

THE CRISIS OF OVERPRODUCTION PRODUCES THE IMPERIALIST WAR LET'S PUT AN END TO CAPITALISM!

The **historical and material determinants** of the current period are the **crisis of relative overproduction of capital**, the **shift of the center of gravity of capitalism towards Asia** and the **breakdown of the world division**.

The **crisis of relative overproduction of capital** manifests itself in the most evident way in the enormous **injection of capital** that has produced **negative interest rates** (even nominal, but above all real, both bank and bond yields), a **swelling of both government and corporate debt** and in particular of **junk debt**, an **excess of liquidity** manifested by a plethora of capital, etc. that form the premises for the outbreak of a financial and industrial crash.

The **epileptic resumption of world circulation** after the lockdowns has generated a dichotomy of **overcrowding and undersupply** at the global level. This highlights the **anarchy of production** and, in turn, manifests itself simultaneously as a crisis of **overproduction of goods** that overcrowd before reaching their destination together with a **crisis of surplus productive overcapacity** in relation to the supply it receives.

This has meant the **de facto paralysis of part of the industrial production capacity** and the increase in prices of certain products, initially some of them of a secondary nature and then mainly of raw and auxiliary materials.

At the same time, OPEC+ has kept global **oil production below demand** and has **not yet recovered to the level of production** prior to the 2020 lockdowns. Oil was in free fall before the lockdowns and **its price is doomed to fall** because of the decision to drastically reduce the use of fossil fuels. However, there is no immediate replacement energy capacity and the onset of this transition has produced the opposite effect through a series of upheavals: the **price of oil has soared** and the **use of coal to generate electricity has broken its historical record**.

The shortage has reached the **commodity labor power**, either because of shortages in sectors such as road transport, or because of the refusal of many workers to return to work in the office, or because of the difficulty of travelling for immigrant workers. This has put upward pressure in certain sectors and areas on the wages of the lower categories.

A phenomenon to follow is how and to what extent the bourgeoisie has managed to transfer the **price increase of this part of constant capital** and, to a certain extent, of **variable capital** (wages) to the prices of final products (which have seen substantially smaller increases). One of the factors that historically slow down the **tendential fall of the rate of profit** is the devaluation of constant capital, we are witnessing a **substantial increase in the price of a part of constant capital** that stifles the profit of a whole series of productive sectors.

The US and European bourgeoisie were pumping more gasoline into the huge barrel of gunpowder accumulated, injection after injection, when the rising costs of energy and raw or auxiliary materials began to choke the profit margins of ever

larger sectors of the bourgeoisie, while in certain sectors they were even forced to raise wages. While the stock market bubble continued to swell to record highs, a substantial part of the companies was seeing their shares fall on the stock exchange.

In parallel, the **shift of capitalism's center of gravity towards Asia** continues. The congestion in the port of Los Angeles and in other Western ports is not only the product of the epileptic resumption but also of a **real increase in imports from Asia** to the US, a situation which has finally **collapsed the US trade balance** and turned it into an **imperialism which exports... empty containers!** The low interest rates, chronicled for more than a decade, have produced a tendency for **part of the speculative capital to move towards the financial markets of China** where the interest rate was higher. This is an additional reason for US capitalism to try to raise interest rates.

But the classic bourgeois recipe of **raising interest rates and ceasing to expand asset purchases would amplify the unmitigated outbreak of the crash** (not to mention ceasing to buy back debt in order to maintain accumulated balance sheets): the **depreciation of all speculative capital**, the **increase in the cost of debt refinancing** and the potential **bankruptcy of a whole series of States and companies** highly indebted.

Therefore, **the capitalist world was moving at a brisk pace during the year 2021 towards the outbreak of the financial and industrial crash**, on the basis of the productive overcapacity and overproduction of capital accumulated over the years, as well as the rales and spasms of the resumption of circulation after the lockdowns.

This leads to a series of **inevitable losses for the capitalist class as such**, but how much of it each capitalist has to bear is decided by **strength and cunning**: this is how it is determined **what part of capital will be destroyed or left unused**, what part will suffer a relative or temporary loss (Capital, Book III, Ch. XV).

The **balance of power between the different imperialisms** is no longer the same as it was in 1945, through a long process, and the **rupture of the division of the world** is manifested - without being exhaustive - in the US military withdrawal from Iraq and Afghanistan, in the genuflections and apologies to the Chinese government by US tycoons, in the direct delegations of US businessmen to China by-passing their government, in the expansion of China through the New Silk Road and its drilling of the backyards of Western imperialisms, the Russian military intervention on a global level, etc. And yet, **the previous division of the world has not disappeared all at once**, and various aspects of it are still in place. **A new division of the world can only be achieved through imperialist, commercial and military warfare.**

It is at the **intersection of these necessary processes** that the rest of the apparently accidental events take place, through which the underlying processes end up manifesting themselves and imposing themselves on material reality.

All this has been reflected on the political-military surface of the capitalist world in an **increase of military effervescence worldwide** with North Korea launching missiles on a weekly basis, China launching a hypersonic missile that literally went around the world, the increase of clashes and provocations in the Gulf of Aden, in the South China Sea, in the Black Sea, the expulsion of European imperialism from the Sahel and the intensification of the conflict in Ethiopia and Yemen, etc.

Following the **plan initiated in 2008** - which then proved unsuccessful in preventing the outbreak of the crisis - **the US has been building up a fortified powder keg in Ukraine**, carrying out a series of summits and declarations of Western imperialism in the sense of reoccupying Crimea and part of the Donbas. This **has pushed Russian imperialism to attack first**, risking otherwise to see Ukraine reoccupy these territories. Two other factors have finally pushed Russia: the perspective of its **future weakening linked to the reduced use of fossil fuels** and the **emboldening produced by the US withdrawal** and its rapid victory in Kazakhstan.

But it is not only **strength** that counts but also **cunning**, and **Russian imperialism had been meticulously set up**, boosting its arrogance with threats of ridiculously inadequate sanctions while arming its regional rival to the teeth.

NATO and the US have taken direct military intervention out of the equation from the outset, refusing even to declare a no-fly zone. This is a sign of their relative weakness, but it is also a waiting game for a situation in which the bleeding out of the Russian army would allow them to act with a greater chance of success. **In no case we can exclude NATO military intervention** in Ukraine and the rest of the world.

Even once the attack by Russian imperialism had begun, the sanctions announced were timid and superficial in order to incite Russia to commit itself to a position from which it could not easily extricate itself. Then began what can be characterized as the **circumcentric attempt of U.S., European and Japanese imperialism to offload the losses of the financial-industrial crack concentrically on Russian imperialism**.

It is the attempt of US imperialism to generate a reciprocal destruction and bleeding between Ukraine and Russia as they did with Iraq-Iran from 1980 to 1988, to put Russia again through the debacle that followed 1989, to lock it into its relative overproduction as they then did with Japan from 1992 onwards, as they tried with China in 2020. It is the plan to **reignite the war in Europe** in order to carry out the destruction there or else to weaken the independent expectations of European imperialism, returning it to the lap of the USA and securing the exports of liquefied natural gas (LNG) from the USA. European imperialism has been trying to avoid this situation, swimming between two waters, but its weakness on the military and cybernetic level, the drilling of its backyard by China with the low prices of its goods and its investment in infrastructures, as well as the irruption of the Russian bully at the edge of its borders, drastically diminish its room for maneuver. Just as a sector within the USA would be rather prone to attempt an alliance with Russia, so too within the European bourgeoisies there are sectors watching how their

sacrifice is being prepared in case the conflict spreads from Ukraine to other neighboring states.

The repercussions of **this destruction and paralysis will not be limited to Russia**, but will reverberate throughout the capitalist world, because of its direct exposure to the Russian market and the fact that the origin of the crack is not in Russia. At the same time, this situation **throws Russia into the hands of China** and it will be **Chinese companies that will fill the vacuum left in the Russian market** by the flight of Western companies.

Two major imperialisms such as **China and India have refused to condemn Russian imperialism** and, in fact, are buying gas and oil from it at significant discounts.

The positions from which US, European and Japanese imperialism are shooting are the **predominance of the dollar and the euro in world trade**, its capability to **freeze funds and transactions** in dollars, euros and yen, rendering half of the Russian reserves useless, its **control over the SWIFT payment system**, which is ten times larger than its Chinese equivalent.

Regardless of the immediate effects of Western imperialism's attempt, of its partial success or even if it backfires, the medium and long term consequences will be the **acceleration of the loss of the positions on which it currently relies**, i.e.: the **displacement of the dollar and the euro as currencies of hoarding and payment** by other currencies and especially by the yuan; the **displacement of its payment systems** by the Chinese alternative; the **displacement of the place of deposit and investment** by the Asian alternatives to it.

On the immediate level, **real interest rates remain negative** and the US interest rate curve remains between flat and inverted, with Western corporate profit margins narrowing and essential commodity inflation soaring, hitting the proletariat.

In any case, the destruction in Russia and Ukraine, even with the paralysis of part of world production due to the rise in the price of raw materials, **is not enough to overcome the crisis of world productive overcapacity**. The production volcano is in Asia and US imperialism **can only hope for a temporary relief if it does not extend this destruction to the Asian continent**.

Capitalism is advancing along the path of imperialist war towards the **third world war** in which the proletariat awaits the role of **cannon fodder** at the front and **exploitation flesh** in the rear if it does not arise - as a reaction against the war or from its development - the recovery of the class organizations of the proletariat, the **constitution of the proletariat in class for itself**, in **International Communist Party**, to **jugulate capitalism** by responding to its war with **revolutionary defeatism, rejecting any form of solidarity with the bourgeoisie itself and overthrowing it**.

**FOR THE INTERNATIONAL
COMMUNIST REVOLUTION!**

