems. These people do not

understand the ABCs of world relations. They have learnt nothing from the whole history of the last 50 years.

Solon of Athens once wrote: "The Law is like a spider's web. The small are caught and the great tear it up." How profound a knowledge the author of the Athenian Constitution had of the true nature of the Law--both national and international! The United Nations can solve nothing. To be more precise, the United Nations is a forum of the different imperialist powers which can sometimes solve secondary matters where fundamental interests are not at stake. The American imperialists pay lip service to the United Nations, but

whenever they have a problem in which the United Nations might get in the way, they simply ignore it. We saw this in the Kosovo crisis. The left reformists raised a hue and cry about the so-called legitimacy of the bombing of Yugoslavia: "The Security Council must vote on it, the United Nations must decide!" But the war over Kosovo is further proof--if any was needed--that when the basic interests of America are at stake, the principles of international law are a matter of complete indifference. They just tear them up.

There is nothing new in this. When Trotsky went to Brest-Litovsk to conduct negotiations with the German

imperialists and the Austrian imperialists in 1918, he was playing for time trying to spin out the negotiations. At the same time he was using the negotiating table in a revolutionary and internationalist spirit, making revolutionary speeches, which were aimed over the heads of the Prussian and Hapsburg generals and diplomats, to the workers of Germany and Austria. Trotsky's tactics were very effective. His speeches were published in the German and Austrian newspapers and were instrumental in provoking big strikes and demonstrations. However, this revolutionary diplomacy had its limits. At a certain point, in the middle of one of Trotsky's speeches, one of the

generals, Hoffmann, put his boots on the table. Trotsky had no doubt whatever that the only real thing in that room were those boots on the table. Ultimately, all diplomacy must be backed up by the threat of force.

In the Kosovo conflict, the vital interests of US imperialism were involved. Therefore there was no question of allowing the matter to be referred to the Security Council, where it would have been subject to the veto of Russia and China. Therefore the Americans simply ignored the Security Council. Following the example of general Hoffmann, they put their boots on the table. They went to war against Yugoslavia using NATO,

which is supposed to be a Western alliance but in practice is an American-dominated military bloc. Although the US wishes to maintain the United Nations, which can sometimes serve as a useful cover for its operations (as in Korea), whenever it wishes to act, the UN is merely pushed contemptuously to one side. In any case, the UN depends heavily on America for its funds. The US frequently reminds the UN of this by forgetting to pay its dues. And it would no more dream of allowing the UN to dictate its international policies than to hand over control of its military budget to Greenpeace.

The effects on Russia

The Kosovo conflict had a big effect in Russia and the repercussions of it are still being felt, especially in the Russian army. The Russian generals were badly shaken by this war against their traditional ally. The Russian military watched with horror as the Yugoslav air defences were being smashed by advanced technological weapons. Ten years of privatisation and "market economics" have not only bankrupted Russia. They have led to a serious deterioration of the army's fighting capacity. The military have not received proper investment for ten years. This means they are probably ten years behind America now. And it is clear that they are seething with discontent.

That restlessness of the army was shown by the incident of Russian troops entering Pristina. As it turned out it was only an episode. But it was a very dangerous episode and it was clearly not planned by the government in Moscow. Russian Foreign Minister Ivanov knew nothing about it. It seems likely that some Russian generals have decided that enough is enough, that NATO has been permitted to get away with too much and that the time had come to stand up to NATO and the Americans. Ivanov was telling the truth when he protested ignorance. Nor is it likely that Yeltsin knew. This is hardly surprising since nowadays the President of Russia hardly knows anything. He is the mouthpiece of

the Kremlin clique. They call him the Pen because his daughter hands him a decree and he just signs it. Verging on alcoholic senility, Yeltsin is normally incapable of reacting to anything, let alone evolving clever plans to fool NATO. Only from time to time does he experience a violent seizure (usually associated with a fit of jealous rage against the current prime minister) and appears on television to dismiss the government.

One of the most outspoken critics of the government is General Ivashin. It is clear that Ivashin and other generals have decided that enough is enough, that NATO has been permitted to get away

with murder, and that the time had come to stand up to NATO and the Americans. Whoever gave the order to the Russian forces in Bosnia to enter Pristina, it was certainly no joke. They were stopped in time with some horse trading and some discussions and some conferences, but at the time the risk of conflict was serious enough. Certainly the West took it very seriously, as shown by their panic reaction to the news that the Russian troops had seized Pristina airport. It indicated that the Russian generals have had enough.

Why did Yeltsin abandon Yugoslavia to its fate? He did it, like Judas, for thirty pieces of silver. Except that the

quantities involved here were rather more considerable--4.4 billion dollars, to be exact. Years of so-called market reform in Russia have bankrupted the country, to the point where Moscow needed money from the West to stave off a complete collapse. A year before the West would not give them any money, but now they are afraid of a collapse in Russia. They are afraid that the whole of the reform program will go into reverse; that the military can take over with the Communists and Nationalists, recentralising the economy and renationalising the lot. The situation in Russia is very very unstable. Although Russia has achieved a partial stabilisation after the collapse of August

1998, it is clear that the situation in Russia cannot be maintained. The August economic collapse was a mortal blow against the market reformers, and the war in Kosovo was a further nail in their coffin. Moscow is in the grip of a constant crisis. This is now affecting the most sensitive centres of power, including the army, which is rapidly becoming alienated from the pro-western clique that has bankrupted and humiliated Russia.

At a certain point there will be a further economic collapse, which will have the most profound effects. Already there is a massive reaction against the market, against "reform", against capitalism,

against the West and against America. The Kosovo crisis acted as a catalyst. That is why the Kosovo crisis was not just any crisis, but a decisive turning point for Russia and for the whole of the world situation. Given the degree of collapse, it is astonishing how they have managed to hold the line for so long. The only thing that is propping them up is the policy of Zyuganov and the leaders of the Communist Party which permitted them to achieve a temporary and very fragile stabilisation. The war in Chechnya was clearly provoked by the Kremlin as a diversion. This can have a temporary effect but will eventually turn into its opposite. At a certain point there will be a further collapse even without

the slump in the West, which will have the most profound effects. The Russian working class will inevitably enter onto the road of struggle with the ideas and traditions of 1917 and 1905 to guide them.

No matter what happens, a new conflict between America and Russia is inevitable. Both sides are preparing. In Moscow, the general staff, has drawn the conclusion: "Yesterday it was Yugoslavia, tomorrow it will be us! Therefore we must prepare, we must rearm." And they will rearm. That has serious implications for the future of market economics in Russia, because on the present basis a serious programme of

rearmament and national recovery is impossible. The situation in Russia is very unstable. Serious commentators in the West are under no illusions about the perspectives. They are afraid that the whole of the reform programme will go into reverse. In fact the only way to begin to solve the crisis would be through the restitution of a nationalised planned economy.

Chechnya and the Caucasus

The new war in Chechnya is a further evidence of a shift of power in Russia in the direction of the military. The generals are now clearly in the saddle. Not only are they deciding the war

agenda in Chechnya, but they are doing so without regard to the opinions of the Kremlin clique. Boris Yeltsin is now an irrelevance. But the army caste will not pay any attention to the rest of the so-called government of Russia which they regard as the source of all their troubles. Once having got a taste of political power, they will be all the more inclined to go one step further.

The offensive in Chechnya was preceded by a series of bomb explosions in Moscow and other Russian cities. This caused widespread panic in the population and was immediately blamed on Chechen terrorists. However, to this day no clear evidence has been

produced to confirm these accusations. No Chechen group has ever claimed responsibility. The nature of the targets is also peculiar. In the past, Islamic terrorism has been directed against targets such as American embassies. But this time the targets were residential flats, mostly in poor areas. The bombings produced results that were useful to the Russian government and the general staff, but not to Chechnya. The mood of anti-Chechen hysteria whipped up by the mass media served to prepare the masses psychologically for the new offensive. In all likelihood it was a provocation organised by a section of the ruling clique. The deaths of ordinary working class Russians would be a

matter of small consequence to these gangsters. As a result, the war has been generally popular in Russia and Putin's support in the opinion polls has increased to the point that he is being spoken of as a possible candidate for the presidency.

The West looks on in pretended horror as the Russian army proceeds to reduce the towns and villages of Chechnya to rubble--conveniently forgetting that they did exactly the same in Yugoslavia. But whereas the Americans lost no time in issuing threats and ultimatums to Belgrade, this time they are extremely reticent. The reason is obvious. They dare not issue a direct military challenge

to Russia. This, indeed, was one of the main motives of the Russian army--to show the world that they are still "masters in their own house", and no longer prepared to be humiliated before the entire world. The Chechen war is intended as a display of Russian military power, to show the world--not just the Caucasus--that Russia is not to be trifled with.

They have done this with the traditional unconcern for human life that has always characterised the Russian general staff. They have never treated the peoples of the Caucasus very gently, as the bloody history of the tsarist conquest of the region shows. But the anti-Russian

propaganda reeks of hypocrisy. They are no more concerned with the fate of the Chechens than they were with the Kurds or the Kosovar Albanians. To the degree that the present conflict is part of a wider struggle for control of the Caucasus, the West is also an interested party and largely responsible for the wars that plague the region. It goes without saying that Marxists condemn the bullying of small nations in the Caucasus and defend the right of self determination of the Chechens and all the other peoples of the region. But this does not exhaust the matter. The Chechen secessionists seriously miscalculated when they tried to play the Islamic card and intervened in the neighbouring states

of Dagestan and Ingushetia. This was too much for Moscow to swallow. Thus, the Chechens now stand to lose the de facto independence they had won. Russia cannot accept the total loss of the Caucasus, which would mean the entry of American imperialism into its strategically important Southern flank. There is also the little matter of the enormous oil and mineral reserves to consider. It is clear that the Russian army is prepared to carry matters to the end in order to "pacify" Chechnya--even if that means laying waste the whole country.

In Central Asia already there is a ferocious struggle for the possession of

the region's rich supplies of oil, natural gas and raw materials. Russia is continually coming into conflict with America and Turkey. That is why in Central Asia and the Caucasus war has been raging for the last ten years without respite. There has been a series of wars, and more are in preparation. There is the war between Azerbaijan and Armenia in which Armenia is supported by Russia, Iran and Greece, while Turkey, quietly encouraged by America, supports Azerbaijan. It has already been pointed out that Turkey is linked up with America and Israel. The Americans are afraid to get directly involved in this conflict, but they are very interested, particularly in the oil of Azerbaijan and

of Turkmenistan. At the centre of this conflict is a struggle over an oil pipeline. The Americans are encouraging Turkey, which has ambitions over a wide area, since many of these peoples both in Central Asia and the Caucasus speak a language similar to Turkish. Azeri, the official language of Azerbaijan, is really a dialect of Turkish, Uzbek is also close, as is the language spoken in Turkmenistan. Turkey is a medium sized imperialist power, which is trying to expand in this area and is coming into conflict with Russia as a result. This is a very serious matter.

The war in Chechnya is part of a

broader picture, as Russia starts to reverse its national retreat in the Caucasus, in Dagestan and Chechnya. But Russia cannot impose its will on the northern Caucasus without also securing control of the southern Caucasus, where it has come into collision with Georgia and Azerbaijan. In the Caucasus, Georgia is involved in a very pivotal way. Moscow has accused both countries of helping the Chechen rebels. This is certainly true. Apart from providing routes for the movement of people and supplies, Georgia is the only country that accepts the presence (albeit discretely) of a Chechen foreign mission.

Georgia and Azerbaijan have made clear that they want to join NATO. The Americans are trying to attract these countries away from Russia, that is a direct threat to the interests of Moscow, the Russians will not tolerate it. The resulting conflict is the underlying cause for the present bloody chaos in the Caucasus. Georgia and Azerbaijan are already members--along with Ukraine, Uzbekistan and Moldova--of the decidedly pro-Western GUUAM group, which has grown from an economic alliance to include security cooperation. They have even formed a joint force to defend the new Baku-Supsa pipeline. The declared aim of the Baku-Supsa pipeline and the planned

Baku-Ceyhan pipeline through Georgia to Turkey is to create a route for oil from Central Asian countries outside the control of Russia. This poses both an economic and strategic threat to Moscow, which has responded to the provocation by reasserting its influence in the region.

Georgia's leader Shevardnadze, the former minister of foreign affairs of the USSR and crony of Gorbachov, is an enthusiastic admirer of the West who makes no secret of his desire to join NATO. In an Oct. 25 interview with the Financial Times, Georgian President Eduard Shevardnadze stated his intention to "knock loudly on NATO's

door" within five years. Since this is a direct threat to Moscow, this was not a particularly intelligent thing to do. Russia was certain to react violently, and has a few cards of its own to play in the region. Moscow is exerting ever increasing pressure on Tbilisi. In addition to supporting the Georgian opposition, it is also backing the separatist movements in South Ossetia and Abkhazia which threaten to tear Georgia apart. Until recently Moscow had troops in Georgia. Recently they withdrew, but this is only a temporary step. Moscow is preparing to serve up a very peppery dish for Georgia. Shevardnadze has already escaped several attempts on his life. His luck

may not hold for long.

In its usual caustic way, Stratfor commented: "Russian border guards, withdrawing from offices in the Georgian capital Tbilisi, left behind a little present - an anti-personnel mine. The Russian gesture is a small example of a much broader concerted campaign by Russia to reassert its influence over Georgia and the rest of the Caucasus region. Russia must reassert control over the southern Caucasus in order to ensure its continued control over the northern Caucasus and continued influence over Central Asian resources. The current Georgian government is an obstacle to Russia's goals - an obstacle Moscow is

now committed to removing." (Stratfor.Com Global Intelligence Update October 29, 1999) This appraisal is not far from the truth.

The new offensive against Chechnya, with its brutal display of force, is part of this strategy. At the same time as its campaign in Chechnya, Russia has stepped up its pressure on Georgia. Moscow still has several cards up its sleeve. It is threatening military intervention on Georgia's border with Chechnya. it is backing the major Georgian opposition party. And it is giving aid to the three separatist regions: Abkhazia, South Ossetia and Ajaria. Shevardnadze has alleged--doubtless

correctly--that Russia is financing the opposition Union of Georgia's Democratic Revival, which is headed by the pro-Russian Ajarian leader Aslan Abashidze.

Abkhazian leader Vladislav Ardzinba stated his intention to ally with Russia against Georgia and its NATO aspirations. In late September, Russia abrogated a bilateral agreement and opened its border with the breakaway region of Abkhazia, providing economic and military opportunities. After temporarily resealing the border in October, Russia reopened it Oct. 26. Furthermore, withdrawing Russian frontier guards allowed their material--

which should have gone to the Georgian frontier guards--to fall into the hands of the Abkhazian rebels. For its part, South Ossetia has also come down on Russia's side. Its President, Lyudvig Chibirov, told Georgia's Prime-News on Oct. 25 that his government fully supported the Russian campaign against "terrorists" in Chechnya. Another secessionist region, Ajaria, has been withholding taxes from the Georgian government and refusing to allow representatives of the ruling party into the region. Russian border guards also reportedly left behind artillery in the region that has since been taken over by that region's government.

Russia has already warned Georgia to

cease its support for the separatist Chechen government and its armed forces. Moscow has accused Georgia of providing safe haven and free transit for Chechens in the past. It also alleges that Chechen guerrillas have joined the refugees fleeing into Georgia and are now regrouping in Georgian territory. In an October 26 interview with Moskovsky Komsomolets, Lt. Gen. Gennady Troshev, leader of the Russian army in Chechnya, warned that, if Georgia does not seal off its 80-km border with Chechnya, Russia would "slam shut" the border. Russian aircraft have already "accidentally" bombed a Georgian village en-route to targets in Dagestan ("the Omalo incident").

Meanwhile, Russia is using every means at its disposal to tighten its grip on the Caucasus. Armenia is Russia's main ally in the southern Caucasus. On October 27 a group of gunmen entered the parliament in Yerevan and murdered the prime minister and several other members of parliament. Faced with political destabilisation, Armenia immediately appealed to Russia for help. This was predictable, as was Russia's response. Only one day after the killings, the Russian Federal Security Service's elite Alpha commando unit was sent to Yerevan. The pro-Russian Armenian military has issued a public warning to the government that it will not stand idly by while the country's

security is threatened.

Russia flexes its muscles

It is not clear who was behind the assassinations. But it is very clear who has gained from them. The net result is that Armenia is more firmly bound to Moscow than ever by the assassinations crisis, which has further intensified the pressure on Georgia. In response to events in Chechnya and Armenia, Georgia's State Border Guard Department announced October 28 that it had doubled the number of troops and mobilised all officers along the Armenian border. But closing off the Armenian border will not keep Russian

influence out of Georgia. And after Georgia comes oil-rich Azerbaijan. In short, Russia has launched a full-blown campaign to reassert control over the southern Caucasus, and NATO cannot lift a finger to stop it.

All this has implications that go far beyond the question of Chechnya and the Caucasus. At the time of the collapse of the Soviet Union, we predicted that Russia would inevitably move to re-take all its lost territories and spheres of influence. Events have shown this to be correct. We predicted that Russia, Belarus and the Ukraine would link up. That process is already under way. There is a big movement in the Ukraine

to link up with Russia. In Belarus, one cannot maintain that capitalism was ever established, and there has never been much of a change in the last ten years. There is a movement to link up with Russia again. The situation in the Ukraine is catastrophic. The flirtation with capitalism there has been even more disastrous than in Russia. The Economist recently had this to say about it: "Corruption is rampant, investment is nearly non-existent, public services are abysmal. The Ukraine is more of a shambles than any other country which the EU has so far recognised as a candidate." Large sections of the population would like to link up with Russia. This is particularly true of the

eastern part of the Ukraine, though less in the Western Ukraine that used to be part of Poland. Most Russians do not see the Ukraine as a separate country. A foreign policy adviser to Yeltsin once referred to the Ukraine as "a temporary entity". That adequately expresses the attitude of Moscow to the Ukraine.

A union between the "Slavic core" of the USSR--the Russian Federation, the Ukraine and Belarus--would provide a big market and act as a powerful magnet on the other ex-republics. In the event of a world slump the movement towards a reconstitution of something like the USSR would receive a powerful impetus. The Central Asian republics

would almost certainly join willingly. They benefitted most from belonging to the Soviet Union in the past, despite the terrible abuses that were committed. The fate of the Baltic states would then depend exclusively on the will of Moscow. They could be occupied in a matter of days. The treatment of the Russian minorities would provide the excuse for intervening. Who could prevent it? NATO and the EU would grumble, but would not dare lift a finger. Under these conditions, it is not at all certain that the Russian army would stop on the other side of the Polish border. At any rate, in the event of a deep slump, there would be widespread unrest all over Eastern Europe and the Balkans.

Countries like Rumania, Bulgaria and Serbia, where the movement towards capitalism has ended in disaster, would probably vote to go back to the fold. The attitude of the Poles, Hungarians and Czechs remains to be seen. But everywhere the pro-western, pro-capitalist parties would be in deep trouble.

For the majority of the population in Eastern Europe and Russia, the movement in the direction of capitalism has been a disaster. The Economist--an enthusiastic supporter of market economics--admits that "Even now the list of losers is long. Everywhere the chorus goes up: the people who bossed

us about before, the communist 'nomenklatura', are still on top. It was the clever apparatchik, the tough factory manager. who best made the switch to capitalism, benefiting from insiderish privatisation deals. Corruption is rife throughout the old communist world. Organised crime, with little opposition from the policemen, judges and politicians, has swept across the region.

"The plight of the middle-aged professionals as well as ill-educated people in one-industry towns that have gone bust is wretched. Almost everywhere, the over-60s are miserable, their savings and pensions pathetic. Life for the duller sort of intellectual {!} who

once served the old order is pretty grim too: in the old days even poets and painters {!} got their monthly stipend and virtually free flat. Unemployment has gone from virtually nil {.....} to a good 10 percent across the board. An irony of the immediate post-communist era was that the very workers--shipbuilders and miners, for instance--who had done so much to bring down communism were often the first to lose their jobs in the brave new world {sic!}

"Although most of the countries in the old Warsaw Pact are growing again, the gap between haves and haves-not is widening. Other gaps have opened up between metropolis and small towns,

between town and country. The further east you go, the worse the farming. Reviving village life has been hard everywhere. And in Poland, where a fifth of the people are farm-connected, getting into the EU will probably mean squeezing that fraction to about 5 percent.

"In almost every ex-communist country, standards of health care have plunged. In some, lives have suddenly grown shorter. In Russia, the average male dies at 58, as early as in many parts of Africa; the total population (now about 147 million) has been declining by nearly 1 m a year." (The Economist, 6/11/ 99)

There is the beginning of a general reaction against the market throughout Eastern Europe. The argument that market economics would solve the problems of Russia and Eastern Europe has been shown to be false. Even in East Germany, there is a widespread reaction against the market, indicated by a big increase in the vote for the PDS. The mass of people do not want the bureaucratic totalitarian regime of Stalinism. But neither do they want to live under the dictatorship of the big banks and private monopolies. The advent of a deep slump will plunge all the economies of Eastern Europe into crisis. Belatedly, the West is waking up to the real situation in countries like

Poland, where the working class has a very revolutionary tradition. Strobe Talbott, now Clinton's strategist for East Europe and Russia, glumly observes that the Poles have been given "too much shock, too little therapy." The coming period will see revolutionary developments, particularly in Poland, where an embittered working class has seen all its efforts and sacrifices thwarted and brought to nothing by the greedy bourgeois upstarts who rule the roost. The idea will rapidly gain ground that what is required is a nationalised planed economy, but under the democratic control of the workers themselves.

A 'new isolationism'?

"The United States bestrides the world like a colossus. It dominates business, commerce and communications; its economy is the world's most successful, its military might is second to none. Yet, for all that, the colossus is uncertain. Having so much power, it does not know how to behave." (The Economist, 23/10/99.)

America's role as world policeman will cost her dear. All the contradictions are coming together on a world scale. And, as the leading capitalist nation, the USA must ultimately pay the bill. The merciless squeezing of the colonial

world (not least in Latin America) over a period of decades is producing an explosive situation in one country after another. This must affect America in a very direct way. The USA has attempted to construct an economic bloc which extends from the North Pole to the Panama canal and beyond. NAFTA already includes Canada and Mexico, and the intention was to expand its sphere of operations to cover the whole of the Western Hemisphere. This would provide the USA with a colossal market, which could be turned into a private fiefdom for the products of US industry and agriculture in the event of a world slump. But the dream of empire is already turning into a nightmare. Latin

America is in the throes of a deep recession. One country after another is gripped by social and political crisis. In at least two countries--Venezuela and Colombia--a large question mark is being placed on the future survival of capitalism. And this is the position even before the arrival of a world-wide slump.

In voting against the test ban treaty, just when Clinton was attempting to persuade India and Pakistan to accept it, the right wing Republican majority in Congress is behaving in the same crass isolationist way as in 1919, when it humiliated President Wilson by voting against the Versailles Peace treaty and

rejected American membership of the League of Nations. Nowadays, it is true, the USA is not only a member of the United Nations, but holds its purse-strings firmly in its hands. But whenever it feels that the Security Council might impede its actions, it treats the UN with well-merited contempt. "America," moans The Economist, "from time to time bullies them, ignores them, refuses to pay its dues." Naturally. Why should American imperialism continue to pay its dues to a club in which the service is not entirely to its satisfaction? The philosophy of Congress is what one would expect of the average American businessman--a mixture of short-sighted self-interest, avarice and provincialism.

But then the outlook of the present occupant of the White House is not much better. There is none of the far-sighted vision or long-term perspectives that once characterised the approach of the British and French ruling class to international politics. Only the crudest calculations based on immediate self-interest and expediency. Such are the qualities of the rulers of the most powerful country in the world at the start of the new millennium. By the declining mental faculties of the main leaders of the western world one can measure the degree of senile decay of the system they represent.

The growing tendency towards

isolationism in Congress is no accident. Even the thickest of these backwoodsmen have begun to grasp that America's role as world policeman is not only the source of potential profits, but also carries the risk of real pain. The Kosovo affair, fortunately for them, passed off without the loss of a drop of (American) blood. But when one looks around the world, it appears an increasingly dangerous and unstable place. This is not at all what the world was meant to look like after the fall of the Berlin Wall! Yet, despite the attempts of the Senate to pull America back into its shell, the idea of isolationism has no real future. No more than Russia, China or Japan can the USA

break free of the irresistible pull of the world market. Despite all the misgivings and protests in Congress, America will be forced to intervene in one conflict after another, with unforeseeable consequences.

The attitude of US imperialism to the Western Hemisphere was already shown by the invasions of Panama, Grenada and Haiti. By these actions, Washington declared its right to intervene with military force anywhere in "its" Hemisphere. But all these were tiny countries with insignificant armed forces. (Even so, in the case of Haiti, they hesitated before going in for fear of incurring casualties). But Colombia is an

entirely different proposition. The situation in Colombia is causing profound alarm in Washington, especially as the USA is preparing to hand back the Panama Canal which is virtually next door. The guerrilla forces now probably control the major part of the countryside. Prolonged negotiations have led nowhere. The guerrillas have merely used the talks to strengthen their position--a fact not lost on either the army or Washington. Although the Americans do not want to intervene on the ground, it has been surreptitiously backing the Colombian army with "advisers" under the pretext of the war against drugs. They have trained and equipped a number of special units

which are clearly under US control. This is how the US involvement started in the early 1960s.

The situation that is unfolding in Venezuela is likewise giving rise to serious concern in Washington. Newly elected President Hugo Chavez has just ordered a new draft constitution which, among other things, would forbid the privatisation of PDVSA, the state-owned oil company, and seeks to place restrictions on foreign investment in the oil industry. This kind of policy flies completely in the face of Washington's plans for privatisation and taking over the industries and utilities of Third World countries at bargain-basement

prices. Chavez enjoys mass support for his "peaceful revolution". His Patriotic Pole coalition dominates the national assembly with 121 out of 131 seats.

Leaning on the workers and urban and rural poor, he could easily move to snuff out capitalism in Venezuela. Such a development--entirely likely in the event of a deep slump--is what terrifies Washington which is putting pressure on Chavez to ensure that his "peaceful revolution" does not overstep the bounds of capitalism.

The view of the Republicans like George W. Bush is childishly simple. The USA is the world's strongest military power. Nobody in their right

mind would dare to stand up to it in the military arena, or join in an arms race. Therefore, America should not entangle itself in foreign "peacekeeping" or "humanitarian" operations, but just wave a couple of six-guns wherever necessary, as in the plot of any good John Wayne movie. There is an element of common sense in this approach. At the end of the day, all diplomacy must be backed up by force. But to dispense with diplomacy altogether would be not at all simple but merely childish, since the aim of diplomacy is to achieve one's chosen ends without the need to resort to arms (which are expensive and potentially dangerous). As someone pointed out at the time of the Kosovo crisis: these

people have forgotten that, whereas talking is cheap, war is hard.

America cannot separate itself from the world, with all its crises and alarms, nor renounce diplomacy, alliances and foreign entanglements. On the contrary. Its participation will tend to grow and become ever more aggressive. Of course, the Americans will try to avoid direct military involvement, to the degree that it is possible. For example, if the situation in Colombia--as seems probable--spins out of control, they will probably try to incite neighbouring countries to intervene on their behalf to "keep order." However, to the degree that the social and economic crisis

affects not just one country but the whole of Latin America, this will only lead to the extension of the struggle to the neighbouring countries. In the same way, the involvement of US imperialism in Vietnam was one of the main reasons why the war spread to Laos, Cambodia and the whole of South East Asia. Sooner or later the USA will be dragged into the conflict, with tremendous consequences for the USA itself.

There is another explanation for the isolationist feelings in Congress. America's trading deficit with the rest of the world has climbed to record levels (this remains true, despite the recent modest improvement). At the present

moment in time, the entire world economy is dependent upon America to sell its goods. America imports a third more than it exports. Consequently, above all since the slump in Asia, the US market has been inundated with cheap foreign imports. In the first eight months of 1999 alone, imports were running at a level ten percent higher than in the same period in 1998. In order to counteract this trend, America's exports to the rest of the world would have to increase thirty percent faster than imports--something that is clearly ruled out--just to keep the deficit at its present levels. The instinctive reaction of Congress is to pull down the shutters.

Already in 1997, Congress turned down the President's request for "fast track" authority to negotiate trade agreements. Since then US policy makers have grown increasingly reluctant to endorse further moves towards free trade. The Republican Right in the US Congress did its best to block China's entry into the World Trade Organisation. The reasons are not difficult to see. China has a large trade surplus with the USA and Congress is dominated by open or disguised protectionists. True, they eventually backed down. If the vote had gone the other way it would have caused a disastrous rift between the USA and China, and completely undermined the pro-capitalist wing in Beijing. But the

conflicts between China and the USA have not been resolved.

There is growing tension not only between America and China and Japan, but also between America and Europe. The USA is in conflict with Europe over the issue of genetically modified food, hormones in meat and bananas. This is a warning of the shape of things to come. In a recent opinion poll as many as 46 percent of Americans said that "the US should slow the trend towards globalisation because it hurts American workers." That explains why Clinton was forced to make conciliatory noises at the time of the anti-WTO demonstrations in Seattle. This mood

exists even though unemployment in the USA is at a record low level. What will happen when the economy starts to go down? As long as the present boom in America lasts, protectionism has a largely disguised character--usually taking the form of dumping suits and the like. But earlier this year Congress voted for steel quotas by a margin of two to one. In the event of a depression, this protectionism will assume a more open and aggressive character. This will threaten the very existence of the delicate fabric of world trade painstakingly put together over the last fifty years. Let us remember that it was precisely protectionism that turned the 1929 Crash into a world depression.

Under such conditions, the underlying contradictions that are already visible in world politics will intensify a thousand fold.

Europe and America

"NATO's war in Kosovo this year may prove to have been the shock needed to bring about change. For the European governments, the spectacle of American power unleashed in their corner of the map was frightening and chastening. They found most of their weaponry humiliatingly obsolete when set against the American arsenal of stealth bombers and precision-guided missiles. Once begun, this became an American

war run from the White House and the Pentagon over which the Europeans had little political influence." (The Economist)

The Kosovo war was also a turning point for Europe. The fact that this was an American war, in which NATO was merely used as a flag of convenience, has given rise to a powerful impulse among Europeans to develop their own fighting capacity, not dependent on the good will of the USA--something which cannot be taken for granted in the future. The creation of the European Common Market was an attempt on the part of the European states to create a trading bloc capable of resisting the pressures of the

giants of the world economy, America and Japan. The Lilliputian states of Western Europe were crushed between mighty US imperialism and mighty Stalinist Russia. Now the threat from the East has receded. But they are still compelled to hang together in the face of competition from America and Japan, both of whom are busy carving out their own trading blocs in Latin America and Asia.

Zbigniew Brzeznsky, former national security adviser to the US under Jimmy Carter, describes Europe as "largely an American protectorate, with its allied states reminiscent of ancient vassals and tributaries". And he considers this

arrangement unhealthy for both sides. In fact, the whole of Europe finds itself cast in the role of "followers" of US imperialism, a fact that cannot be hidden by the fact that it is called an "alliance". The war in Kosovo revealed for all to see the humiliating dependence of Europe on America. But that may well change in the next period. Now that the USSR has ceased to exist, the European states, with the exception of Britain which likes to hide its chronic weakness behind the fiction of a "special relationship" with US imperialism-- are not so keen to accept Washington's dictates.

The underlying causes of the growing

antagonisms between Europe and America are the clash of economic interests. Despite the appearance of friendly relations, the extreme contradictions between Europe and the USA were revealed in the Seattle WTO negotiations. The immediate issue was agriculture. The USA regards the European Union's Common Agricultural Policy, correctly, as protectionist. Europe is defending its farmers by keeping out American agricultural products, hiding behind a variety of excuses, such as the use of hormones and genetically modified food. This touching concern for the welfare of consumers would be more convincing but for the well-established fact that European

farmers have also been involved in all kinds of doubtful practices, such as mixing animal foodstuff with excrement and dead carcasses. On both sides of the Atlantic what matters is profit. The arguments over the health and well-being of the consumer and animal welfare play approximately the same role in trade wars as did the slogan of humanitarianism and "self-determination" in Kosovo.

The USA accuses the EU of heavily subsidising its farmers--which is true--but omits to mention the subsidies which Washington pays to its own farmers. \$8.7 billion was paid out in "emergency help" in 1999 alone. As in the 1920s, the

slump is being preceded by a crisis of agriculture, hit by low prices, overproduction and foreign competition. Europe and America are, in effect, trying to export unemployment while jealously protecting their own interests. The conflict of interests is particularly acute between the USA and France, and not only in the field of agriculture. The two countries have clashed repeatedly in the Third World, where France is not reconciled to the loss of its former influence. The bitter trade row over bananas is a reflection of this. The Americans argue, not without reason, that the bananas from Central and South America are cheaper and better than the products of the Caribbean imported by

the EU. But the opening of the European market to the Central American plantations (which are owned by big American companies) would ruin those of the Caribbean producers (which are owned by big European companies). And so on and so forth.

The Seattle talks broke down because of the failure of Europe to agree with America. This has cast a dark shadow over the future of the WTO itself. It is a very serious question. Very soon, almost all of America's farm exports will contain genetically modified materials. What will happen then? Probably they will manage to patch up some kind of compromise in order to avoid a

catastrophe for world trade, the principal engine of economic growth since 1945. But this crisis over agriculture shows just how fragile the whole edifice of world trade really is. It is not generally realised that agriculture nearly led to the breakdown of the earlier Uruguay round. It could break the present one. The Economist commented in worried tones about the possible consequences of a breakdown of the Seattle talks:

"If that happened, it would encourage anti-WTO groups to go onto the offensive. America, the EU and Japan would increasingly be tempted by managed trade. The EU and America

would redouble their efforts to carve up markets through regional preferential trade agreements that can only undermine the multilateral approach to trade. Congress is due to review America's membership of the WTO next March; some may press for a vote on withdrawal." (The Economist, 27/ 11/ 99)

In the event of a slump, the cracks that presently exist between Europe and America will widen into a chasm. In the past this would have led to war. Under present conditions that is ruled out. But there can be a very bitter trade war which can express itself in armed conflicts waged by proxy in Africa and

Asia for markets and raw materials. Given the depth of the antagonisms between the European states, the project of a unified European armed force seems unlikely to prosper. The question would immediately be posed: Who commands? That is why all talk about a European super-state is so much nonsense on a capitalist basis. Without a unified army, state and police force, it is impossible to unite Europe even on a loose federal basis. In the United States, for example, the different states have a considerable degree of autonomy, but there is one army and a federal police force and central state. It is clear that the only possibility of achieving such an arrangement in Europe would be under

German domination. That could never be achieved by peaceful means, but only by the methods used by Hitler who, after all, did succeed in uniting Europe--under the heel of his boot.

Washington looks at the EU with a certain amount of anxiety. On the one hand, the rise of isolationist sentiment inclines them to grumble about involvement in costly foreign wars across the Atlantic. On the other hand, they fear the consequences of allowing Europe to escape from their control. George Robertson, Blair's former minister of defence, now rewarded with the top job in NATO, commented with unusual irony on the seemingly

schizophrenic attitude of the Americans to Europe, "on the one hand saying, 'You Europeans must carry more of the burden.' And then, when the Europeans say, 'OK, we will carry more of the burden, they say, 'Well, wait a minute, are you telling us to go home?'"

Currently, Europe spends only 60 percent of the amount America spends on arms. But that may change. A general process of rearmament is inevitable in the next period. in fact, it has already begun. François Heisbourg, a French defence expert, argues that each European government should spend at least 40 percent of its total defence budget on research and development, to

cut troop levels to no more than 0.3 percent of the population and on no account reduce defence spending below its present level. This programme hardly expresses confidence in a peaceful world! But why the insistence on the need to spend more on research and development? Surely new and sophisticated weaponry is not required to fight wars in Yugoslavia or the Middle East?

German suspicion of America has been heightened as a result of the Kosovo war: "German policy is particularly likely to shift after Kosovo," writes Stratfor. "Germany has a fundamental interest in maintaining good relations

with the Russians. From a geopolitical and a financial sense, a hostile Russia is the last thing that Germany needs. The near- confrontation between NATO and Russia over Kosovo was a sobering experience for the Germans. For a few days, they looked into the abyss and the abyss stared back at them. Members of the Red-Green coalition in Bonn are inherently suspicious of both the United States and military adventures. They spent the last month trying to demonstrate that they could be good citizens of NATO, putting aside their ingrained, 1960s sensibilities. They emerged with a clear sense that they were right to mistrust American leadership and to worry about military

adventures. One of the consequences of Kosovo is that the Europeans in general, and the Germans and Italians in particular, are going to be extremely cautious in agreeing to future creative uses of NATO." (Stratfor's Global Intelligence Update: The World After Kosovo May 3, 1999)

Britain and France, both uneasy about German domination in Europe, are moving towards an alliance. Paris is attempting to lure London away from its attachment to Washington. Since the Second World War Britain has been reduced to the role of a virtual client state of America. However, the Kosovo war marked a turning-point in relations

between the powers. The overwhelming display of US military might has compelled them to move towards setting up a European Defence Force. But Britain and France do not want Germany to dominate this force. The discussions between Blair and Chirac in London about future British and French co-operation were a reflection of this. They mark the beginning of a process that can only end in the formation of a new entente between Paris and London directed against Germany. Tensions within the EU will grow. Under certain conditions they may even lead to the break-up of the EU itself. But this is not the most likely outcome. For all the conflicts between them, the European

capitalists know that they have to try to band together for protection against the USA and Japan. It is a case of "Either we hang together, or we hang separately."

World-wide struggle

Ten years ago the apologists of capitalism talked about a new world order of peace, of prosperity, of stability. Instead of this, we have entered into the most disturbed period in human history. The present period is already much more similar to the situation 100 years ago than the exceptional period of stability after the Second World War. Lenin's *Imperialism* has a strikingly

modern ring nowadays. What did Lenin say about imperialism? On the one hand, it is monopoly capitalism as characterised by the domination of the world by huge monopolies. The process of monopolisation has been carried to an extreme never before seen in history. At present the whole trade of the world is dominated by not more than 200 companies. And in turn that determines the policies of the governments.

The military build-up since the fall of the Soviet Union is not an accident. They are not spending all this money for the fun of it. The imperialist powers are all making serious preparations for the period that now opens up. How do we

explain such a colossal amount of military expenditure? At the time of the Cold War one could answer the question 'Why do you need all these weapons?' But what is the reason now? They cannot use Russia and China as an argument. The answer to this question lies elsewhere. The squeezing of the colonial peoples, the looting of the Third World will inevitably produce a great movement of the masses--a new edition of the colonial revolution. And they are preparing for that. That is the only explanation for the war against Iraq and this monstrous bullying of American imperialism.

Underneath the thin veneer of "Christian

civilisation", these polite, democratic ladies and gentlemen of the American ruling class, will stop at nothing to uphold their interests against the rest of the world. No act of barbarism is too great, no torment too severe, to inflict upon the colonial peoples. They did not publish it in the press, but the bombing of Iraq continued throughout the Kosovo war. Every single day they continued to bomb Iraq, killing ordinary people, despite the fact that Iraq was long ago brought to its knees from a military point of view. What is the reason for this? Iraq is defeated. Iraq is not a military threat. It is intended as a warning to the peoples of the Middle East, because they know that these regimes are unstable. If you

challenge America, if you challenge us, just see what you will get! We can bomb you back into the Stone Ages. That is the intention.

In July 1999 we wrote:

"The attempts on the part of United States imperialism and Nato to expand its sphere of influence eastwards has accelerated the formation of new power blocs around the world. And the war against Yugoslavia has particularly fuelled this process. In response to the Nato danger, Russia has been building a series of new military alliances. This has involved China, the Ukraine, Moldova, and even Yugoslavia itself. Russia is also building alliances in the

Caucasus where it has conflicting interests with Nato. This aggressive expansionist stance of US and Nato foreign policy has had its effects on Russia in particular, but also on other countries. The friction between Russia and the NATO alliance that has emerged around the Kosovo conflict is leading to a significant realignment of forces and relationships among the imperialist powers." ([New balance of forces emerges after the war in Kosovo](#), July, 1999)

The dominant theme in world relations at the start of the 21st century will once again be the ferocious struggle between America and Russia on a world scale.

Since the fall of the Soviet Union a big power struggle has been going on. It manifests itself in the Caucasus and Central Asia in the struggle between American imperialism with its ally Turkey on the one side and on the other, Russia and Iran, with China hovering in the background. Here is the outline of a new cold war, a new struggle for global hegemony, and new division of the world into blocs. Russia will inevitably tend to link up with China, which is also in a very unstable situation. The growing realisation of American hegemonism is pushing Russia and China together. Probably India will also be drawn into this bloc.

The link-up between Russia, China and India against America corresponds to the logic of the struggle between America and China in the Pacific. Not content with having the Atlantic and the Mediterranean as American lakes, Washington wishes to add the Pacific to its shopping list. This will inevitably bring the USA into collision with China in the next period. There is already a growing arms race. Japan, for example, has just bought air missile defences from America which has alarmed the Chinese, because it tends to undermine their own missile system. So they will have to produce new missiles. There are many other examples of the arms race in the Pacific. This is the shape of things to

come.

There are growing tensions in Asia and the tensions between China and America are increasing all the time. First, there is the question of Taiwan which, if it is not resolved, could lead to war under certain circumstances. The Chinese regard Taiwan as an unalienable part of China, and any move on the part of Taiwan to declare unilateral independence would be seen as an intolerable provocation because of the effects on other national minorities within China (Tibet, Mongolia, Sinkiang, etc.) The enormous and growing tensions between China and America are not only derived from the

Taiwan issue, but reflect a more fundamental clash of economic and strategic interests. Ten years ago, America regarded China as a market, and just as a market. We pointed out at the time that if the West started investing in China, China would build factories, that those factories would produce goods, that those goods would be exported onto the world market where they would compete with American goods. That is precisely what has happened. The huge and growing trade gap between the two countries (to America's disadvantage) is provoking a strong backlash in the USA. This will lead to bitter conflicts, despite China's admission to the WTO.

There is now a large question mark over the future of capitalism in China. The Chinese economy--though not remotely as bad as the Russian--is in grave difficulties. There is a serious danger of the collapse of the Chinese Stock Market, which would ruin 40 million people. Entry into the WTO will solve nothing and may make things worse. Unlike Russia, the Stalinist bureaucracy in China has kept a tight grip on power. The experiment in market economics (more successful than in Russia) has been kept to within certain predetermined limits. It is mainly confined to the coastal areas like Guandong and Shenzen. Even today, only one third of production is produced in

the private sector. The decisive sector is still the state sector and in the event of a slump the private sector could be eliminated altogether. If the working class does not take power, China can turn back to some kind of Stalinist (Maoist) regime, accompanied with a movement towards a bloc with Russia. It was precisely fear of such a development which persuaded the US Congress, reluctantly and at the eleventh hour, to drop its objection to China's membership of the WTO. Had they refused, the humiliation of Beijing would have dealt a mortal blow to the pro-capitalist "reformers". Clinton was compelled to put heavy pressure on Congress to back down.

However, China's entry into the WTO will solve nothing. It gave a temporary respite to the reformers, led by Premier Zhu Rongji, but their victory will not last long. The ink was not dry on the deal before China announced a crackdown on foreign companies, including France Télécom, which had invested \$1.4 billion in an attempt to grab the important and rapidly expanding Chinese telecommunications sector, much to the disgust of the said companies.

"Investment in China has always been a minefield," lamented Business Week (29/ 11/ 99) "and the WTO agreement is unlikely to clear it--certainly not at first, and perhaps not ever." The problem is quite simple. The massive entry of

foreign companies into China would ruin its domestic state-owned industries, causing huge unemployment and social unrest. This prospect alarms the bureaucracy, and makes it determined to resist further penetration by the big multinational companies. The "conservative" wing associated with men like the head of the National Congress, Li Peng, have plenty of weapons left in their hands to sabotage and delay deals with foreign companies. China's entry into the WTO gives the latter the right to complain to Geneva instead of Beijing. The Chinese will merely shrug their shoulders. "So what? Let them complain to their heart's content. But the industries will remain in

our hands."

The danger of upheavals in China are clear to the strategists of Capital. Business Week commented on China's entry into the WTO in an editorial that gave voice to these concerns: "No communist nation has successfully managed an economic transformation of the magnitude China is now attempting without triggering massive political upheaval. And no free trade system in history has absorbed such a giant country without undergoing enormous strains." And it adds: "With 100 million migrant workers roaming its cities, China is gambling that it can attract enough foreign investment to generate jobs for

its people. But it must find the political strength to follow through. The stakes are high. Flaunting WTO rules can wreak havoc on the world trade system and undermine China's own efforts to become a modern country." (Business Week, 29/ 11/ 99)

Yet another potential Asian flashpoint is in Korea, where there is a revolutionary development in the South, while North Korea is facing collapse. The Pentagon is talking about the danger of war, although it does not appear likely that North Korea would invade the South. True, this is a very unstable totalitarian regime and it would not be the first time that a desperate regime engaged in some

kind of an adventure. Although the North is ruined, with actual cases of hunger, it is an incredible fact that Piongyang has the fifth largest army in the world.

However, since America would be bound to intervene, such a venture would be doomed to fail. More probably the situation in North Korea is more similar to that of Romania ten years ago. The country is in a desperate position, the regime is collapsing. However, a totalitarian regime can keep the lid on to such an extent that nobody on the outside knows what is happening. It is like the lid of a pressure cooker with a faulty valve. Under Ceaucescu, one minute it seemed that everything was under control and the next it exploded. The

same can happen with North Korea.

Revolutionary optimism

At the beginning of the 21st century, the risk of a major war between the developed industrial nations has receded, at least for the time being. However, the world has not become a more peaceful place. At the present time there are at least thirty armed conflicts going on. These are "small wars", almost all of them taking place in the Third World. The fact that they are small compared to the world wars that shaped the twentieth century does not make them any less horrific for the people involved in them. At present there at least 50

million refugees in the world. These wars are fought with the utmost savagery and with modern weapons of destruction such as anti-personnel mines that are designed to cripple people by driving the shin-bone through the knee. Most of the victims are women and children. And children often fight in these wars, armed with deadly but light weapons like Kalashnikovs. Despite all the demagogic speeches aimed at the banning of landmines, millions of these diabolical weapons are stockpiled and easily find their way to Angola, the Congo and Afghanistan.

In the next period such "small" wars will become increasingly common. In most

cases they will be proxy wars, with one or another of the big powers behind them. In Africa, US and French imperialism are engaged in a vicious struggle for the control of rich mineral resources. Russia and America are clashing in the Caucasus and central Asia. This leads to bloody and protracted wars in which rival imperialist powers use tribal, ethnic and national antagonisms for their own ends. In particular US imperialism, despite all its hypocritical talk about humanitarianism and democracy, is prepared to arm and finance the worst kind of lumpenproletarian scum and turn them loose against any regime they do not like. The clearest case was

Afghanistan where they were behind the so-called Mudjahideen--bandits and cut-throats in league with the feudal landlords and reactionary mullahs--in order to bring down the pro-Russian regime in Kabul. Now, after 20 years of horrific warfare, the country has been reduced to a bloody pulp. The monstrous Taliban regime, which wants to go back to the seventh century, has plunged Afghanistan into barbarism. The West does not blink an eyelid. In fact, the proxy war continues. The USA, Russia, Pakistan, India, Iran and Saudi Arabia, to one degree or another, continue to encourage the fighting between rival factions for their own selfish ends. Washington's only objection to the

Taliban regime is that it is not under its control and gives refuge to the likes of Osman Bin Ladin, a rabid Islamic reactionary who was originally supported by the CIA but now has developed a taste for blowing up American embassies.

The advanced capitalist countries are arming to the teeth. In a world tormented by poverty, hunger and illiteracy in which seven million children die every year from diseases like diarrhoea, caused by the lack of clean drinking water, billions are spent on the development and production of state-of-the-art weapons of destruction. This is no accident. The imperialists are

preparing to fight the wars of the 21st century--not wars like the First and Second World Wars, but wars to crush the life out of small backward nations and ensure the domination of imperialism. France is arming to intervene in her spheres of influence in Africa and the Middle East. Germany is arming to prepare for conflicts in Eastern Europe and the Balkans, and for a possible future confrontation with Russia. Russia is arming to defend her frontiers and, if possible, to win back her former territories and spheres of influence to the East, South and West. China is arming to prevent the break-away of rebel provinces as happened in the past, and to pursue an aggressive

policy in Asia which could easily lead to war in the future. In all likelihood, the USA would be sucked into such a war in Asia. All this, of course, is excellent news for the big capitalist arms companies who are making fat profits out of their trade.

For the superficial observer, untrained in Marxism and dialectics, the present world situation seems to present an unrelieved picture of the blackest reaction. Capitalism and imperialism seem to be firmly in the saddle. The civilised democracies of the West, while, preaching pacifism to the rest of the world, are all busy experimenting with pleasant little sidelines like

chemical and bacteriological warfare, including anthrax and bubonic plague which wiped out a third of the population of Europe in the Middle Ages. This poses a deadly threat to the very survival of humankind in the future. On all sides, wars, ethnic slaughter, barbarism and madness rule. Yet these are only the surface manifestations of the agony of a system that has outlived its historical usefulness and is rotten-ripe for overthrow. The wars and convulsions that plague humanity inflict terrible suffering, but are only a symptom of the deep contradictions that flow from the unbearable contradictions of the capitalist system in its period of senile decay. At bottom, they are the

result of the fundamental contradiction between the colossal potential of the productive forces and the straitjacket of private property and the nation state. Upon the resolution of this contradiction the whole fate of humanity depends.

History shows that there is a relation between wars and revolutions. The French revolution ended in war. The Russian revolution was sparked off by a war. War is the expression of unbearable tensions between nation states, just as revolutions are the expression of unbearable tensions between the classes. Not infrequently, wars are also an expression of internal contradictions which seek an outlet in

the international arena. But wars also exacerbate internal tensions and raise them to the nth degree. The effects of the Vietnam war in the USA and of the wars in Angola and Mozambique in Portugal are two cases that clearly illustrate the point. The epoch in which we have entered will see many such cases.

"Every action has an equal and opposite reaction". What is true in mechanics is also true in politics. The period of semi-reaction associated with the Reagan-Thatcher doctrines and the untrammelled domination of the market ("monetarism") has run its course. Everywhere we see the beginnings of a rejection of capitalism, its greed, inequality and

cruel injustice. The most graphic expression of this fact was the demonstrations outside the Conference of the World Trade Organisation in Seattle. This shows that a further outbreak of the colonial revolution will immediately find its expression within the United States and the other developed capitalist countries which will dwarf the mass demonstrations of the Vietnam war. What was particularly striking about the Seattle demonstrations was their clearly anti-capitalist content. By contrast, the anti-Vietnam demonstrations were mainly pacifist in character. This is a serious advance and reflects a change in consciousness.

The reaction against capitalism and "market economics" takes many forms, but the fact that millions of people world wide are beginning to question the foundations of the present order is impossible to deny. The assertion that capitalism ("the free market economy") is the only possible form of society, and that men and women are forever doomed to live under the yoke of Capital, has been exposed as false. The promises that were made ten years ago are shown to be a hollow sham. Asia has collapsed. Latin America is in a deep recession and Russia is in a complete mess.

We must be prepared for sudden and sharp changes in the situation in every

country, in Mexico, in Bolivia, in Greece even in Britain and Germany. Big movements are being prepared and the question here is not 'Well, how long will it take, will it be long,?' That's not the question. We cannot answer that question, because it is not a scientific question. What we can say is this: We must take advantage of the present lull. It is the lull between two battles, and a serious army in the lull between two battles does not waste precious time it cleans its weapons, it digs trenches it wins new recruits, it trains them, it studies war and it prepares for the new offensive which inevitably impends.

During the First World War Lenin was

completely isolated. He was in exile, with no resources, and only a tiny handful of people that he could contact. This was a situation of black reaction, the triumph of militarism, the triumph of war, the triumph of madness, of barbarism, the breakdown of civilisation. Yet Lenin was capable of detecting the elements of revolution maturing slowly beneath the surface. How joyfully he greeted the Irish uprising of Easter 1916, describing it as the beginning of a period of revolutionary and national upheaval. The Easter Rising was put down in blood by British imperialism. And yet Lenin's general analysis was shown to be correct within just one year. At the dawn

of the new millennium the Marxists are the only optimistic people on the planet. The perspectives from a capitalist point of view are bleak indeed In reality, the serious strategists of capital look with dread to the future. The coming period will be rich in revolutionary possibilities. That was brilliantly shown by the revolution in Indonesia which is not finished and also in Iran where the revolution is in its early stages.

If we look back at the history of revolutions we see that they never respected frontiers. The revolutions of 1848 swept over Europe from one end to the other. The Russian revolution of 1917--the "ten days that shook the

world"--not only had an electrifying effect throughout Europe, but had tremendous reverberations in Asia and the Middle East. But now the conditions for world revolution have matured to an unprecedented degree. The events in one part of the world have an immediate effect on all other areas. The advent of globalisation means that conflicts will rapidly spread from one country and continent to another. Revolutions are no respecters of frontiers. In the modern epoch, once the revolution begins in any major country, it will spread even more rapidly than in the past. All that is needed is one victory on the lines of October 1917, especially in any key country, and the movement will spread

like wildfire, not just from one country to another, but from one continent to another. This is the epoch of world revolution. The 21st century will see a rebirth of the class struggle which sooner or later must lead to the victory of the working class and the establishment of a new world order in place of the present bloody chaos. The name of that new world order is *international socialism*.

Alan Woods and Ted Grant
London, 15th December 1999

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