

# The Crisis of Empire, polarization, decay and the movement

By Carlos Petroni

All workers and oppressed in the country know first hand the depth of the crisis happening in the USA.

You know without hearing the statistics that unemployment has doubled (actually about 20% and reported officially as 10%, reflecting only those who can still collect unemployment insurance), social services have been cut drastically (by 18% according to official figures), and the big «rescue» plans for the economy pushed by the Obama administration have gone down the sewer with the assistance of big bankers and businessmen in the country (half a dozen major banks took the 50% of the funds.)

Education, health services, housing, roads ... all are crumbling in plain sight. The situation has drawn from within the society itself the worst and the best of many. Today there is more racism - against communities of color and against immigrants, motivated with the old and false theory that they are responsible for imperial decline.

Another theory, more strongly held, is the belief that everything could be solved at the expense of the weakest in society. It requires taking a relentless stand, «that there is just not enough for everyone», the strongest will survive or, more realistically, those with more power will survive.

On the other hand the angry, frustrated, occupiers of public space demand the apostasy of the powerful to the cause of the fabric of social protection and clamor, more or less powerfully, for the return to good old days - or whatever - from before the crisis. In this they resemble the Spanish, Greeks, Irish ... in short, all those who have been neglected by the international crisis.

They are a powerful social movement that has shaken the bourgeoisie of half a dozen central countries of the world, including the USA, even while they still have to shape their final objectives, its organization and order of battle.

## Disgust And Social Demoralization

Do not put much faith in the reliability of the statistics because in most cases, they are manipulated to give a pre-determined outcome. Sometimes, however, the manipulated data is so strong that it contains an element of truth. Almost all of it says that a large majority of the population, between 60-70%, will and are seeing a future of decline, without hope, and a living situation even worse than what we are experiencing today.

One might think that the remaining 30%, if they were optimistic and determined, could have an impact on improving current conditions. The statistics themselves show that such a thought would be naive. Half of them do not want to openly express any opinion at all and among the other half, many think that the «situation has no solution.»

The disgust with the system is a positive feeling as it keeps pushing a large mass of people to confront the system they presume to be responsible, rightly, for all their current problems and the surrounding social disease. The opposite of this would be the demoralization that undermines the energies of those who struggle, like the indignados (as they say in Spain or literally the outraged) and the “Occupy Wall Streeters”.

The bourgeoisie is responding in many ways, it has: tried repression, expects good timing and luck, advocates the weakening of the movement, then maneuvers to co-opt ... and counts on the feeling of demoralization, that «nothing can be done to change this», to prevail. The «Occupy» movement, the indignados in Europe, the Greek strikers, all for the moment are the antidote, because they keep morale of social disgust high against the system.

## A Crisis With No Solution

The truth may be hard for ordinary people to believe - not so for the higher ups, who deny it publicly but acknowledge it amongst themselves - is that the current crisis has NO solution for what they misname as ‘America’; not within the same system, not if they more or less maintain the course of the past.

They may come out of the crisis in very bad shape, poorer and with a lost hegemony and/or they may end up splintered in thousand pieces, as we see happening at times. In any case the USA, will only be a shadow of what it was. The Romans had a hard time getting used to it when their empire collapsed. The Germans, through two world wars, as well as the privileged citizens of the British Empire took longer. But everyone has their turn to take a fall.

It would be much more progressive if the US populace began to determine what they want the course of their future to be rather than search for a route to return to the past. It would save them the work and the failure of a lost cause.

The «Occupy Wall Street», and «Occupy Oakland» movements and the “Occupy” so many other cities (even in the South of the USA) express this feeling of not going backwards, but to move towards something new, another system, or at least to break away from the chains of the worst of what brought us to the crisis.

The radicalization of the movement, the search for a type of organization that can bring into action the broader networks and organizations of the workers, communities, the ethnic groups and the oppressed is the only guarantee against a precarious recomposition of the old status quo, with the same people who brought us the crisis from their position of power. They will, in the end, only prepare a future of social disaster, even as the pillars of their dominance crumble around them.

## The Change Of Guard In The International Financial Oligarchy

US imperialism has had, until now, control of the international financial oligarchy as one of its main pillars of support. This is coming to an end.

The country's total debt has risen from \$5.8 trillion to \$14.3 trillion in the last decade. The map in the next page shows the largest creditors or holders of US debt abroad (\$4.4 trillion): among them China, Japan, Hong Kong (back in Chinese hands), Taiwan, Thailand, Singapore, of course Europe, including a piece in British hands, Brazil and others.

In addition, the domestic debt, which is the difference between the total debt and the foreign debt and amounts to about US \$9 trillion, is also mostly in the hands of foreign corporations and finance capital.

These countries in the midst of their own economic crises like Japan (in free fall after the nuclear disaster) and in Europe including Great Britain, will use that debt to try to contain their own terminal crisis. Countries with large amounts of speculative capital like Thailand and Singapore will try to swap their debt bonds for other more profitable instruments or less profitable, but safer investments.

The emerging imperialist countries, China and Brazil among them, will use the debt leverage in their power to control or replace the international currency, the US dollar, and subdue the productivity and the market of the USA for their own financial gains.

The combination of the use of the US debt to cure the crisis in Europe, its financial swap for other instruments in the East and the pressure from countries like China and Brazil may end up with the remains of US finance capital, the dollar as international currency and would result in the emergence of a new international financial oligarchy not controlled by the falling old imperialisms, but by the emerging ones.

The three main banks in the world are Chinese: **1. Industrial & Commercial Bank of China** that holds US \$170 billion in capital, with 381,000 employees worldwide. **2. China Construction Bank** with a capital of US \$130 billion and 295,000 employees. This bank owns 16.6% of Bank of America. **3. Bank of China** is one of the fastest growing (in 2007 it was among the 20 largest banks in the world) with US \$120 billion in capital.

If, as it is feared, the following banks go bankrupt or are acquired by capital of Chinese origin, Brazilian or others, the disaster for the USA and European countries would close their cycle as imperial super-powers.

**HSBC**, which has a capital of US \$70 billion, and fell to fourth place in the ranking, having once been among the three largest in the world. It has over 312,000 employees and is targeted to be acquired or absorbed by others.

**JPMorgan Chase** (merger of JP Morgan & Co. and Chase Manhattan) that has a capital of US \$60 billion. However, it received \$25 billion bailout money by the US government, but has not been stabilized and is in the yellow zone.

**Mitsubishi UFJ Financial** accumulated capital of US \$48 billion and has 85,000 employees and some experts expect will be the next Japan 'nuclear' explosion, a financial one this time.

**Banco Santander**, is the only European bank in this crew, with a capital of US \$45 billion and 140,000 employees worldwide. Its fate however is tied to the deep economic crisis in Spain, Greece and the Euro.

**Goldman Sachs**, with the aid of US \$10 billion from the US government has a capital of US \$40 billion and 30,000

employees and has the same dynamic that Lehman Brothers had a couple of years before its bankruptcy.

**Wells Fargo** has US \$38 billion capital (another bank subsidized by the US government) with US \$25 billion and a workforce of 282,000 employees. It is the mainstay of the economy of the West and Central USA, and hangs in the balance for foreign purchase or a crisis.

From behind these banks are emerging others, like the three major Brazilian banks led by the National Development Bank (BNDES) and other Chinese banks that are expected to join the top three from this source in the more or less near future.

The rest of the US and European economy is vulnerable to the collapse of one or more of these banks: JP Morgan, Wells Fargo, Santander, Mitsubishi UFJ Financial, Goldman Sachs, etc. No one speculates whether this will happen or not, but *when it* will it happen. It is quite possible in the coming months or years.

*With the changing of the guard of the international financial oligarchy, comes the end of the old imperialisms (US, Europe) and the consecration of new ones, but weaker and with feet of clay: Brazil, China ... sustained primarily by the BRICS block (Brazil, Russia, India, China and South Africa) which are on top of regional economies in Latin America, parts of Asia, Africa, Eastern Europe and parts of Western Europe ...*

## The End of the Hegemonic Market

Until now, the US dominated the world, along with the leaders of international finance capital, even despite its growing deindustrialization, because the power of its own domestic market assured the appetite for sales for all the other countries of the world. Its more than 300 million people consume half of what is made in the world, from energy to manufactured goods, food and tourism. This market attracted investors, allowed to extort money from other countries for political or economic advantage and use its currency, the dollar, as an instrument of international exchange. That is playing out, thus collapsing the second pillar of support of the empire. The BRICS block numbers 3,000 million people. Within this block the products made by them are dominant and consumption of products from Europe and the US have declined substantially.

Economic inequality is high within the BRICS. About 60% of people there live on the edge of poverty with some social sectors at a mere subsistence level. However the rise of this block in the international economy has been accompanied by a rise in consumption of about 1,200 million people who could potentially exceed or soon will exceed US consumption.

Gradually, they will become the center of world consumption or at least will become its engine, aided in part by its own growth and the decline in consumption in the US due to the economic crisis.

This is of the great concern to US imperialists. The US Secretary of Defense, Leon Panetta, speaking at a US weapons factory said, «We face threats from emerging powers: China, India and others of whom we have always been aware of. We try to ensure that we always have enough protection force in the Pacific so they know we're not going anywhere.»

Later, for diplomatic reasons he tried to turn down the volume of this aggressive discourse and tried to change the meaning of the words he had clearly expressed to others by which was meant he was not talking about a US concern but the concern of those countries for themselves. The attempted correction only emphasized even more the fear of the US in relation to these «emergents.»

The day the market of the BRICS and its regions of influence exceeds US consumption in the world, maybe occurring soon, the second leg that sustains the US Empire will have fallen, which they lose as a geopolitical playing card, along with the loss of military supremacy and financial capital (also coming towards its end) that has kept the US at the epicenter of global hegemony during the postwar period.

### The Third Leg: The Empire Cannot Continue To Lose Wars

Leaving aside the propaganda, wars have concrete goals. If they fail to achieve these goals, they lose the wars, even if they seem to win some battles.

According to official figures the attack on the **Twin Towers** in New York caused **2,752 deaths**. In comparison, data collected by the Watson Institute for International Studies at Brown University shows that for every single person that died on September 11, 2001 in the USA, almost 100 people were killed in **Iraq and Afghanistan** or **more than 225,000 in total**.

A conservative estimate, when compared with the Opinion Research Business estimate indicates, according to the London-based company, that **in Iraq alone between, March and August of 2007, the number of deaths exceeded 1 million**.

Although it is reported that only **6,000 US troops have died** in these wars, **there are more than 550,000 members of the military who were disabled** and deaths among the personnel of military contractors, like Blackwater, who participated in the war, have not been recorded.

At least 137,000 civilians have died in Afghanistan, Iraq and Pakistan as «secondary damage» in the armed conflict. This figure could be much higher than the one given by Brown University. **In addition to the dead and wounded, many people, at least 7.8 million, have lost their homes in these countries of the Middle East.**

### The Cost Of The Wars - Stolen From The Pockets Of Workers in the US and World-Wide

While many of the economic costs of wars are almost untraceable, as they are buried under cover in different budgets many of which escape being or are beyond the capacity to be accounted for, the total war expenditures have now reached US \$3.2trillion.

The cost of these wars will reach at least US \$4trillion in the next year. Among the absurdities of war expenses are the 20 billion dollars that have been spent on air conditioning (AC), particularly for the fuel used to provide and maintain the AC to make the climatic conditions bearable for US troops stationed in the parts of Afghanistan and Iraq where temperatures reach over 122° Fahrenheit.

That this specific spending is 4 times the annual budget of the United Nations shows the total insanity that is war. In addition, the US war has caused serious damage to the environment of these countries. Iraq, one of the countries with the greatest history of cultural wealth, has been virtually destroyed.

Add to these figures the almost 30,000 million dollars the US government has invested in «security measures» to protect



Largest creditors or holders of US debt abroad. Total US foreign debt: \$4.45 trillion

itself from terrorist attacks, building prisons in 20 countries, including Guantanamo Bay, Cuba, to imprison and torture suspects, and we discover another cause of the current economic crisis that shakes the USA.

### Only Pyrrhic Victories

Pyrrhus reigned in Epirus in the year 281AD, when the city of Talent asked for help against Rome. Pirro came with 25,000 men and confronted the consul Valerius Levine. Elephants, which the Romans did not understand how to defeat, decided the battle and the decimated Roman legions abandoned their positions at the end of the day. When at dawn, Pyrrhus checked his own casualties: over 4,000 men and their top commanders were dead and his cavalry was in flight. «Another such victory and I am lost,» he complained bitterly to his generals. Since then, «a Pyrrhic victory,» indicates a similar contradiction.

It applies to any success in which the cost is so high that it amounts to a failure. Pirro eventually had to withdraw from Italy and was later defeated several times and while in combat inside the city of Argos, he was hit by a tile thrown by an old woman. He was killed while unconscious from the blow.

The US military did not find and destroy any of the «weapons of mass destruction» they were set to capture in Iraq or complete the «mission to destroy the Taliban and al Qaeda,» which they announced at the onset of the invasion of Afghanistan. The only thing the US and its partners were able to accomplish was to sink themselves into two bloody swamps.

Even though they dominated Iraq, they failed to effectively utilize its oil potential and in Afghanistan they could not even ensure through their occupation the exclusivity of transcontinental gas transportation. These objectives, clearly strategic, were not achieved.

The imperial propaganda also said, as a consolation for fools, that the invasions were made to ensure the triumph of «Western democracy» in these countries. They only brought into power a set of puppet governments without a shred of autonomy, reactionary to the bone, but have expanded the influence of theocratic governments and movements in North Africa, the Middle East and the East of Russia - all supposedly enemies of the type of «democracy» promoted by the USA.

The US cannot win asymmetrical wars (Iraq, Afghanistan, the fight against terrorism, etc.), but instead, have strengthened the strategic sense of their enemies. They cannot declare wars against competitors such as Europe or the «emergent» powers



because that would liquidate the little geopolitical capital they have left, let alone set themselves definitely apart from the rest of the world. Needless to say, for the first time, all the police actions in foreign lands have been so costly for the US that the famous slogan, “if you want to earn money, make a war», has been reversed.

They did not even dare to lead operations against Libya recently. It had to be done by France, Italy and Britain.

***Thus the third leg of support of the US Empire, world military hegemony and police power over human civilization, is suffering from paralysis, both intractable and chronic. The US Empire can still strike and kill, bleed entire villages and commit genocide. What it cannot do any more is to win in a historic sense.***

### The Loss Of «National» Hegemony, The Disintegration

The historical basis of the existence of the US Empire, first as the ascending imperialist country and later as hegemonic imperialism in the post-WWII era, were based on the iron postulate, engraved everywhere as the national motto: «One Nation under God,» a unified and powerful nation responsible only to God for its actions, that is to say no one.

Since its inception it sought by fire and sword, with crumbs from the exploitation of other countries, when it could and at all times with a powerful ideological machinery of the bourgeoisie, to achieve discipline, social brainwashing and the support of all its inhabitants, and the people subdued under its growth under the concept of «manifest destiny,» to become the «No. 1” power on the planet.

The US is enveloped now by a terminal crisis, it is threatened with disintegration, via separation of all its component parts, parts that were joined together in the past with the glue of the empire: violence and co-optation.

The US was founded on the conquest of native peoples and their systematic slaughter. Great wealth was accumulated by the importation of African slaves and their super-exploitation in the fields and later in the early factories. The import of immigrants from Europe, Asia, Latin American and elsewhere chaining them to the mines and factories, the construction of railroads, agricultural production and otherservices. All of them were forced to speak English, adopt the Christian religion, and serve in the armies of imperial expansion.

While its settlers and soldiers marched west robbing the natives of their land and Mexico of half its territory, purchasing land from the Span, France and Russia at bargain prices which included huge territories (Florida, Alabama and Louisiana, California, New Mexico, Texas, Alaska ... none of them would be part of the US today if it were not for the *manu militari*,

high stakes land grabs, all methods used by the rising dominant class of the country.)

Above all these social components, from «imported» to captive natives, the bourgeoisie «Americana» imposed assimilation, cooptation, murder, repression, super-exploitation, the social control over rights, cultural influence and ideology and a minimal distribution of the crumbs from the plunder of resources, owned by themselves or taken from others ...

It maintained national «homogeneity,» «common» culture and the influence of a simplistic and brutal imperialist conscience that dictates «*here we all benefit in some way, from those we dominate and crush ... there.*»

This was called different names at different times: *manifest destiny, leaders of the free world, carriers of the stick and the carrot, America for Americans* (US) ...

Disputes hidden behind two centuries of US ideological domination have returned to the scene. They are the result of a negative reactionary synthesis: we must get rid of blacks, Latinos, immigrants, wayward youth, trade unionists ...

The answer they are getting back is a re-valorization of the values of the former slaves, immigrants who want to be anything but serfs, workers who think it is better to fight every time before losing everything, young people without a future who are willing to build one for themselves ...

Still acting more on an individual basis, not quite yet united as a class in society, we join together and occupy the public space. However the psychology of our revolt is more social than they have imagined, even if they do not know it completely or say it out loud, and our demands, even if it shows we want to return to what appears as a better past (a now impassible road because of the economic crisis) instead we are propelled forward ... it is a powerful social force that tends to break up those who currently rule and unite those who are pushed into submission, although the establishment says exactly the opposite.

The far right, the Tea Party, the big bosses of the financial world will pour enough gas onto the process of discontent to achieve a conflagration. The «moderates» of the system will be victims of this advance of the right, because to confront the «disintegration», there will be no room in the middle or for the doubters of totalitarianism in the world, as has been said by all.

Mexican immigrants will revive their dreams of a homeland of their own in the stolen territories of the US Southwest and California. Millions of illegal immigrants will take the path of struggle for their recognition, for their invisibility to disappear. They will take what they have requested for too long to no avail. African Americans will find in the social rebellion the revenge for the suppression of their culture and their confinement into ghettos. Workers will look at social property as the salvation of the workplace that capitalism fails to provide them. Young people will realize that their own destiny should not be left to the powerful and has to be forged by them through the struggle.

### In Every Crisis There Is A Dangerous Polarization

It is clear that the base that supports the empire will crack or break or potentially do so in a short historic period. However the empire needs to be pushed hard to make it fall and to raise a new society from the ashes of the old.

In a crisis of the magnitude that now afflicts the US and Europe, it is out of the question that that each class, with a few exceptions that only confirm the rule, will fight to the death to avoid being the one who pays the bill.



[internationalleftreview@gmail.com](mailto:internationalleftreview@gmail.com)

**Telephone:** (415) 946-9910

**Address:** 3311 Mission St. Suite 135  
San Francisco, CA 94110

In this fierce and relentless dispute between classes, those who control the state apparatus have an advantage over the others. They control its coercive power, repressive forces, its judicial system and their political organizations are like well-oiled machines ready for action.

The bourgeoisie not only controls the governments and seeks to have them serve at their disposal against others classes whom they then can blame for and take measures to force them to pay for the crisis. Here in the USA, this crisis is not different in any respect, except that it is much more dangerous than in other countries, such as those in Europe.

Here there are only a few unions with a fighting tradition, no worker's reformist parties, or leftist political leaders seeking to gain mass support. Even worse there are no – and it's the same in Europe - revolutionary organizations.

The polarization is between a very well organized and disciplined social layer, the forces of conservatism and the far right that have built a base in the Tea Party, partially in the Republican Party and even in the Democratic Party, where they operate the organizational levers necessary to take the offensive against workers, the youth and the oppressed sectors of society.

We at the other end do not have any apparatus of a similar sort, just a massive will demonstrated by those who fight and occupy. Our powerful refusal to accept the fate the system wants to impose upon us is commensurate only to the weakness of our organization to express it. It is always an uneven struggle, but this time it is even more so than others. It is like conducting a fight against a heavyweight with good training and in good shape against a flyweight with one arm tied behind his back and shoelaces also tied.

We have to understand, because we have gone through the same experiences, the cynicism and skepticism of workers, youth and intellectuals - all the individuals who today protest and rebel against the iniquities of the system - regarding any type of organization, particularly of the political parties and more precisely those of the left.

Our powerful and progressive movement that has occupied ports and towns, has shut down different commodity transport systems and has made our voice heard is still working hard to construct its message, still needs to find our own voice, our own agenda and our own organizations to be able to respond to the polarization before us, the polarization from the far right that is already confronting them.

Any progress will depend on the ability of the movement to move from a collection of individuals with individual messages into the organization of the class or classes exploited by the system. It is not a matter of discarding organization based on past experiences, but of taking them into account to create something new.

The movement should seek a path less dependent on individuals and more oriented towards organizing in diverse social settings, like the schools, the workplaces, and the communities. That means striving to participate not just as individuals, but also as group leaders seeking to involve others in the organizing efforts or as facilitators for the organization of others.

The efforts of the whole should not get scattered by following the thousands upon thousands of goals from as many individuals, but choose carefully the objectives, program and



demands that indeed take into account the needs of workers and the oppressed and turns them into their own priorities. That takes organization.

It should not depend on who yells more or who can endure the longest meetings over discussion or individuals with initiatives already on the ground. It is necessary to put in place a democratic decision-making process and the means to act in conjunction with strategies and tactics for specific purposes that bring us closer to our goals. For that, you need organization.

Demonstrating in the public space has its purpose, but that by itself is not enough to advance a strategy of radical change. Those at work should organize to control the production and be able to stop it when a collective decision is made to do so. Those studying at the universities and colleges organize ever-growing layers of students, and in the communities the struggle is to strengthen their neighborhoods.

Only an organized movement that controls the forms and spaces of intellectual and industrial production may in the end have a lasting impact on national and international politics. Doing all the above will show the rest of society that there is an alternative to the demoralization and surrender.

The wear and tear, the gradual decrease of public interest or media coverage are the enemies of the actions that do not seek the objective of gaining influence in a growing number of social networks. It is useless to demand the system to democratize and reform, because it is the system itself that has brought us to the current crisis. We have to create an alternative type of government of the workers, of those who resist and fight. For that is absolutely necessary to develop forms of organization.

We must turn the situation around and make it unfavorable for the organized right and for the center that wavers and doubts. We need to strengthen our pole of the polarization. For this, organizing is a matter of life or death for the movement. Without it we work in favor of the strengthening of the opposite pole.

Above all else, we should not repudiate or abstain from politics, because if we do not take politics as the vehicle for change, politics will assuredly take care of us with the hands of the right and in the worst way. So, let us advance the movement as quickly, efficiently and radically as possible. Let's turn the movement from the fierce critic that the system is afraid of into its gravedigger.●



internationalleftreview@gmail.com

**Telephone:** (415) 946-9910

**Address:** 3311 Mission St. Suite 135  
San Francisco, CA 94110

*Our proposed program:*

## ***A Program to Fight***

- We cannot return to where we were, the crisis will not allow it. The USA and Europe are sinking as empires. The people in these countries should not be dragged down by them.
- We should advance towards a new democratic and socialist system
- Nationalization the banks, foreign trade and the largest corporations under workers control
- Eliminate all subsidies of the banks, the millionaires and big entrepreneurs
- Progressive taxation on big fortunes and properties
- Prohibition of lay-offs, foreclosures and evictions
- Demand that all available funds allocated for economic recovery be distributed and administered by elected committees of workers and the oppressed in our communities
- Expropriation of any enterprise and business that lays off workers and deliver the enterprises to the workers to manage them under their control. Expropriate large properties that evict tenants
- Papers and legality for all immigrants
- Break with both parties of big capital that delivered us into this crisis, the Republicans and Democrats
- Organize against state repression and violence from the far right. An injury to one is an injury to all
- Recover the unions for a leading role in the movement by building a democratic and fighting leadership. Down with the union bureaucracy.

## ***To Build the Movement:***

- Organize in each workplace and community. Attend the demonstrations and rallies in groups, not just as individuals
- These groups should participate as such in the demonstrations, but should also organize in the workplace and the community
- Occupy the centers of production (large factories and commercial entities) and other places with mass attendance (Schools, Hospital, Universities, etc.) and in them establish democratic administrative committees
- Democratic functioning and voting on proposals
- Establish a state of national and international coordination

***For a government of the workers,  
the rebels and of those who resist and fight.***