

THE “PUBLIC” DEBT, GORDIAN KNOT OF THE CAPITALISM TO CUT WITH A REVOLUTIONARY MASS MOVEMENT

Introduction: on the character of the actual economic crisis

1.1 The world economic crisis continues to shake capitalistic world. It's a crisis of relative overproduction, characterized by excess of capital in all of its forms (means of production, commodities, loan and fictitious capital, etc.).

This serious and prolonged cyclical crisis developed in the frame of a of long period tendency to the fall of the medium rate of profit - become evident from the '70 of last century - imputable to the increase of the organic composition of capital, i.e. to the development of the social productivity of labour.

The insufficient exploitation of the capital in the productive activity continued despite the counter-tendencies operated by the ruling class in the last decades: intensification of the exploitation, export of capital in countries where greater profits are realized, privatizations, deregulation, etc.

This has involved the formation of a plethora of monetary capital that found employment in the activities of fusion and in the short term speculation.

The excessive accumulation of capital manifested itself in several crisis, more and more serious, up to flow in the actual, revealed at first in the financial sphere and then as general reduction of the manufacturing activity, contraction of the commerce, etc. At the very heart of the crisis are the United States, the imperialist country in historical decline from which it originated in the summer of 2007 and then diffused worldwide.

In the actual crisis is manifested with strength the influence of the general crisis of the capitalism, phenomenon that embraces all the aspects of the social life - the economy, the ideology, the politics, the culture, the ethic, the relationship with the environment, etc. -expressing the failure and the decomposition of the imperialism. At the same time, the destruction and the unbalances provoked by the cyclical crisis increase the general crisis of the system, strengthening the revolutionary process.

1.2 Finance capital and its national and international institutions, try to escape from the economic crisis unloading its whole burden on the proletariat, the laborer masses and the oppressed people.

The politics and the measures adopted are similar all over the world: huge dismissals, liquidation of the rights of the workers, reduction of salary and pensions, cuts to social expenses, reorganization of the market of labour-power, financial support to banks and corporations, tax reliefs for capitalists, etc.

Nevertheless, the mix of neo-liberalism and keynesism to support capitalist monopolies and against the workers has not succeeded in solving the crisis, that today sees a further phase of aggravation.

The reason is that the solution of the actual crisis in capitalistic system requires:

- a huge destruction of capital (productive and fictitious), not yet happened;
- the adoption of alternatives sources of energy, large investments to use new technologies, and renew the fixed capital, to create new products, new needs and to resolve the energetic problem;
- an increase of the production of surplus-value and conditions to realize the maximum profit, that is the fundamental purpose of the monopolistic capitalism.

Therefore, the government indebtedness to save the financial monopolies, the consequent approval of the “austerity politics”, are not able to lift the capitalistic system. Contrarily, they create the conditions for a prolongation and an aggravation of the crisis, pushing it to a harsher level.

The public debt, seal of the system of exploitation

2.1 Public debt is at the same origin of the capitalism. Karl Marx in *The Capital* wrote:

“National debts, i.e., the alienation of the state-whether despotic, constitutional or republican-marked with its stamp the capitalistic era. The only part of the so-called national wealth that actually enters into the collective possessions of modern peoples is their national debt. Hence, as a necessary consequence, the modern doctrine that a nation becomes the richer the more deeply it is in debt. Public credit becomes the credo of capital. And with the rise of national debt-making, want of faith in the national

*debt takes the place of the blasphemy against the Holy Ghost, which may not be forgiven.....the national debt has given rise to joint-stock companies, to dealings in negotiable effects of all kinds, and to agiotage, in a word to stock-exchange gambling and the modern bankocracy” (Marx, *The Capital*, Volume I).*

In the epoch of the imperialism the use of the debt has developed, creating a system of oppression and submission of the workers and the people. Few imperialists powers play the role of international usurers against the mass of the indebted countries, subjugated economically and politically.

The foreign debt is an essential tool to get extra-profits, to increase the exploitation and the robbery of the people, to sustain national bourgeoisies, to corrupt and put them at the service of the imperialists.

At the same time, the imperialists powers, such as the United States, have to bring themselves into debt to keep on developing the role of global marauders, to maintain a monstrous military machine and a high-level of consumption. This has determined a consistent annual growth of the national debt and an increase of the unbalance between indebted countries and creditors.

2.2 In the last decades, the capital looked for an exit strategy to the progressive fall of the rate of profit trying to give oxygen to the economy remunerating the capitals in difficulty and supporting the consumption. This has meant progressive increase of the public debt.

With the burst of the crisis in 2008, the situation worsened. The states and the central banks “introduced liquidity” in the system, launched packets of “rescue” for banks and big enterprises, stimulated artificially the recovery using the government budgets.

This did not serve to start a phase of positive conjuncture, but sharpened the existing problems, because the debt of the banks and of the other private financial institutions was transferred to States. The level of the public debts of the imperialists countries increased, overcoming the roof of the 100% of the GDP, with the risk of systemic failures (the *Armageddon* feared by Obama).

This means that the imperialist system, with the protraction of its crisis, will have more serious problems and less economic resources at its disposal.

The matter of the public debt is interlinked with the intensified inter-imperialist concurrence, that assumes the form of contrasts among the monetary areas of USA, EU, China, Japan. Nowadays are in discussion the hegemony of the dollar, the predominance of USA, the actual division of the world and this involves the dangers of imperialist wars.

2.3 The crisis worsens the economic and politics situation of the imperialists and capitalistic countries.

In the States public debt reached in 2011 its historical maximum. To “resolve” the problem the Congress lifted the roof of the public debt. This doesn't put an end to the crisis, but postpones it and it prepare the conditions for new bursts of financial bubbles and a major depression.

In the imperialist European Union (EU) countries like Greece, Portugal, Spain, Ireland, Italy are close to a bankrupt. The financial crisis also hits fiercely France and Germany, whose banks are full of “toxic” and high risk titles. The recent downgrading of France, Austria, Italy, Spain, etc., decided by the North American agency Standard & Poor's, will increase such crisis, striking the great private banks and putting in difficulty the “European bank”.

The situation has become so serious to put in crisis the same EU project, weakened inside by the action of the law of unequal economic and political development and outside by the maneuvers of the rival imperialists powers.

On last October 11, the president of the European Central Bank (BCE) Trichet affirmed that the crisis was “systemic” and that the EU is the ”epicenter of the world crisis.”

Until today, the bourgeois leaders of the EU have not found a clear strategy to resolve the crisis, because of their divisions. The summit of Bruxelles, hold on last December, has seen the strengthening of the French-Germany relations and the relinquishment of Great Britain, but - despite the measures and the huge resources approved - did not served to remove the crisis from the euro area, that could break it into pieces.

The Eurobonds project, supported by Italy and Spain - is refused by Germany, that follows an export oriented politics and doesn't want to shoulder burdens in terms of cost of the debt. With the iron control of the stronger imperialists countries on the EU collapses the myth of the “social Europa”, fed for decades by the Social Democrat.

2.4 With the outbreak of the crisis of the public debts, the imperialist EU has imposed rigid measures to get the quick reduction of the debt of member States under 60% of GDP and the reduction of the deficit to 3%. To make permanent the “austerity politics”, France and Germany now push for the introduction of the “golden rule” in the Constitutions of the EU countries, in order to control public deficits. This will mean structural cuts to the social budgets, dismantlement of the social acquisitions gained by the working class, further capitalistic aggressions. For the Italian workers this program will mean economic maneuvers of 40-50 billion every year, a long lasting social butchery.

The “rescue and improvement plans” imposed by the international capitalistic institutions and the national governments, the economic measures approved with an aggressive liberalistic politics, won't produce the resolution of the crisis, but will worsen exploitation, reductions of wages, increase of the long-term unemployment, therefore the phase of stagnation, with scarce investments. In this situation the resistance and the struggle of the proletariat, of the oppressed people, of the young people “without future”, is destined to develop more and more.

The Italian public debt, chronic diseases of the ruling class

3.1 In Italy public debt begun to grow with the end of the expansive period following World War II. It had a first boom with the oil shock in the 70's. Suddenly increased because of the politics of the Christian Democracy (DC) and the Italian Socialist Party (PSI) that supported patronage, parasitism, and produced an enormous fiscal evasion to help capitalists and to create a wide social strata against the worker and communist movement.

A second boom of the debt happened in the 80's, when DC-PSI government decided to abandon the course of the State bonds to the financial markets. This increased the rate of interest and consequently the public debt. Among the greater beneficiaries of this politics there was Fiat capitalist monopoly.

Due to the increasing economic difficulties, during the period 1998-2007 the public debt increased around 30%, reaching 1.600 billion of Euros. Such dynamics has been facilitated by all the bourgeois governments that proceeded with their politics of supporting the weak Italian monopolies and expanding the parasitic strata.

It's interesting to observe that the increase of the public debt was never supported by an adequate fiscal politics. At the contrary, there was an enormous fiscal illegality pursued by the bourgeoisie (more than 200 billion of Euros every year). In addition, neo-liberalist politics promotes a lighter fiscal pressure on the capital. This determines the necessity of a greater indebtedness, realized on the shoulders of the workers.

3.2 With the eruption of the actual economic crisis, the growth of the Italian debt accelerated, with annual increase of 4-5%. The further expansion of the debt occurred because the Italian State, like other imperialist States, assisted the financial institutions (full of toxic bonds), and the capitalistic monopolies, offering guarantees on their deposits, expanding their liquid capital, furnishing public support. With the gained capitals (deducted from social budgets) bankers and bosses buy State bonds put in circulation to subsidize the increasing public deficit. So they pocket the interests that the State has to pay. The interests are, in the last analysis, surplus-value extorted to the workers and transmitted by the State in the hands of the financial oligarchy.

Therefore, it is not true that the cause of the increasing public debt are social funds (health assistance, pensions, payments to unemployed workers are in reality deferred salary, because financed by the contributions coming from the salaries). The unbalances derive from the use of public finance to prevent the collapse of the capitalistic monopolies, and from the payment of usurious interests on State bonds. Correspondingly, it is not true that the bourgeois governments emit public debt to benefit the population: the debt is created to benefit exclusively the capital.

3.3 Italian public debt reached in July 2011 its historical peak with 1.911 billion of Euros, the 4th in the world after United States, Japan and Germany, equal to the 120% of the Italian GDP (it was 114% in 2008). With the increase of the volume of the State bonds also lengthened their duration (today 7 years medium). The interests paid to the holders in 2010 has been about 80 billion of Euros. According to some study, it will increase to 97,7 billion of Euros in 2012 and to 108,7 billion in 2013: a growing, unbearable weight on the

shoulders of the workers. The Italian State bonds have become a desirable object for the attacks of the speculative capital, the weak link in the competition between dollar and euro. The growth of the interests of State bonds, reflects both the mistrust of the financial investors in the capacity of reimbursement, and the robbing realized by the monopolies.

3.4 Eighty-three per cent of the Italian public debt (more than 1.500 billion of Euros) is composed by State bonds. The holders are in great majority (around 87%) great banks, insurances, funds of investment, big corporations. More than 50% of the debt is held by foreigners investors - French, German, British, American, Chinese, etc. - that employ their surplus capital buying State bonds with high rates of interests.

These sharks are involved in the speculative operations in order to realize enormous profits with the rise of the “spread” (differential of interest between the Italian and the German bonds) and the increase of value of the Credit Default Swaps (financial tools that assure the value of the State bonds).

Therefore, it’s wrong to speak about “sovereign debt”; in reality it is socialized private debt, whose interests are financed thanks to the cuts to the public budget, to the pensions, to the increase of the anti-popular taxes. We are witness of a massive transfer of wealth from the salaries to the profits, from the workers to the vandals of the high finance, realized by the bourgeoisie government.

3.5 The financial crisis that worsened in the last months, the enormous public debt that strangles the popular masses produced political consequences of exceptional gravity. Capitalistic Italy is now a country under the control of BCE, EU and the International Monetary Fund (IMF), that impose their plans of “structural adjustment”. The “technical” government installed by the financial oligarchy has a clear anti-democratic and anti-popular character. The ruling class that speaks about “sovereign debt” sells the residual national sovereignty and independence to the financial markets, with the active support of the liberal-reformists and of the higher institutions of the State.

Just like other countries, the painful sacrifices imposed to the working class and to the popular masses are incapable to determine any stable and lasting positive effect, and don’t appease the “speculative” attacks. Despite three laws of mega-austerity in five months (two approved by Berlusconi and one by Monti, for an amount of 80 billion of Euros) the “spread” remained over quota 500 points, equal to an interest of around 7% for the BTPs, maintaining Italy near the “default”^A The Italian downgrading from A to BBB+ will determine the further increase of the “spread” and therefore the raise of the rates of interest.

3.6 In theory the reduction of the mountain of the debt would be possible with a durable economic growth about 2%. But Italy since 2000 has never reached this level, and now the GDP is negative and it will lower during 2012. The diminution of the industrial production (currently 20 points under the pre-crisis level), the increase of the unemployment, involves the increase of the State deficit and debt. Under such conditions, the payment of the increasing interests is economically unbearable and politically ruinous for the working class. The payment of the debt means enormous deprivations for the masses, the strangulation of the workers and the new generation, the sinking in a deep economic and social degrade.

If the austerity politics will go on, the conditions of life and work of the proletariat and the broad masses will dramatically worsen, whilst bankers, bosses and parasites will gain further capitals to support the global casino, to strengthen their privileges and power, to finance the wars against peoples, to devastate the environment.

Every time the servants of the bourgeoisie remember us “you have to pay the debt or will happen a disaster”, we must answer that the true disaster for the working class is to pay the debt, that is grown to save the capitalistic monopolies and their institutions, to ensure the interests of a corrupt ruling class.

3.7 The working class and the oppressed masses are in a vicious circle, that in the actual situation it’s necessary to break with a precise demand: refuse to pay the interest of the debt possessed by the banks, the financial institutions, the bosses, the riches, the parasites!

It’s a political demand that we spread among the exploited and the oppressed people, in their mass organizations, aiming to unify and develop the struggle against the financial oligarchy. It’s an objective that must be linked to the contextual withdrawal from the EU, from the BCE and from the euro, because these institutions impose the usury required by the imperialist system.

These objective of political struggle, that constitutes an urgent necessity for the proletariat, are in connection with more advanced targets. We advance them independently from their compatibility with the economy of the financial oligarchy, with its inexhaustible yearning of profits. The revolutionary politics opposes the vital necessities of the masses to the necessities of the rotten imperialist society. It is through this politics that the proletariat acquires a fundamental awareness: humanity will live only if capitalism will be buried.

The refusal to pay the debt and the positions inside the mass movement

4.1 We have seen that the debts is nothing else than the usurer interests of the financial monopolistic capital, paid several time by the workers. The slogan “we don’t want to pay the debt” is now put in the agenda of the anti-liberalist and anti-capitalists movements, breaking the taboo of the reimbursement at all costs. New and increasing sectors of the broad masses (the working class, other exploited workers, the students, the women of the people, etc.), struggle against the slipknot of the debt. The mobilization developed in many European countries (Greece, France, Spain, Belgium, Portugal), in the United States, and in the dependent countries. The movement “No debt” is developing in Italy. Last October in Rome a huge demonstration (300.000 people) adopted the demand of the refusal of the payment of the debt. Suddenly, was constituted the organized movement “No Debt”, that gather different political and social forces, trade unionists, left activists. It’s promoting mobilizations at local, national and European level, and a positive unity of action against the measures of austerity.

4.2 Inside the anti-debt movement, in the trade unions, in the workers movement, gradually develop a process of debate on the exit strategy from the debt. In general, there is confusion between abolition, moratorium, re-negotiation, etc. of the debt. This confusion, caused by the existing political and ideological limits of the movement, is maintained by the reformists, the Social Democrat and the revisionist, that promote weak, wrong and dangerous proposals. We underline some of them, that have an importance at international level.

4.3 A first position insist on the suspension of the reimbursement of the debt, to realize through a verification (audit) under control of the citizens, with the purpose to determine what debts must be annulled or renegotiated because of their illegitimacy or their hateful character. This position is limited and faulty, because based on a logic of “re-negotiation” of the debt, and because reject the objective the abandonment of the euro and the breakup of the cage of the EU imperialist that imposes its payment. The goal of the supporter of this position is to persuade the financial oligarchy to accept a reduction of the debt for reasons of “social justice”, and also to raise foreign investments and capitalistic accumulation. This is the position of the Social Democrat and that activists of the petty bourgeoisie that fight against the debts without putting in discussion the imperialism and its institutions, looking for some alternatives inside the system. The model that they propose for the European imperialists countries is the one adopted by Kirchner in Argentina and Correa in Ecuador. In other words they are behind the national bourgeoisie of the dependent countries.

4.4 A second position has the objective to resolve the matter of the debt forcing the central Bank to dominate the speculation. It advocates a progressive democratization of the economic decisions in the EU, the change of the statute of the BCE and a politics of economic development on the model of the “Job act” of Obama. This position express the interests of sectors of bourgeoisie, both reformist and conservative, that aim to replace neoliberalism with keynesism and want a “conditioned freedom” for the capital. They are defenders of the imperialist system and their attitude towards the working class remember us a society of protection of the animals.

4.5 A third position is sustained by sectors of the Catholics and some left liberal intellectuals. They pretend to resolve the problem of the debt through its “freezing”, a suspension of the payment of the interests, related to the part possessed by the great institutional investors, and the creation of an investigation commission to study the formation of the debt and the legitimacy of its components. This position, similar to the first one, look at the social matter of the debt like a juridical and moral matter to resolve without the revolutionary mobilization of the working class. Its objective is limited to reduce the mountain of the debt, or rather to refund a part of it with “acceptable rates of interests”. The “new model of development” proposed by the

promoters of this option is a deception and a fraud, because it pretends to resolve the problem of the debt preserving the domination of the monopolistic capital and controlling the masses.

4.6 Last but not least, exist another position, apparently more radical. It start from the necessity “to modify the rules of the actual monetary and financial system”, therefore it proposes the “orchestrated leak” of peripheral and weak States from the euro (but not from the imperialist EU) and the creation of an alternative currency, with the contextual and simultaneous reduction of part of the debt. In concrete terms, the formation of a regional bloc composed by the imperialists and capitalistic countries of southern Europe, supported by East Europe countries (governed by reactionary regimes) and Mediterranean Arab countries (in which rules reactionary and liberalist governments). A bloc that should compete with the one directed by the French and German bourgeoisies. According to the revisionist that support this position, the workers should follow such corporative project, sustaining the perspective of a coalition government with the Social Democrat and the reformists, presented as “a first moment of a possible transition to a different way of production”. Without doubt it’s a treacherous and dangerous position, that open space to chauvinism in its apology of defense of a fragile imperialism, like the Italian one, against stronger powers.

4.7 All these tendencies and positions aim to maintain the working class at the service of the bourgeoisie and the petty bourgeoisie, to contain the struggles of the masses inside the imperialist social order and to prevent that they break the rules of the bourgeois and reformist politics, converging in the revolutionary politics of the proletariat, in the struggle for the socialism. Therefore we must criticized and fought them sharply.

The revolutionary alternative and the tasks of the communists

5.1 We, the communists (Marxist-Leninist), call for a class opposition against the capitalists and their governments, we call the laborer to refuse the diktats of the financial oligarchy and to fight in order to break up the programs that download the debt on the shoulders of the working class; we support the struggle for not to pay the interests, the repudiation of the debt, the withdrawal from the EU and the Euro system.

In this activity, we explain that the refusal to pay the crisis and the debt have a revolutionary content and must be inserted in the general battle for the expropriation of the exploiters and the construction of the socialism.

For us the political issue of the repudiation of the debt is tightly tied to the issue of the historical limits of the capitalism and the inevitable economic and social change that only the revolutionary struggle of the proletariat can realize. Therefore, the alternative doesn't consist in returning to the past, to the period of the lira and the state capitalism, or in the impossible reform of the present (the imperialist system) to resolve the actual deep crisis, but to mobilize the forces of the revolution against the capitalists and put an end to a system that reserves us only increase of the exploitation, social regression, impoverishment and robbery-wars. In this sense we develop the organization and spread its revolutionary class program, fighting against any reformist and petty-bourgeoisie influence.

5.2 Consequently, to face the question of the debt is necessary:

- to participate actively in the mass demonstrations, yesterday against Berlusconi's government and today against Monti's government, to defend in an resolute way the economic and political interests of the working class, propagating the slogan “The crisis and the debt have to be paid from the guilty ones – the bosses, the banks, the rich ones, the parasites - and not from the victims, the workers and the peoples”;
- unifying the struggle for the immediate and unilateral suspension of the payment of the debt with the struggle for the withdrawal from the imperialists institutions and their anti-popular and warmongering politics: “Refusal of the debt and of the war; out of the euro, the EU and the NATO”;
- realizing the united front of struggle of the proletariat and, on its base, a revolutionary popular front to reject the reactionary offensive of the capital and the diktats of EU - BCE - IMF; promoting the constitution in the factories, in the workplaces, in the villages, mass organizations like workers and popular Committees;
- affirming that the resolution of the problem of the debt and the application of strong measures against the monopolies can be adopted only by a government of united front or popular front, as political result of the movement of struggle of the exploited and the oppressed people, based on their mass organisms;

- developing links, solidarity and coordination with the workers struggles and the anti-debt movements that are developing at European and global level, supporting the total cancellation of the debts of the dependent countries;
- connecting the existing struggles to the process of formation of the communist Party of the proletariat of Italy, essential tool to direct the process of emancipation and liberation of the exploited and oppressed masses. Therefore, we call the advanced and conscious sectors of the working class to break, openly, completely and definitely, with the opportunism and to reorganize on revolutionary bases. No cohabitation, no collaboration of the communists and the best elements of the proletariat with the revisionist, the Social Democrat, the reformists, the opportunists, with the compromising conciliators, but militant union on the Marxist-Leninists principles to throw the foundations of the Party. Organize ourselves!

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