

the rest of the world must inevitably continue to expand relative to the U.S. position. In a world socialist cooperative commonwealth, on the other hand, the share of U.S. production, even though it be on a relatively diminishing scale, would be of tremendous importance because of the U.S.'s highly sophisticated technology and its capacity for mass production.

BEGINNING OF GENERAL DECLINE

The Second World War enabled the U.S. to exercise its economic, political, and military hegemony over the bourgeois world. From the end of the Second World War until the final defeat of the U.S. during the Viet Nam war, the U.S. capitalist economy was experiencing a general economic upsurge notwithstanding several capitalist recessions which were of generally short duration.

A significant aspect of the economic cycles was that each peak of the economic cycle was lower than the preceding ones—a symptom of the beginning of general decline and erosion of the U.S. economic base. The U.S. military buildup began around 1946 when the military-industrial complex was fully validated by government decree in the form of a memorandum from Dwight D. Eisenhower in April, 1946 when he was Chief of Staff of the U.S. Army. (See *Generals Over the White House* by Sam Marcy, World View Publishers.)

The military buildup that was in full swing in the 1950s and continued without any pause in tempo until the end of the Viet Nam war occurred, therefore, during a period of **general economic upsurge**, notwithstanding several significant recessions. The buildup also occurred while U.S. imperialism retained most of its markets under its military umbrella. How markedly different is the situation today!

The military buildup continues **after** the U.S. has lost its dominant position in Asia and has been severely restricted and under heavy pressure in all of Latin America. Its position in Europe has become politically and economically weakened, and in the Middle East it is most vulnerable to revolutionary attack from the oppressed people. Thus, while military expansion continues, the U.S. economic base continues to deteriorate and contract.

The sources for the extraction of surplus value on a world scale have been narrowed and encumbered by revolutionary pressure of a most intense character from the oppressed peoples and underdeveloped countries.

Finally, like Britain, the basic industries of the U.S. are in decline, in a state of decadence, and under fierce competitive attack by the very allies which the U.S. government did so much to cultivate and resuscitate following the Second World War. Even the most superficial observers of the state of the U.S. world position cannot but be struck by the increasing divergence between two organic tendencies which are a product of monopoly capitalism.

On the one hand, there is the evident economic contraction of both the domestic and world economic base of U.S. imperialism. On the other hand, there is the continuing and relentless drive for military expansion. Both of these tendencies grow organically from the body politic of the capitalist class structure of exploitation and oppression.

The continued existence, side by side, of these two tendencies as though they were independent of each other is absolutely incompatible and of necessity leads to a catastrophe. There is no imperialist fallback position for U.S. capitalism. There is, however, a socialist solution to the catastrophic sharpening of this acute imperialist contradiction.

— June 17, 1980