FINANCIAL AND CURRENCY CRISIS UNDERMINES THE EURO AND NATIONAL SOVEREIGNTY[1]

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Abstract: The euro crisis reveals that, under imperialist conditions, oppressor nations developed and they are oppressing other nations. Less money capital of "rentiers" and "usurers" finds its way into the sphere of production to extract surplus value, but circulates in the financial sector as "fictitious capital" instead. The financial crisis shows where wealth is produced and how the capitalist crisis starting in the sphere of production, penetrated the financial sector and from there the most powerful EU states too. To rescue the rich, governments try to pass on the losses to the working people and the poor. The imperialist states try to pass on the burden to the weaker states, denying their national sovereignty. When the working class and the peoples organize resistance, the struggle amongst monopolies and national states over sharing the wealth and passing on the losses becomes fierce. The danger of fascism and war grows.

Key words: euro; EU; oppressed nations; German imperialism; usurer state; rentiers; fictitious capital

In 1915, W. I. Lenin rejected the concept of a "United States of Europe": "From the point of view of economic conditions of imperialism, i.e. export of capital and a new division of the world amongst the 'more advanced and civilized' colonial powers, United States of Europe under capitalist conditions are impossible or reactionary."[2] Lenin's incisive comment in his argument with Trotsky that a United States of Europe under capitalist conditions is impossible or reactionary is still relevant. Today we can say that the more the United States of Europe become a real possibility, the more reactionary they become.

After two world wars, after the foundation of the European Coal and Steel Community, after the foundation of the EEC and finally the European Union (EU), in 1998 there began a currency union between several of the EU member states. The introduction of the euro currency is based on a temporary compromise of the ruling classes, of the monopoly bourgeoisies of France and of the Federal republic of Germany (FRG). The intention is:

- to consolidate their position against the US and Japan
- to share out together the Eastern parts of Europe after the crush of the USSR
- to oppress small capitalist nations in Western Europe
- to also oppress any resistance by the European people and working-class
- to make a stand against socialist China

We call this alliance reactionary, backward-looking and hostile to any social progress. It attempts to preserve, defend and, indeed, strengthen capitalism, a socio-economic system which is obviously past its time.[3]

Eastern European states, annexed to the EU after 1989, as well as smaller capitalist countries affiliated to the EU, are economically dependent on EU imperialist states because of their size and their own national industrial and banking system, as yet not fully developed. While French and *German imperialism* endeavor to strengthen their dominant position through the EU and to create, for example, an "economic government" of European countries, those states are becoming increasingly dependent politically. Their national sovereignty is increasingly endangered. In this context, to make a clear difference between *nations which oppress other nations and those nations which are oppressed*[4] is manifestly sensible.

Yet the European Union is neither a new nation nor a new state. It is, in fact, the agency of historically notorious imperialist states in Europe—a temporary alliance with developing major internal contradictions.

The following facts verify this:

Within the joint budget of the EU, expenditures (commitment appropriation) for 2010 approached 1.2 percent of Gross National Income (GNI) of all EU member states—or, in figures, €141.5 billion. This looks like an enormous budget, but 2009 GNI (a little bigger than GDP) for the FRG was €2,431 billion. Expenditure by German government bodies (central state, provinces and communities) in 2009 totaled €723 billion—29 percent of GNI. Including expenditure for social security (€506 billion in 2009) about 50 percent of GNI is public spending.

EU resources are about a ninth of those of the FRG which is only a part of the EU (even if it is economically the biggest part of it). To put it in another way, the budget of the FRG is nine times the budget of the EU. This does not convey an impression of a strong "United States of Europe." Instead, it looks more like a well-remunerated specialist team, coordinating interests of the most powerful single states. In this specialist team the influence depends on capital and power: in 2010 the biggest payments were made by the FRG (€23.7 billion), France (€20.3 billion) and the UK (€13.2 billion). In contrast to those payments are significant advantages for German monopolies such as unlimited, duty-free exports of commodities and capital to all EU countries.

The obvious contradiction between oppressor and oppressed nations is concretely demonstrated in the manner in which EU member states Greece and Ireland were dealt with after the outbreak of financial and economic crises.

Subordination of Greece

Greece was "rescued" after having agreed to severe sanctions made by the EU and IMF. In fact, "rescued," meant significant involvement by French, German and other European banks, which have given out loans to Greece. Those sanctions intrude considerably into the sovereignty of the Greek state, concerning its budget. Sovereignty over state budget is substantial for every national bourgeois parliament and is the basis of political independence. Further sanctions were pushed through, which help to improve the conditions of international monopolies to increase their short-term profit through higher exploitation in Greece (pay cuts, social welfare cuts, rising retirement age, etc.). Despite this operation Greece's problems were not solved; its budget deficit will increase instead and speculation about the financial standing of Greece will arise again and again.

In the first months of 2011 Greece was down-rated by Moody's again. The prime minister of Greece was ordered to report to EU authorities and to Chancellor Merkel; Ackermann—CEO of Deutsche Bank—was "appointed" as consultant to the Greek government. Some German Members of Parliament demanded bluntly that Greece should mortgage its islands. Greece is firmly under the control of German and French banks and the armaments industry (Greece is the second largest importer of armaments from the FRG; Turkey is the largest). However, it is not yet termed a protectorate or mandated territory.

Subordination of Ireland

In late November 2010 the Republic of Ireland (ROI) was forced to enter the EU and IMF's "rescue fund" (the European Financial Stability Fund, or EFSF). In the general elections in February 2011 the previously-governing Fianna Fáil party, which had made this step possible by its policy, was clearly punished by the voters. During the election campaign the issue of a guarantee given by the Irish State played an important role. This guarantee was pushed ahead overnight on September 30, 2010 by Ireland's Minister for Finance Brian Lenihan, together with the Irish Government—two weeks after the collapse of Lehman Brothers in the US—surprising (possibly hypocritically) the governments of other EU states. The guarantee given to rescue bankrupt Irish banks covered all deposits in Irish banks and was unlimited. (Until then, only deposits up to €20,000 and, for a short period, to €100,000 had been covered.)

Thus, not only deposits such as saving accounts were covered, but also the deposits of millionaires and billionaires were guaranteed by the Irish State—amongst them the investments of all European and US banks and other investors. Following this step, other European governments issued state guarantees. On this issue, the extent to which the financial crisis has been dragged even into the state of imperialist countries will be discussed below.

By the Irish state guarantee not only (as in the case of Greece) German, French and English monopoly-banks were protected against massive credit-losses, but also this guarantee increased government debt massively, by which the Irish State was put into a situation that enabled imperialist EU states to force it into the "rescue fund" and so under the dictatorship of the EU and IMF.

In the meantime it became clear that the Fianna Fáil government—by issuing that state guarantee—had done a disservice to the Irish people. Decades ago this party when in government had already sold off Ireland's considerable resources (oil, gas, zinc, lead, copper etc.) for next to nothing to international companies. Now the Fianna Fáil government prevented monopoly banks from the EU and US from suffering considerable losses by passing the losses resulting out of the financial crises—which had hit the Irish private banks in a massive way too—through the guarantee on to Ireland's government budget and thus arguably keeping the euro alive. The outcome of that action is that government debt of the Irish state, which until then had been low (less than 25 percent of GDP in 2006), increased in 2009 to €104.6 billion (65.5 percent of GDP) and the budget deficit has surpassed 32 percent, ten times the limit of the EU (Maastricht, 3 percent of GDP).

Primarily by German government instigation, Ireland was forced into the EU and IMF's so-called "rescue fund." As the strongest economic EU power, the FRG contributes 28 percent of the "rescue fund." The FRG which did not fulfill those Maastricht debt criteria (2003 and 2010) but had strictly refused any EU sanctions, is using Ireland's increased debt as a pretext to push through more strict sanctions on a general basis for "deficit sinners." (The term "Defizitsünder" was used by German politicians to discriminate against countries which did not keep their budget deficit within the EU limit; some English papers used the term "deficit criminals.")

The government of the FRG wants all other EU countries to accept amendments to the Lisbon Treaty. It takes the view that the Federal Constitutional Court of the FRG might forbid the rescue actions because the sovereignty of the German parliament concerning the budget and central issues of democratic rights might be affected. Whether the rights of other countries, such as the ROI, are impinged upon is not a question for them. In negotiations about this, Chancellor Merkel has not yet succeeded in pushing through her demand for punishing "deficit sinners" by taking away their right to vote in EU institutions. "Deficit sinner" ROI now has to regularly report its figures in Brussels, has to accept spending cuts (€15 billion in four years), and has to pay exorbitant interest rates. It has significantly lost sovereignty over its budget.

For the ROI the "rescue fund" provides a borrowing of €85 billion. The crucial condition is to use the money to rehabilitate the Irish banks thus enabling them to service the debts they have with EU and US banks. While the ROI has to pay a lending rate of nearly 6 percent, those who gave the loans refinanced these loans at the money market with a lending rate of 2.89 percent. Leading consortium banks are Citigroup (US), Société Générale (France), and HSBC (UK). The administration is run by the German *Finanzagentur*.[5]

Attempts by the new Irish government to negotiate a better lending rate have failed until now. The FRG would agree to a better lending rate only if Ireland makes basic changes to the existing taxation system, which would improve the positioning of German companies. That looks like pure blackmail. The German Minister of Finance, Wolfgang Schaeuble, said: "When someone wants to change a contract which he has just agreed to, then he has to think not only about what the other party of the contract should change, but he also must come up with suggestions about what he can change himself."[6]

In March 2011, the FRG and France were pushing through EU institutions the "pact for competitiveness." Through this, more rights of sovereignty of smaller states will be limited. A so-called "economic government" is in preparation, which will be nothing less than a poorly disguised dictatorship of the financial capital of imperialist EU countries, in which Germany is poised to increasingly gain the upper hand.

The next country for subordination is Portugal.

Interim Findings

The financial and economic crises result in a situation in which imperialist EU states are forced to pass on the burden of the crisis to the small, economically and politically weaker countries. In the course of this, they not only try to pass on losses threatening their own banks, but those banks at the same time create enormous short-term profits by demanding exorbitant lending rates plus fees for commission, rates of issue etc. Furthermore, the oppressive imperialist nations dictate aggravated conditions of exploitation for those countries that become more and more politically incapacitated. Using the Council of EU member states, they push forward better conditions for investment of capital and higher profit rates in the dependent EU countries in favor of international companies, based in imperialist EU countries. Conditions demanded by the FRG and France concerning the "pact for competitiveness," such as pay cuts (minimum wages), rise of retirement age, cuts for social welfare and education etc. are bringing about general pressure on wages all over the EU zone and help capitalists to increase short-term profits.

Profound problems form the base of the financial crisis—i.e. the much-faster growth of the financial sector in comparison with the sphere of production—that cannot be solved by the measures outlined above. Behind this, there is the problem that more and more realized surplus value—in the form of money capital—is increasingly unable to find profitable investments in those parts of the economy where surplus value is produced and not only distributed. Who are the investors?

Rentier States—Do They Still Exist?

Writing "Imperialism, the Highest Stage of Capitalism," in 1916, Lenin develops the term "rentier state" or "usurer state."[7] "Imperialism is an immense accumulation of money capital in a few countries… Hence the extraordinary growth of a class, or rather, of a stratum of *rentiers*, i.e. people who live by 'clipping coupons', who take no part in any enterprise whatever, whose profession is idleness."[8] Imperialist states become rentier states in which a perpetually growing part of the bourgeoisie lives by lending money, or in other words by investing money, buying and selling bonds and shares, gaining interest and dividends, and the world "has become divided into a handful of usurer states and a vast majority of debtor states." "The rentier state is a state of parasitic, decaying capitalism."[9]

The cause thereof is:

- all essential parts of production, all essential resources of raw material and all markets are controlled by monopolies;
- all monetary incomes in all those countries are under the control of banks or financial institutions;
- the world is partitioned amongst imperialist powers;
- beside their own proletariat, imperialists exploit increasingly small and weaker countries and make them dependent and oppress them in various stages.

That development has accelerated since 1989/92, after the defeat of socialism in Europe and the disintegration of the USSR. It is limited by socialist countries such as the People's Republic of China and Cuba, which can defend socialism within their countries yet only by making concessions to the bourgeoisie.

But imperialism, without the limits of a socialist bloc and of strong independence movements all over the world, also results in increasingly extending its "normal" characteristics again. While, from the Russian October revolution till 1989/1992, imperialism was forced to strengthen all its power (by world wars and other military conflicts against the peoples of the world) now it's almost unthreatened omnipotence results in a more significant molding of the rentier or usurer state. Decay and parasitism, as characteristics of capitalism, can now be seen much more clearly.

The crisis, with its highlights such as the collapse of Lehman Brothers (and IKB in FRG) in 2008, also suggests that the biggest enemy of imperialism for the moment is imperialism itself. It becomes clear, that even when imperialism can develop relatively undisturbed by the proletariat and by proletarian states, it produces even deeper crises; and trying to get out of this, it runs into even bigger disasters. This seems to be the case for imperialism in general and for the main imperialist countries such as the US, Japan, Germany, France, and UK in particular.

About the false appearance of reality

At first sight, the imperialist US looks like a debtor-state. The state itself is in debt to the tune of $US13.3 trillion. Promissory notes are held—beside national creditors (56 percent)—primarily by creditors from China, Japan, and the UK(!). Japan's indebtedness in relation to economic output is essentially higher compared to the indebtedness of the US. And the FRG's indebtedness is far from small; to be exact, it currently amounts to €1,800 billion, of which more than 50 percent are loans from "abroad" (US 44 percent). At first sight, all imperialist states seem to be debtor states.

Thus, under present circumstances, the difference between a usurer state and a debtor state seems to no longer exist. It does not seem to matter whether a state is in debt, not even when it is in debt internationally. The only significantly important fact seems to be that imperialist countries are in debt with each other in a massive way.

The creditors of the rentier state

But let us have a look at the type of main creditors of the imperialist states—bank and insurance monopolies. It's no accident that the large banks and insurance companies have their headquarters based in imperialist countries. They lend money to national states and receive interest from this. In this respect, for clarification, we should use the term "state of usurers" instead of usurer state.[10]

In the FRG, about 14 percent (€40.4 billion) of central government spending goes as interest paid to the creditors of the state and from the banks and insurance companies basically to the few thousands of really rich people there. In comparison with this figure, the 45 percent (€147 billion) of government spending for "Arbeit und Soziales" (social insurance, pensions, social welfare, etc.) which is spent to perpetuate poverty of millions of people, looks like modest alms!

"Collateral" of imperialism

Though the US has fallen into disrepute not only since the collapse of Lehman Brothers and the present worldwide crisis, all investors want to give loans to the US. This is because until now the US has been a first-class debtor. And they are a first-class debtor because they have collateral (securities). First of all, they still have the license to print generally accepted money. Then there is also an uncertain kind of "collateral," typical of imperialism: US imperialism still is the biggest military power which can defend its privilege to get credits and to print money.

Government debt as fictitious capital

As soon as rentiers invest their money in different forms (shares, bonds, junk-bonds of diverse risks etc.) then this is an investment in *fictitious capital*. Fictitious capital does not represent an entitlement of ownership that would, for example, constitute a title of one single machine, but it is an entitlement to future surplus value. As soon as the promise for future surplus value cannot be fulfilled, certificates of entitlement devalue and the return on investment is under threat. The rich are in danger of becoming poorer. The problem is—and the crisis is teaching this to enemies of Marxism too—surplus value is only created by exploiting workers within material production, industry and agriculture. Surplus value is not created through trading or services, not in banking or insurance business and not through government bonds. Those only take part in a surplus value extracted beforehand.

Marx comments on this: "Those transactions (buying and selling government bonds;—C. and H.) might multiply as much as possible, capital of government debt is a pure fictitious one, and from the moment on, when those debt certificates could not be sold any more, the appearance of this capital is gone. Nevertheless this fictitious capital has its own movement."[11]

Crisis tears apart "fiction"

Material production has for decades been endangered by over-accumulation and stagnation. Industrial monopolies collect liquidity as a "war chest," as capital in the form of money, which is used by them more for takeovers of competitors than to be invested in new production plants. And to prepare mergers, the money in the "war chest" is invested in other forms. Recently, the FRG multinational Siemens has been called a bank with an associated electrical business.[12]

For a considerable time now, less and less of the money capital finds its way as profitable investment into material production and, therefore, more and more money circulates in the financial sector. It appears as if there would be an independent motion of the financial sector, the stock exchange and its "products," separate from material production (during crises suddenly rediscovered as the "real economy"). Means which should have helped to control stagnation at first resulted in the further development of the financial sector but, inevitably, dragged the underlying elements of crisis into that sector.

When there is a large influx of investment capital, chances for profitable investments will become rare, interest rates and dividends come under pressure as well as prices for shares and bonds, eventually.

The banks try to take measures against this trend: to attract customers, they promise a higher return on capital. But that can only be realized with higher risks. As the financial crisis shows, imbalances have not been abolished by this, but have increased. The swindle has become such an issue that devaluation becomes inevitable. Crisis has torn apart the appearance of the infinite loop of money breeding money. Banks and insurance companies lined up to solve the problem and have now become part of the problem.

After, such icons of monopoly capitalism as auditing companies were unmasked as part of the cartel of fraud in the 2000/01 crisis; in the present crisis the last private guarantors for the appearance of well-being were unveiled: the rating agencies.

Who will rescue us from the rescuers?

Rentiers (the term used by Lenin, see above) now look for rescue, to avoid devaluation of capital, to avoid asset losses.

For long enough national states were made to be seen as ridiculous, mocked, and were derided as "old hat," in those times of eternal "globalization." During the ongoing crisis, they became the last hope and support for the rich. The loudest to call for "free markets," the de-nationalizers, the prosecutors of socialism and planned economy suddenly called for state aid. At first, they asked for support of all banks and insurance companies, next to guarantee their ability to pay. The rest of the losses they wanted to pass on to the taxpayers, as well as to countries dependent on imperialist countries like Greece. There, the state has to be taken under trusteeship to remind the Greek bourgeoisie to take advantage of their own working people. After that, Greece would be entitled again to issue bonds guaranteed by imperialist states, when interest rates have tripled. Here imperialism shows its true colors as a usurer state, extorting exorbitant interest. Thus, investors and rentiers will be satisfied again. Because on paper (certificate) they would have received back their entitlement for future surplus value.

Through this, the crisis inevitably creeps into the state itself, which beforehand was thought to control the crisis. Measures used to protect banks are now becoming a burden for citizens. Means to protect the rich must be taken from the poor and from those who still own something. Means for re-creation of imperialism rely on the dependent nations paying for this. And, after all that, the last "collateral" of imperialism appears on stage: violence. Dictatorship of the bourgeoisie will be uncovered, fascism and war comes on the agenda again.

Let us try to analyze how this tendency is going to develop.

How do rentiers fight against their "impoverishment"?

The steps taken by the banks and their consequences should be examined more precisely.

Under the "neo"liberal motto of "free markets," bank monopolies have extended their spheres of influence into new areas and countries and their existing national institutions, by either direct takeovers or by making them dependent or by demolition. First of all, national banks were privatized and were taken over by monopoly banks. This happened in all former socialist countries, but also, with slight differences, in many countries of South America, of Asia, of Africa and of Europe. Under the pretext of "globalization" in many countries, the system of mortgage-secured loans was newly implemented through new legislation.

As a result, many of these countries were subjugated under the dictatorship of monopoly banks by issuing significant amounts of mortgage loans. The banks used those mortgages to issue mortgage-backed debenture bonds and went to sell them through international stock exchange trading. This development has increased the possibility to invest rentiers' money. The best part of this was creamed off by the monopoly banks and their hedge funds during the currency crises. For example, in Southeast Asia in 1997 and in the following years, and the cream was shared out to rentiers. Through this, many commercial and trading enterprises in those countries were ruined and dispossessed. This was the "collateral damage" of the monopoly bourgeoisie.

In their home countries, monopoly banks have increased enormously their possibilities of investments too, by the extensive granting of so-called consumer loans. Citigroup, for example, spent more than a billion US dollars on advertisements (motto: everybody should own the roof over the head) to sell those loans. Mortgage loans were literally forced on customers. On one side, real estate was always valued up, on the other side loans were given out with a sum that went beyond 100 percent of the value of the property. Those campaigns resulted in a steady growth of prices for property—especially in the US, the UK, Ireland and Spain—which again resulted in further stretching of those loans, very often beyond credit-worthiness of the customers. In addition to the real estate loans, loans were given out generously on credit cards.

These loans were then used as attested security to issue debenture bonds. Those bonds have to be seen as fictitious capital of the next dimension, a fiction of fictitious capital. Monopoly banks again gained through these loans and bonds by charging premium fees and fees for trading. After a while—and driven by bonus systems for managers—this resulted in exorbitant profits for the banks and their funds. Because bonds created in this way were regarded as mostly well secured (mortgages) and without high risks.

Accomplices as rescuers

From 1987 on, capitalist governments, following the flag of "neo"liberalism and pushed ahead by monopoly banks, abolished many of the regulations, limitations and supervisory institutions which had come into existence during and after the Great Crisis of 1929–32 limiting the scope of action for banks. Those uncontrolled financial monopolies were engaged in undermining former socialist countries in Europe, engaged in their financial subjugation and after all in their reintegration as dependent countries into the imperialist world system. Besides governments, the accomplices of financial monopolies have been, and still are, the banking regulatory authorities and the central banks of imperialist countries, which now are presented as the rescuers. They all have agreed to the issuing of more and more mortgage-backed bonds and debenture bonds and to the trading with those bonds, and opened the door to hedge funds and credit default insurance companies to speculate or bet on them.

Important international institutions, like the Bank for International Settlements (BIS) which was founded in 1930 with headquarters in Basel to deal with German reparations to Entente powers, or the IMF founded in 1944 to guarantee international payment transactions after World War II—they are all part of the imperialist power cartel to protect rentiers and to safeguard usury. These institutions are the ones supposed to implement new financial regulations now.

To whom would state guarantees and nationalization be useful?

In the meantime it is proven: the collapse of Lehman Brothers was not prevented intentionally. Hank Paulson, US Treasury Secretary and former CEO of investment bank Goldman Sachs, was in focus as he pushed a competitor of his own bank out of the market. This opened the floodgates: no bank trusted another bank anymore although ratings were first-class. One after the other, the big banks had to admit in principle that they were all temporarily bankrupt. Nobody wanted to buy mortgage-backed bonds; everybody wanted to sell them. Soon it became clear that mortgage-backed bonds as well as real estate gained much lower prices or no price at all. When real estate was auctioned, only a much smaller percentage of its former value could be realized. Much fraudulent wheeling and dealing concerning the bundling up and false valuations of those bonds became obvious. Fraud inevitably is inherent in a system which is built on exploitation and pillage of the mass of people by a minority.

Suddenly, nobody asked any more for "free markets," instead—not only in the US—demands for state aid were heard.

In the FRG it was first J. Ackermann, CEO of Deutsche Bank,[13] who contacted Merkel's government to save the German banking system through government aid to prevent a collapse. In the process of saving the IKB bank from collapse, Ackermann pushed forward a change of policies from "no restriction for banks by the state," to a line of "the government guarantees the banking system and passes on the losses to the taxpayers."

The rescuing of IKB was followed by rescue packages and nationalization measures (e.g. for the Hypo Real Estate bank—HRE) or partial nationalization measures (e.g. Commerzbank, which had taken over Dresdner Bank from the Allianz insurance company). It made many citizens believe, that it was an act of state control over German banks and would calm down the situation. But with those measures, a far bigger eruption of crisis has been postponed only temporarily. Through that action, the super-rich and rentiers were serviced and protected, yet by risking bankruptcy of the state. Here it can be seen, in marked clarity, who the state really serves, who has subjugated the state and whose protector the state is.

About "systemic"[14] toxic waste in well known dumps

"The British *Daily Telegraph* website disclosed, on February 11, 2009, an internal report of the European commission, which showed that 'toxic assets'[15] in the entire EU banking system amounted up to $25 trillion."[16] Taking this sum into account, guarantees issued by the states of Europe, whether by the German government for their German banks or issued by the EU and IMF for Greece in May 2010 or the €750 billion EFSF rescue fund (a sum that remains unchanged today and is the subject of many internal rows in the EU)—this looks like a drop in the ocean. It seems as if the crisis has opened a bottomless pit. But we know where the money goes. At the bottom of the pit, old acquaintances are waiting: rentiers of the usurer states.

Fictitious capital created by duplication of mortgage loans into mortgage bonds is not at all devalued to date but lies dormant as assets in the balance sheets of European banks. As long as there are guarantees by the states, every auditor values those bonds at 100 percent or makes a small depreciation. But when it becomes obvious that those bonds are only worth, for example, 80 percent, necessary depreciations will surpass not only the company capital of all banks but also the ability of the states to compensate these losses through government budgets—whether there is a guarantee or not.

In addition to this, it has to be taken into account that besides the official banking sector there is a black or gray banking economy. There is trading with financial derivates—betting on nearly everything from raw materials to government bonds—and there are hedge funds—originally established to hedge risks like currency movements. These markets are said to have a scale of $680,000 billion (300 times the GNI of the FRG). Those also want to be guaranteed, because they are also "systemic." They are systemic in a sense, because they are established to make rich rentiers richer and not poorer. In the FRG, nationalized HRE provides an example: State guarantees there amount to more than €150 billion, given "to keep the markets calm."

Parasitism lives as long as…

In this view, efforts toward better regulation of financial markets and for having banks better equipped with company capital seem to be bad jokes. Behind the scenes, there are real clashes about a new sharing out of the world between the monopolies and the imperialist powers disguised as arguments about better rules to rescue the world. In reality, they fight about whose tune the world should dance to.

And here the wheel turns full circle: it is obvious that state guarantees for the rescue of the banks will result in a massive increase of government debts and the banks are becoming beneficiaries again. Governments will try to unload the burden of the crisis onto the working people. Even more wages and salaries will end up at the bottom of the pit to save rentiers and banks from "systemic" losses and keep them alive longer. Yet the financial and economic crisis will not be solved by that.

Conclusions

The imperialist powers of Europe try to use the financial and economic crisis to pass on the burden of crisis and to extend their dominant position over the smaller states: Greece, Ireland, and the next candidates to be forced under the "rescue fund"—Portugal and Spain. These states are forced to help their ailing banks by issuing state guarantees. States which have implemented the euro as currency cannot solve problems with government debt as in former times, when there was drachma or escudo, by printing money. They have to get money from the European Central Bank or from the money market. The currency is the same; the different national economies with different budgets and different tax systems are not the same. During the run-up to a "rescue," which is performed by the imperialist states in a hesitant way, massive speculations take place about the degree of bankruptcy of the "delinquent" state. The three big rating agencies, all of US provenance, are not in favor of a strong euro and fuel speculation by down-rating. As soon as the states are softened up, the imperialist states—FRG and France in the first row—place their conditions. Superficially, the reason is the rescue of the euro. In fact they figure out who is entitled to use this currency implemented against the US dollar to change the balance of power in their favor in the new sharing out of the world by monopolies and imperialist powers.

Finally, the point is whether it is possible to keep the workers calm, or to bring them side by side with "their" imperialism, whether it is possible to keep the people down and whether the national bourgeoisie goes side-by-side with imperialism instead of fighting with its own people.

Not an easy game for the ruling classes, obviously, but every chance for the fight to end the peace with the old exploitation system and to open the gate for a new world order of working people.

Notes

1. All statistics and facts quoted arose before March 31, 2011.
2. W. I. Lenin, *Gesammelte Werke*, Band 21 (Berlin: Dietz-Verlag, 1974), p. 342.
3. *Kommunistische Arbeiterzeitung* (KAZ) (Nürnberg), No. 288, May 1998.
4. W. I. Lenin, *Gesammelte Werke*, Band 23 (Berlin: Dietz-Verlag, 1987), pp. 11–17. Arguing with P. Kijewsky (J. Pjatakow) Lenin 1916 makes this differentiation, pointing out that imperialism neglects democracy concerning the national question and the right of self-determination of the peoples.
5. This PLC, founded in 2000 is responsible for "borrowing and debt management" of the German Federal Government. The owner of that limited company is not a "supranational" organization, but the FRG represented by the Minister of Finance. Would it go too far to conclude that Ireland may be under the trusteeship of the German Minister of Finance and subject to commands of Berlin?
6. *Irish Independent*, March 22, 2011.
7. W. I. Lenin, *Gesammelte Werke*, Band 22 (Berlin: Dietz-Verlag, 1978), pp. 281–285.
8. Ibid.
9. Ibid.
10. Usury in German civil law means: to demand immorally exorbitant loan rates. In the vernacular, one calls them sharks or loan sharks. At present the whole banking business is part of this, taken into account that they presently pay 1 percent interest to the central bank, whereas customers pay for loans on their bank accounts inclusive overdraft interest rates of up to 20 percent.
11. K. Marx, *Das Kapital*, 3, MEW Band 25 (Berlin: Dietz-Verlag, 1988), p. 483.
12. In the meantime, Siemens—as well as General Electric—has established a bank (*Financial Times Deutschland*, December 7, 2010). The security of its own investments has been mentioned as a particular reason for this: "Three years ago I would not even have thought about being worried how to invest our liquidity or with whom we make our hedging of currencies and interests. Yet taking experiences of the last two years into account, I see a real need for action"—Managing director for finance of Siemens (ibid.).
13. Deutsche Bank is the largest German investment bank, mainly making profit with rentiers' money, realizing in Q1/2010 93 percent of the bank's profit through investment business (*Financial Times Deutschland*, April 28, 2010).
14. "Systemic"—a euphemism introduced by bourgeois media to describe the crisis, to praise banks as vital pillars of the world. We note: Also in socialism banks are necessary, to transfer money, to take in savings and provide credits, banks serving profit interests of rentiers und usurers mainly are then not needed any more.
15. This term is also part of giving things a better appearance. It should make people believe, that in opposition to those bonds there are sound bonds. Confusion starts at the point already when people are made to believe that with "sound" bonds money is going to "work" for you.
16. Enfu Cheng, Opening address of 5th Forum of WAPE, Thesis Collection, Suzhou, PR of China, 2010, pp. 2–3.