

# The Revolutionary Communist Group and Europe: A comradely polemic<sup>1</sup>

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## Introduction

Ever since its formation over a quarter of a century ago, the Revolutionary Communist Group has been the scourge of the opportunist left in Britain. It has never refrained from taking up the ideological cudgels in defence of Marxism; never hesitated to combat the chauvinism which is widespread in the British labour movement. What the RCG lacks in size it makes up for in commitment and energy. It has campaigned tirelessly for a united and free Ireland, as well as struggled for the right of all oppressed peoples to self-determination. Its support for socialist countries, especially for Cuba, has been exemplary. It has exposed the parasitic and decaying character of British imperialism as no other British group has done. Heeding Lenin's advice, it has gone down 'lower and deeper' to the most downtrodden of Britain's toiling masses, all the while insisting that a new socialist movement can be built only outside and in opposition to the Labour Party. Wherever there are super-exploited and oppressed people in this country, there the RCG carries out its activities. Eschewing the comforts of armchair radicalism and without concern for its safety, it has fought long and hard against political policing, as well as worked among those incarcerated in Britain's prisons. (I doubt if any other Marxist organisation has received as much praise from so many prisoners as this group has done.) In many respects, the RCG has saved the honour of the British working class.

Yet on the question of Europe, the RCG has failed to tackle opportunism head-on, and in some instances has made major concessions to it. RCG theoreticians have clearly not studied the European question with the same degree of thoroughness as they have studied other issues. Their views on Europe are inconsistent and, more often than not, illogical. This does not mean that their attitude towards Europe is incomprehensible. A careful reading of their writings will reveal the existence of two mutually exclusive positions on Europe. One draws solidly on Leninist traditions and the other disregards them completely.

In this work, I give an account of the two opposing strands of RCG thought on Europe. To highlight how divergent these strands are, I focus on two articles. One is by David Yaffe, entitled 'Britain: Parasitic and decaying capitalism',<sup>2</sup> and

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<sup>1</sup> I originally published this article as the first chapter of what I intended to be a book on the crisis of British usury imperialism. I have since revised the chapter so that it can be read as a separate article. Apart from some stylistic changes and the rearrangement of a few paragraphs, there is very little difference between the two versions. The first was posted on the internet on 28 March 2012 and the second on 1 June 2016. Both cover the same events and time span.

<sup>2</sup> *Fight Racism! Fight Imperialism!* 194, December 2006/January 2007. *FRFI* is the bi-monthly organ of the RCG.

the other by James Martin, entitled 'Euro in crisis: Imperialists in conflict'.<sup>3</sup> The former represents the high-point of RCG thinking on Europe and the latter the low-point.

## 1. The RCG at its best

### Yaffe's 2006 article

In December 2006, the RCG published David Yaffe's 'Britain: Parasitic and decaying capitalism'. Well-written and commendably compact, the article deals with a variety of issues relating to the nature and workings of imperialism. One of the article's recurrent themes is that of inter-imperialist rivalry, so sorely neglected by the British left.

The article begins by defining the main characteristics of imperialism. Of paramount importance was the emergence of 'enormously concentrated banking capital' which not only 'fused with industrial and commercial capital', but also facilitated the massive export of capital 'as opposed to the export of commodities'. On the basis of this new development in the global economy, the imperialist powers divided the world among themselves, each seeking to pump as much super-profits out of its own sphere of influence as possible. These super-profits served both to prolong the life of capitalism and to underpin the growth of reformism in the working class. Hence Yaffe's crucial point:

'Lenin was concerned to show how imperialism splits the working class movement and creates opportunist currents in the working class movement internationally, arguing that the "fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism."' (p7)

The export of capital, Yaffe goes on to show, is not the sole distinguishing feature of imperialism. Of equal importance is the massive growth of militarism. The quest for super-profits in a world already divided by a handful of plunderers leads inevitably to the outbreak of inter-imperialist wars. As Yaffe explains:

'...after the territorial division of the world by a small number of rich capitalist countries at the beginning of the 20<sup>th</sup> century, ***the different pace of development of monopoly capitalism in different countries drives nations into conflicts that can only be resolved by force – that is by war.***' (p7; emphasis added)

Following this brief outline, Yaffe turns his attention to the main features of contemporary imperialism, casting a revealing spotlight on Britain. He shows that Lenin's comments about 'French usury imperialism' have more relevance to this

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<sup>3</sup> *FRFI* 222, August/September 2011.

country than to any other. The statistical data he weaves into his analysis are striking. Britain's overseas investments are now far larger than the size of the British economy itself, and of these the bulk take the form of bank loans. Perceptively borrowing from Lenin, Yaffe refers to Britain's capital exports as 'gigantic usury capital'. (p8)

The engine for Britain's global expansion is the City. Like the usurers of yore, the City magnates amass profits by borrowing cheap and lending dear, but on a stupendously large scale, with the world as their platform. As a parasitic recycler of other people's wealth – to an extent that far eclipses Britain's dwindling industrial base – the City has no choice but to cleave to the Pentagon. As Yaffe notes, to win protection for their 'vital global investments', the British imperialists had to follow the US into Iraq and Afghanistan. (p8)

Having demonstrated the usurious character of British imperialism, Yaffe turns his attention to the EU, which, he stresses, has emerged as a major threat to the US. Over the past 25 years, he writes,

'there has been a changing balance of power between the US, EU and Japan. The relative economic decline of the US began in the 1970s and continues. The EU, which expanded to 25 countries on 1 May 2004, is economically stronger than the US and its overseas interests are rapidly growing in relation to the US ... The EU has a larger GDP than the US.' (p9)

Yaffe then draws the conclusion from which all opportunists, even the most refined, recoil:

'These changes in economic strength [between the EU and US] **must eventually lead to a redivision of the world according to economic power**. Lenin was very precise about this...' (p9)

British opportunists are willing to acknowledge that the US's economic fortunes are on the wane, but deny that this will lead to war. Yaffe tackles these opportunists with commendable clarity. The major capitalist powers, he writes,

'are fighting for spheres of influence, for domination of the less developed parts of the world and for the right to plunder and extract super-profits from the greatest number of countries. Harman [of the Socialist Workers Party] agrees that the US no longer has "overwhelming economic supremacy compared to the other industrially advanced countries" and particularly the European Union. If [that is the case] **is not an eventual showdown between the two dominant world economic forces, the EU and US, inevitable?**' (p9; emphasis added.)

As far as I am aware, this is the first time that a British Marxist has ever spoken of the **inevitability** of war between the EU and US. In the past, the RCG

has acknowledged that 'imperialist wars are inevitable', but without specifying which of the powers will engage in battle.<sup>4</sup> In his 2006 article, Yaffe identifies the chief contenders for the global loot, as well as predicts that, at some point in the near future, the EU 'will be forced to act and the world will again be redivided...'. (p9)

Having revealed the truth about the rivalry between the EU and US, Yaffe returns to an examination of Britain, this time focussing on its relationship to the other powers. As gigantic usurers in possession of a weak and fragile industrial base, the British imperialists have no choice but to buttress their strength with the powerful support of the US state. Yet the very circumstance which drives them in this direction also brings them into conflict with their European allies. Ideally, the British imperialists would like nothing better than to maintain the *status quo*, but in the context of the growing rivalry between the EU and US, the *status quo* is no longer possible. Hence Yaffe's insightful observation:

'This [the looming battle between the EU and US] is the context in which Britain's role as ally of the US ... has led to an increasingly strained relationship with the EU. ***How long the British economy can sustain itself outside Europe, with Britain becoming more and more dependent on the parasitic dealings of the City of London, remains to be seen.*** The British ruling class knows that sooner or later ***it will have to make a choice between Europe and the United States.*** Whatever choice is forced on the ruling class, it is certain that any independent role of the City of London will be severely curtailed.' (p9; emphases added)

Though tantalisingly brief, this statement tells us more about the nature of Britain and its relationship to the EU and US than all the learned tracts churned out by the opportunists.

Yaffe's article is packed, from beginning to end, with ideas that are essential to our understanding of contemporary imperialism. In a clear and concise manner, he deals with (i) the inevitability of war between the EU and US, (ii) the unsustainable nature of British usury imperialism, and (iii) the necessity for the British ruling class to choose between the EU and US. His approach to these questions will undoubtedly help British revolutionaries to undermine the foundations of British opportunism. A brief review of the debate on Britain's possible entry into the Eurozone will reveal the wide chasm that separates the opportunists' outlook from Yaffe's.

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<sup>4</sup> *FRFI* 177, February/March 2004, p12.

## The euro referendum debate

### *(i) In praise of the euro*

In the main, the British opportunists are divided into two camps over the question of how British workers should respond to a referendum on Britain's adoption of the euro. Groups like the Communist Party of Great Britain (CPGB) and the Alliance for Workers' Liberty (AWL) favour a 'yes' vote in any future referendum. They believe that the European project is an essentially progressive undertaking, since it facilitates the 'internationalisation of capital'. According to the CPGB, the EU

'is objectively progressive, eroding the national prisons in which the different sections of the working class are held, and indeed making possible a workable, international socialism. ... The EU is not merely an expression of the internationalisation of capital, but also of the concomitant internationalisation of politics.'<sup>5</sup>

In a similar vein, the AWL declared:

'Those who complain that Britain scrapping the pound and joining the euro would mark a fundamental "surrender" of British sovereignty are correct. It would. The single currency is a giant step in the direction of European unity. ... The creation of a properly democratic European state would be a great step forward, even under capitalism. ... To say, as some do, that because socialism is now possible, therefore capitalism is completely reactionary and must be opposed when it tries to unite Europe, is both foolish and sectarian.'<sup>6</sup>

There are none so delusional as those who turn their back on reality. Far from facilitating the 'internationalisation of capital', the European imperialists have undertaken the task of redefining *inter-imperialist* boundaries for *war-mongering* purposes. This is not what Marxists mean by the 'internationalisation of capital'.

### *(ii) In praise of the pound*

At the other end of the opportunist spectrum are the Socialist Workers Party (SWP) and Communist Party of Britain (CPB). In opposition to the pro-EU opportunists, they argue in favour of the EU's break-up. The BCP is explicit about its nationalist vision. It writes:

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<sup>5</sup> 'Europe and the delusions of leftwing nationalism', by James Turley, *Weekly Worker* 894, 15 December 2011. [www.cpgb.org.uk/article.php?article\\_id=1004658](http://www.cpgb.org.uk/article.php?article_id=1004658)

<sup>6</sup> 'Should socialists try to save the pound?' [http://www.workersliberty.org/files/europe\\_2003.pdf](http://www.workersliberty.org/files/europe_2003.pdf) In the debate on the referendum issue, the AWL at times advocates an 'active abstention'. However, since the AWL portrays the European imperialists as 'historically progressive', its participation in any boycott campaign would be hypocritical and divisive.

'Attacks on jobs, workers' rights and the welfare state are escalating across the continent. Amorphous claims of a "Social Europe" are being rapidly replaced by a distinctly real antisocial Europe ... For a real solution the euro must be dismantled and states must retrieve the democratic sovereign right to control their own budgets, interest and exchange rates.' <sup>7</sup>

Less forthrightly, though equally determined to disparage the euro, the SWP stated, as far back as 2003:

'The measures associated with the euro have meant cuts in welfare, stripped down regulation of business, increased labour flexibility and free rein for the multinationals. ... That is why if there was a referendum now we would vote no to the euro.' <sup>8</sup>

Not surprisingly, the SWP and CPB joined together in 'No2Europe' to urge the British workers to vote 'no' in any referendum on the euro. Like most joint-opportunist ventures, 'No2Europe' generated much noise and passion but then rapidly faded into oblivion.

Dismissing the SWP's fantasies, Yaffe shows that a 'middle-road' solution is not an option for the British ruling class. Owing to the extreme parasitism in which the City is steeped, British imperialism is fast becoming unsustainable. In the not too distant future, when the conflict between the EU and US reaches threatening proportions, the City will be forced to abandon its independent status and join forces with either of these two powers. By denying the usurious character of British imperialism, the SWP and CPB have rendered themselves incapable of adopting a Marxist approach to the European question. Despite all the revolutionary thunderbolts they hurl at reactionary Europe, they stand shoulder-to-shoulder with the anti-EU wing of the British ruling class in its struggle to re-claim Britain's 'lost sovereignty'.

In an attempt to strike a radical pose, the two sides of the euro debate adopt the timeworn strategy of slinging mud at each other. While the pro-European opportunists accuse the anti-European opportunists of reactionary nationalism, the latter accuse the former of false-internationalism, that is, of upholding the interests of European imperialism in the name of proletarian unity. Yaffe cuts through this opportunist tangle by revealing the essentially pro-imperialist character of **both** sides. In opposition to the CPGB, he shows that there is nothing democratic or progressive about the European project. At its centre, and deeply embedded in it, is a war-mongering mission, the very antithesis of

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<sup>7</sup> 'Time our voice was heard on Europe', by Brian Denny, *Morning Star*, 7 December 2011. [www.morningstaronline.co.uk/content/view/full/112871](http://www.morningstaronline.co.uk/content/view/full/112871)

<sup>8</sup> 'The Socialist Workers Party and the Euro', by Charlie Kimber, July 2003. <http://www.redpepper.org.uk/The-Socialist-Workers-Party-and/> See also *Socialist Worker*, 24 August 2002.

democracy and progress. And in opposition to the SWP, he demonstrates that Britain's exit from the EU will inevitably lead to the formation of an immensely powerful and highly reactionary Anglo-American bloc. The idea that Britain can 'retrieve its sovereignty' is a fantasy to which the anti-EU faction of Britain's labour aristocracy has long been prone.

### ***(iii) Proletarian independence***

One of the great merits of Yaffe's article is that it gives a clear indication of how the British workers should respond to a referendum on Europe. Whichever question is included on the ballot paper the sub-text will read: Should British imperialism throw in its lot with US imperialism or European imperialism? <sup>9</sup>

Whether the City binds itself to Wall Street or becomes a distinctly European institution is a matter of supreme indifference to class conscious workers. They will never take sides in any inter-imperialist dispute. Rather they will pursue a genuinely independent line, leaving it to the labour aristocrats and privileged petty-bourgeoisie to ponder the problem of how the City swindlers can best safeguard Britain's accumulated booty.

This does not mean that socialists should stand by idly while the British ruling class becomes embroiled in internecine fighting over the City's standing in the global economy. Rather they should make any future referendum on Europe an opportunity for campaigning against **all** imperialists. To this end, they should urge the British workers to spoil their ballot papers by inscribing on them: 'Workers of the World and Oppressed Peoples Unite!' Socialists must bring to this campaign the utmost clarity of what the European project is and why the British predators are forced to choose between their American and European rivals. And that is why Yaffe's article is of such great importance to the workers' movement in this country. More than any other, it enables socialists to avoid the twin-pitfalls of false internationalism and reactionary nationalism. The CPGB's affection for Europe and the SWP's hatred of it are the reverse sides of the same opportunist coin.

## **2. Response to Yaffe's article**

Ordinarily, British opportunists do their utmost to ignore the RCG. However, when Yaffe predicted the inevitability of a war between the EU and US, it was a matter of time before the conspiracy of silence sagged. Indeed, no sooner had Yaffe's article made its appearance than Bill Jefferies, a leading member of the Permanent Revolution group, issued a stern rebuke. His objections can be broken down into three distinct but closely related parts.

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<sup>9</sup> Although Yaffe does not deal directly with the referendum issue, his article clearly lends support to a boycott position.

### **(i) A block of imperialist rivals**

Jefferies' first and chief objection concerns the nature of the EU. In opposition to Yaffe, he insists that the EU is nothing more than an association of sovereign imperialist states. He wrote:

'... certainly the growing strength of the EU does pose a potential challenge to the USA but that does not mean there will necessarily be a war between the EU and USA or that such a war is a serious threat at present. The EU is not a nation state, but rather a coalition of powers with very different interests...

'Wars to re-divide the world are inevitable but who knows what combinations between the major imperialist powers will emerge in their struggle to dominate the world?' <sup>10</sup>

The view that Europe is made up of a number of imperialist rivals is widespread among the British left. Anticipating Jefferies' standpoint, Kenny Coyle, one-time International Secretary of the CPB, stated:

'The British Road to Socialism argues that the world is witnessing the crystallisation of three major imperialist blocs, the North American Free Trade Area dominated by US imperialism, an east Asian bloc dominated by Japan and a European bloc comprising the states of the European Union. However, unlike its North American or Asian rivals, the EU comprises not one but several major imperialist powers. ... the EU exists not only as a bloc of inter-imperialist rivalry but it also has rivalry within the bloc. ... In short, **there does not exist a single 'European' imperialist power with a single collective interest but on the contrary there is inter-imperialist rivalry within the bloc.**' <sup>11</sup>

There is method in Coyle's opportunism. Since the growing conflict between the EU and US threatens the viability of Britain as an independent imperialist power, he naturally seeks comfort in the idea of a strife-prone Europe. He readily agrees that uncontested American hegemony is undesirable, but is clearly worried that a united Europe will upset the global balance of power.

The opportunist critics of the European project are aware of the turbulent times that lie ahead, but still their thoughts are on global stability. They do not wish to abandon their dream of British independence, having some vague idea that, till the Europeans actually succeed in creating a European-wide state machine, the prospects for inter-imperialist harmony will remain bright. Hence

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<sup>10</sup> 'Britain Parasitic and Decaying Capitalism: Review', by Bill Jefferies, in *Permanent Revolution*, 2007. [www.permanentrevolution.net/entry/1138](http://www.permanentrevolution.net/entry/1138)

<sup>11</sup> 'Intervention of the Communist Party of Britain', by Kenny Coyle, at KKE hosted conference, 1999. [www.kke.gr/cpg/int\\_meet99/interventions/CPBritain.html](http://www.kke.gr/cpg/int_meet99/interventions/CPBritain.html)



their frequently repeated assertion that a single European imperialist power with a single collective interest **does not exist**.

But is Yaffe's view of Europe as fanciful as his critics claim? Has he ever stated, or even suggested, that the EU is a 'nation state'? Of course he has not. Although the statistics he uses for the EU are European aggregates, he has never denied the complexity of the European project. But nor has he argued, as Jefferies does, that Europe is a 'coalition of powers with very different interests'.

Like many of the proponents of the 'coalition of powers' argument, Jefferies ignores the **dual aspect** of the EU. According to Bruno Carchedi and Guglielmo Carchedi, who have undertaken a detailed study of EU integration, there exists, 'besides the imperialism of some of the EU member countries (national imperialisms)', an all-embracing imperialism, '**imperialism of the EU as a whole**'.<sup>12</sup> They explain:

'Nowadays, imperialist relations need also international institutions, like the IMF and the World Bank. But it would be improper to refer to these institutions as pursuing their own imperialist policies because they only mediate the interests of the member countries (basically, those of the centre). The case is different for the EU. Here, there is both mediation of contradictory national interests and **a relatively independent formulation of common interests by EU institutions to which the member states have relinquished part of their sovereignty**. While the EU is not (yet) a state entity, it has the legal instruments to legislate and thus to regulate the (economic) relations of the member states as a whole. **Thus its imperialism acquires new frontiers**. Strictly speaking, EU imperialism refers to this latter dimension ...

'Of course, the imperialism of the EU as a whole (**EU imperialism proper**) is strictly interconnected with the imperialism of the EU member countries (national imperialisms). At the moment, EU imperialism proper might still be less relevant than national imperialisms but this situation is bound to change **as the process of European unification proceeds**.'<sup>13</sup>

As the above authors make clear, a European-wide bureaucratic-military state machine is **already** in the process of formation. It is a machine that has grown out of, and in turn interacts with, the 'national imperialisms' over which it exercises sovereignty. This is the dialectic that is at the heart of the European project.

Although Jefferies insists that the EU is nothing more than a coalition of rival imperialist states, still he remains haunted by the possibility of war between the EU and US. He writes:

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<sup>12</sup> 'Contradictions of European integration', by Bruno Carchedi and Guglielmo Carchedi, in *Capital & Class* 67, 1999, p119; emphasis added.

<sup>13</sup> *Ibid*, p119; emphases added. The parentheses are in the original text.

‘And why should we assume that just because the EU is the major challenger to the USA today there will be a war between these two blocks? The US replaced the UK as the hegemonic world power, over a period of 45 years but at no point was there a war between the USA and ... the UK. In fact the USA was the UK’s ally in the two world wars.’<sup>14</sup>

Jefferies’ historical comparisons are as irrelevant as they are misleading. At the centre of the European war of 1914-17 was the conflict between Britain and Germany, each power gathering around itself a **coalition** of powers. As Lenin noted, the European war ‘was a war between the brigands of Anglo-Franco-Russian imperialism and the brigands of Austro-German imperialism for the division of spoils...’<sup>15</sup> Exactly which coalition of powers will line up against one another in the next world war cannot be predicted with any degree of certainty. What can be stated with certainty is that the chief contenders for the global loot will be the EU and US. Already, as Yaffe notes, the EU and US are ‘fighting for spheres of influence, for domination of the less developed parts of the world and for the right to plunder and extract super-profits from the greatest number of countries.’ (p9) The fact that Britain and the US were war-time allies in 1917-18 and 1941-45 has absolutely no bearing on the question of whether the EU and US will turn on each other in the future.

### ***(ii) The choices facing the British ruling class***

Jefferies’ second main criticism revolves around the question of Britain’s status as an independent imperialist power. He acknowledges that the British ruling class ‘may well decide not to go with the EU’,<sup>16</sup> but fails to consider how this will affect Britain’s relations with the US. The implication of his argument is that a future, anti-European Britain – a Britain that spurns the EU – will remain free of the US’s clutches. He has clearly missed the point of Yaffe’s analysis. The British ruling class is so enmeshed in **usury imperialism** that it will be forced to choose between the EU and US. Either way, the City will cease to fulfill its role as a distinctly **British** institution.

The RCG has repeatedly pointed to the fact that Britain will ultimately have to come down in favour of either the EU or the US. In 1999, summing up the way in which Britain’s ruling class was being pulled apart by the conflict between the EU and US, Trevor Rayne wrote:

‘The British ruling class must draw closer to the European project for economic, social and political reasons. However its multinationals, with

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<sup>14</sup> ‘Britain Parasitic and Decaying Capitalism: Review’, by Bill Jefferies, in *Permanent Revolution*, 2007. [www.permanentrevolution.net/entry/1138](http://www.permanentrevolution.net/entry/1138)

<sup>15</sup> Lenin, *Collected Works*, Lawrence and Wishart, Volume 30 p357. Henceforth references to Lenin’s *Collected Works* will take the following form: volume number\page number (e.g., 30\357).

<sup>16</sup> Jefferies, *Op cit*.

overseas investments exceeded only by those of the USA, and the global role of the City, make it dependent on linking up with US military force to protect its global interests - witness the Gulf. ***For the USA, Britain can play the role of Trojan Horse, providing an entrance into and undermining attempts to build an independent European bloc: a Fortress Europe.***<sup>17</sup>

Although the US would like Britain to play a destabilising role in the EU, the British ruling class is so deeply divided on this issue that it has ceased to cohere ideologically. As Jim Craven pointed out several years ago, the British ruling class has not the slightest inkling 'of what to do' with respect to the European question. As much as the British ruling class wishes to maintain the existing state of affairs – that is, 'keep a foot in both the European and US camps' – it cannot do so for much longer, not while the European and American imperialists come into 'greater and greater conflict' with each other. The impasse in which the British ruling class finds itself over Europe is thus as necessary as it is inescapable. The *real* issue behind the Europe debate 'is the role of British imperialism and ***whether it has any future as an independent power.***' In the not too distant future, when the British ruling class makes its final choice, 'British imperialism ***will lose any independent status it presently retains.***'<sup>18</sup> And this brings us back to Yaffe's 2006 article.

When Yaffe says that British imperialism will ultimately lose its independent status, he does not mean that the City itself will cease to function as a global force. Quite to the contrary! If the City is ever integrated into the EU, its power and reach will increase enormously, but as a distinctly European rather than British institution.

Should the European and British imperialists fuse their interests, there will emerge an economic power-house the likes of which the world has never seen before. Engorged with the City, Europe will enjoy immense economic power, far greater than that enjoyed by the US today. This in turn will spur the Europeans on to something 'greater', the creation of ***a fully integrated war machine.*** The US imperialists know this and therefore want Britain to play a destabilising role in Europe, not only to undermine the EU as a major rival, but also to deprive it of its Wall Street equivalent.

On the other hand, if the British bind their fate to the Americans, Europe will be forced to create a rival financial centre of its own. The European imperialists are aware of this and are therefore willing to exercise a certain restraint in the face of British hesitancy and vacillation. Already, the European finance capitalists

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<sup>17</sup> 'Fortress Europe and the Trojan Horse', by Trevor Rayne, in *FRFI* 147, February/ March 1999. Despite his loose use of the expression 'European bloc', Rayne provides a clear explanation of why the US wants Britain to remain in the EU.

<sup>18</sup> 'Labour wins again – the ruling class is still in power', by Jim Craven, *FRFI* 185, June/July 2005, p8; emphasis added.

have built up a massive stake in the City and are using it to coax Britain into a closer union.<sup>19</sup>

Alive to Britain's difficulties as an over-extended power, Angela Merkel has assumed the role of the engaging appeaser. In response to David Cameron's cantankerous outburst at the recent European Summit, she said: 'We want to have Great Britain in the European Union. We need Britain ... I want to say this emphatically, because Britain has always given us strong orientation in matters of competitiveness and freedom and in the development of the single European market.'<sup>20</sup>

Merkel does not care a straw for British 'competitiveness'. She knows the true value of Britain, the extent to which the City towers over Europe's financial institutions, just as she knows how much more powerful and influential the City will become as a European institution. What she really wanted to say was this: 'We need Britain's financial muscle. I want to say this emphatically, because Britain has always given us a strong orientation in all things parasitical.'

In their quest for the City, the Americans and Europeans are endeavouring to checkmate each other, but graciously, within the bounds of time-honoured diplomacy. British opportunists may therefore gain solace from the fact that the game has still to be played in earnest. Moreover, since the British ruling class is still able to manoeuvre between the EU and US, the likes of the CPB will continue to cling to the illusion of the viability of a 'middle-road' solution.

However, when the conflict between the EU and US approaches breaking-point, the British imperialists will be torn apart, forced to decide in favour of the EU or US. And when that happens, the British opportunists will be torn apart also, forced to come out in support, not so much of their 'own' imperialists, as their 'own' **faction** of imperialists. Although the ensuing chaos will frighten the labour aristocracy and privileged petty-bourgeoisie – which hanker after **imperialist** stability (i.e., a pitiable dream) – it will open up tremendous opportunities for socialists to pursue a truly independent line, provided they are free of illusions about the nature of British imperialism and the inter-imperialist conflicts of which it is a part.

### **(iii) 'Hostile brothers' or 'beasts of prey'?**

The third and final aspect of Jefferies' criticism centres on the question of whether the global economy is experiencing a boom or a slump. He wrote:

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<sup>19</sup> In a letter to the *Financial Times*, Tom Brown, an executive of a City bank, welcomed the fact that many of the traditional British finance houses are in the hands of European investors. He went on to state: 'Nothing could be more damaging to foreign investment in the UK and the City in particular than the idea that the UK would leave the EU, which is what a large section of Mr Cameron's party now want...' ('City of London owes its dominance to the EU', by Tom Brown, *Financial Times*, 10/11 December 2011.)

<sup>20</sup> *The Guardian*, 8 February 2012. I comment on this summit later.

‘Critically by failing to provide any analysis of the nature of the period, ***beyond proving that world capitalism remains in the imperialist epoch as a whole***, Yaffe’s analysis lacks any periodisation of world capitalism today.

‘Yaffe is best known for being an important Marxist analyst of crisis theory, which explains that the over-accumulation of capital leads to a fall in the rate of profit – which in turn leads to crisis. But the description Yaffe makes of imperialist finance capitalism today is far from being one in crisis, far from being one of the over accumulation of capital or falling rate of profit.’<sup>21</sup>

I am not sure whether Jefferies wishes to praise or damn Yaffe. There is not a revolutionary Marxist anywhere who would find it gratifying to be associated with a particular law of capital accumulation, or even a whole branch of Marxist economic theory. There is more in Marxism than is dreamt of in the ruminations of British radicals who are fixated on ‘crisis theory’.

It is certainly true that Yaffe refrained from mentioning the state of the global economy in his 2006 article. As thoroughly as readers scrutinize that article, they will find not a single reference to ‘the over-accumulation of capital’ or ‘the tendency of the rate of profit to fall’. But does this mean that Yaffe has abandoned Marx’s analysis of capital, or modified his own views on this subject?

Whenever explaining the root cause of economic crises, Yaffe has consistently defended the Marxist method. He did so in the 1970s, when opportunists attributed the decline in the rate of profit to a rise in living standards or an insufficiency of demand, just as he does today, when opportunists attribute the global crisis to financial mismanagement and a lack of financial regulation. However, in his 2006 article Yaffe set himself the task, not of elaborating on crisis theory, but of explaining a) why war between the EU and US is inevitable, and b) why the British ruling class will have to make a choice between the EU and US. For this reason, he ignored the issue of ‘periodisation’, focusing instead on what Jefferies slightly referred to as ‘the imperialist epoch as a whole’. The very methodology which Jefferies identifies as a weakness, Yaffe sees as a strength.

Lenin made it clear that WWI had come about because the new imperialist powers, having grown more rapidly than the old ones, demanded a share of the global booty that was commensurate with their newly acquired strength. After the war, when predicting the inevitability of armed conflict between Germany and Britain, and between Japan and the US, he again insisted that unevenly developing imperialist powers will never be able to relate to one another peacefully in the midst of imperialist super-profits. Only by conjuring those profits

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<sup>21</sup> ‘Britain Parasitic and Decaying Capitalism: Review’, by Bill Jefferies, in *Permanent Revolution*, 2007. [www.permanentrevolution.net/entry/1138](http://www.permanentrevolution.net/entry/1138)

out of existence could the reformists of the Second International fantasize about peace under capitalism.<sup>22</sup>

Here is how Lenin described the approaching war between the American and Japanese imperialists:

‘Japan has seized China, which has a population of four hundred million and the richest coal reserves in the world. How can this plum be kept? It is absurd to think that a stronger capitalism will not deprive a weaker capitalism of the latter’s spoils. Can the Americans remain indifferent under such circumstances? **Can strong capitalists remain side by side with weak capitalists and not be expected to grab everything they can from the latter? What would they be good for if they did not?**’ (31\443)

With the advent of imperialism, international capitalism underwent a process of **gangsterisation**. Like the hoodlums of the underworld, the imperialist predators distribute the loot among themselves, not according to ‘market norms’, but according to **brute strength**. And that is why, in all his accounts of the causes of WWI, Lenin said nothing about ‘the nature of the period, beyond proving that world capitalism remained in the imperialist epoch as a whole’.

According to Lenin, inter-imperialist peace would be possible **only** if the strength of the monopoly capitalist states changed ‘to an equal degree’. But since such change is absolutely impossible under the rule of finance capital, world peace will remain an unrealisable dream. (22\295; 22\272) He went on:

‘Half a century ago Germany was a miserable, insignificant country, if her capitalist strength is compared with that of the Britain of that time; Japan compared with Russia in the same way. Is it “conceivable” that in ten or twenty years’ time the relative strength of the imperialist powers will have remained **unchanged**? It is out of the question’. (22\295)

Since the uneven development of capitalism is as likely to occur in a boom as in a slump, Lenin rightly ignored the question of the tendency of the rate of profit to fall when accounting for the causes of inter-imperialist wars. Under no circumstances, he stated, ‘should crises and wars be tied together.’ (26\163) As he well knew, the great powers had begun to make preparations for WWI in 1912, when the international capitalist economy was experiencing rapid expansion. After the war, when America and Japan were ‘growing in economic and military might at tremendous speed’ (31\443) he again predicted the outbreak of war, this time drawing attention to America’s growing preponderance of power.

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<sup>22</sup> Lenin readily acknowledged that if super-profits were to disappear, Kautsky’s standpoint would ‘to a certain extent be justified’. (23\114-5)

All credit, then, to Yaffe for not tying ‘the crisis of the over-accumulation of capital’ to the approaching war between the EU and US. As he stressed, reiterating Lenin’s position:

‘...after the territorial division of the world by a small number of rich capitalist countries at the beginning of the 20<sup>th</sup> century, ***the different pace of development of monopoly capitalism in different countries drives nations into conflicts that can only be resolved by force – that is by war.***’  
(p7)

The fact that an inter-imperialist war can break out during a period of rapid economic expansion is incomprehensible to the labour aristocracy and privileged petty-bourgeoisie. As the propertyless beneficiaries of imperialism, they cannot fathom why rival imperialists should drag humanity into a dark and fiery abyss when there is so much loot to be shared and enjoyed. One can imagine them spluttering: ‘How can anyone be so irrational as to risk losing everything while we, the relatively well-to-do in society, are enjoying the crumbs from our master’s table?’

In a desperate attempt to refute Lenin’s analysis of inter-imperialist wars, the opportunists turn to Volume III of Marx’s *Capital*, invariably citing the following passage:

‘So long as things go well, competition effects an operating fraternity of the capitalist class ... But as soon as it no longer is a question of sharing profits, but of sharing losses, everyone tries to reduce his own share to a minimum and to shove it off upon another. How much the individual capitalist must bear of the loss, i.e., to what extent he must share in it at all, is decided by strength and cunning, and competition then becomes a fight among hostile brothers.’<sup>23</sup>

Anyone who reads Volume III of *Capital* carefully will know that Marx based his analysis of capital accumulation on the assumption that there is only ***one capitalist community***. The chapters on the law of the tendency of the rate of profit to fall (Chapters 13 to 15) follow logically from those on the formation of an average profit (Chapters 8 to 12). In these latter chapters, Marx explains why the capitalists of a given community have an ***equal claim***, relative to the size of their respective capitals, to the total social surplus-value. His explanation, moreover, presupposes both competitive conditions and the primacy of industrial capital over bank capital. The question of how giant ***financial oligarchies*** distribute global ***super***-profits among themselves did not arise for Marx. He clearly did not intend his analysis to be mechanistically applied to relations between monopoly capitalist states.

In his *Imperialism*, as well as in a number of other works, Lenin made an exhaustive analysis of the monopoly stage of capitalist development. With a firm

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<sup>23</sup> ‘Capital’, Volume 3, Lawrence and Wishart, 1962, p248.

grasp of the nature of the new epoch, he likened the monopoly capitalists to 'beasts of prey', marauding predators who, come storm or shine, are as likely to devour one another as they are their hapless prey. ***There is nothing 'brotherly' about them.*** To argue that economic downturns provide the impulse for war is tantamount to arguing that economic booms 'effect an operating fraternity' of imperialist predators.

The conventional wisdom among opportunists is that the imperialists will become 'hostile brothers' only when a crisis forces them to share their losses. Of late, even the SWP opportunists have become devotees of Marx's *Capital*, reminding us that Marx described the capitalists 'as "hostile brothers" that constantly squabble and fight.'<sup>24</sup> Their misuse of Marx's analysis serves a two-fold purpose. First, it enables them to account for inter-imperialist rivalry without having to acknowledge the existence of super-profits. To this day, the SWP's leading theoreticians deny the parasitic character of imperialism.

Secondly, it enables them to present Europe as an unruly entity, incapable of acquiring the cohesion and strength 'to grab everything' from the Americans. As was noted in *Socialist Worker*:

'Karl Marx described the ruling class as "a band of warring brothers". It is a perfect description of the bickering EU leaders, as this week's summit has shown.'<sup>25</sup>

So thanks to the onset of the economic crisis, the American imperialists will be able to maintain their global dominance, while the City swindlers, dependent as they are on the Pentagon for support, may proceed as before, without having to make agonising choices about their future. The labour aristocracy and privileged petty-bourgeoisie may live in peace after all.

In keeping with Lenin's approach to the study of inter-imperialist wars, Yaffe deftly sidestepped the issue of 'periodisation', leaving the opportunists to tie economic crises and wars together. Although he wrote his article before the outbreak of the current crisis, he was able to provide socialists with a solid foundation for analysing the European question in depth.

Let us now turn to Martin's article, 'Euro in crisis: Imperialists in conflict'.

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<sup>24</sup> *Socialist Worker*, 1 November 2008, p9.

<sup>25</sup> *Socialist Worker*, 29 October 2011, p3.



### 3. The RCG at its worst

#### A coalition of rival imperialists

One of the chief flaws of Martin's article is his failure to deal adequately with the question of 'European imperialism proper'. Despite the growing body of Marxist literature on this subject, he shows very little understanding of the fact that the EU is an imperialist power *in the making*.

Leading Marxist theoreticians, including Carchedi, Yaffe and others, have shown that the EU is in a transitional phase of development, one in which *the imperialism of the EU as a whole* is steadily (though by no means uninterrupted) supplanting *the national imperialisms* of the EU member states. The idea that inter-imperialist rivalry is a significant feature of the EU is completely absent from Yaffe's 2006 article. Yet rather than build upon Yaffe's work, Martin disregards it entirely.

As Martin sees it, the Eurozone is made up of a number of rival imperialist powers, the two dominant of which are France and Germany. Like all imperialist powers, he informs us, they are plundering other nations, including a number of European countries. Within the Eurozone itself, the focal points of France's predatory activities lie in the southern regions, and those of Germany's in the eastern ones. This division is not absolute, for both Germany and France, Martin further informs us, share in the plunder of Greece.

Since in Martin's estimation the Eurozone is deeply marked by inter-imperialist rivalry, a crucial question arises: *What is the 'glue' binding the European 'beasts of prey' together?* France and Germany took up arms against each other in 1870, 1914 and 1939. Why, then, should Europe not descend into war again? Although Martin does not pose this question directly, his answer seems to lie in his repeated references to Franco-German 'deals'.

Martin makes no attempt to explain the sense in which he uses the expression 'deals'. We therefore have no way of knowing what his thoughts are on this subject. Does he have in mind a *truce* (a temporary arrangement which is subject to all the pressures of the uneven development of capitalism), or are his thoughts on something entirely different, an 'ultra-imperialist deal' perhaps?

Marxists have no illusions about the nature of deals struck by imperialist powers. In his *Imperialism*, Lenin wrote:

'...in the realities of the capitalist system, and not in the banal philistine fantasies of English parsons, or of the German "Marxist", Kautsky, "inter-imperialist" or "ultra-imperialist" alliances ... are *inevitably* nothing more than a "truce" in periods between wars. Peaceful alliances prepare the ground for wars, and in their turn grow out of wars; the one conditions the other,

producing alternating forms of peaceful and non-peaceful struggle on **one and the same basis** of imperialist connections and relations within world economics and world politics.' (22\294-6)

We therefore come back to my original question: What is preventing France and Germany from waging a robbers' war against each other? If we were to put this question to any of the friends of peace in the bourgeois camp, they would look at us in bewilderment, as if we were creatures from another planet. 'Today, we've been at peace for 70 years and no one realises how amazing that is any more. Indeed, the very idea of a war between Spain and France, or Italy and Germany, provokes hilarity', crowed Umberto Eco, an EU stalwart.<sup>26</sup> Typically, he said nothing about the growing rivalry between the EU and US, or the EU's predatory relations with the Third World.

Although Martin is an admirer of Lenin's *Imperialism*, he nonetheless attaches great importance to the 'deals' struck by France and Germany. He wrote, under the subheading 'What is the Euro?':

'By the time of the global "credit crunch" in mid-2007, the euro was the second global reserve currency after the US dollar. **This was the outcome of deals between the German Federal Republic and France from 1950.** By 1969, it was evident that Germany would support a single-currency European monetary system if France supported German reunification. France would then partner in the success of German capitalism: low interest rates, low inflation, a large market for its products and good profits would be assured. **In particular French usury imperialism would then consolidate its financial interests in all the southern European states.**' (p1; emphases added)

As for the German imperialists, they too benefited from the Franco-German 'deals'.

'With the absorption of over 16 million East Germans from the former German Democratic Republic, German imperialism successfully pushed its way into eastern Europe and Russia. Many German imports now come from eastern rather than southern Europe.' (p8)

Martin's account of the origins of the euro is highly misleading. The German imperialists did not need Western support to achieve German unification, for the simple reason that they enjoyed that support from the start. Their claims over the GDR were enshrined in the Federal Republic's constitution, which was approved by the three Western allies, including France. Part of the preamble reads: 'The entire German people is called upon to achieve, by free self-determination, the unity and freedom of Germany.'<sup>27</sup> The major obstacle to unification was not

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<sup>26</sup> *The Guardian*, 17 January 2012.

<sup>27</sup> Quoted in 'The Cold War: The Great Powers and their Allies', by J.P.D. Dunbabin, Longman, 1994, p275.

France but the Soviet Union. However, by the end of the 1980s, the Soviet leadership had sold out completely. In return for large loans from German banks, it agreed to allow the Federal Republic to proceed with its take-over plans. Following this betrayal, there occurred one of the greatest acts of European destruction ever, the smashing of a sovereign socialist state and its incorporation into a reactionary, imperialist one.<sup>28</sup>

The so-called 'deal' between the French and German imperialists over German 'reunification' had nothing to do with the creation of the euro, for in truth such a deal never existed. Yes, Margaret Thatcher did speak out against the Federal Republic's schemes, insisting that unification, by fuelling Germany's expansionist ambitions, would destabilise Europe. But she was opposed by the Foreign Office and other figures in her Cabinet, who supported unification. And yes, Francois Mitterrand did strike a cautionary note, maintaining that Germany should put more time and effort into strengthening the EU than absorbing the GDR. However, at the same time as he publicly expressed his misgivings, he confidentially assured his German colleagues that France viewed unification as '**a historical compulsion**' and that he would support it.<sup>29</sup>

There is an ongoing debate among historians about France's role in the unification of Germany. According to Hans-Werner Sinn, an exceedingly right-wing historian, Germany reluctantly gave up the mark in return for French acceptance of unification. He wrote: 'It is an open secret that Germany had to buy the consent of France by sacrificing the deutsche mark.'<sup>30</sup> Other bourgeois historians, far more in touch with reality than Sinn, have shown that Helmut Kohl and Mitterrand were essentially of like minds, each committed to the euro and German unification. Mitterrand certainly wanted to influence the pace of Europe's enlargement, but never anything more than that. At no moment, wrote Frédéric Bozo, 'did French diplomacy seek to ... impede German unification.'<sup>31</sup> He went on:

[A] Franco-British-entente to prevent the unity of Germany scarcely existed, except in the dreams of Thatcher. After all, can one imagine that the French president would have taken the risk of irreparable damage to forty years of relations between France and Germany and European construction in this

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<sup>28</sup> 'The only power which could have prevented [unification], the Soviet Union, no longer had the will to do so ... Whereas the Soviet Union had insisted for decades that the price of unification on the basis of free elections was permanent neutrality and detachment from NATO, the price had now shrunk to loans and cash payments.' ('Germany Since 1945', by Adrian Webb, Longman, 1998, p61.)

<sup>29</sup> Quoted in 'Germany since 1945', by Lothar Kettenacker, OUP, 1997, p200; emphasis added. Kettenacker, who is not a Marxist, used this example to drive home the point that historians need to take care when interpreting politicians' public utterances. (ibid)

<sup>30</sup> 'International Implications of German Unification', by Hans-Werner Sinn, in 'The Economics of Globalization', edited by Assaf Razin and Efraim Sadka, CUP, 1999, pp33-4.

<sup>31</sup> 'Mitterrand, the End of the Cold War, and German Unification', by Frédéric Bozo, Berghahn Books, 2009, pxxii.

illusory hope of preventing German unity – which, it should never be forgotten was, for France as for its Western allies, a goal proclaimed since the 1950s?’<sup>32</sup>

The alpha and omega of French policy was always European unification. This, as Bozo explained, gave various historians scope to present French diplomacy one-sidedly, as favouring ‘European unification over German unification’, even to the point where **‘a “deal” was suspected.’**<sup>33</sup>

Contrary to Martin’s account of the diplomatic sparring of 1989-91, the French never made German unification conditional on European unification, any more than the Germans made European unification conditional on German unification. The financial oligarchs of both countries were always enthusiastic proponents of the European Monetary Union, the body responsible for establishing the euro.

In his study of the euro’s origins, Martin places special emphasis on the activities of what he terms ‘French usury imperialism’. Why he defines French imperialism in this way, he seems reluctant to say. In his 2006 article, Yaffe provides a clear explanation of why he characterises Britain as a usurious power. No less importantly, he shows what consequences follow from this characterisation. Lacking an adequate industrial base to support its usurious activities abroad, Britain’s ruling class has no choice but to throw in its lot with either the EU or US. Does Martin believe that France and Britain are members of the same imperialist **type**, destined to share a similar fate? Or has he used the expression ‘usury imperialism’ loosely, as a means of highlighting certain aspects of France’s capital exports to other countries? Either way his analysis lacks insight and breadth of vision. To draw attention to France’s specific economic features without at the same time considering **the imperialism of the EU as a whole** is to misconstrue the nature of the European project. It is also to devalue Yaffe’s analysis of British usury imperialism.<sup>34</sup>

And into which category does Martin slot Germany? Having made a special point of portraying France as a usurious power, he should have said something about how he characterises Germany, France’s chief partner in crime. To give Martin’s analysis a certain balance (if not precision) we shall refer to German imperialism as ‘German X imperialism’ and leave him to make the appropriate substitution.

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<sup>32</sup> ‘Mitterrand, the End of the Cold War, and German Unification’, by Frédéric Bozo, Berghahn Books, 2009, pxii.

<sup>33</sup> Ibid, pxxv; emphasis added.

<sup>34</sup> Touching on the question of imperialist types, Lenin wrote: ‘Unlike British colonial imperialism, French imperialism might be termed usury imperialism. In the case of Germany, we have a third type; colonies are inconsiderable, and German capital invested abroad is divided most evenly between Europe and America.’ (22/243) In Yaffe’s hands, the notion of **imperialist types** is a powerful analytical tool; in Martin’s it is at best an over-simplification and at worst a distortion.

## The national question and confusion in the ranks of the RCG

The Europe that emerges from Martin's analysis is a microcosm of a greater universe, replete with **oppressed nations** and **rival imperialisms**, even with **different imperialist types**. In his estimation, France and Germany entered into a special arrangement for the partitioning of Europe into **spheres of influence**, with 'French usury imperialism' financially strangulating the southern European states and 'German X imperialism' plundering the eastern ones. The EU, as Martin sees it, is but a scaled-down version of international capitalism.

Given Martin's perspective, I am surprised that he has nothing to say about the national question, at least as it affects the Eurozone. His accounts of France and Germany's predatory activities certainly suggest that Greece and other Eurozone countries are **oppressed nations**. However, instead of clarifying his position on this issue, he leaves us with the impression that something strange is afoot in the Eurozone – namely, that the French and German imperialists are looting the Eurozone's poor and weak nations **without oppressing them**.

For Marxists, the struggle of oppressed nations for self-determination constitutes an essential element of the proletariat's struggle for socialism. If the Eurozone is made up of oppressed and oppressor nations, then the French and German workers are duty bound to campaign for the Eurozone's dissolution, in the same way that the Chartists campaigned for the dissolution of the United Kingdom.

The Chartists had little difficulty grasping the linkage between class exploitation at home and national oppression abroad. The following resolution, unanimously adopted at a mass Chartist meeting, was typical of the many resolutions moved by Britain's revolutionary workers on the Irish question:

'That this Assembly records its deliberate conviction that the so-called "Union" between Great Britain and Ireland is unjust in principle, in as much as it abrogates the first and greatest right of the people of all nations – namely, the right of self government, also because it is notorious that such "so-called Union" was accomplished by the basest of fraud and force, and was never sanctioned by the Irish people.' <sup>35</sup>

Implicit in Martin's article is the assumption that the Greeks are an oppressed people, plundered by 'French usury imperialism' and 'German X imperialism'. The inescapable conclusion to be drawn from his analysis is that the workers of the **oppressor** Eurozone nations should aim at **breaking-up** the 'so-called Union', rather than at creating an all-European communist party for establishing socialism on an all-European basis. Yaffe's analysis leads to an altogether different conclusion, namely that the Greek workers are in the vanguard of the

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<sup>35</sup> *The Northern Star*, 13 May 1848; emphasis added.

struggle, not only to overthrow the Greek bourgeoisie, but also to deliver a crushing blow against Europe's financial oligarchy.

By paying insufficient attention to the emergence of 'European imperialism proper', Martin has made it impossible for the RCG to deal with the question of European nationalism in a consistently revolutionary fashion. This becomes evident when we consider the article 'Greece defaults amid protests', which appears alongside Martin's article. Written by Andrew Alexander, it sounds the following warning about Greek struggles:

'As with all movements, different forces are emerging, and some are coming into confrontation with each other. There are right-wing, nationalist and racist components which are attempting to hijack this massive popular movement.'<sup>36</sup>

But why has the RCG distanced itself from Greek nationalism? If the small and weak EU countries are being oppressed by 'French usury imperialism' and 'German X imperialism', then the RCG should draw the distinction between **reactionary** European nationalism (the nationalism of the French and Germans) and **progressive** European nationalism (the nationalism of the southern and eastern Eurozone states). When in 1916 Irish socialists and democrats rose up against the grinding heel of British imperialism, many were imbued with nationalist beliefs, **but objectively they were fighting imperialism**.

Throughout its decades-long campaign for the break-up of the UK, the RCG has consistently supported Irish nationalism. Why, then, is it critical of Greek nationalism? This question assumes special importance when we consider the slogan at the end of the 'Greece defaults' article. It reads: 'Victory to the Greek people', which, as a broad slogan, seems straightforward enough. However, since the RCG is unwilling to state where it stands on the question of the right of the southern and eastern Eurozone nations to self-determination, it reduces this slogan to a meaningless generality. Victory to the Irish people will mean a united and independent Ireland. Does the RCG believe that this holds for the Greek people, too? Does it believe, as the SWP does, that the struggling Greek masses should withdraw from the EU and establish a sovereign Greek state? If the RCG is of the view that the Eurozone is made up of rival imperialist powers, each with its own 'sphere of influence', it must unequivocally support the Greek peoples' right to self-determination.<sup>37</sup>

Clearly, how we characterise the Eurozone will have profound implications for the way we in which we define the European proletariat's tasks in relation to the struggle for state power. Martin's position, however, is so lacking in clarity as to

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<sup>36</sup> 'Greece defaults amid protests', by Andrew Alexander, *FRFI* 222, August/September 2011, p9.

<sup>37</sup> It needs to be pointed out here that Ireland did **not** vote to join the EU. Only a **free** and **united** Ireland can settle this issue. When the Irish people achieve their liberation they will enjoy the right to repudiate all the elections and referendums that have been held in their name.

militate against the creation of an all-European proletarian party, one committed to the creation of an all-European proletarian state.

### **‘Greece must now be cut loose’**

Despite his portrayal of Greece as a **plundered** nation, Martin seems unwilling to define it as an **oppressed** nation. Bourgeois critics of the Eurozone have no such misgivings. On 15 February, while the Greek people were waging massive struggles against the EU imposed austerity measures, the Tory leader in the European parliament, Martin Callanan, hollered: ‘Greece must now be cut loose’.<sup>38</sup> Larry Elliot added his voice to this clamour. Greece, he declared, is suffering ‘the humiliation of **colonial status**.’<sup>39</sup> To free itself of German domination, it should exit the Eurozone and reintroduce a devalued national currency. This will enable it to boost its exports and put an end to the self-defeating austerity programme. He rounded off his solicitous advice by playing to the nationalist gallery. In an article entitled ‘Merkel will be happy if Greeks leave quietly’, he opined:

‘The Germans want the Greeks out. ... Mind you, the Greeks are not too keen on the Germans either.’<sup>40</sup>

The idea that the Germans and Greeks are not too keen on each other is widespread throughout Europe, thanks to the antics of bourgeois propagandists who are eager to fan the flames of nationalism. A poll in the *Bild am Sonntag* newspaper found over 60 percent of Germans favoured a Greek withdrawal from the Eurozone. Pandering to nationalist sentiments, Hans-Peter Friedrich, Merkel’s interior minister, called for a quiet and orderly Greek exit. ‘Greece’s chances of regenerating and becoming competitive’, he declared, ‘are definitely greater outside the eurozone than in.’<sup>41</sup> He was supported by large and influential sections of the German press, which urged parliamentarians to take a firm stand and vote ‘no’ to the Greek rescue package. All of which gave weight to Elliot’s assertion that the German establishment would be glad to see the back of the Greeks. And yet of the 591 German MPs who voted on the Greek bailout, as many as 496 (including Friedrich) voted ‘yes’. This prompted the British press to intensify its divisive campaign. *The Guardian* intoned:

‘The vast majority of German MPs voted for the 130bn euro package, despite it being ever more unpopular among the electorate, who know Germany will foot the bulk of the bill. ...

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<sup>38</sup> *The Guardian*, 16 February 2012.

<sup>39</sup> ‘Slaying the demons of debt could kill the euro’, by Larry Elliot, *The Guardian*, 20 February 2012; emphasis added.

<sup>40</sup> ‘Merkel will be happy if Greeks leave quietly’, by Larry Elliot, in *The Guardian*, 11 February 2012.

<sup>41</sup> *The Guardian*, 25 February 2012.

'The vote came as Greeks were absorbing news that Germany was sending tax collectors to Greece to help with the country's evasion problem. Niki Fidaki, a computer scientist, said anti-German feeling increased markedly over the weekend. "It's disgusting," Fidaki said. "They shouldn't be ordering us about. People don't like the Germans.'" <sup>42</sup>

Unable to explain why the German ruling class wishes to preserve the Eurozone, a number of bourgeois commentators have fallen back on the 'contagion' argument. In their view, the European leaders are worried that if Greece leaves the EU, the bond speculators will descend on other European countries, causing massive bank losses throughout the EU. As *The Guardian* stated:

'There is a serious case to be made for Greece going its own way, but the argument is as finely balanced as it is fraught. ... Nobody can be sure ... whether or not Europe's claimed financial firewalls are really adequate to check contagion spreading to Portugal, Ireland or indeed Italy, which is surely too big to save.' <sup>43</sup>

The SWP adopts a similar approach. In its analysis of Europe, it presents the European imperialists as if they are caught in an intractable dilemma. According to the *Socialist Worker*:

'Some say Greece should be kicked out of the euro in an attempt to stop its crisis spreading. Others want to see a new bailout for Greece and are desperate to hold the euro together. They fear that if Greece defaults on its debts, other countries could follow. ...

'Greece is one of the smaller economies in the eurozone. But such is the scale of the crisis that if Greece fails it could drag the most powerful economies down with it. European banks fear that a Greek default will mean they lose out on debt repayments.' <sup>44</sup>

Mesmerised by bourgeois propaganda, the SWP is incapable of grasping European realities. If Greece withdraws from the EU, Europe's financial oligarchy will undoubtedly suffer a major blow, not because 'market forces' will destabilise the remaining EU countries (as sections of the bourgeois press warn) but because a great opportunity will arise for the American imperialists to transform Greece into a neo-colony. As an American outpost at the Eurozone's eastern edge, Greece would play a pivotal role in holding the European imperialists in

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<sup>42</sup> *The Guardian*, 28 February 2012.

<sup>43</sup> *The Guardian*, 16 February 2012.

<sup>44</sup> *Socialist Worker*, 25 February 2012, p3, and 11 February 2012, p3.



check. And that is precisely why Callanan advocated ‘the cutting of Greece loose’.<sup>45</sup>

Europe’s financial oligarchs are very clear about where they stand on the question of European unity. They are not, nor have they ever been, in two-minds about whether this or that floundering Eurozone state should be ‘cut loose’. They want the Eurozone to remain intact at all costs, provided the burden is borne by the working class and oppressed peoples. Given the fact that Greek workers are in the forefront of the struggle against the Eurozone’s austerity programme, it is imperative that workers throughout Europe should rally to their defence, not by throwing their weight behind this or that imperialist ‘rescue package’, but by engaging in mass, anti-imperialist struggles.

The SWP has its own ideas about what constitutes anti-imperialist struggles. At a ‘Europe Against Austerity’ event held in London in 2011, Alex Callinicos, a leading SWP theorist, disassociated himself from the ‘nationalist dangers’ lurking in Europe. And then, with his internationalist credentials established, he called on the Greek people to exit from the Eurozone, on the grounds that ‘the logic of national struggles means breaking with the euro.’<sup>46</sup> Oblivious to the contradictory nature of his position, Callinicos seemed to relish the opportunity of presenting himself as an anti-nationalist proponent of Greek nationalism.

Martin’s analysis is so riddled with ambiguities about the European project that it is unclear whether he rejects or supports Callinicos’ position. Does he believe that ‘the logic of **national** struggles means breaking **with** the euro’, or does he believe that the logic of **socialist** struggles means **breaking** the euro through the overthrow of Europe’s financial oligarchy? So long as Martin presents the euro as the product of a ‘deal’ between rival imperialist powers for the super-exploitation of the southern and eastern European states, he will find it impossible to counter the opportunists in a consistently Leninist way.<sup>47</sup>

The threat to the European socialist movement comes not only from petty-bourgeois nationalists, but also from pseudo-internationalists, members of the

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<sup>45</sup> Well in advance of the euro crisis, Alan Freeman wrote: ‘To operate as a world economic power, Europe requires also to operate as a world military power. Although, therefore, the integration of Eastern Europe is economically immensely costly, for strategic geopolitical reasons **it is indispensable**. Europe’s highly ambivalent and conflictual relations with the accession countries are dominated by the contradiction between the thirst of European capital to extract the maximum possible surplus profit from them, **and the danger that this over-exploitation will drive them into the arms of the rival hegemonic project of US capital.**’ (Review of Guglielmo Carchedi’s ‘For Another Europe: A Class Analysis of European Economic Integration’, by Alan Freeman, in *Historical Materialism*, Volume 14, 2006, p294; emphases added.)

<sup>46</sup> *Weekly Worker* 884, 6 October 2011.

<sup>47</sup> A notable feature of Martin’s article is the absence of any reference to opportunism. Bearing in mind that *FRFI* has repeatedly drawn attention to Lenin’s anti-opportunist stand (especially his view that ‘the fight against imperialism is a sham and humbug unless it is inseparably bound up with the fight against opportunism’), I find Martin’s reluctance to confront the SWP and other opportunist organisations surprising.

European labour aristocracy who are salivating at the prospects of a fully integrated Europe. At the same time as the SWP and others are propagating their Eurosceptic ideas, Europe's trade union barons are doing their utmost to convince workers that the EU is a force for progress. Early in 2011, on the eve of a Bundestag vote for an enlargement of the Greek bailout fund, the German trade unions published a quarter-page advertisement in several major daily newspapers calling for a 'yes' vote. Part of the advertisement reads:

'Without the cooperative efforts of all countries in the euro zone the disintegration of the common currency looms with far-reaching consequences for wealth and employment. Our mothers and fathers have built a peaceful Europe on the ruins of two world wars.... It is our responsibility to preserve a united Europe for our children and grandchildren to preserve.'<sup>48</sup>

The trade union barons have but one 'responsibility' and that is to secure for themselves as large a share of imperialist plunder as possible. To this end they are actively participating in the creation of an all-European state, the means by which their masters can suppress revolutionary struggles at home, intensify the super-exploitation of the Third World, and 'grab everything' (to use Lenin's memorable phrase) from the US. Under these circumstances, the way forward for the European proletariat lies not in the break-up of the Eurozone, or in the preservation of the Eurozone 'for our children and grandchildren', but in the formation of an all-European workers' party, one committed to the expropriation of the European bourgeoisie as a whole.

### **Martin's economistic approach to the analysis of the EU**

Although Martin is firmly of the view that the leading European countries are 'deeply split' over how to deal with the economic crisis, he nonetheless believes that the economic integration of Europe is inevitable. He writes:

'By 1999, with the inescapable drive to defeat their economic rival, the US, the key continental European states had completed the creation of the euro as their financial weapon.' (p8)

The creation of the euro, he further argues, was the first step in a process that will lead ultimately to the formation of a European fiscal union. The current discussions over such a union, he notes,

'anticipates **one large economy** with Germany in the lead. Neither Germany nor Europe has any choice.' (p9; emphasis added)

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<sup>48</sup> Quoted in 'German trade unions back European Stability fund', by Dietmar Henning, *World Socialist Web Site*, 1 October 2011. [wsws.org/articles/2011/oct2011/unio-o01.shtml](http://wsws.org/articles/2011/oct2011/unio-o01.shtml)

Having boldly asserted that the EU is made up of rival imperialist powers, Martin now insists that these powers are so gripped by the urge to defeat the US that they do not have 'any choice' but to forge 'one large economy'.

Given Martin's acceptance of the inevitability of the Eurozone's economic integration, I am surprised that he has nothing to say about the state-building processes which are integral to that integration. All we learn from him is that 'one large economy' is likely to take shape at some point in the future because the European imperialists have an 'inescapable drive' to meet the challenge posed by the US.

The European imperialists have never tired of presenting the European project as a counterweight to American power. In answer to the question, 'Why does the EU exist?', Goran Persson, Sweden's prime minister, declared: 'It's one of the few institutions we can develop as a balance to US world domination.'<sup>49</sup> This is obfuscation of the highest order. The chief purpose of the European imperialists is not to neutralise US power but to supplant it; not to compete with the US but to triumph over it. And that is why they have no choice but to forge **one large state**.

What Martin does not seem to realise is that the creation of a single economic entity will involve major changes to the EU's politico-military structures. He gives the impression that economic integration will occur (eventually, when the economic crisis subsides), and that the necessary state apparatuses will fall neatly into place. In reality, however, the two processes – the creation of 'one large economy' and that of 'one large state' – **are indissolubly linked**.

Martin's failure to grasp the European project in both its economic and politico-military aspects is evident from his analysis of the role of the euro in the international monetary system. He states, correctly, that the euro is the 'financial weapon' of the European imperialists in their drive to defeat the US, but seems reluctant to develop this line of reasoning further. By focusing narrowly on the economic side of the European project, he unavoidably overlooks the euro's politico-military significance. In this respect his analysis lags far behind those of other Marxists.

According to Guglielmo Carchedi, the euro will become 'a real challenger of the dollar' only if it is supported 'both by **a sovereign political entity** and by **an overpowering military force**.'<sup>50</sup> He continued:

'The point is that, to become a veritable rival of the US dollar, it is not sufficient for the Euro to be the currency of a powerful economic bloc (the EU). Something more is needed. First, this currency has to be managed as if

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<sup>49</sup> *The Telegraph*, 15 June 2001.

<sup>50</sup> 'For Another Europe: A Class Analysis of European Economic Integration', by Guglielmo Carchedi, Verso, 2001, p142; emphases added.

it were a world currency. And, second, it has to be backed by sufficient military strength. ... It is precisely on the military level that the US tries to contain the emergence of the Euro as a challenger of the dollar.’<sup>51</sup>

Soon after the end of WWII, the French expressed themselves forcefully on this head, declaring that Europe (and not just France) will reach full maturity only when it has its own army. The US authorities bridled at the thought of an autonomous European military power. In all their dealings with the Europeans, they made it clear that the different European states must affirm their European identity ***within the Atlantic framework***. For their own reasons – mainly their desire to keep the City as an independent British institution – the British imperialists opposed European military integration under European control. They supported (and still support) military cooperation, but largely within the limits laid down by their American allies.

At Maastricht, owing to the closeness of the relationship between France and Germany, the different European states took a step, albeit a small one, towards formulating a common foreign and security policy (CFSP). But they could do this only by isolating Britain, which, in an attempt to neutralise French and German influence, sought to win the backing of other EU countries for the American position.<sup>52</sup> As Carchedi noted:

‘The UK has always been for military cooperation but against military integration. ... Now, an independent European military force would be a strong factor pushing towards some sort of a (federalist) European state and thus towards a full economic integration of the UK within the EU. This explains Britain’s opposition to ... an incisive military force.’<sup>53</sup>

The European imperialists have always spoken in favour of the development of an integrated European military power, without which the euro will remain a blunt instrument in their struggle for global domination. In the midst of the current economic crisis, Merkel stated that the EU must work closer together ‘on political as well economic matters, specifically in developing a European defense policy.’<sup>54</sup> When European militarism comes strutting on the world stage again, it will do so under the command of a European-wide military establishment, with the sign of the euro emblazoned on its banner.

The RCG has long recognised the multi-faceted nature of the European project. Its leading organ, *FRFI*, contains a wealth of articles on such topics as

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<sup>51</sup> ‘For Another Europe: A Class Analysis of European Economic Integration’, by Guglielmo Carchedi, Verso, 2001, pp190-1.

<sup>52</sup> See ‘Mitterrand, the End of the Cold War, and German Unification’, by Frédéric Bozo, Berghahn Books, 2009, pp328-9.

<sup>53</sup> Carchedi, *op cit*, pp193-4.

<sup>54</sup> *The Guardian*, 8 February 2012.

European military integration,<sup>55</sup> the harmonisation of European labour legislation (especially with regards to the super-exploitation of non-EU migrants),<sup>56</sup> the formulation of a common European foreign policy,<sup>57</sup> and so on. To ignore these aspects of the European project is to deny European realities. As Alan Freeman and Boris Kagarlitsky pointed out:

‘It should not be forgotten that the nation-state is more than just a sovereign body; it is an integrated one. It holds the social fabric together. It sits at all the levers: from money and guns, through policing and education, down to social provision, traffic and even pest control. ... This is precisely why the Europeans are so busily engaged in constructing all the apparatus of a nation-state at the European level, including a pan-European military capacity. **Simply controlling money or trade ... is no way to run a society.** The EEC is not “another” international institution like the WTO; it is an exercise in constructing **a new nation-state** with an integrated capability to make laws, execute them and enforce them.’<sup>58</sup>

All this is missing from Martin’s article. The **only** time he touches on the question of the creation of an all-European state power is when he writes:

‘There is no super-authority in Europe to constrain state budget overspends. There are no common eurozone bonds, which the German Bundesbank anyway opposes. There is no central fiscal authority.’ (p8)

By ignoring the political ramifications surrounding European integration, Martin inescapably arrives at the conclusion that the EU is nothing but a coalition of imperialist powers bound together by the euro. His sub-heading – ‘One currency: many states’ – neatly encapsulates his perspective.

Given Martin’s preoccupation with the purely economic side of the EU, he not surprisingly adopts a muddled and superficial approach towards the euro crisis.

## **The euro crisis**

According to Martin, the current economic crisis, owing to its severity, is pitting the European powers against one another, as each strives to safeguard its investments at the expense of the others. This in turn has resulted in a ‘deep split’ between France and Germany ‘over whether and how private lenders should take the losses.’ (p8) So although the European powers have embarked

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<sup>55</sup> See ‘Fortress Europe and the Trojan Horse’, by Trevor Rayne, in *FRFI* 147, February/ March 1999.

<sup>56</sup> See ‘Fortress Europe’, by Nicki Jameson, in *FRFI* 168, August/September 2002, p5.

<sup>57</sup> See ‘EU steps up hostility to Cuba’, by Juanjo Rivas, in *FRFI* 174, August/September 2003, p5.

<sup>58</sup> ‘World Empire – or a World of Empires?’, by Alan Freeman and Boris Kagarlitsky, in ‘The Politics of Empire’, edited by Alan Freeman and Boris Kagarlitsky, Pluto Press, 2004, p15; emphases added.

upon a path leading ‘inescapably’ to the formation of ‘one large economy’, the crisis, in Martin’s estimation, is a barrier to the realisation of that goal.<sup>59</sup>

Not surprisingly, the bourgeois critics of the EU, especially those based in Britain, emphasise the negative impact that the economic crisis is having on the European project. According to Larry Elliot, the European Monetary Union was fundamentally flawed from the start, but only now, with the advent of the global crisis, is this truth coming to light. Europe, he opines, is very unevenly developed, made up of both powerful and weak nation states, but artificially bound together by one currency. The ideal solution is a transfer of capital from the surplus countries to the deficit ones, but self-interest is preventing this from happening. The financial turmoil spreading across Europe is therefore widening the gap in living standards ‘between the rich north and the poor south of the eurozone.’<sup>60</sup> And since the strains are simply ‘too great for the weaker members’, the demise of the EU in its present form is inevitable.<sup>61</sup>

For the bourgeois critics of the European Monetary Union, the economic crisis has not only laid bare the contradictions inherent in the European project, but has also revealed the futility of the enterprise itself. Had the crisis broken out at the time of the euro’s creation, William Keegan asserted, a question mark would have hung over ‘the entire system’ at the outset.<sup>62</sup> Rafael Behr concurs. The ‘credit crunch’, he states,

‘has buried the European Idea. The moral authority contained in the vast achievement of binding Europe’s bellicose tribes into peaceful collaboration is spent. There will be no 21st century European superpower, just a bunch of middle-sized ex-powers haggling over a dwindling pot of devalued money.’<sup>63</sup>

As always, Callinicos follows in the footsteps of the EU’s bourgeois critics. He readily acknowledges that the global economic crisis is weakening the US, but hastens to add that the crisis is producing even greater turmoil in the EU. Hence his comforting conclusion:

‘No rival is currently in a position to supplant [the US]. The crisis has exposed the EU as a shambles...’<sup>64</sup>

The bourgeois defenders of the European project have a different story to tell. The crisis, they insist, has accelerated European integration and not hindered it. One EU devotee from Lithuania declared:

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<sup>59</sup> Shades of the ‘hostile brothers’ theory of inter-imperialist rivalry permeate Martin’s article.

<sup>60</sup> ‘Heavy hitters fail to see the real threats’, by Larry Elliot, *The Guardian*, 28 January 2012

<sup>61</sup> ‘Cuts on the menu as five-star guests arrive’, by Larry Elliot, *The Guardian*, 16 January 2012.

<sup>62</sup> ‘If anyone in Britain is anti-business, it’s George Osborne’, by William Keegan, *The Observer*, 12 February 2012.

<sup>63</sup> ‘Europe’s dreams of superpower status are lying in tatters’, by Rafael Behr, *The Observer*, 23 May 2010.

<sup>64</sup> ‘Thinking through the current crisis’, by Alex Callinicos, *Socialist Worker*, 1 November 2008, p4.

‘Viewed from its eastern edge, the European Union still matters. That is to say it matters in its original sense: as a force for peace, stability and progress... Its crisis is reinvigorating the French-German relationship at the core of the European Union. It has forced a new fiscal pact aimed at harmonizing budgetary decisions and limiting deficits. It has sparked new talk of a deepening union that will not be held back by outriders like Britain. It has kindled a little of the old idealism.’<sup>65</sup>

Although Martin rejects the bourgeoisie’s claptrap about the EU being ‘a force for peace, stability and progress’, he fails to deal adequately with the Eliot type critics of the EU. Instead of challenging the idea that economic crises will always and necessarily engender European disunity, he seems to support that idea. Yet as any serious study of the EU will show, recessions have acted as a stimulus to European integration as much as booms have done.

Had Martin undertaken a close study of the crisis of British usury imperialism, he might have adopted a more rounded approach to his analysis of the EU.

### **British usury imperialism and the splits in the British ruling class**

As already noted, the British imperialists are in a precarious position. To maintain their role as global usurers they will have to join forces with either the EU or US. When, therefore, SWP theoreticians tell us that the Tory Party’s attitude towards Europe is shaped by the desire to ‘defend the City’,<sup>66</sup> they reveal the superficiality of their approach. **All** the warring factions of the British ruling class wish to ‘defend the City’. Some wish to defend it by drawing closer to the EU, others by withdrawing from the EU altogether, and still others by straddling the divide between EU and US. These divisions are cross-party. When in December last year Cameron railed against the EU as a threat to the City, Jo Johnson, a Tory MP, rejoined: ‘Populist pressure on David Cameron to drape the City in a union flag is counter productive.’ He went on to argue that a part of the defence of **Britain’s** national interest must involve a concerted effort to make the City a key **European** institution. He concluded:

‘The future is a struggle between New York, a European hub in London, and centres in Asia. This is not to say the City should be Europe’s only financial centre. However, while Paris, Frankfurt and Milan will remain central for their domestic economies, only London has critical mass as **an EU-located global financial centre.**’<sup>67</sup>

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<sup>65</sup> ‘In Europe, a force for stability’, by Roger Cohen, *The New York Times*, February 5, 2012.

<sup>66</sup> ‘Why are Tories on the attack?’, *Socialist Worker*, 5 November 2011, p3.

<sup>67</sup> ‘Why Europe needs the City’, by Jo Johnson, *The Guardian*, 27 December 2011; emphasis added.

The European imperialists are paying close attention to this dispute and are willing to intervene when their interests are at stake. Without overstepping the bounds of acceptable diplomacy, they are endeavouring to isolate the anti-Europeans, give strength to the pro-Europeans and bring the doubters on board. At the same time as they are establishing a strong presence in the City, they are seeking to draw the British ruling class into closer relations with the Eurozone, especially with regards to the development of a common European 'defence' policy. The Americans have no illusions about the threat this poses to their hegemony and wish to use Britain as a Trojan Horse (to use Rayne's excellent expression) to prevent 'European imperialism proper' from taking shape. The British, of course, remain deeply split on this issue and, as Craven noted, cannot 'make up their minds'. Under these circumstances, only misty-eyed 'Marxists' would accept anything Britain's bourgeois politicians have to say about the EU **at face value**. Yet this is precisely what the SWP does.

Ever since the euro crisis broke out, Cameron has repeatedly announced that his primary concern is to bring stability to Europe. 'Our national interest', he declared, 'is that these countries get on and sort out the mess that is the euro.'<sup>68</sup> Echoing his concern, George Osborne warned that the collapse of the EU would cause 'shockwaves across the whole European economy and the world economy.'<sup>69</sup> From which the SWP concluded that the British imperialists have a vested interest in a stable EU.

When Cameron says that he is committed to delivering a better and fairer NHS, the SWP has no difficulties in denouncing him as a liar. And when Nick Clegg declares that the government will safeguard the NHS as a public service, the SWP happily brands him as a trickster who is cynically engaged in presentational stunts. 'Clegg lies over health bill', screams a headline in *Socialist Worker*.<sup>70</sup> And when Andrew Lansley insists that medical staff support the NHS bill, the SWP shouts from the roof tops that he is involved in a 'Tory plot to privatise the NHS'.<sup>71</sup> And when these lying, scheming, plotting politicians promise that they do not intend to sell off the health service to profiteering vultures, the SWP dismisses their words as mere 'rhetoric'.<sup>72</sup> **Yet when Cameron says that he believes in a stable EU, the SWP refuses to question his veracity. Why is this?**

The labour aristocracy and privileged petty-bourgeoisie are caught on the horns of a dilemma. On the one hand, they have a vested interest in the super-exploitation of the Third World, and hence in activities which **destabilise** the lives of hundreds of millions of oppressed peoples. On the other hand, they expect the world's looters to behave decorously towards one another, expect them to

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<sup>68</sup> *The Guardian*, 31 January 2012.

<sup>69</sup> *Socialist Worker*, 4 February 2012, p4.

<sup>70</sup> *Socialist Worker*, 10 March 2012, p2.

<sup>71</sup> *Ibid.*

<sup>72</sup> *Socialist Worker*, 17 March 2012, p3.



safeguard the loot from which they, the labour aristocracy and privileged petty-bourgeoisie, obtain their tasty morsels. Until an inter-imperialist war actually breaks out, the opportunists will do all in their power to deceive themselves and others that the imperialists have a stake in global stability.

It is beyond the scope of the petty-bourgeois mind to contemplate why, in a period of peace, one imperialist power should deliberately set out to destabilise another. If the EU collapses, so the SWP's reasoning runs, everyone will suffer as a consequence. As any rational capitalist must know, a failed EU will rebound negatively on Britain, which has strong economic ties with Europe. So when Cameron says that he wants a stable and united Europe (so long as it does not weaken the City), we have no reason to disbelieve him. And that is precisely how the opportunists argued on the eve of WWI, when advancing their comforting 'rebound' theories at the sittings of the Second International.<sup>73</sup>

The RCG has sharply criticised the SWP for denying the possibility of war between the EU and US, and for failing to acknowledge the deep divisions within the British ruling class over Europe. These divisions have their origin in both the parasitic character of British imperialism and the growing rivalry between the EU and US. While one faction of the British ruling class wishes to **strengthen** the EU another wishes to **destabilise** it.

This by no means completes the picture, for among the opponents of the EU there are those who wish to destroy the European project from within (the 'Trojan Horse' faction of the British ruling class) and those who wish to destroy it from without (the 'battering-ram' brigade). To add to the confusion, many bourgeois politicians are highly inconsistent in their allegiances, veering now towards one faction, now towards another, without even trying to cover up their tracks. At the European Summit in December 2011, Cameron openly endeavoured to scuttle the EU, exercising a veto which had the sole effect of drawing the rest of Europe closer together.<sup>74</sup> Upon his return to Britain, he faced a barrage of criticisms, not

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<sup>73</sup> A few weeks before the outbreak of WWI, in preparation for the Vienna Congress of the Second International, the International Socialist Bureau sent delegates a number of reports on imperialism. One of these, written by Willem Vliegen, assured the International that a European war was unlikely to occur. The internationalisation of economic life, went the gist of his argument, had made the capitalists of all nations dependent on global stability for their profits. 'Nowadays,' Vliegen declared, 'it is impossible to disturb the economic life of one country without seriously hampering that of many other countries. ... The economic ruin of one great country means an economic calamity for the whole civilised world.' ('International Socialist Congress of Vienna. Documents. 3rd Commission: Imperialism and Arbitration. Report by Vliegen', Bureau Socialiste International, Bruxelles, June 1914, p4.) When war broke out, Vliegen became an outright social-chauvinist, unashamedly calling for the defense of the Dutch fatherland.

<sup>74</sup> 'David Cameron plunged Britain's position in Europe into the greatest uncertainty in a generation as he used his veto to block a new EU-wide treaty and left at least 23 other countries to forge a pact to salvage the single currency. With the apparent blessing of the pro-European deputy prime minister, Nick Clegg – and the subsequent delight of Tory backbenchers – Cameron deployed the ultimate weapon in European summitry at about 2.30am yesterday. EU leaders promptly agreed to bypass Britain and establish a new accord on the euro among themselves by

least from the City gentlemen themselves. At the next European Summit, held in January 2012, Cameron adopted a different tactic, much to the fury of his Europhobic backers. With all his troubles thick about him, he decided that an openly intransigent position no longer recommended itself to him. He accordingly 'unvetoed' his previous veto, but was not on that account the less resolute in his determination to keep Britain out of the Eurozone. Instead of wielding the battering-ram, he rolled in the Trojan Horse, the better to undermine the EU from within. The European imperialists, who have learnt to be wary of Britons bearing gifts, were unimpressed by his performance.

And then, just a few weeks later, in February 2012, he revealed a different aspect of his nature, the reverse side of the Cameron coin. On a visit to France to consolidate Franco-British military co-operation, he alighted from his Trojan Horse, but affably, not as the fearsome warrior his Europhobic supporters had groomed him to be. On this occasion he rushed delightedly into Nicolas Sarkozy's embrace and showered him with kisses. The European imperialists were delighted, also. They wish to draw Britain deeply into Europe, especially on the military front, and hence hold great store by the kind of meeting that took place between Cameron and Sarkozy.

And so the game is being played, which makes it all the more necessary for socialists to subject the utterances of bourgeois politicians to close scrutiny. Regrettably, Martin fails to do this. At the same time as he lays special stress on the 'deep splits' in the Franco-German camp, he completely glosses over the fractured nature of the British ruling class. He not only says nothing about the special impasse in which the British ruling class finds itself vis-à-vis its imperialist rivals, but also seems to believe that Britain is just one 'usury imperialist power' among others. That the British ruling class will have to choose between the EU and US does not seem to have occurred to him. Perhaps if he had considered the *real* French usury imperialism – the French usury imperialism of pre-WWII days – he might have gained some insight into the fate that awaits Britain when the EU and US turn on each other.

The way in which Martin deals with the statements of bourgeois politicians on Europe raises more questions than it answers. For example, he writes:

'Since late 2008, there has been a struggle between the key eurozone powers – France and Germany – over the best way of saving their investments, conserving the eurozone and the European Union itself. The British financial system is also threatened if the indebted countries default. On 20 July Chancellor George Osborne demanded that the eurozone members "get a grip".' (p1)

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March. The EU appeared poised to line up 26-1 against Cameron in support of the Franco-German blueprint, leaving Britain utterly isolated.' (*The Guardian*, 9 December 2011)

When one group of predators tells another group of predators to put its house in order, we can safely assume that posturing is afoot. However, since Martin ignores the split in the British ruling class over Europe, he is unable to expose Osborne for what he is, a supposed friend to the European cause who wishes to undermine the Eurozone by duplicitous means. Instead of ridiculing Osborne's appeal for European stability, Martin attaches credence to it.

Yaffe's 2006 article, it is true, does not deal in depth with the divisions in the British ruling class over Europe. This does not detract from the importance of his article; nor does it indicate any weakness on his part. His objective was to lay the theoretical foundations for a deeper and more extensive analysis of British imperialism and its relationship to the other powers. In this, he succeeded admirably. However, given the nature of the struggles now unfolding, we need to deal with these divisions in a detailed and concrete manner. It is not enough for us to regurgitate established truths, not enough for us to repeat, over and over, that the British ruling class is split and will have to choose between the US and EU. When British politicians hold forth on Europe, we need to decide whether they are inadvertently blurting out the truth or attempting to throw dust into people's eyes. To this end, we must identify the different factions to which these politicians belong and weigh up their pronouncements accordingly. Only then will we be able to determine the extent to which their words match their deeds. Since Martin disregards even the general truths contained in Yaffe's 2006 article, he is unable to throw light on what lies behind the politicians' statements on Europe. In fact, he leaves us with the impression that Osborne and his ilk are genuinely horrified by the lack of leadership among Europe's politicians.

When considering Yaffe's and Martin's articles, readers might draw the conclusion that there is a clear and simple divergence of views in the RCG over the question of Europe. But there is no such divergence. Although one line of RCG thought leads unambiguously to Yaffe's standpoint and another to Martin's, the two lines are often intertwined, sometimes in the same article. This becomes clear when we consider what is perhaps the RCG's most fundamental error, its attempt to merge conflicting conceptions of imperialism into a single, unified theory.

#### **4. The reinvention of Lenin**

##### **Of 'hostile brothers' and 'safety valves'**

The RCG has persistently held to the 'hostile brothers' theory of inter-imperialist rivalry, notwithstanding Yaffe's quiet repudiation of it in his 2006 article. As far back as 1975, Paul Bullock and Yaffe stated:

'The post war boom, with its massive expansion of production and productivity, allowed national capitals to share out world wide profits

according to their relative competitive positions. Hence the relative “peace” between the advanced capitalist nations; “so long as things go well, competition effects an operating fraternity of the capitalist class”. [*Capital*, by Karl Marx, Vol 3, Lawrence and Wishart, 1962, p248.] However, now that it is no longer a question of sharing profits but of limiting losses “competition then becomes a fight of hostile brothers”. [Ibid] Each national capital, as well as confronting its own working class, will be forced to limit its losses at the expense of other national capitals. Protectionism, import controls, competitive devaluations all become acceptable measures as each national capital attempts to survive.’<sup>75</sup>

Bullock and Yaffe were mistaken. During the post-war boom, the imperialists did not distribute the global loot according to their ‘relative competitive positions’. Rather they did so according to the overwhelming military might of the US. In a world partitioned by a handful of predatory powers, ‘competition’ will *never* engender ‘brotherhood’ among the imperialists. To argue otherwise is to indulge in petty-bourgeois wishful thinking, is to cling to the forlorn hope that the imperialists are not as wantonly destructive as the revolutionary Marxists of old said they were. And besides, with the onset of the crisis in the early 1970s, the European imperialists drew closer together and not further apart, a development which Martin would be hard put to explain. As the history of imperialism has confirmed, monopoly capitalists are as likely to make preparations for war in a period of economic growth as they are in a period of economic decline. Yet from the time of its inception to the present day, various RCG theorists have clung to the ‘hostile brothers’ theory of inter-imperialist rivalry.<sup>76</sup>

It needs to be pointed out here that the corollary of the ‘hostile brothers’ theory of inter-imperialist rivalry is the ‘purgative’ theory of inter-imperialist wars. According to this theory, WWII, by physically cleansing the world of its over-accumulated capital, helped to lay the foundations of the post-war boom. The SWP has always been a purveyor of this theory. Thus John Rees wrote:

‘The only way in which the capitalist class can restore the rate of profit is to increase the rate of exploitation (lengthen hours, lower wages and welfare spending or raise productivity) or to destroy capital. The latter is the historic effect of slumps and wars. Both destroy capital and so offset the rising organic composition of capital.’<sup>77</sup>

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<sup>75</sup> ‘Inflation, the Crisis and the Post-War Boom’, by Paul Bullock and David Yaffe, in *Revolutionary Communist* 3/4, November 1975, p5.

<sup>76</sup> See for example ‘The Revolutionary Road to Communism in Britain: Manifesto of the Revolutionary Communist Group’, Larkin Publications, 1984, p7; *FRFI* 56, February 1986, p16; *FRFI* 172, April/May 2003, p6; and *FRFI* 192, August/Sept 2006, p12.

<sup>77</sup> ‘The New Imperialism’ by John Reese, in ‘Marxism and the new imperialism’, Bookmarks, 1994, p95. In an article entitled ‘Crisis and the core of the world system’, Nigel Harris wrote: ‘The period of stagnation, interspersed by “recessions”, is governed by the low level of the world profit rate. ... To restore the world profit rate and so world investment, requires a massive collapse of capital values ... In contrast to nineteenth century capitalism, only war [has] the capacity to wipe

One of the earliest proponents of the 'purgative' theory of wars was Henryk Grossman. He maintained that economic crises, by devaluing constant capital, acted as the 'safety valve for the capitalist class as a whole'. He continued:

'We know that in Marx's conception crises are simply a healing process of the system, a form in which equilibrium is again re-established, even if forcibly and with huge losses. From the standpoint of capital every crisis is a "crisis of purification".'<sup>78</sup>

Up to this point, Grossman's analysis was in keeping with Marx's. In Volume III of *Capital*, Marx showed that an economic slump, by restoring the organic composition of capital to its former level, will raise the rate of profit, allowing economic growth to proceed again. It is in this sense that Marxists liken slumps to a disease that produces its own cure. However, having correctly explained the role of slumps in the accumulation process, he went on to state:

'The specific function of wars in the capitalist mechanism is only explicable in these terms. Far from being an obstacle to the development of capitalism or a factor which accelerates the breakdown, as Kautsky and other Marxists have supposed, the destructions and devaluations of war are a means of warding off the imminent collapse, of creating a breathing space for the accumulation of capital. For example, it cost Britain £23.5 million to suppress the Indian uprising of 1857-8 and another £77.5 million to fight the Crimean War. These capital losses relieved the overtense situation of British capitalism and opened up new room for her expansion. This is even more true of the capital losses and devaluations to follow in the aftermath of the 1914-18 war.'<sup>79</sup>

Grossman's reference to Kautsky was exceedingly dishonest. Not a single revolutionary Marxist of old ever argued that imperialist wars fulfil a 'purgative' function. The fact that Kautsky was shrewd enough to steer clear of extreme right-wing views does not mean that we should ignore what the revolutionary Marxists had to say on this subject. According to Lenin, the only genuinely 'purgative' wars were those waged by the proletariat for socialism and oppressed peoples for national liberation. Inter-imperialist wars were nothing but **robbers' wars**. They served one purpose **and one purpose only**, that of determining

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out a chunk of capital large enough to restore the profit rate.' (*International Socialism*, No 10, Winter 1980/81, p49.)

<sup>78</sup> 'The Law of Accumulation and Breakdown of the Capitalist System: Being also a Theory of Crises', by Henryk Grossman, Pluto Press, 1992, p84.

<sup>79</sup> *Ibid*, p157. Earlier in his work, Grossman maintained that armaments expenditure, by reducing the mass of surplus-value available to the capitalists, slows down the rate of capital accumulation. (*Ibid*, p123) In arguing thus, he anticipated the theory of 'the permanent war economy' as formulated by T. N. Vance and other opportunists.

which of the imperialist powers was powerful enough to lay claim to the lion's share of the global booty.<sup>80</sup>

And yet, despite all the good things that Yaffe and other RCG theoreticians have said about Marx's concept of capital, they have never acknowledged, let alone attempted to overcome, Grossman's obvious shortcomings.

### **The RCG's one-sided presentation of Lenin's *Imperialism***

In a criticism of David Harvey and Robert Brenner, Trevor Rayne (who has written excellent articles for the RCG) stated:

'Nowhere in Brenner or Harvey will you find Lenin's concept of imperialism: the domination of monopoly capital, the fight for spheres of global influence between rival imperialist powers, the division of the world between oppressor and oppressed nations, the inevitable militarism and ***the tendency to war as methods of resolving crises.***'<sup>81</sup>

Casually, almost surreptitiously, Rayne slipped Grossman's viewpoint into 'Lenin's concept of imperialism', despite the fact that Lenin was absolutely adamant that economic crises and wars should ***not*** be tied together.

Rayne's reference to wars as 'methods of resolving crises' was not an accidental or inconsequential error on his part, but followed logically from the RCG's approach to the analysis of imperialism. This is particularly evident in Robert Clough's writings. Thus, after outlining Grossman's theory of crisis, he went on to state:

'Whilst Lenin in his writings was primarily concerned with the political consequences of imperialism – the division of the world into oppressor and oppressed nations and the split in the working class in the oppressor nation – his standpoint followed from an understanding of the capitalist crisis [as analysed by Grossman] which we have set out.'<sup>82</sup>

If RCG members feel that Lenin's writings on imperialism do not adequately address the issue of militarism and wars, then they should say so, openly and frankly, without having recourse to ideological sleights-of-hand. The assertion that Lenin was concerned with anything but the political ***and*** economic

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<sup>80</sup> Grossman took care not to disassociate himself from Lenin's *Imperialism*, even though he knew that his analysis was at variance with Lenin's great work. He wrote confidentially to a friend: 'In your book you should avoid any direct criticism of Lenin. You can make your different view clear, without attacking him – ***otherwise your book will be doomed as heretic.***' (Quoted in 'Henryk Grossman and the Recovery of Marxism', by Rick Kuhn, University of Illinois Press', 2007, p207; emphasis added.)

<sup>81</sup> 'China: between a rock and a hard place', by Trevor Rayne, *FRFI* 208, April/May 2009, p7.

<sup>82</sup> 'Harman: making imperialism disappear', by Robert Clough, *FRFI* 206, December 2008/January 2009, p12.

consequences of imperialism is a gross distortion, unpardonable for those who regard themselves as Marxist-Leninists.

The RCG has always held Grossman in high esteem, but without ever explaining how his analysis enhances our understanding of imperialism. In this regard, I find the intervention of a number of members of the Permanent Revolution group refreshing. Forthrightly, without fear of being branded as 'heretics', they state that Lenin's chief weakness was his failure to incorporate the Marxian theory of crisis into his analysis of imperialism. Keith Harvey, a leading Permanent Revolution theoretician, argued that, although Lenin's work on imperialism 'is full of insight and pointed in the right direction on many questions', it was flawed by 'a weak theory of capitalist crisis', by the fact that he 'never integrated an understanding of the role of the tendency of the rate of profit to fall ... into his theory...' <sup>83</sup> Similarly, Quentin Rudland argued that the concept of the tendency of the rate of profit to fall 'is absent ... from Lenin's writings concerning the nature of contemporary capitalism.' To make Lenin relevant to our modern age, he went on to state, we must endeavour to 'situate the law of tendential fall in the rate of profit' into Lenin's overall analysis of imperialism.<sup>84</sup> It is to be regretted that RCG members are not as candid as the Permanent Revolution members are.

Lenin was never dismissive of Marx's theory of the tendency of the rate of profit to fall. He had a profound grasp of Marx's *Capital*, as any study of his economic writings will reveal. However, as far as his analysis of inter-imperialist wars was concerned, he held firmly to the view that militarism was rooted in the decaying and parasitic nature of monopoly capitalism and not in a particular law of capital accumulation. His so-called failure to integrate crisis theory into his analysis of wars was the result of a conscious choice on his part. By urging us to supplement Lenin's theory with Grossman's, Clough effectively denies that Lenin made such a choice.

Marx's theory of capital accumulation enables socialists to explain why competitive capitalism underwent the transition to monopoly capitalism. It also enables them to defend the working class against the bourgeoisie's lying propaganda campaigns. When, in the early 1970s, the capitalists and their opportunist lackeys blamed falling profit rates on the workers' supposedly excessive wage demands, socialists (including the RCG) correctly gave prominence to Marx's theory of the tendency of the rate of profit to fall. Today, when the capitalists and their opportunist lackeys attribute the crisis to financial mismanagement and a lack of financial regulation, socialists (including the RCG) correctly highlight Marx's theory of the over-accumulation of capital. However, to explain why inter-imperialist wars are inevitable, socialists must focus exclusively

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<sup>83</sup> 'Lenin on imperialism; what he got right and what he got wrong – 2005', by Keith Harvey.  
<http://www.permanentrevolution.net/entry/317>

<sup>84</sup> 'The evolution of Lenin's thought', by Quentin Rudland.  
<http://www.permanentrevolution.net/entry/440>

on imperialism's decaying and parasitic features, which is precisely what Yaffe did in his 2006 article.

Unlike the SWP, the RCG endeavours to uphold Lenin's theory of imperialism; yet like the SWP, it lavishes praise on Grossman. Why the RCG should do so remains a mystery to me. Perhaps it has something to do with the fact that the RCG, which arose out of a split in the International Socialists (the precursor to the SWP), has not yet advanced beyond its original defence of Marxism. During the period when Yaffe and other IS dissidents were waging a principled struggle against Michael Kidron and Tony Cliff over Marx's crisis theory, they found Grossman a source of inspiration. Given their subsequent development as anti-imperialists, I am surprised that they have not re-examined Grossman's analysis in a critical light.

## 5. Conclusion

Any Marxist organisation which fails to acknowledge the existence of different viewpoints within its ranks is in danger of sliding into centrism. According to Yaffe, the gulf between *the imperialism of the EU as a whole* and *the national imperialisms of the member states* has narrowed to the point where the emergence of an all-European military-bureaucratic state machine is now a forgone conclusion. Hence his chilling but inescapable conclusion that war between the EU and US is likewise inevitable.

Martin holds to an entirely different perspective. He looks upon the EU, not as a new imperialist power in the making, but as a coalition of imperialist powers which are 'deeply split' over how to share their crisis-induced losses. Rather than acknowledge the existence of 'European imperialism proper', he mechanically grafts the notion of 'one large European economy' onto that of a bloc of rival European states, and then rounds off his eclecticism by asserting that neither Germany nor France has any choice but to unite. The incompatibility between his and Yaffe's viewpoints should be glaringly obvious to any thinking RCG member.

If the RCG is to build on its theoretical accomplishments and avoid becoming a tangled web of irreconcilable perspectives, it must state – forthrightly and unequivocally – where it stands in relation to Yaffe's and Martin's articles. In addition, it must clarify whether it sees rival imperialists as 'beasts of prey' or 'hostile brothers'. No less important, it must give an unambiguous account of why it views Grossman's analysis as an indispensable supplement to Lenin's. To this end, it must explain what Grossman's writings bring to our understanding of capitalism which Marx's and Lenin's do not.

Alec Abbott  
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(The original version was posted on the internet on 28 March 2012; see Footnote 1.)