Communist Party of Australia (Marxist-Leninist)

A paper presented at the

13th Congress of the Communist Party of India Marxist-Leninist Red Star

held between September 16-20, 2026

at Raichur, Karnataka, India

Comrades,

We have been invited to submit a paper to your 13th Congress on a paradigm shift in the balance of power between the imperialist states.

A paradigm shift implies a fundamental change in the nature of a thing, or in the relations between things.

We will present our understanding of the current balance of power between the imperialist states as a contribution to a discussion, and not as a fixed statement or set of conclusions.

Your Congress is occurring at a time when US imperialism is increasingly relying om force and violence, or the threat of force and violence, in an attempt to arrest its decline as the world's Number One hegemon, and is facing a challenge from a rival imperialism led by a Communist Party and claiming to be following its own path to socialism. The expansion of its economic and political influence has so far been conducted peacefully, but this Chinese social-imperialism is continually building its armed forces and its blue water navy so that, if necessary, it can engage confidently in a war for the redivision of the world.

The imperialist states

Our understanding is that imperialist states are those that exhibit the five characteristics of imperialism that Lenin put forward in his work *Imperialism – The Highest Stage of Capitalism.* There is no need to repeat them here for we all know what they are. Accordingly, we regard the following as imperialist states: the US, the European Union (including the UK), Russia and China. Japan can be considered something of a special case: it has had its economic ups and downs and is now trying to discard its post-War pacifist Constitution so as to rearm as a partner of US imperialism.

Some regard Australia as an imperialist country. There is, for example, a concentration of capital and production and, particularly in the mining industry, there are several capitalists of great personal wealth. However, there are no Australian companies in the top 10 of the Fortune 500, and even the largest Australian corporations (like BHP) and the four biggest banks are largely owned by US capital.

Finance capital is stronger than industrial capital in Australia, yet Australian-owned financial institutions are not global leaders of finance capital. The closest to being a global leader is the Commonwealth Bank (privatised in 1991), which is only ranked 31st by total assets against other banks, and among the top 10 globally by market capitalization. Its biggest shareholders are institutional investors from overseas (see below). The bank is ranked 74th on the 2026 Forbes Global 2000, which combines sales, profits, assets and market value of all companies.

Australia has a compulsory superannuation system and the various super funds currently manage around A$4.5 trillion, making it the fourth-largest pension market in the world, behind only the United States, Japan and Canada. However, the largest of these Australian super funds is only ranked 17th globally.

The situation is different for Australian insurance companies: no Australian insurer ranks among the world's very largest insurance companies. The largest Australian insurer, QBE, has operations in more than two dozen countries and is globally significant in commercial and specialty insurance, but it is much smaller than any of its US, German, Chinese and French competitors. It is not within the top 25 insurers by assets.

Although Australian capitalism is highly developed, it wields no influence in global finance markets such that it can be described as imperialist.

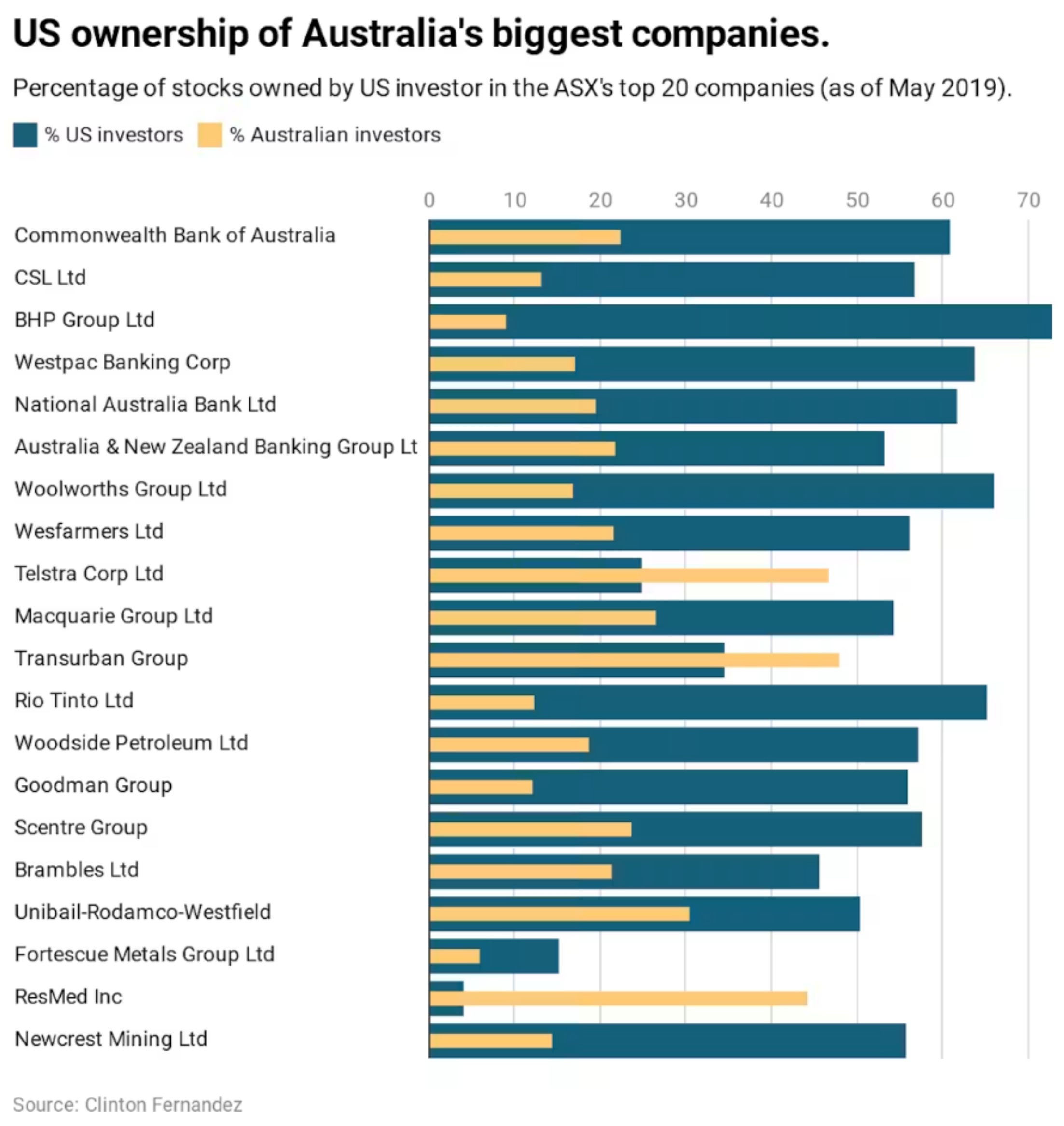
Whilst there are some industries in which Australian capitalists have exported capital to secure raw materials and to extract Third World surplus value[1], Australia ranks 16th in the world as a source of outward FDI. At the end of 2025, Australian outward FDI stock was approximately US$815 billion, representing about 1.8% of global outward FDI stock. Much of Australia's outward FDI comes from a relatively small number of very large corporations and institutional investors in which US, French and even Chinese capital is heavily invested, so Australia's outward FDI does not represent the strength of an indigenous Australian imperialist ruling class, but rather the dependency of compradors collaborating with and serving mainly US imperialism.

There is no evidence of Australia being a major player in trusts and cartels.

To the extent that Australia participates in the maintenance of spheres of influence, or participates in planning for their redivision, it does so as sub-imperial state directed in all of its policies by US imperialism through US Empire loyalists embedded in the major political parties, in the military, the intelligence services and the public service. There are some in Australian ruling circles who regard the Pacific island communities as being part of "Australia's backyard", and Australia has just supplanted China as the region's largest aid donor, but the Pacific island nations are refusing to accept that they can or should be controlled by Australia as an expansionist regional power.

If Australia can be correctly defined as an advanced capitalist country under the domination of US imperialism, it follows that we cannot accept the theory that there a quite a few newly emerging imperialist countries.

[1] See: [Australian+Mining+Africa.pdf]



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India, Australia and tensions in our region

Both Australia and India are positioned through membership of the QUAD to serve US imperialist interests.

But US imperialism is in trouble. It is beset with inter-imperialist contradictions and sharpening social contradictions at home.

Accordingly, it is prioritising its areas of interference and control. In January 2026, the US Department of War (DoW) released its 2026 National Defense Strategy. The DoW Strategy identifies four key "lines of effort", namely:

1. Defend the US Homeland

2. Deter China in the Indo-Pacific Through Strength, Not Confrontation
3. Increase Burden-Sharing with US Allies and Partners
4. Supercharge the US Industrial Base

The "foremost" of these is the first one. Its emphasis is on US control of the Western Hemisphere, ie from the top of Canada and Greenland to the bottom of Argentina.

Item 2 has been misconstrued as a walking away from the Indo-Pacific by US imperialism, and while it does represent a shift from Obama's "pivot to Asia" as a primary focus for US interference and control, it does not lessen in any way the region's obligation to frustrate US preparations for inter-imperialist war with China.

Australians are very wary of the US hold on our country and of the subordinate role our ruling class is willing to play under US domination and control. Without any public debate or discussion, Australia's Labor government has tied us into the AUKUS alliance with the US and UK. A public inquiry into AUKUS (the government has refused to hold an inquiry) is not even half-way through its scheduled hearings, yet it has already received (by the end of July) some 500 public submissions, nearly every one of which is opposed to AUKUS and the arrangements under which we are to spend $A368 billion to acquire three second-hand US nuclear-powered Virginia class submarines, and a further five to be designed and built with the UK.

Australia, like India, is part of the QUAD and of the Indian Ocean Rim Association (IORA). The former is an exclusive club of India, Australia, Japan and the US, whilst the latter is a larger regional grouping of Australia, Bangladesh, Comoros, France, India, Indonesia, Iran, Kenya, Madagascar, Malaysia, Maldives, Mauritius, Mozambique, Oman, Seychelles, Singapore, Somalia, South Africa, Sri Lanka, Tanzania, Thailand, the United Arab Emirates and Yemen.

IORA was established in 1995 to promote economic development and trade liberalisation. However, it has expanded its scope to include broader maritime security objectives in recent years and these will largely be driven by US dominated countries like India and Australia.

The visit by Trump to China in May 2026 was seen as an attempt to move from US-China contention to a measure of agreement and cooperation. Trump's refusal to support Taiwanese independence was just such an attempt to buy a degree of cooperation from China, that it would not create problems in the region, so that the US could concentrate on its hoped-for sphere of influence in the Western Hemisphere.

Such attempts at cooperation on the one hand and contention and struggle on the other are part and parcel of the way the imperialists manage their affairs.

The Quad Foreign Ministers' Meeting Joint Statement issued after their meeting in Delhi in May 2026 reaffirmed the belligerence that is embedded in US-China rivalry, declaring that the QUAD supported a "a free and open Indo-Pacific", and warning China without naming it:

> We remain seriously concerned about the situation in the East China Sea and the South China Sea. We reiterate our strong opposition to any destabilizing or unilateral actions including by force or coercion that threaten peace and stability in the region. We express our serious concerns regarding dangerous and coercive actions, including interference with offshore resource development, the repeated obstruction of freedom of navigation and overflight, and the dangerous manoeuvres by military aircraft and coast guard and maritime militia vessels, especially the unsafe use of water cannons and flares, and ramming or blocking actions in the South China Sea. We are seriously concerned by the militarization of disputed features.

Asked by journalists in India after the QUAD meeting (ten days after Trump's visit to China) whether she was concerned that "easing of tensions between them could lead to dilution of the US commitment to Quad, and sort of, you know, basically compromise the strategic rationale for Quad, which is actually, you know, balancing China out, an increasing assertive China?", the Australian Foreign Minister Penny Wong said that there had been three QUAD meetings since Trump's re-election, and that "Secretary Rubio has demonstrated his commitment to the Quad, and … as I said, three Foreign Ministers' Quad meetings in a very short space of time demonstrates the commitment of all countries to it."

We believe that the continuing existence of the QUAD and of AUKUS (in both of which Australia will do the bidding of its US masters) is evidence of the unlikelihood of any substantial thawing of relations between the US and China, and that US-led preparations for war with China will always be its most important regional fall-back position.

Latest or Highest or both?

Some of our comrades are currently discussing whether the correct interpretation of the Russian word that features in the title of Lenin's *Imperialism…* is "highest" or "latest". If "highest", it implies that the five characteristics are the final stage of capitalism; if "latest", it implies that there could be a change in the order of the five characteristics, or the loss of one or more and the addition of others.

We have come to no conclusion as yet, but we can see no evidence that any of the five have lost their relevance. Specifically, we do not accept that other theories, such as Wallerstein's World Systems Theory, Fernando Henrique Cardoso's dependency theory, and related theories of unequal exchange have displaced Lenin's analysis.

World Systems Theory acknowledges a core of imperialist, rich countries living at the expense of a poorer and exploited periphery, with an intermediate semi-peripheral zone between them. Unequal exchange between the core and the periphery advantages the former. One of errors this analysis lends itself to is the view that China cannot be imperialist because it cannot enter the core group. One of the main exponents of this view, Jason Hickel, claims that China, as a result of Deng's reforms, has lifted itself from the periphery to the semi-periphery, but has not and cannot enter the core because the core continues its unequal exchanges with China and keeps it in a position of subordination and dependency. He argues that Lenin's definition of imperialism (or, we would say, social-imperialism) cannot readily be applied to China because China is not a core state.

The two areas where there may have been some new developments of or additions to Lenin's five characteristics relate to finance capital and to the division of spheres of influence.

As Comrade P J James noted (*Decline of US Hegemony, Shift in Imperialist Power Balance & Task of the Communists),* "Obviously, relative to other imperialist powers like China and EU, the US today is a money-spinning 'bubble economy' where the financial sphere is growing totally cut off from the productive sphere." We have looked at financialisation and the phenomenal growth of what Marx called "fictitious capital" and raised the question of whether this form of capital, like commodities themselves, can be over-produced as a result of speculation[2]. Was the 2007-08 financial crisis a result of the speculative over-production of fictitious values? If that is the case, then an addition to Lenin's second point on the creation of finance capital and a financial oligarchy could have a statement to the effect that finance capital reaches such a stage through speculation that this fictitious capital is itself over-produced and leads to financial crises on a global scale.

Lenin's fifth point refers to division of the world. There was at the time that Lenin wrote this no exploration of Space. However, we are now witnessing the division of the world being extended to a struggle between the imperialists for a division of Space for the purposes of commercial exploitation and use. Accompanying this is a militarisation of Space in defiance of the spirit, if not the whole letter, of the United Nations Outer Space Treaty. We have published a small booklet on this[3]. If the attempted colonisation of Space, and development of space warfare, is accepted as a reality, then an addition to Lenin's fifth point could be that advances in technology have now opened Space to the same struggles for influence and control, and the same conflict and tension that could lead to warfare between the imperialists in Space.

We do not suggest that either of these points on financialisation or the militarisation of Space represent a shift in the imperialist balance of power, nor do we suggest that they represent a highest stage of capitalism, but they might be regarded as later stages or extensions of capitalist development.

Who has the money?

The collapse of the Bretton Woods system (1944-1971) led to the US dollar becoming the currency for international trade payments with other currencies having value defined against floating exchange rates. Petrodollars were never suggested by OPEC as a replacement for the

[2] See: Financialisation+2.pdf
[3] See: Stop+the+militarisation+of+space.pdf

US dollar used for payments for oil. They were really a measure of the income flowing to OPEC countries at a time when there was a retaliatory embargo on oil sales to the United States following the Zionist war against Egypt and Syria.

The first real challenge to the global supremacy of the US dollar occurred in 2003 when Iran required payment in Euros for sales of oil to Asia and Europe. The punishment for this continues today.

The next challenge was in 2011 when Muammar Gaddafi proposed to create a single African currency—the gold dinar. The Libyan leader was overthrown and executed by the imperialists for this challenge.

Venezuela experimented with a cryptocurrency from 2018 to 2024 that was an attempt to bypass US sanctions. Venezuela had to be punished too.

In March 2018, China opened a futures market denominated in Yuan to encourage the use of its currency as a petrocurrency.

This has led to speculation that China will develop a world currency based on the yuan to challenge the US dollar's continuing domination of world trade. However, the Chief Economist of Bank of China International has argued that China should expand the renminbi payment network while avoiding the heavy costs of establishing a rival reserve-currency dominance[4]. He says:

> In the long-term evolution of the international monetary system, China's interests would be best served by the following choices. First, China should not seek to overturn the dollar-centred Jamaica system, from which it still benefits. Second, renminbi internationalisation should not aim to replace the dollar or make the renminbi the central currency of the international monetary system. Third, renminbi internationalisation should instead focus on ensuring that China has secure international payment channels and on expanding the renminbi payment network globally. Fourth, China should allow overdraft arrangements within the international renminbi payment system, thereby providing renminbi liquidity to other countries through the payment system itself. Fifth, China should support the development of a supranational currency linked to a basket of sovereign currencies, with a view to its eventually replacing the dollar as the main instrument of international payment.

So, the Chinese challenge to the US dollar supremacy need not be regarded as imminent. Instead, China will probably seek the fifth option in Xu Gao's view above, and bide its time so as to not provoke a confrontation with the US. Again, this reflects the unity of cooperation and contention, and the right time and place for each eventuality.

What should the Communists do?

[4] See: Xu Gao: The Future of Money, and China's Choices

The Communists in each country should seek the path appropriate to their own circumstances in building the revolutionary movement for the defeat of imperialism and the victory of working class statehood.

We regard US imperialism as the main source of the danger of war, as the most belligerent and aggressive of the imperialist powers. Chinese social-imperialism has followed a path of economic expansion, but its acquisition of sources of raw materials, its use of the labour power of the workers of other countries to supply it with surplus value, its domination of commodity exports, and its need to protect the supply chains and transport systems that feed its economy are driving it to military superpower status.

Efforts must be made to counter views sympathetic to Chinese social-imperialism. We do not want the US to launch a war with China, but neither do we accept the view that China's expansion is a strategy designed to oppose US hegemonism. There should be no support for China as a leader of anti-hegemonic struggle when it is itself striving for hegemony.

The unity of the Communists of the world does not need a new Communist International. It is best achieved through bilateral ties between the parties or multilateral exchanges of opinions outside of a central controlling or directing body. The Communists of each country are best placed to determine the ideology, politics and organisation best suited to their circumstances providing they sum up experiences, learn from mistakes and share their successes.

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