

The G7 summit collapses

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In an unprecedented event, the G7 talks at Charlevoix in Quebec broke down Saturday, amid bitter recriminations and threats of trade war measures between countries at the heart of the world economy. Insoluble conflicts erupted over Washington's threats to impose tariff barriers on billions of dollars of imports from the European Union (EU), Canada and Mexico.

The lead-up to the conference had been marked by acrimony, with French President Emmanuel Macron rhetorically proposing to sign a "6 country agreement," excluding the United States. Photos emerged from the summit of German Chancellor Angela Merkel leaning over a table, glaring at Trump, who left the summit early, skipping talks on climate change.

The summit issued a final communiqué papering over the conflicts, as is usual in G7 summits, condemning protectionism but making a few criticisms of the World Trade Organization in line with US complaints. The US was expected to sign, but Trump, after listening to Canadian Prime Minister Justin Trudeau's post summit press conference while en route to Singapore for a summit with North Korean President Kim Jong-un, fired off a volley of tweets that signaled a comprehensive breakdown of the G7 talks.

After Trudeau said that the communiqué criticized protectionism and that Canada would maintain its \$16 billion retaliatory tariffs on US goods, the biggest Canadian tariffs since World War II, Trump hurled invective at Trudeau, warning that he "will not allow other countries" to impose tariffs. He accused what are nominally the closest US allies of having targeted the US for "Trade Abuse for many decades—and that is long enough."

In another tweet, the US president threatened a major escalation of trade war measures with tariffs on auto imports and announced the breakdown of talks: "Based on Justin's false statements at his news conference and the fact that Canada is charging massive Tariffs to our

US farmers, workers and companies, I have instructed our US Reps not to endorse the Communiqué as we look at Tariffs on automobiles flooding the US market!"

This is the first time since G7 summits began in 1975—originally as the G5 with the United States, Japan, Germany, Britain and France—that all the heads of state could not agree on a communiqué.

What is unfolding is a historic collapse of diplomatic and economic relations between the major imperialist powers. For the three quarters of a century since World War II, a broad consensus existed internationally in the ruling class that the trade wars of the 1930s Great Depression played a major role in triggering that war, and that trade wars should be avoided at all costs. This consensus has now broken down.

Explosive conflict and uncertainty dominate the world economy. The United States, the EU and Canada are preparing tariffs impacting untold billions of dollars in goods and threatening tens of millions of jobs worldwide. As the remarks of Trudeau and Trump show, US tariff threats are setting into motion an escalatory spiral of tariffs and counter-tariffs with potentially devastating consequences.

The collapse of the G7 talks cannot be explained by the personal peculiarities of Donald Trump. Rather, this historical milestone is an expression of US imperialism's desperate attempts to resolve insoluble contradictions of world capitalism. Not only Trump, but prominent Democrats and large sections of the European media and ruling elite are all recklessly calling for trade war measures against their rivals.

Analyzing US imperialist policy in 1929, the year before the eruption of the Great Depression, Leon Trotsky warned: "In the period of crisis, the hegemony of the United States will operate more completely, more openly, and more ruthlessly than in the period of boom. The United States will seek to overcome and extricate herself from her difficulties and maladies

primarily at the expense of Europe, regardless of whether this occurs in Asia, Canada, South America, Australia or Europe itself, whether this takes place peacefully or through war.”

The G7 summits were launched to manage conflicts between the major powers as the industrial and economic dominance established by US imperialism in World War II rapidly eroded, and after Washington ended dollar-gold convertibility in 1971. Still unable to catch up to its European and international competitors, the United States has for decades posted ever-larger trade deficits with rivals in Europe and Asia.

After the Stalinist bureaucracy dissolved the Soviet Union in 1991, lifting the main obstacle to US-led neo-colonial wars, Washington tried to counterbalance its economic weakness by resort to its vast military superiority.

Over decades of bloody neo-colonial wars that killed millions in Iraq, Afghanistan, Syria and beyond, the United States has sought to establish a powerful military position in the oil-rich Middle East. These wars placed its forces athwart key trade and energy supply routes of its main economic rivals.

Trump’s election and his denunciations of “trade abuse” of the United States by Europe, Japan and Canada marks a new stage in the crisis of world capitalism. Bitter US-EU divisions are growing not only over trade, but over EU opposition to the US policy of threatening Iran with war by ending the Iranian nuclear deal. After decades of economic crisis and neo-colonial war, the danger is rapidly emerging of a 1930s-style disintegration of the world economy into rival trading blocs and, as in that decade, the eruption of military conflict between them.

The contradictions of world capitalism identified as the causes of world war by the great Marxists of the 20th century—between international economy and the nation state system, and between socialized production and private appropriation of profits—are exploding to the fore today.

The European powers have responded to Trump with stepped-up threats of retaliatory measures. Following the summit, German Foreign Minister Heiko Maas called on the European powers to respond “together” in order to defend their “interests even more offensively.”

Historically, trade war has been a precursor to military conflict. Prior to the summit, French President

Emmanuel Macron responded angrily to Trump’s threatened sanctions, declaring, “This decision is not only unlawful but it is a mistake in many respects. Economic nationalism leads to war. This is exactly what happened in the 1930s.”

Amid growing tensions with the US, all of the European powers are rapidly rearming. Just one week before the G7 summit, German Chancellor Angela Merkel signalled her support for Macron’s proposal to create a joint European defence force, open to British participation and independent of NATO.

The only viable response to the growing threat of trade and military war is the mobilization of the working class internationally in struggle against capitalism and the danger of war. As strikes and class struggle explode around the world—among teachers in the United States, metalworkers in Germany and Turkey, and the broad movement of workers against Macron’s austerity policies in France—the social force that can lead this opposition is coming to the fore. The turn now is to the building of an international, socialist anti-war movement based on the working class.

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