

Marx and the Cataclysmic Crisis of Global Capitalism

While the Russian Revolution of 1917 shook the entire world and heralded a new era of civilization and establishment of the first socialist state, the global crisis of capitalism set off on 15 September, 2008 through Wall Street crash has also shaken the world from a different direction discrediting the global capitalist system itself.

The sweep of the current crisis is enormous. The Great Depression began with Wall Street crash of 1929 when only USA, Europe and Japan were capitalistically developed. The entire continent of Africa, almost entire Asia barring Japan, and also Latin America could not see or had some primary level of any modern capitalist development. The impact of global depression of 1929 was mostly concentrated in the areas where capitalist development took place in a limited part of the world, but the September, 2008 has engulfed the entire world and the tremor is also more intensive. Thus the dimension of the crisis set off in September 2008 is all embracing and in intensity is also much deeper.

Frederick Engels while writing the preface of English edition of *Das Capital* in November 5, 1886 pointed out that this repetitive crisis of capitalism will ultimately result in capitalist prosperity 'vanishing into air'. He wrote "The decennial cycle of stagnation, prosperity, over production and crisis, ever recurrent from 1825 to 1867, seems indeed to have run its course; but only to land us in the slough of despond of a permanent and chronic depression. The sighed-for period of prosperity will not come; as often as we seem to perceive its heralding symptoms, so often do they again vanish into air." (*Capital Vol I, preface, p. 6*)

In this treatise we will try to analyse the present catastrophic crisis of global capitalism and its lessons by drawing upon Marx's theory of Capitalist crisis and how Marx's analysis fully corresponds to the present world shaking event.

The Original Sins of Capitalism

The great critical accounts of the economic transformations of the nineteenth century emphasize not only the tendency to autodestruction inherent in the transformative process of modern economic development, but also the problematical origins of the process. Karl Marx was uncovering the laws of motion of economic society. According to Marx, the falling rate of profit and the increased immiseration of the working population would ever produce a final crisis. The final stage in this crisis was constituted by internationalization. To the extent to which this development played a central role in Marx's argument, Marx became the first systemic critic of globalism.

In a famous passage at the end of the first volume of *Capital*, Marx explained his principle of the increasing centralization of control and production. "This expropriation [of the capitalist] is accomplished by the action of the immanent laws of capitalistic production itself, by the centralization of capital. One capitalist kills many." The result was "the entanglement of all peoples in the net of the world market, and with this, the international character of the capitalistic regime. Along with the constantly diminishing number of the magnates of capital, who usurp and monopolize all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation," (*Capital Vol.I p.768*)

That final crisis also corresponds to a moral crisis, in that the spectacular successes of capitalism were based on previous theft and violence. Marx in his account of the origin of the modern economy gave enormous attention – particularly to the English enclosures, the settlement of Ulster, and the Scottish highland clearances. These are the original sins of capitalism, which will always haunt the system: the economic term for original sin that Marx liked to use was "primitive capitalist accumulation."

In the final stages of capitalism, financial speculation would become ever more prominent and controlling over the real economy. But in the third volume of *Capital*, Marx was exploding with fury about the embryonic stage of finance capital at that time:

“Talk about centralization! The credit system, which has its focus in the so-called national banks and the big money-lenders and users surrounding them, constitutes enormous centralization, and gives to this class of parasites the fabulous power, not only to periodically despoil industrial capitalists, but also to interfere in actual production in a most dangerous manner – and this gang knows nothing about production and has nothing to do with it. The [English Bank] Acts of 1844 and 1845 are proof of the growing power of these bandits, who are augmented by financiers and stock-jobbers” [Marx Capital Vol.3, pp. 544-45]

The growth of Finance Capital and the development of capitalism in the stage of imperialism was later systematically analysed by V.I. Lenin much after Marx wrote *Capital*. particularly the Vol.3. Later on in the present stage of neo-liberal globalization, world has started witnessing the mad offensive of International Finance Capital. The recent Global Economic Collapse beginning in mid September’08 is the worst and fearful manifestation of Finance Capital and capitalism’s crazy greed for profit and for that need for Credit System.

But it is really interesting that Marx’s scientific analysis of the dynamics of capitalist system led him to such a doubly amazing foresight of the rule of Finance Capital. It was seen by Marx only in an embryonic form when he burst into rage against this inherently destructive character of Finance Capital and he did not hesitate to characterize this growing power of Finance as ‘bandits’. More so, when worldwide the bourgeois economists and also some economists with Marxist leaning are characterizing this global collapse as simply a Credit - Driven one, Marx, in his own life time could both realize the inevitability of credit system in onward march of capitalism and the ultimate rapacious role, the Finance Capital is destined to play. To day in its full blossom stage of Finance Capital and neo-liberal globalization, Marx’s scientific analysis and foresight has been confirmed absolutely. That is why Marxism is a science and not a dogma. Moreover almost in every piece of Marx’s writings, Marx has exposed the contradictions inherent in the capitalist dynamic, be it Credit System, be it Stock Exchanges and finally the inevitable collapse of the system dominated by Finance Capital.

Presently, it might be thought that Marx’s account reads just like many of the countless tracts of the 1990s on the evils of uncontrolled global integration. A standard feature of many of the complaints is the power of financial speculators. Even Paul Krugman who has been otherwise supportive of free trade and globalization, while writing on ‘sudden speculative attack’ – *A Model of Balance-of-Payments Crises* notes: “No Individuals or small groups could really affect the currency value of even a middle-sized economy, could they? Well, may be they could. One of the most bizarre aspects of the economic crisis of the last few years has been the prominent part played by ‘hedge funds’ ... in at least a few cases, the *evil speculator* has staged a comeback.”[emphasis added]. [Paul Krugman *A Model of Balance-of-Payment Crises*, Ohio State University Press, *Journal of Money, Credit, and Banking*, Vol.II, No.3 (August 1979)]

The evil speculator is a standard figure of all dramas on financial crisis. In the nineteenth century this became almost a stock literary figure, across national frontiers.

While dealing with Role of Credit in the capitalist system, Marx as early as in the 1880s, we can see how with utter contempt he presented the functioning of stock-market in that stage of capitalist development with its Bank Credit System built up by commoners’ savings.

But there is substantially more nuance to Marx’s argument. He was very explicit in developing the religious analogy underlying his arguments.

“Primitive accumulation plays in Political Economy about the same part as original sin in theology. Adam bit the apple, and thereupon sin fell on the human race... The capitalist system presupposes the complete separation of the labourers from all property in the means by which they can realize their labour. As soon as capitalist production is once on its own legs, it only maintains this separation, but reproduces it on a continually extending scale. The process, therefore, that clears the way for the capitalist system, can be none other than the process which takes away from the labourer the possession of his means of production; a process that transforms, on the one hand,, the social means of subsistence and of production into capital, on the other, the immediate producers into wage-labourers”. [Marx, Capital Vol.I, pp.713-714]

Even before Marx

Richard Wagner’s operatic Tetralogy, the *Ring of the Nibelungs*, has - as George Bernard Shaw pointed out - considerable parallels to the mental world of Marx. The system is bound to destroy itself, because it was constructed by the gods - chiefly by Wotan - on the basis of laws, which the god cannot break without undermining the reason for their own existence. Hence the best the gods can do is to reconcile themselves to the inevitability of a collapse. In the critical second act of the Valkyrie. Wotan explodes in frustrated rage and calls for a final cataclysm, “Das Ende,” At the same time, Wotan is obliged to recognize that the world he created is based on theft; even if originally it was someone else’s theft.

The late nineteenth century British conservative politician and thinker Ropert Cecil. third Marquis of Salisbury, wrote from the standpoint of a reactionary about how the increase of industry and commerce - the striking feature of the globalized world at, whose center Britain then was — generated more and more protests about inequality. The new inequalities were particularly hard to bear because, unlike those of a traditional and aristocratic age, they could never appear simply irrational, the product of time, and thus quite independent of the personal merits and endeavors of an individual. In the modern age, Salisbury believed, “the flood of evils wells up ceaselessly. “By the 1880s, he had become bitterly pessimistic.

Vast multitudes have not had a chance of accumulating, and whenever the stream of prosperity slackens for a time, privation overtakes the huge crowds who have no reserve, and produces widespread suffering. At such times the contrasted comfort or luxury of a .comparatively small number becomes irritating and even maddening to look upon, and its sting is sharpened by the modern discoveries which have brought home to the knowledge of every class the doings of its neighbours. The organizer of revolt, the Radical agitator, soon makes his appearance under these conditions.

Illegitimacy of Capitalist System

There were plenty of economic problems in the world before the dramatic collapse of Wall Street in 1929.

Hatred on a class basis was in this analysis, the inevitable consequence of development and led to “political debility” and “disintegration”- in short, to an end of the world that had permitted the industrial and commercial riches in the first place.

Is the fragility of the financial mechanism crisis? The’ financial catastrophe brought back all the resentments and reactions of the nineteenth century, hut in a much more militant and violent form. The fascination for a harmonious liberal vision of an integrated and prosperous world, beliefs about the inevitability of conflict and importance of national priorities gripped populations and politicians. They now talked about enrichment at the expense of others.

The stories that the nineteenth century told about the global world built on a secular concept of original sin. The remedy that many thinkers then provided to the illegitimacy of the system echoed in Luther's prophesy quite precisely (in a secular manner). Strong public authority was needed to overcome the legacy of that sin. There was a natural community that had been broken apart by creative greed, but the state could create its own order and community, and thus channel the destructive forces of dynamic capitalism. This strategy, they felt, would offer the only way of avoiding the apocalyptic crises prophesied by a Marx or a Wagner or a Lord Salisbury. A powerful national, international and political bulwark alone could contain the evils of an unstable world! Obviously, we understand today that this can be achieved only through Marx's socialism.

The new League of Nations oversaw financial stabilizations, combining rigorous policy reform imposed from without with economic assistance in a way that anticipated the post-1945 Bretton Wood Institutions like World Bank and International Monetary Fund. The Bank for International Settlements coordinated the actions of central banks. Trade negotiations were no longer bilateral, as they had been in the case of such famous landmarks of liberalization as the Cobden-Chevalier treaty, but were conducted within a framework of large international conferences, usually organized by the League.

None of these attempts was really successful. Given the catastrophes of the late 1920s, it is tempting to think that an excessive aspiration for globalizing the economy may have played a role in the collapse. All the beliefs, part hopes, part illusions-in the restoration of one market-driven world by means of international institutional engineering were destroyed by the experience of the Great Depression. In the 1930s the world descended into economic nationalism and protectionism. There were competitive devaluations. Autarky and war economy became national goals.

Spectre of Great Depression

The devastation of that depression still exercises a colossal fascination. In the second half of the century, whenever there was an interruption to growth or a threat to prosperity, many people asked themselves whether we were not once more back in the grips of the Great Depression. In the mid 1970s, the recession that followed from the sudden quadrupling of oil prices was taken as a new world crisis, combining a threat to the economy with a threat to political democracy. The lessons learned from the Great Depression at that time involved the desirability of a Keynesian demand stimulus. At the beginning of the 1980s, a recession in the industrial world and the Latin American debt crisis led to a new wave of pessimistic forecasts, and a new interest in the history of depression. Then the lesson was lower interest rates. In October 1987 in analyzing the stock-exchange collapse, almost every newspaper of US and UK published charts juxtaposing the developments of 1929 and 1987. Again, after the outbreak of an Asian crisis in 1997, and the contagion effects in Russia and then in Brazil, the parallels to 1929 recurred. Helmut Schmidt, who was chancellor of Germany in the 1970s had been terrified of the possibility of a replication of the Great Depression, for instance he wrote: "The main parallel lies in the helplessness of many governments, which had not noticed in time that they had been locked in a financial trap, and now have no idea of how they might escape.[see Herald James, End of Globalization and the problem of Depression]. Academic analysts have loved these parallels too. US academic articles on the depression reveal a striking parallelism to the economic development of Western economies. They are constantly concerned with the possibility of a repetition of the breakdown of globalization. But the untenable remedies suggested in the 1930s were again being parroted.

Marx explained,

"Equally sordid becomes the phrase relating to the origin of capital to savings, for what he demands is that others should save for him. In the last instance, it aims at the expropriation of the means of production from all individuals. With the development of social production the means of production cease to be *means* of private production and products of private

production. However, this expropriation appears within the capitalist system in a contradictory form, as appropriation of social property by a few; and credit lends the latter more and more the aspect of pure adventures. Since property here exists in the form of stock, *its movement and transfer become purely a result of gambling on the stock exchange, where the little fish are swallowed by the sharks and the lambs by the stock-exchange wolves (emphasis added)*. There is antagonism against the old form in the stock companies, in which social means of production appear as private property; but the conversion to the form of stock still remains ensnared in the trammels of capitalism; hence, instead of overcoming the antithesis between the character of wealth as social and as private wealth, the stock companies merely develop it in a new form”. [Marx *Capital* Vol.3, pp.439-440].

Moreover, explaining that ‘The Credit system appears as the main lever of over-production and over-speculation in commerce solely because of the reproduction process,

Marx says that

“This simply demonstrates the fact that the self-expansion of capital based on the contradictory nature of capitalist production permits an actual free development only upto a certain point, so that in fact *it constitutes an immanent fetter and barrier to production, which are continually broken through by the credit system (emphasis added)*. Hence, the credit system accelerates the material development of the productive forces and the establishment of the world-market. It is the historical mission of the capitalist system of production to raise these material foundations of the new mode of production to a certain degree of perfection. *At the same time credit accelerates the violent eruptions of the contradiction – crises – and thereby the elements of disintegration of the old mode of production.* [Ibid 441]. (*Emphasis added*)

Marx further goes on,

“The two characteristics immanent in the credit system are, on the one hand, to develop the incentive of capitalist production, enrichment through exploitation of the labour of others, to the purest and most colossal form of gambling and swindling, and to reduce more and more the number of the few who exploit the social wealth; on the other hand, to constitute the form of *transition* to a new mode of production. [Ibid]”. Marx again refers to this systemic crises of capitalism.

Stagnation and Crisis Theory by Modern Marxists

Among the eminent modern Marxists, Paul Sweezy’s works are highly noteworthy. Sweezy’s *Theory of Capitalist Development* (1942) and thereafter Paul Baran and Paul Sweezy’s *An Era on American Economic and Social order* (1966) are specially relevant to the subject under discussion. Of course, Marx developed his economic theory and analysis with his exposition of facts and statistics of England, the then most developed capitalist country, Paul Sweezy and his associates also concentrated on the capitalist development of USA and drew conclusion on that basis.

Though Paul Sweezy made a fairly clear exposition of Marxist theory, but on the theory of Crisis, Sweezy differed from Marx in regard to the theory of falling rate of profits on the basis of later evidence. But this is not our main topic of discussion. Sweezy developed the under consumptionist stance of Marx’s writings which were not well developed in *Capital* as the falling rate of profit. Marx’s argument of falling rate of profit is one of his main arguments for explaining the basis of capitalist crisis. But for the present we are not entering into that debate, lest it deviates us from the main thrust of our argument.

As regards this under consumptionist theory, no doubt, Sweezy was strongly influenced by the pull of J.M. Keynes in developing the under-consumptionist arguments in Marx., Keynes said the *micro-economic* problem of capitalism was effective demand and that was the cause of the 1930s depression. Of course Keynes himself acknowledged Marx along with some obscure people, like Silvio Gessel, as predating him with an under-consumptionist perspective.

Strangely, some scholars with even Marxist leanings have started arguing that the antidote of the current global economic collapse of capitalism is to increase public expenditure and avenues of employment as a replica of Keysian prescription to offset the effects of the Great Depression of 1929 and thereafter.

But this can only be a temporary and short term measure to put some control on the crisis and give some relief to the people. The main long term task is to disillusion of the common people about capitalism. It is not a fact also that only Keynes's prescription was the real palliative for the deeply crisis-ridden capitalism in the 1930s, but mainly the US, UK and other advanced European countries got a tremendous boost from the political inevitability of the Second World war that was looming large and the military-industrial complex of US built at that time lent a helping hand to a certain extent to turn the course of collapsing economy.

But the eminent bourgeois economist Keynes's theoretical postulates remain still valid in the way he analysed the Financial speculation – role in the Stock-Exchange system of capitalist economy. Keynes says, 'Speculation may do no harm as bubble on a steady stream of enterprise. But the position is serious when enterprise becomes bubble in a whirlpool of speculation. [Keynes, *The General Theory*, pp.159, Macmilan & Co.Ltd 1949]

But compare how Marx explained the nature of speculation and the Stock Exchange. In pp.440 & 441 Marx characterized the stock-market speculators as 'gambler and pure adventures' and 'bursting of the bubble in a whirlpool' of speculation as '*violent eruption*'.*[Italics added]*

Keynes wrote to defend and protect the capitalist economy while Marx realized its destructive character and his aim was to demolish it and replace by socialism – hence the difference in language, style and philosophical drive in explaining these phenomenon by Marx and Keynes.

It will not be out of context to refer to Joseph Stalin and his economists like Eugen Varga, the eminent Soviet Economist as to their analysis of the Depression period.

Contrast with Soviet Socialist Model

This was the moment of the greatest contrast between the Soviet course of rapid industrial expansion, in the first Five-Year Plan (1929-1932), and crisis and depression elsewhere. Inevitably this contrast formed a major theme of Soviet propaganda, and a major attraction of the Soviet model. Stalin and his economists, in particular Eugen Varga, eagerly identified the Western misery as the predicted general crisis of capitalism. Varga developed a law to show that the previous solution to capitalist crises, the discovery of new markets, had reached a natural limit. Since there were no virgin territories, a chronic depression would follow. This theme was taken up in Stalin's triumphalist report in June 1930 to the Sixteenth Congress of the Communist party:

“Recall the state of affairs in the capitalist countries two and a half years ago - Growth of industrial production and trade in nearly all the capitalist countries. Growth of production of raw materials and food in nearly all the agrarian countries, a halo around the United States as the land of the most full blooded-capitalism. Triumphant hymns of 'prosperity', Groveling to the dollar, Panegyrics in honour of the new technology, in honour of capitalist rationalization ... And what is the picture today? Today there is an economic crisis in nearly all the industrial countries of capitalism”.

Soviet economic growth was indeed impressive in the period 1928-1940. It amounted to an annual rate of between 5 and 11 percent (depending on the choice of price level adopted).

During the depression, the Soviet market played a quite important role for some engineering and machinery producers. Even before the world depression, the USSR had become the world's second-largest importer of machinery (after the United Kingdom).

[for details see in Richard B. Day, *The 'Crisis' and the Crash* ': *Soviet Studies of the West (1917 – 1939)* (London: New Left Books, 1981), p.202, Paul R. Gregory, *Before Command: An Economic History of Russia from Emancipation to the First-year Plan* (Princeton: Princeton University Press, 1994), 129.]

Whatever may be the subsequent developments of Soviet Union, the role of Stalin in totality; or the cause of its fall, but faced with the formidable challenge of the current global economic collapse of capitalism with the US economy at the peak of capitalist development, it will be utter absurdity to forget these facts how Soviet Union remained completely untouched by the shock of Great Depression. Like the Great Depression of 1930, today also USA is considered the number one in the capitalist world both in economic might and military hegemonic offensive and that USA is shivering under deep crisis.

Frantic Efforts to Salvage the Situation – G 20 meeting at Washington

With the breakdown of the current global economic collapse sweeping across countries with its epicentre at USA, the entire capitalist world has started shivering. National governments around the world are frantically trying to do what is necessary to prevent another major financial institution from failing and the International Monetary Fund's managing director said, although he didn't specify any measures. Series of meetings among the heads of the Governments like European big 5, G-7 and other bilateral discussions were already held and ultimately at the initiative of a totally directionless George Bush a meeting of G-20 was held in Washington on 15 November 2008 to find ways to salvage the situation. Releasing huge funds from the Govt treasury and the Federal Bank in USA, Reserve Bank of India and in other countries, similar measures are being taken to pump in huge amount of funds to increase the liquidity of the Banks and save them from bankruptcy.

The first G-20 financial summit in Washington D.C. on 15 November, 2008 witnessed a change in the global economic landscape as cracks became visible in the U.S.-led G-7 setup and the voices of emerging economies becoming more audible. There was no second Bretton Woods agreement of 1944 centering on radical reform of the International Monetary Fund and the World Bank, but observers note a clear shift in global economic power.

The leaders wanted to stabilize financial systems, take monetary measures to boost domestic consumption, pursue aggressive fiscal policies and welcome short-term liquidity support from the IMF. For the next three months, the G-20 countries are to strengthen supervision of banks and credit evaluation companies, cap executive salaries and attempt a soft landing through fiscal and monetary policies.

But in an analysis of the Summit declaration it appears that the Nov 15 G-20 summit on the economic crisis in Washington sought to protect only the interests of the major creditors.

The G-20 summit that brought together major industrialised and emergent countries in Washington November 15, 2008 practically is a dismal failure, as any fundamental solution was consciously evaded at the meeting.

The very promoters of an unfair and unsustainable model are asked to rescue this model. Actually, the solutions that were put forward to rescue the failing free-market model of capitalism. People and poor countries as usual were not consulted.

"The demons of the past are still with us" some critics said, adding that the summit showed that the leading economies did not take lessons from their past experiences.

The International Monetary Fund and the World Bank, though further delegitimised by the failure of the measures they have enforced for 25 years, are still at the heart of the proposed solutions.

This is nothing but a purported message of solving the crisis which is not possible by the promoters of capitalist free-market and votaries of International Finance Capital.

Now, taking a slightly longer perspective, the outlook which would suggest that a deeper and longer global depression is likely to follow on the Wall Street collapse – might even turn favorable for the working class, if the class can turn the wrath against the capitalism itself. In some of the more prosperous countries, a temporary return to Keynesian rational capitalism would mean and increase in social spending and slightly benefit the propertyless, harshly impacted by the imposition of now discredited neoliberal “reforms”. But the primary lesson is one that Latin America above all is now well positioned to learn and to benefit from this crisis. In the midst of the crisis the country least affected is and shall be Cuba; already it is beyond any doubt that the best place anywhere in the world to rely on social provision rather than the scraps of individual savings, the best place to be propertyless, is Cuba.

We, therefore, should take as a primary task the job of driving the stake into the heart of what is now mortally wounded neoliberalism “open, competitive and liberalized financial markets”. But the Heads of the States of different capitalist countries, especially so George Bush, Manmohan Singh, US Treasury Secretary Paulsons are singing the chorus “open, competitive and liberalized financial markets”. Let us ruthlessly fight and mercilessly expose all the years of this dishonest and deceptive jargon of “economic freedom” and “reform” spewed upon the public by economists and journalists serving as the bankers, investors and exploiters’ agents and unmask these servants of global finance capital and its ruinous exploitation.

Marx’s Theory of Capitalist Crisis

The entire history of capitalist development points to its inherent characteristic feature of crisis after crisis, i.e its basically crisis ridden structure. So this crisis is not an ordinary crisis of capitalist economy, it is something which questions the validity of the capitalist system itself.

The present phase of the capitalist economy has already transcended the limitation seen by Varga. Though the present neo-liberal free market phase of capitalism, so to say globalization, capitalism succeeded to cross the earlier limit – the Great Depression era, triumph of Finance Capital and the worldwide spread of the transnational companies and the free market regime imposed by the Bretton Wood Institutions and the WTO have changed the entire economic scenario of the world.

Marx’s theory of the necessity as opposed to the possibility of regular crises in capitalist economies draws upon the interaction between competition and class conflicts. The crisis can occur apart from other causes, indeed, they can be due to factors originating from outside the circuit of capital, for example social, political, financial or technical upheavals. The possibility of erosion in the profit rate because of the inability of capital to ‘restructure’ to achieve higher profitability, and the fragility of the stock exchange to ‘bad’ news and its repercussions for *economic reproduction, are all too familiar. Other potential causes of crisis* include price crashes due to overproduction in key industrial sectors, the collapse of important financial institutions, and instability induced by foreign trade or political turmoil at home.

Marx argues that crises can always arise because of the contradiction between the production of use values for profit and their individual or, more exactly, private consumption.

As already referred to, Marx explained in Capital Vol-3 that in capitalism there is an inherent barrier in Capitalist's expansion. Capitalist production seeks continuously to overcome these immanent barriers but overcomes them only by means of which again placed these barriers in its way and on a more *formidable* scale. The real *barrier* of capitalist production is Capital itself.

In the present case the global economic crisis set off by Wall Street Crash exactly corresponds to this analysis of Marx on Capitalist crisis.

A present day, eminent Marxist scholar, I. Meszaras in his *Beyond Capital (1995)* dealt with the structural crisis of capitalism taking cue from Marx's analysis of unavoidable crisis of capitalism. Paul Sweezy also predicted a collapse. According to Meszaras, " Under the new historical circumstances crises too, unfold in a very different way at the time of capital's global ascendancy, crises erupted in the form of 'great thunderstorms' (Marx), followed by relatively long expansionary phases. The new pattern, with the end of the age of capital's historical ascendancy, is the growing frequency of recessionary phases tending towards a depressed continuum. And given the globally intertwined character of the self-enclosed capital system – which makes all the talk about 'the open society' sound utterly farcical, if not altogether obscene – the great challenge, without which the crisis of development cannot be overcome, is this : how to break the vicious circle of the reciprocally paralyzing 'macrocosm' and constitutive cells of the system"

[Meszaras, Beyond Capital, 1995 preface, p.xxv] .

It is not an ordinary repetitive crisis, but a structural crisis which Marx explained. In sum, crises of Capitalism are unavoidable. In the present case, crisis caused by Wall Street crash, hits the very basis of global capitalism. Working class will have to deeply go into the causes and nature of this grave crisis of world capitalism and devise their appropriate course of action. Free market capitalism is collapsing. With Capitalism's maneuverility it may recover to some extent. But this way it cannot survive.

The current global crisis of capitalism set off by the Wall Street Crash of 15 September'08 need to be examined in the light of inevitability of crisis. This crisis has created a favourable situation for the communist movement and working class to advance in a rapid stride by exposing the repetitively crisis ridden ugly character of capitalism.

So, for the working class, this grave crisis again presents the idea of socialism in a more vibrant way. It is possible in the post -1991 era for a practical realization of the slogan of 'back to socialism' while the promoters of free market capitalism are making frantic but vain efforts to any how protect the slumping economy,, it is the duty of the international working class to unite in the new situation and decide its course of action to ensure the downfall of capitalism.

But this does not mean that the break down of capitalist system is automatic. Marx has never said so, on the contrary he visioned a working class revolt when he called upon the working class to unite globally. In today's world it will depend upon how the international communist movement is willing or capable of utilizing the situation, adopt appropriate strategy, mass mobilization make the working class politically conscious for causing its early downfall.

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