The Stakes Rise: Inter-Capitalist Warfare in the USA Ruling Class-Dumping Trump
Hari Kumar, 22 July 2020. For ML-Currents Today

It is obvious that both the crisis of COVID-19 and the united American people’s resistance to racial oppression have exacerbated the underlying economic crisis of the ruling class. The significance of an escalating division within the ruling class of the USA is less appreciated. We review a few recent events on these inter-capitalist divisions.

1. The objective problem facing all USA capitalists regardless of sector
Current ruling class divisions reflects contradictions between big finance capitalists and new technology industries - and big oil, and old manufacturing.¹ This is not an absolute contradiction since capitalist interests inter-penetrate, and have done since Lenin examined it. Nonetheless, there are sectional contradictions. Loosely, the Democratic Party predominantly represents financial capital while the Republican party predominantly represents oil and old manufacturing. But exacerbating divisions is the impossibility of capital solving its problems. At core, this reflects the falling rate of profit and the increasing fragility of the environmental burden of unrestrained capitalism. The new problems post-COVID and ‘Black Lives Matter’ make it worse for the ruling class. The Federal Reserve Governor Lael Brainard recently warned:

“The nonfinancial business sector started the year with historically elevated levels of debt. Already this year, we have seen about $800 billion in downgrades of investment-grade debt and $55 billion in corporate defaults—a faster pace than in the initial months of the Global Financial Crisis.”²

2. Trump’s ‘Strategy’

Trump was strongly supported by two main capitalist sectors, the big oil and extractive industries, and manufacturing. His vaunted 2019 tax-cuts were designed to assist them:

“From tax cuts to relaxed regulations to tariffs, each of President Trump’s economic initiatives is based on a promise: to set off a wave of investment and bring back jobs that the president says the United States has lost to foreign countries. “We have the greatest companies anywhere in the world,” Mr. Trump said, “They’re all coming back now. They’re coming back to the United States.”³

Indeed, there has been a big jump up in the so-called ‘Re-Shoring Index’ measuring US manufacturing at home versus overseas (Figure 1).⁴ Nonetheless, this has not been as dramatic as Republicans had hoped for. Largely, USA companies deserting China have opted to go to other Asian countries or Mexico, increasing labour exploitation and profits:


“The Reshoring Initiative data show fewer than 30,000 jobs that companies say they will relocate to the United States because of Mr. Trump’s tariffs on imported steel, aluminum, solar panels, washing machines and a variety of Chinese goods... Mr. Trump’s trade policies, including tariffs, had pushed factory activity not to the United States but to low-cost Asian countries other than China, like Vietnam. ... Manufacturers of primary metals, which include steel and aluminum, have added fewer than 15,000 jobs since Mr. Trump took office, with more than half of those gains coming before he imposed tariffs on foreign-made metals last year.”

Hence Trump’s trade war and trade war aggression has not helped the industrial worker in the USA. As well, some sectors of industry are finding increased tariffs onerous. Meanwhile Trumps’ other brief – to expand the profits of the oil industry is not doing too well either. It is true that Trump has succeeded in stripping out the environmental barriers to even cursory ecological dangers. But, a dramatic over-supply of oil

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internationally, and the COVID depression of world economies – has put his pet industry on the edge:

“Oil and gas companies in the United States are hurtling toward bankruptcy at a pace not seen in years, driven under by a global price war and a pandemic that has slashed demand..... Almost 250 oil and gas companies could file for bankruptcy protection by the end of next year, more than the previous five years combined, according to Rystad Energy, an analytics company. Rystad analysts now expect oil demand will begin falling permanently by decade’s end as renewable energy costs decline, energy efficiency improves, and efforts to fight climate change diminish an industry that has spent the past decade drilling thousands of wells, transforming the United States into the biggest oil producer in the world.”

3. Escalating the degree of corruption – whitewashing the Russia probe
Of course capitalist governments – govern for their side. Corruption is endemic to capitalism. However recently the scale of Trump-ites was made dramatically more visible. The head of law enforcement in the USA is the Attorney General - William Barr, who has faithfully pushed Trump’s agendas. Overt signs of interference with ‘due process of law’ came in June, as Barr colluded with Michael Flynn’s lawyer. Flynn – Trump’s former National Security Adviser - had pled guilty to charges of lying to the FBI. With Barr’s help, and a Trump appointed judge presiding, charges were stopped.

Most recently Barr blatantly lied as he tried to push out the federal prosecutor of the Southern District of New York – Geoffrey Berman – falsely claiming Berman had resigned. Why did Barr want Berman out? To replace an adversary of Trump with a stooge - Jay Clayton. Who is currently Chairman of the Securities and Exchange Commission, and has never been a prosecutor. Clayton was a legal counsel for Goldman Sachs – up to their eyeballs in the Malaysian sovereign wealth fund scandal “1MDB”. In this scandal:

“Goldman raised over $6 billion in bond offerings for 1MDB but, according to the Justice Department, $4.5 billion of that was “misappropriated” and used “to fund the co-conspirators’ lavish lifestyles, including purchases of artwork and jewelry, the acquisition of luxury real estate and luxury yachts, the payment of gambling expenses, and the hiring of musicians and celebrities to attend parties.” Goldman made more than $600 million in fees from the bond offerings, according to the Justice Department.”

Just before Berman was pushed out, Goldman Sachs was pleading with the Justice

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department for softer deals. Other big names are implicated. J.P. Morgan, “a bank that previously pleaded guilty to three criminal felony counts, is named 61 times in the 1MDB complaint for its role in wiring the looted funds.” 7 As investigative reporters concluded:

“There’s an awful lot of folks in the Southern District of New York who would stand to benefit if it gets a Wall Street crony as its federal prosecutor.” 7

Intent on white-washing - Senator Graham, Republican of South Carolina and the chairman of the Judiciary Committee, instructed the former special counsel Robert S. Mueller III to testify: “We need to look long and hard at how the Mueller investigation got off the rails,” Mr. Graham said.” 8

Just days before - Trump commuted the sentence of his friend - Mr. Stone, “ just before he was set to serve a 40-month sentence in federal prison” for “obstructing a congressional investigation into Mr. Trump’s 2016 campaign and ties to Russia”. 7

4. The anti-Trump caravan

So Trump is manifestly failing to control COVID-19 – this is so widely understood we do not dwell further on this. Trump is failing to deliver to the section of the capitalist class on oil and manufacturing base. Trump is endangering international stability. On top of that he cannot rein in his overt racism – just as the ‘Black Lives Matter’ has finally ignited both Black and White workers and middle classes. 9 So… “what use” is the to the full gamut of the ruling class – both industrial and financial? The ruling class – as a whole - needs to somehow coopt the rebellions of BLM. It needs somehow to retain its world supremacy, against a rampant China. Hence we see rats deserting a sinking ship.

An article in the “Atlantic” by Foer puts it clearly:

“Twitter’s decision to label Trump’s posts as misleading was a hinge moment. For years, the company had provided the president with a platform for propaganda and a mechanism for cowing his enemies, a fact that long irked both critics outside Twitter and employees within... Once Twitter applied its rules to Trump—and received accolades for its decision—it inadvertently set a precedent... A cycle of noncooperation was set in motion. Local governments were the next layer of the elite to buck Trump’s commands. After the president insisted that governors “dominate” the streets on his behalf, they roundly refused to escalate their response. Indeed, New York and Virginia rebuffed a federal request to send National Guard troops to Washington, D.C. Even the suburb of Arlington, Virginia, pulled police officers who had been loaned to control the crowd in Lafayette Square.” 10

But the situation remains fraught for the USA ruling class as a whole, and as Michael Roberts explains is a long term problem. This is easily seen in Figure 2, some projections of GDP by the US Congressional Budget Office:

“The US Congressional Budget Office has drastically revised down its real GDP forecast for the US. It now expects US nominal GDP to fall 14.2% in the first half of 2020, from the trend it forecast in January before the COVID-19 pandemic broke.”

5. Whither the USA working class?

We believe that a significant section of the ruling class has decided that Trump does not deliver enough to satisfy their needs at this time. We believe that they are preparing to dump Trump. But to whom will they turn? Of course the Democratic Party. So what should the workers and progressive peoples - of all colours - in the USA do?

i) What stunts could Trump pull to get himself re-elected?

Before discussing the Democratic Party, some caution regarding Trump’s possible removal is needed. Trump should not be under-estimated. There are at least two possible routes for him through the seeming doldrums he is in, which need consideration.

Firstly, it is already clear that the Republican Party has attempted to shut down voters, especially those in predominantly black and minority areas, or swing areas. These attempts will escalate, as a commentary in Newsweek suggests the strategy will be:

“…the purging of registration rolls of large numbers of mostly urban voters; efforts to suppress mail-in ballots, which are more necessary than ever, given COVID-19; a re-election apparatus that is training 50,000 poll watchers for the

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11 Michael Roberts; Returning to normal?’ The Michale Roberts Blog; June 6 2020; at: https://thenextrecession.wordpress.com/2020/06/06/returning-to-normal/#comments
purpose of challenging citizens’ right to vote on Election Day; and significant efforts to make in-person voting in urban areas as cumbersome as possible in order to have long lines that discourage people from exercising their voting rights.”  

The Supreme Court already gave the green light to ‘gerrymandering’ to the Republican Party – by declining to rule against it. The Chief Justice of the Supreme Court, Justice Roberts used an invidious argument upholding ‘individual rights of people’ and saying the plaintiffs had not shown their own individual powers of voting had been affected:

“The court was powerless to consider the issue, he wrote, because the plaintiffs had not shown that their own voting power in their own districts had been diluted… This court is not responsible for vindicating generalized partisan preferences,” the chief justice wrote. “The court’s constitutionally prescribed role is to vindicate the individual rights of the people appearing before it.”

Further:

“Chief Justice John Roberts wrote an opinion that allowed two gerrymanders, one committed by Republicans in North Carolina and one by Democrats in Maryland, to stand. His reason? He could not find a standard to judge when an offense had occurred. He rejected a considerable body of empirical research”.

\(i\) What are the chances Trump will launch a fascist coup?

A very possible second scenario is to launch an open and brutal seizure of power. The recent spectacle of unmarked federal agents leaping out from vehicles to flash-arrest and brutalise demonstrators in Portland shows the intent:

“Federal agents dressed in camouflage and tactical gear have taken to the streets of Portland, unleashing tear gas, bloodying protesters and pulling some people into unmarked vans in what Gov. Kate Brown of Oregon has called “a blatant abuse of power”

“This is an attack on our democracy,” Portland’s mayor, Ted Wheeler.”

In fact an informed observer (working for ‘Bellingcat’) hazards that the deployment of Federal agents in this manner is a ‘bellwether’:


“Portland is being used as a bellwether to see what this administration can get away with. And also what works to quell protest. The police tactics don’t work.”  

It is true that Trump’s dangerous behaviors during the Black Lives Matter rebellions has led to significant sections of the USA military openly repudiating Trump and Barr’s using troops at Lafayette Square against demonstrators. In fact, sections of the military brass had already started distancing the army hierarchy from Trump well before the rebellions.

But it may still be possible that Trump could still convince the most reactionary of the ruling class to launch an open fascist coup. While it is difficult to call the Republican Party itself a fascist organisation, it has till now enabled “Trumpism.” The Trump supporters have not got a full fascist organizational level, but it should not be dismissed as impossible.

Naturally this should prompt the query: ‘What is fascism?’ and – how is it to be effectively resisted?

The Third Communist International drew up a definition, of what constituted fascism. This was as follows:

“Fascism is the open, terrorist dictatorship of the most reactionary, most chauvinist and most imperialist elements of finance capital. Fascism tries to secure a mass basis for monopolist capital among the petty bourgeoisie… also trying to penetrate the working class.”

However the Communist League, noted much later in 1976 - that even then, in countries such as Italy, Spain and Portugal, that definition could not apply. For in those countries - either finance capital did not yet exist, or the capitalist revolution had not yet been completed. In those latter countries political power lay in the hands of large landowners and comprador capitalists. In those countries, the dictatorship was directed as much


20 Theses on Fascism, the War Danger & The Tasks of the Communist Parties; 13th Plenum ECCI; in J.Degras (Ed): “The Communist International: 1919-1943; Documents”; Volume 3; Oxford 1965; p. 296; Communist League, UK, Drafted by W.B.Bland, “The nature of Fascism”; London 1976; http://ml-review.ca/ml/CommunistLeague/All4-fascism93.htm
against the national capitalists and the revolutionary movement as against the working class.

Relating this operating definition to today’s situation in the USA, also poses some problems. For the Republican Party of the USA as we saw above, is being supported by the old industrial manufacturing base of oil, gas and the extractive industries.

Noting the problems, the definition proposed by the Communist League (UK) therefore was:

“1. Fascism is the open terrorist dictatorship of a reactionary ruling class exercised through a fascist political party having a mass base”. 21

In related ‘Theses on Fascism’, the Communist League proposed also that:

“5. The attempt by monopoly capital to impose a fascist dictatorship will be made at a time when the development of the movement for socialist revolution led by a Marxist-Leninist Party of the working class, has reached the stage where it is making “parliamentary democracy” with the democratic rights and liberties associated with this, an unsuitable form of state power for monopoly capital, but before it has developed to the point where it is capable of overthrowing the state power of monopoly capital in a socialist revolution. The attempt by monopoly capital to impose a fascist dictatorship will thus constitute a pre-emptive strike against the working class”. 22

Subsequent theses asserted that the movement for socialist evolution could not by itself defeat a fascist threat – but a broad anti-fascist united front would be needed.

iii) What working class opposition to Trump is there? Prospects of a United Front

So let us assume the worst scenario – that Trump attempts to launch a more classic fascist-style take over. What should the working class do to prevent this? Obviously a broad united front is needed.

What is the best alternative scenario that might occur? Obviously, Marxist-Leninists would like to see a working class revolution mature in concert with the current Black Lives Matter rebellions. It does seem that currently, one way or another – the Black Lives movement will become coopted into the election process, to unseat Trump in favour of the Democratic Party.

For now, let us assume that we are not on the cusp of a revolutionary upsurge. How are Marxist-Leninists to avoid becoming involved to join an anti-Trump organising for his electoral defeat? To begin with, we should start with the blindingly obvious: while there are some small nuclei of Marxist-Leninist parties, there is no single large organisation. Worse, most of these fragments do not appear to talk much to each other. We do not even see any evidence of a united front amongst them.


22 Communist League (UK); drawn up by W.B.Bland, “Theses on the anti-fascist United Front”; at http://ml-review.ca/aml/CommunistLeague/COMPASSTHESESFASCISM.HTM
How is the class to move forward? Obviously a united front against the re-election of Trump is a possible first step. *What does this mean concretely?* Does that involve working for (or at least casting) a Democratic vote? Apart from the execrable Joe Biden and the Democrats, what other alternatives are there? As far as this writer is aware, there is only the *Green Party*. Their platform avoids any usage of the words ‘class’ ‘class struggle’ ‘capitalism’. We find it says:

“Our nation was born as the first great experiment in modern democracy. We seek to rescue that heritage from the erosion of citizen participation. Moreover, we seek to dissolve the grip of the ideology, intoned by big-money interests for more than twenty years, that government is intrinsically undesirable and destructive of liberty and that elected officials should rightly "starve the beast" by slashing all spending on social program, in the name of freedom. We challenge that tactic by calling on all Americans to think deeply about the meaning of government of the people, by the people, and for the people. In a democracy, individuals come together to form structures of governance that protect and advance the common good. We the citizens are the government, and we the citizens can direct it to fulfill its finest goals and purposes. Our citizens must not permit usurpation of their authority by acts of individuals and government agencies that isolate or insulate government from their oversight and control. We, the People, have a responsibility to participate in self-government through all the means that our Constitution provides.”  

Its ‘Ten Key Values’ are just as high sounding. But again, there is no discernible class basis to allow them to be more than sounding well. The demands in ‘Where We Stand’ – are ones that mostly, Marxist-Leninists can support. But they are set in a class vacuum.

What about the *Democratic Socialists of America* (DSA)? Their understanding of “What is Democratic Socialism”, is of course very distant from the Marxist-Leninist view. And obviously from their own words, they are merely a wing of the larger Democratic Party. Jacobin editor Bhaskar Sunkara is closely linked to the DSA, and we take the liberty here of a long excerpt from an interview he had with editors of the New York Times.

“Michelle Goldberg: So why not just call yourself a social democrat? 
Bhaskar Sunkara: Well, Marx and Engels call themselves social democrats. And the early workers’ movement were all united in these broad parties that called themselves social democratic. Engels and Marx didn’t live to see World War I and to see the rightward movement of some of these parties. So when people like Rosa Luxemburg, like Trotsky, like Lenin, even, the reason why they called themselves communists by the end of their lives was because — their mentality was: We were social democrats, but social democracy failed, so to be the real social democrats, we have to call ourselves communists. Now that communism has also failed so absolutely and so bloodily, I think it doesn’t make any sense to call yourself a communist today if you believe in really egalitarian, democratic

23 Green Party USA, “Introduction. Democracy’; at: https://www.gp.org/democracy#DemPoliticalReform
24 https://www.gp.org/ten_key_values
25 https://www.gp.org/ten_key_values
26 https://www.dsausa.org/about-us/what-is-democratic-socialism/
societies. So I call myself a socialist. It’s just the broader ecumenical tradition. It means many good things. It means also some traditions that are not so good. But in Western countries, in a country like the United States, socialists and communists have always been on the right side of fights over civil liberties, over expanding democracy. Fighting for the things that most Americans actually believe in and support.

Michelle Goldberg: So the way that you describe your socialism, there’s not that much of a distance between socialism and liberalism. But why do you think, then, there’s so much animosity? Maybe more online than in real life. But there’s such animosity and contempt for liberalism. And even at moments in your book, I got the sense that you saw centrist in the Democratic Party as a more fearsome enemy than the right, or than the Republican Party.

Bhaskar Sunkara: You’re voting for the Democratic Party because you believe in these broadly redistributive programs. Now, we want to cleave that base of people away from the current leadership of the Democratic Party. We want to say that the Chuck Schumers and Hillary Clintons of the world are not the best defenders of these policies. Certainly, especially not the Joe Bidens of the world. But in fact, there’s a new crop of politicians—there’s people like Bernie Sanders, there’s A.O.C., there’s others—they’re more earnestly fighting for these causes. What I like about Bernie, what I like about A.O.C., is that they’re putting forward positive ideas, but they’re doing it through conflict. And the same can be said, to a large degree, from Elizabeth Warren and others. So I think there is now a division between those with that class struggle vision of change and those who want some progressive outcomes, but are willing to compromise and do other things that will undermine their ultimate goals.”

Well clearly to a Marxist-Leninist eye, Sunkara is a sophisticated opportunist with no vision beyond social-democracy. Nonetheless, the DSA has a large pool of potential progressive forces.

 Practically at this time there are two immediate goals for Marxist-Leninists, in the USA. They are not an either or choice. Frankly they depend upon each other for success of each of them.

The first is to continue building a Marxist-Leninist party. We believe the Red Phoenix is one potential vehicle of a true party. But there needs to be a concerted principled united front with other Marxist-Leninists. Perhaps this is on-going and we are simply not aware of this.

It seems to this author, that in the more immediate months, Trump needs to be defeated at the polls. Pooling forces, working with either the Democratic Party left wing, or the Green party would be useful routes to achieving a broad functioning united front. It seems likely that the Green Party is not optimally placed at national level, but there may be regional considerations for fledgling organizations. If there are no such fledglings, surely this is the time for individuals to build them.

27'The United States of Socialism?’ With Ross Douthat, Michelle Goldberg and David Leonhardt: A debate with Jacobin editor Bhaskar Sunkara; May 30th, 2019; New York Times; at: https://www.nytimes.com/2019/05/30/opinion/the-argument-socialism-bernie-sanders.html?showTranscript=1