

YOUNG

SOCIALIST



LENIN
CENTENARY
ISSUE

Lenin addresses the Soviet Troops leaving for the Polish front in 1919. Leon Trotsky, The People's Commissar of the Red Army and Navy stands by his side.

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21

One Rupee

THE MAN WHO HAD BEEN IN THE SPANISH CIVIL WAR

By Anton Arrufat

A friend introduces us.
I look at your old shoes and your ragged suit
As we sit drinking in a bar.
What happened to your arm ?
Why do you limp slightly ?
What memories have you still of Spain ?

Nobody in our little island knows who you are.
We are busy building the new Cuba,
And "No pasaran" was long before our time.
But we succeeded where you failed.

You're not the type that friends greet noisily every day on the
staircase.
Yet you must remember your old friends,
And the family lost,
And the dead of Barcelona and Madrid, of Guernica and Guadalajara

Nearly thirty years of exile !
Do they come back to you, the old ghosts, as we shout:
"Patria o Muerte" ?
Or has the pain died a little with the passing of the years ?

Perhaps it is as if you had lived in two different worlds,
And the light of Cuba is brilliant beside darkness that is Spain.
That was the pale Mediterranean, this is the glittering Caribbean;
That was defeat, this is victory;
And your lonely memories are the bridge that spans two seas.

(translated by Rosemary Evans)

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YOUNG SOCIALIST

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Editorial Notes

THE GENERAL ELECTION

As we go to press, the contending parties have already commenced their campaigns to woo the electorate for the poll that will take place on 27th May to elect the country's 6th Parliament. Significantly, the campaign has commenced amid rumours of a plot that has been allegedly hatched to create communal disturbances over a wide area in the country, force the declaration of an emergency and thus disrupt the election itself. Incredibly, the plot is said to have been hatched by an under-cover organisation calling itself the "Che Guevara Group."

That a secret organisation should find it imperative to take to arms to frustrate the holding of a General Election is not a new event. Elections, after all, have the knack of forecasting their results to serious students of political trends. And there are many such students to whom knowledge is far from an end in itself. If the patrons they serve feel that they have too much to lose from a losing General Election, it has often happened in recent history that an attempt is made to substitute the electoral process with a resort to armed force.

What is intriguing in the Ceylon situation is that a plot of so manifestly reactionary a character should claim to derive its inspiration from the revolutionary romance of Che Guevara. Only the infamous CIA of the United States of America could dare to heap such ridicule on the Cuban Revolution, and, in the same breath, promote a counter-revolutionary coup in the name of revolution. But that, after all, is what the CIA exists to serve. Why then waste expletives on it?

Our concern should be with those idiotic essays in revolutionary tactics that have made their authors pathetic instruments of the CIA or, at best, a cover for CIA operations. No man in his senses boasts about the power of the barrel of a gun. And yet so many young men and women, in our country as elsewhere, have taken to this kind of adolescent boasting almost as an entire political line. For what kind of impotence does such bravado provide compensation? And these foolish people believe that talking about the barrel of the gun is as effective as using it.

Nothing exposes the ideological backwardness of many contemporary revolutionary movements as their indulgence in fantasies which were overcome by Leninism as its chief contribution to revolutionary strategy and tactics. The lesson of this may be summed up in the conclusion that the masses cannot select their weapons in the revolutionary battles into which they are drawn. Those weapons are determined by the concrete conditions in which each battle is joined. Only within such limitations can the leadership plan the strategy of the battle itself. Where parliamentary democracy exists and political parties are permitted to represent class and mass interests, it is foolish for any revolutionary to refuse to plunge himself into parliamentary battles.

There are, without question, severe limitations on the programmatic aims that can be furthered through the electoral process. But, for that reason, no political party is permitted to turn its back on the electoral process itself. There have been many instances in recent history of crucial mass issues arising in the parliamentary context. One reason for the failure to raise them or find solutions for them adequately has been the defeatism with which many mass revolutionary parties have approached them. The vigour with which the present election in Ceylon is being fought as a battle between the popular forces and the forces of the status quo is one cause for optimism about the outcome on 27th May.

Lenin on Imperialism

by BERNARD SOYSA

Lenin's pamphlet, *Imperialism, The Highest Stage of Capitalism* was written when he was in Zurich in Switzerland. He comments in the preface of 1917 that the book was written in a manner that would permit its publication under the severe censorship laws of Czarist Russia. The book was written when already for two years Europe had undergone the agony of the first imperialist world war.

The Social Democratic Parties of Europe, belonging to the Second International, had condemned the war in advance. It had been described as an imperialist war. The Basle resolution had also characterised the war as a reactionary one. Nevertheless when war did break out the leadership of these parties supported their own capitalist governments in the war. Plekhanov in Russia, Hilferding and Kautsky in Germany, Jean Longuet in France, McDonald and the Fabians in England, all supported the imperialist war of their governments. Lenin saw the roots of this trend of opportunism in the European labour movement in the imperialist system itself. But Lenin's pamphlet went beyond that exposure of opportunism. Not confining itself, as even the best propagandist statements had hitherto done, to this or that feature of imperialism, it was the first Marxist study of the whole complex phenomenon that Lenin described as modern imperialism.

Empires that preceded modern imperialism

Imperialism or the more commonly used term, Empire-Building, is associated with the conquest of people, the annexation of territory, the exercise of political domination and exploitation in various ways. These features are not the essence of imperialism, according to Lenin, for they can be seen in the empires of the past.

The slave-owning societies of Greece and Rome built vast empires. Alexander the Great in the fourth century B.C. went into Asia and marching through the narrow passes of the Himalayas reached the Pun-

jab in India. The Roman empire that began in the first century B.C. extended from Britain to Egypt through Asia Minor. Prestige and glory for a people, their ruler or their general, the supply of slaves, plunder either as loot after conquest or later as taxation, territory—these were the motivations that led to the creation of empires. Genghis Khan, the Tartar who won an empire extending from Hungary in Europe to Peking in China first embarked on his career of conquest to get more grazing ground for the cattle belonging to his nomadic tribe of herdsmen. The same motivations can be seen behind the empires created in what Marx called "the Asiatic type of society" in the East. The Maurya and the Moghul dynasties built large empires in India which despite all their glory were based upon the vegetative Asiatic economy that Marx has referred to in his *Letters on India*. The movement outwards from feudal Europe also reveal the same objects, plunder and glory to which were added a religious motive as well. The search for spices and gold drove people in feudal Europe to look for new routes to "the Indies". Columbus discovered the Caribbean Islands and America for Spain. In the fifteenth century the lust for gold led the Spanish conquistadores to loot America from the kingdom of Moctezuma in Mexico to the kingdom of the Incas in Peru. Portugal entered the race for new lands. The Pope drew a line down the map from North to South, giving the rights to the new lands and their spoils West of the Atlantic to Spain and the rights to the lands East of that line to Portugal. And so the Portuguese came to India, Ceylon and Malaya.

Capitalism arrived in Europe with the money-lender and the trader. The flowering of commercial capitalism in Europe in the 17th and 18th centuries saw the creation of various "East India Companies", Dutch, British and French. A large trading network was sought to be thrown round the world. Barter and trade to obtain spices, silks, gems, pearls, ivory and coffee brought considerable wealth to the burgesses of

London and Amsterdam. Territorial annexations followed this trade in order to shut out competition. These annexations also led to robbery and plunder and exactions in the form of tribute.

The end of the Napoleonic War in 1815 saw Britain rise to the position of the strongest maritime power. Britain also had the largest empire. The Industrial Revolution had commenced. The needs of Industrial capitalism became more decisive. As industrial capitalism grew the needs of industry (in Britain to begin with) governed the search for new lands to annex and shaped relations with the empire. These needs were raw materials (principally cotton at the beginning of the 19th century) and markets for the manufactured goods. Political and military objectives too were there subserving its search for raw materials and markets.

Both Marx and Engels in *Capital* and in other works pointed out in their time the

features of the capitalist economies as they came into existence and developed. They showed how large enterprises were emerging and a concentration of capital was taking place alongside of the wider division of labour resulting from expanding trade.

"The centralisation of the means of production and the socialisation of labour at least reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated."

Marx and Engels noted too the increasing importance of the banks in a capitalist economy.

In his *Letters to India* Marx showed what the invasion of industrial capitalism would do to the countries that were colonised. The indigenous economy, the patterns of production and property relations would be broken up and would fall into ruin. Political domination would be made more effective in order to subserve the new exploitation. The extraction of the necessary raw materials would be vigorously pursued. The sale of exports from the capitalist country stimulated by the ruthless exclusion of any competition from within or without.

The introduction of railways into India, according to Marx, rivetted the bonds of colonial rule. At the same time, he said, this would result in the commencement of industrialisation and the creation of a modern working-class.

Modern Imperialism

The Thirty years that ended the 19th century produced many important developments in capitalism. Where Britain had led with steam power now electricity and oil were becoming important. The internal combustion engine was invented. Transport and communications were developed. Industrial Chemistry made possible vast strides in the production of new compounds for industrial as well as consumer use. Britain's leading position was beginning to be challenged by new competitors, Germany, France and the United States. In all the countries economic power had passed into the hands of a few firms. J. A. Hobson in 1902 had written his book on *Imperialism*

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Contents	Page
Editorial Notes	3
Lenin on Imperialism <i>by Bernard Soysa</i>	4
Imperialism between the Two World wars <i>by Osmund Jayaratne</i>	13
"Neo - Imperialism" and Neo - Colonialism <i>by Doric de Souza</i>	19
How Lenin studied Marx <i>by Leon Trotsky</i>	28

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in which he had shown many of the features of capitalism in this period. Lenin in his own book admits that, while he disagreed profoundly with the politics of Hobson, he had drawn largely on the material given in Hobson's book.

Capitalism had in many countries erupted out of the confines of national frontiers. A world-wide division of labour was coming into being through the operations of a world market. Lenin saw how the development of capitalism in this last stretch of the 19th century and the first fourteen years of the twentieth century had led to antagonisms of a new kind that had resulted in the first world war. These developments taken together Lenin characterizes as a specific stage in the history of capitalism. With an analysis constantly reinforced by reference to facts Lenin describes five essential features of Imperialism which he designates the highest stage of capitalism.

The concentration of Production and the growth of Monopolies

In the last decades of the 19th century capitalism began to take on more and more monopolistic forms. Free competition it-

Enterprises with	
From 0 to 10	.. employees
From 11 to 50
From 51 to 200
over 200

The concentration of incomes and profits is more revealing. Here are the figures relating to the concentration of incomes and

Companies with net annual revenue

Less than 50,000 dollars
Between 50,000 and 500,000
Between 500,000 and 5 million
More than 5 million

Capitalist crisis favour the growth of monopolies. With each crisis there are failures, drop-outs or shrinkage in size on the part of some establishments. Others survive through mergers and alliances. The

self had resulted in monopoly, the economy being characterised not by a dispersal of economic power among a large number of small producers but rather by its concentration in the hands of a small number of large producers. Several conditions favoured this change. The new technological advances (initially in steel production) required heavy investment that could be commanded only by the joint efforts of several entrepreneurs or by a small number of rich entrepreneurs. The new entrants into industry did not commence with small enterprises as had the pioneers. They leaped over that stage and began with large enterprises (Japan, Russia, Italy). The new technology especially with the use of electricity favoured the integration of production methods and organisation over a wide range.

The development of concentration is shown in many ways. Concentration of labour arising from large numbers of workers being employed in a country's industrial establishments is one symptom.

Here are the figures relating to the concentration of the industrial labour force in Germany for the period 1882—1961:—

	1882	1895	1905	1925	1933	1950	1961
From 0 to 10	65.9	54.5	45.0	39.4	46.5	24.6	24.3
From 11 to 50	12.1	15.8	17.9	19.1	14.3	28.7	15.9
From 51 to 200	10.1	14.0	16.8	18.0	14.3	9.6	14.5
over 200	11.9	15.7	20.3	23.5	24.6	37.1	45.1

profits in the United States for the period 1818 to 1942 given as percentages of the total number of companies:—

	1818	1929	1927	1942
Less than 50,000 dollars	8.17	7.06	6.76	3.34
Between 50,000 and 500,000	24.58	19.31	20.09	14.69
Between 500,000 and 5 million	33.08	46.11	32.05	31.28
More than 5 million	34.17	27.52	41.12	50.69

forms of collaboration or combination of capitalist enterprises are varied. Lenin mentions cartels, syndicates and trusts.. There are price-treaties of many kinds. Cartels are long term arrangements that

result in a sharing out of the market. Trusts grow up through the integration of several units. The integration may be vertical or horizontal. A manufacturing establishment may merge with the raw material supplying agencies that serve it in processed or semi-processed material and with the selling agencies that distribute the product. Several manufacturing establishments may be merged to form one. These mergers may be of establishments making the same commodity, allied commodities and sometimes totally unrelated commodities. Ernest Mandel notes that in the period 1897 to 1904 in the United States out of 339 mergers that took place 156 gave rise to a definite degree of monopoly power.

In these past few years many mergers have taken place. So Brooke Bonds merged with Liebig's. In 1967 there were many mergers in Great Britain. Common Market problems, currency problems, the heavy costs of inevitable change over to the use of Computers and automation and the new costs of managerial services, these were the causes that led to these mergers.

The Holding Company system with the number of subsidiaries proliferating almost without end brings about a series of pyramidal structures, the parent company at the apex, daughter companies below, grand-daughter companies next and so on. To take an example—J. Pierpont Morgan in the U.S. was at the apex of a structure headed by General Electric. The proliferation of companies several times removed from the parent spread to many countries. For example, through General Electric in Britain a controlling interest was held in the firm of Andrew Yule & Company which in its turn held controlling interests in India in the Allahabad Bank, several sugar and textile concerns, insurance and jute.

Finance Capital

Banking itself had developed monopolistic forms. The same factors that made for concentration in industry produced monopoly in Banking too. The effect of a slump is strikingly revealed in what happened in the U.S. in the slump of 1933. Two thousand banks had to close down. It is also the case that the Banks themselves promote industrial concentration. Lenin

remarks that the banks had ceased to play a purely intermediary role. Ancillary services were being provided like surveys and evaluation. Profits are concentrated in the banks in boom time. Large loans and overdrafts are given to tide over the lean times of crisis. These interacting operations result in a merger of industrial capital and banking capital to form what came to be called Finance capital. Interlocking directorates link up Industrial establishments with one another, banks with one another, banks with industrial concerns and proceed to invade other sectors of the economy. These examples of interlocking are given by Mandel.

George Whitney, partner in the bank, J. P. Morgan and Company, was in the same year a director of the Electricity Trust, Consolidated Edison of New York, of the General Motors Company, of Kennecott Copper, of the Pullman Company, the Continental Oil Company and the big bank called, Guaranty Trust Company. In Britain the nine directors of the Midland Bank sat in 1951—1952 on the boards of 38 companies, including Imperial Chemical Industries, Dunlop Rubber, J. & P Coates, International Nickel etc. The nineteen directors of Lloyds Bank sat on the boards of 75 companies, including Royal Dutch Shell, Vickers, Rolls Royce, English Electric etc.

Mandel goes on to say: "A number of facts confirm the present interpenetration of the big trusts and banks in the chief capitalist countries. In the U.S. the heads of big banks are still members of the boards of big monopoly trusts. Thus, Alexander C. Nagle, until recently president of the First National Bank of New York, is on the boards of the U.S. Steel Corporation, The New York Central Railroad and the Prudential Insurance Company, all of which are controlled by the Morgan group." Similar interlocking goes to make up the financial empires referred to as the Rockefeller and Mellon Trusts. Instances without number are to be seen in all the Western capitalist countries.

The growth of monopoly is not at all peaceful, "democratic" or entirely legal. Abuse of positions on directorships, the

deception and diddling of small investors, stock and share market rigging, all these and other malpractices have been and continue to be resorted to in the course of "normal business" to build up the big trusts. Not all the pious pronouncements that accompanied New Deal legislation in the U.S. nor the drive against "Monopolies and restrictive practices" in Britain have had any significant results in checking the trend to greater and greater concentration of finance capital.

On the other hand what is seen is that in many countries the state is called upon to interfere directly to solve problems for the monopolies. The state and the monopolies get locked in an intimate embrace.

In the U.S. where this is best seen Knudsen of General Motors has been the head of the War Production Bureau. W. Averill Harriman was also a big railway magnate. Every country in the capitalist West produces large numbers of examples. In Great Britain Lord Runciman, a minister of the British Cabinet in the period 1908—1937, was a director of one of the big six banks of Britain, the Westminster, of the London Midland and Scottish Railway, and of a number of other trusts. Sir John Anderson who was a minister in the war cabinet was a director of the Lever Bros. Trust. Again in the U.S., McNamara who was the head of Ford Motors became Secretary for Defence and is now the head of the World Bank.

With the emergence of finance capital there arises also a financial oligarchy. C. Wright Mills and now Federal Lundberg have made studies that reveal the principal members and the power of this oligarchy. Lundberg states that sixty families control the wealth of the United States.

The Export of Capital

The lack of suitable investment opportunities at home is one of the causes of the export of capital. Many other causes too have operated. Such foreign investment would give the Exporting country a better hold on strategic raw materials. The lower wages payable to colonial labour, savings

on transport costs, tariffs & "preferences" established through governmental manipulation yield higher profits. The export of capital could also be a means of expanding the market for the export of goods of the imperialist country. The need also arose to devise greater measures of protection for the capital so exported and to ensure the collection of dividends. This meant greater political control and often more oppressive methods of subjugation and continued subjection. At the same time the grab for new colonies was no longer directed with the same emphasis towards sources of raw materials. The lust now was for **any** territory that would permit profitable investment. It is not that the old motives disappeared but that the emphasis shifted.

At the time that Hobson and Lenin made their studies of imperialism Britain led in the export of capital. Two world wars have altered the position. Harry Magdoff gives in this table the relative strengths of foreign investment belonging to the principal capital exporting countries in the period 1914—1960.

Percentages of total

	1914	1930	1960
United Kingdom ..	50.3	43.8	24.5
France ..	22.2	8.4	4.7
Germany ..	17.3	2.6	1.1
Netherlands ..	3.1	5.5	4.2*
Sweden ..	.3	1.3	.9*
United States ..	6.3	35.3	59.1
Canada ..	.5	3.1	5.5
Total ..	100	100	100

The items marked with an asterisk are very broad estimates, made solely to simplify the presentation on the relative change of the U.S. position.

And this table gives the exports and sales from foreign investment of the United States.

Selected manufacturing Industries	(In million dollars)			Exports from U.S.		
	Sales of foreign affiliates					
	1957	1965	Increase	1957	1965	Increase
Paper & Allied products	881	1,820	939	223	389	166
Chemicals	2,411	6,851	4,440	1,457	2,402	945
Rubber products	968	1,650	662	161	167	6
Metals	3,357	3,357	1,869	1,881	1,735	146
Non-electrical Machinery and equipment	1,903	5,257	3,354	3,102	5,158	2,056
Transportation equipment	4,228	10,760	6,532	1,784	3,196	1,412
Electrical equipment and machinery	2,047	3,946	1,899	847	1,661	787

The profits from such investments can be judged from the repatriated dividends.

Pierre Jalee quotes from Carlos Fuentes: Between 1950 and 1955 the United States invested dollars 2 billion in Latin America, and made there dollar 3.5 billion in profits, of which dollars 1.5 billion was returned to the United States. In the single year of 1959, the United States made dollars 775 million dollars of profit in Latin America, reinvested only dollars 200 million and repatriated dollars 575 million.

The formation of international monopoly combines that divide up the world

With the export of capital there came into being Combines that spread their tentacles throughout the world. The process was neither even nor peaceful. The combines in struggle resorted to greater and greater cartellisation to preserve their profits. In fact the cartellisation in the colonies was even greater than in the imperialist country.

General Electric had arrangements with Westinghouse. G. E. also had arrangements with A. E. G. and Siemens (Germany). "The ALCOA aluminium trust allied itself temporarily with the German I.G. Farben in order to strike down the monopoly which its competitor, Dow Chemicals possessed in the sphere of magnesium. In the end they made an agreement with Dow." Mandel also gives these examples: "Nevertheless, even after the appearance of new and powerful competitors ALCOA still controls nearly 80% of world capitalist production, jointly with its subsidiaries and its ally ALTED. The international Nickel trust has for years controlled nearly

90% of worlds capitalist production of nickel....The Clymax Molybdenum Company has a complete monopoly of molybdenum production in the U.S. and controlled 84% of world productive capacity. Between 1934 and 1939 the annual rate of profit for this trust was 93%." In regard to Radium the firm of Union Miniere du Hart Katanga had its position threatened by The Eldorado Gold Mines. The struggle was concluded by an agreement to share the world market on a 60:40 basis, the price being adjusted to yield a 40% profit. The International Oil Cartel has enabled the companies to fix the price of oil for the consumer, a price based on the highest price of the raw product.

There has also arisen what is now called the "multinational corporation". The greater number of these are in fact multinational in operation but are nationally owned. Two exceptions are Shell and Unilever which are partly British and partly Dutch.

Of the operation of these monopolies the following quotation from the Economist is revealing. "Unilever will make and sell artificial cream in Finland, plywood in Nigeria, petroleum cracking catalysts in Warrington; it will can hams in Holland and export them to America, spend £ 129,000 on tea bagging machinery for the Lipton business in the United States, now hitting new records, and lift its sales of animal feeding stuffs from £ 90 million to a record of £ 104 million." These giant monopolies in fact dictate to the governments of the countries of the colonial world in which they operate. Texaco dominates Trinidad & Tobago. Alcan (aluminium) dominates Jamaica. Unilever dictates to the states of West Africa.

The Division of the World among the great powers

Lenin shows that before the world war of 1914 the division of the world among the great powers was complete. Taking colonial possessions together with areas of influence this is a true picture of what had happened. The tables given here are a break up of a table quoted by Lenin from Henry C. Morris. They give the area and the population of the colonies.

Area in millions of square miles

	England	France	Germany
1815-1830	?	0.2	—
1860	2.5	0.2	—
1880	7.7	0.7	—
1899	11.6	3.7	1.0

Population in millions

1815-1830	126.4	0.5	—
1860	145.1	3.4	—
1880	267.9	7.5	—
1899	345.2	56.4	14.7

The position at the beginning of the twentieth century was that Britain was still the biggest power with the largest colonial empire. But this position was under threat from new competitors. The division of the world being complete the stage was set for a struggle for the redivision. The war of 1914 was the first of these. The inter-imperialist contradictions would lead to imperialist war. This analysis, despite the rise of the USSR out of the revolution of 1917, which brought the contradiction of two social systems into inter-state relations, remained valid till the end of the Second World War.

Lenin saw imperialism as a special stage of capitalism. "Monopoly" said Lenin, "is the transition from capitalism to a higher order."

The analysis of imperialism is summed up in this way by Lenin:

"And so, without forgetting the conditional and relative value of all definitions, which can never include all the connections of a fully developed phenomenon we must

give a definition of imperialism that will include the following five essential features:

1. The concentration of production and capital, developed to such a high stage that it has created monopolies which play a decisive role in economic life.
2. The merging of bank capital with industrial capital and the creation, on the basis of this "finance capital", of a financial oligarchy.
3. The export of capital, as distinguished from the export of commodities, becomes of particularly great importance.
4. International monopoly combines of capitalists are formed which divide up the world.
5. The territorial division of the world by the greatest capitalist powers is completed.

Parasitism and the decay of capitalism

Of capitalism in the age of finance-capital Lenin goes on to say that parasitism is inherent in imperialism and that the capitalist system is in decline.

Competition ends in monopoly at the top levels of the economy, but this itself intensifies competition at the lower levels, a fierce struggle ensuing for the reduced surplus that has to be shared when super profits or monopoly have taken the larger share of the surplus.

These monopolies destroy any competitor who threatens their suzerainty. The control of credit, raw materials, the labour market, transport and commercial channels and sometimes the manipulation of governmental interference are used to kill enterprises that could become competitive.

Monopoly retards development. It is hostile to new technical advances. Fixed capital would become valueless if new techniques of production requiring new equipment are adopted too readily. Research which is sometimes financed by the monopolies themselves is misused to block the use of new methods. Mandel refers to the joint action of the Monsanto Chemical

Trust and the Standard Oil Trust to suppress a high quality lubricant because it would have reduced the sales of other less effective lubricants put out by these Trusts which were earning huge profits. Arthur A. Bright Jr. is said to have established that Westinghouse and General Electric strove for ten years to prevent or delay the introduction of fluorescent lighting into the USA. On the other hand for the study and development of new techniques that may be useful to the monopolies they get the benefit of State investment. In the U.S. public expenditure on nuclear research, the manufacture of nuclear weapons and on space programs have helped also to ease off economic crises.

Under-capacity use of equipment is a frequent feature. Over capitalisation in the developed countries is paralleled by under capitalisation in the under developed countries. In order to avoid a price drop in a commodity stocks are destroyed. Unemployment and under-employment are features of the capitalist economies including the lands they exploit. The parasitism of the monopolies continues to grow. A chronic disease of monopoly capitalism is the tragic waste of human and technical resources.

Lenin saw that with free competition ceasing to be the decisive feature of capitalism as monopoly grows, capitalist democracy itself based as it was on free competition would also cease to be a reality. The signs were to be seen in his time but the most striking developments came later. The horrors of Fascism overtook some countries. In those countries where parliamentary forms survive there has grown up a vast bureaucracy. The functions and the departments of the state have increased. The economy more and more requires experts, managers, accountants and technical personnel of many kinds. This bureaucracy, of course, serves the oligarchy but assumes a powerful role in society. Power rests in fact with the oligarchy exercised through these people and Parliamentary democracy is emptied of its democratic content. In the U.S. the "Military-Industrial complex" that Eisenhower feared is, all too tragically, seen to be the largest influence on Pentagon policy, manifesting itself most cruelly today in America's war of aggression against Viet Nam.

Lenin's polemics

Lenin was also particularly concerned with the exposure of the opportunism of the leaders of the Second International who had betrayed the working-class movement by their support of the war. He mentions how opportunism grew in the British Labour movement in the nineteenth century and quotes what Marx and Engels had to say about the influence on the British worker of the exploitation of the world by Britain. Here he saw the roots of opportunism in the British movement. It was his view that the leaders of the Second International through the operation of the same causes in their countries had gone the same way.

Lenin held up to scorn the "theories" of those who sought to accommodate working-class politics to the needs of the imperialists. He directs his polemics at the positions held by Hilferding and more particularly by Kautsky.

Kautsky had defined imperialism as "the striving of every industrial capitalist nation to bring under control and to annex larger and larger agrarian regions irrespective of what nations inhabit them." Lenin points out that the expansionist endeavour had proceeded in fact from finance capital. He also attacks Kautsky for saying that annexation is a policy "preferred" by imperialism and thereby implying that another "policy" is possible. Proceeding from this position, he says, Kautsky slurs over the deep-going contradictions of that stage of capitalism instead of exposing them. Finance capital also seeks not just agrarian regions as Kautsky asserts but any regions as the result of the division of the world being complete, said Lenin.

Kautsky sees the development of the international cartels that transcend national boundaries and permits himself the belief that this development was a striking expression of the internationalism of capitalism that could possibly bring about peace under capitalism. Lenin characterises this as a dishonest defence of the worst opportunism for it is said in a situation in which precisely this development of international cartels had sharpened the antagonisms between nations and had led to an imperialist world war.

More basically Lenin points out that the export of capital has not liquidated the

unevenness in economic development in the world but had accentuated it. Contradictions have not been ironed out by the coming into being of the international cartels. Agreements among monopolies are truces between struggles. With the multinational corporation of today the world is no nearer the "peaceful" development that Kautsky expected.

Kautsky is quoted as saying, with particular reference to Britain and Egypt that "the efforts of present day states to expand can best be satisfied not by the violent methods of imperialism, but by peaceful democracy." Lenin replies that the methods resorted to were inherent in the situation that capitalism had reached, imperialism not being something that Capitalist states in the period of monopoly could do or doff at will. He goes on to demonstrate that the peaceful democracy of Kautsky is the democracy of the period of free competition which capitalism had outgrown.

Kautsky had also developed a theory of "Ultra imperialism". By this he means a union of world imperialism, that is the emergence of a super imperialism that would abolish inter-imperialist contradictions. He expects that with the arrival of that phase wars would cease and in conditions ensuring peace the world would be exploited by an internationally combined finance capital.

In an abstract way, says Lenin, taking into account the evolution of capitalism towards monopoly it can be said that the trend is towards a single world monopoly single world trusts; the realities, the concrete circumstances of the day however were that finance capital had sharpened the antagonisms and contradictions in inter state relations resulting in war. Kautsky's theory in that context could only serve the interests of the imperialists by giving a false perspective hiding the grim realities of the time.

The Age of Imperialism

More than fifty years after Lenin wrote his book on imperialism critics are joyful that the overthrow of imperialism expected by Lenin has not yet taken place. It is hardly necessary to point out that as Lenin had said the export of capital had brought into the struggle against the capitalist of the imperialist country the colonial mass he exploits. The Leninist prognoses are on

the way to fulfilment with the rise of the workers' states and the reverberations of the colonial revolution. Neither Marx nor Lenin claimed that history would unfold according to a time table set by them.

The years after the Second World War have seen considerable changes in the world. Alterations have taken place in the various factors that Lenin laid bare in his analysis but the phenomenon of imperialism remains. As Harry Magdoff says "The special value of Lenin's theory is the highlighting of all the principal levers that have moved international economic relations. These levers are the ones associated with the new stage of monopoly and the essential ways monopoly operates to achieve, wherever and whenever feasible domination and control over sources of supply and over markets. The fact that these are still the principal levers explains why the theory is still relevant. But the particular forms in which these factors operate and become adapted to new conditions requires continuous re-examination."

Imperialism today has certain new features, principally these:

- (1) The new technology of electronics, telecommunications, etc nuclear fission have created new possibilities,
- (2) The new technology is international in character.
- (3) The emphasis has shifted from the struggles of rival imperialisms to recarve the world to the struggle against the contraction of the imperialist system. This contraction has come about by the coming into being of the workers' states, the obtaining of political independence by many of the colonies of the old colonial empires and by the continuing struggles of the colonial revolution.
- (4) The United States of America has emerged as the organiser and leader of the world imperialist system.

Proceeding from the Leninist position on imperialism it is possible to grasp the significance of these new features the better to be able to participate in the struggle for the overthrow of imperialism.

The quotations in this essay are from:—

1. Imperialism, The Highest Stage Of Capitalism by V. I. Lenin with new data compiled by E. Varga and L. Mandelsohn
2. Marxist Economic Theory By Ernest Mandel Vol. 2.
3. The Pillage of the Third World by Pierre Jalee
4. The Age of Imperialism by Harry Magdoff.

Imperialism Between the Two World Wars

by OSMUND JAYARATNE

The development of Imperialism between the two world wars is characterised by the rise and growth of Fascism. Fascism is a political phenomenon characteristic of imperialism—"The highest stage of capitalism." It is the child of big business and monopoly, of the ruthless drive for foreign markets and fields of investment, of the internal contradictions of a capitalism in decline. There is a tendency among socialists today to indiscriminately label as "fascist" any military dictatorship or other subversion of democracy by the bourgeoisie. However, the term "Fascism" was first applied to the specific social phenomenon that arose in the historical context of post-world war 1 Italy and Germany. Fascistic forms and tendencies have since existed in many advanced capitalist countries faced with crisis, but they have not assumed the same classical features as those of German and Italian fascism. May be history never repeats itself in identical and recognisable forms. However, to understand the tendencies of the present it is useful to understand the origins and specific features of fascism in the context of world politics during the period of the two world wars.

The latter half of the nineteenth century was a period of rapid expansion and prosperity for European capitalism. It was the hey day of the world capitalist system. As long as capitalism was growing, the bourgeoisie was able to tap ever new sources of profits through the ceaseless development of production and the constant expansion of domestic and foreign markets. During this period the system of parliamentary democracy suited capitalism perfectly, although even here the bourgeoisie did not adapt itself to this governmental form peacefully and voluntarily. It was mortally afraid of universal suffrage (compare this with the hostility of our own national bourgeoisie to the universal suffrage granted under the Donoughmore Constitution). However, in the final analysis, by a series of manoeuvres and concessions, deceptions and safety devices, the European and particularly the English bourgeoisie succeeded

in subordinating the petty bourgeoisie (or middle class) and even the proletariat within the framework of Parliamentary Democracy. It discovered that formal democracy acts as a sort of safety-valve and prevents violent clashes between the rulers and the ruled. Above all, it created in Europe through open bribery and special concessions a privileged trade union leadership, a labour aristocracy, which ably assisted the bourgeoisie to keep the class struggle within the bounds of parliamentary manoeuvre. Such was the origin of the subsequent leaderships of the British Labour Party and the German Social Democracy.

In adopting parliamentary democracy the bourgeoisie is, of course, making certain concessions to the masses. However limited their effectiveness, universal suffrage and formal democracy give the masses at least the semblance of civil liberties, the right to organize into unions, to strike etc.

At the turn of the century capitalism began to change its character. Free competition was changing into its opposite—MONOPOLY. Giant capitalist combines were dividing the world's markets among themselves. Capital investments in the under-developed sector of the world,—in Asia, Africa and Latin America—developed by leaps and bounds, and to protect these economic privileges a few big capitalist powers began rapidly to divide the world politically among themselves. This was IMPERIALISM—the new stage of capitalism of which Lenin made a detailed and scientific analysis, and which has been described in the previous paper presented to this seminar.

The imperialist phase of capitalism sharpened its internal contradictions. A world economy has been created, and yet the basic capitalist contradictions of social production versus private appropriation of the product manifested itself internationally in the struggle of a few big powers to exploit

and dominate the world. Inter-imperialist rivalries finally exploded in the world war of 1914-1918.

The post war years witnessed the beginning of the decline of capitalism as a whole. Not only did the periodic depressions of the past recur even more acutely, but the system as a whole was gripped in a condition of chronic economic crisis. Despite a passing boom, capitalist profit was gravely threatened.

Two countries more than any others were affected by this crisis. Italy and Germany, and it is not strange, as we shall see, that fascism came into being precisely in these countries. Both Italy and Germany were relatively youthful imperialisms. They had arrived too late in a world where the older imperialisms like Britain and France, had virtually carved out the world among themselves. As the price of her joining the war, the Allies promised Italy certain territorial concessions, but the promises were not kept. Conditions were worse for Germany. Being the vanquished, the Versailles Treaty robbed it of raw materials and important industrial regions, such as Lorraine, Silesia and the Saar. It was forced to disarm and to pay the victors the huge sum of 132 billion gold marks.

Soon after the war, both Italy and Germany witnessed revolutionary upsurges of the masses. In Italy, in 1919, there were 1663 strikes; in 1920, 1881. When the big industrialists resorted to a lock-out, 600,000 metal workers occupied the mills and carried on production themselves through elected "shop committees". At least formally they won the right of "workers' control". The peasantry forcibly occupied the land, forcing a governmental decree that gave the right to occupy the land for four years.

In Germany, a few hours after the surrender, workers' and soldiers' councils sprang up spontaneously. For several days these councils were the only legal authority in Germany. The revolutionary tide was turned by the treachery of the leaders of the social democracy—the labour aristocracy—who led the masses back "peacefully" to the fold of a bourgeois democratic republic. But even under this republic the workers

and peasants won vital economic and political advantages.

When the economic crisis becomes acute, the bourgeoisie can see only one way to restore its profits: by passing the burden of the crisis to the people. It slashes wages and social expenditures, raises import duties at the expense of the consumers, etc. Furthermore it helps enterprises facing bankruptcy with subsidies, tax exemptions, orders for public works, armaments, etc.

But such policies are not easy under a democratic regime, particularly in the aftermath of a mass upsurge where the workers and the peasants retain their vigilance. However feeble the means, the people still have certain limited opportunities of protest and struggle. Hence it becomes important in certain countries which have suffered most economically and where the bourgeoisie lacks raw materials and markets to throw overboard even the pretence of democracy and to establish a "strong" bourgeois state which can crush mass resistance ruthlessly and protect capitalist profits. This was the course of events in post-war Italy and Germany.

Although in the face of a threat to its class interests the bourgeoisie remains united and firm, in other situations it is not a homogeneous class. Different economic interests may often cause deep fissures between different capitalist groups. This has been clearly demonstrated by the different attitudes to fascism adopted by **heavy** and **light** industry respectively. Heavy industry includes iron, steel, mining and the big banking interests linked with them. It depends to a great extent on orders for armaments. While this is clear in U.S. today, it was so in Europe even in the thirties. Characteristically, heavy industry supports a policy of force and imperialist adventures abroad. Light industry, on the other hand, makes mostly consumers' goods—textiles, clothing etc. It is interested in the export of non-military products and has no direct stake in war. It favours a policy of international collaboration. Again this is clear from the attitudes of the so-called "hawks" and "doves" in America today to the Vietnam War. Among the many adherents of the anti-Vietnam war movement

are significantly representatives of light industry.

Daniel Guerin in his book "Fascism and Big Business" (Pioneer Publishers, New York, 1939) shows conclusively how Fascism in both Italy and Germany was financed largely by the magnates of iron, steel, mining and by the big bankers. Light industry at the beginning was non-committal and even hostile to fascism, though, later, basic class interests prevailed and it capitulated to the fascists without a murmur. Guerin also adduces a more basic economic reason for the authoritarian attitude of heavy industry towards labour. This arises from what is known as the "**organic composition**" of the capital invested—i.e. the ratio of **constant capital** (investments in plant, machinery, raw materials) to **variable capital** (wages). This ratio is much higher in heavy than in light industry. Therefore in a sharpening economic crisis heavy industrialists are unable to cut down their costs in relation to plant and machinery and can only reduce their wages bill. Wage cuts and ruthless suppression of working class struggles becomes a necessity for them. For light industry however, the cost of equipment and raw materials is much less. It can afford to avoid more ruthless measures against labour, and prefers to adopt more hypothetical ways of class collaboration to control the working class.

Thus, in both Italy and Germany, we find heavy industry pursuing a policy of relentless suppression of the proletariat, of an expansionist and militaristic foreign policy, and of establishing a dictatorial state which would protect and further its own interests. The liberals and so called "progressive capitalists", politically representing the interests of light industry, vacillated at the beginning and even opposed fascism, but finally succumbed to class loyalties and resigned themselves to the triumph of fascism.

One significant characteristic of fascism is that, unlike a military dictatorship born of a coup, it comes to power on the basis of a **mass movement**. It draws to itself great masses of human beings disillusioned and discontented with the status quo. In fact both in Italy and in Germany the various

social layers between the capitalist bourgeoisie and the proletariat were profoundly discontented with the conditions of life created by the post-war situation. They wanted a radical change. The war had accelerated the pauperization of the middle classes—the functionaries, technicians and office workers, the small merchants, artisans and manufacturers. Monetary devaluation crushed the fixed income groups. The fall of the lira in Italy and of the German Mark reduced those with fixed incomes and with savings to misery. The salaries of office workers fell below the wages of workers in industry, who were at least able by union action to achieve a re-adjustment of their wages. In Germany, a professor was paid less than a proletarian. In 1929 the German Minister Strassmann declared: "If we go on this way much longer, we shall have nothing but the trusts on one side and millions of employees and workers on the other....It (the middle class) is today completely proletarianized."

These conditions led the middle classes to revolt. Because of their heterogeneity, the diverse social groups they are composed of, the middle classes seldom have a political policy of their own. They look for a "leader", an individual or collective leadership which can give them confidence. And history has shown that only the principal classes of society—the bourgeoisie or the proletariat—can provide this leadership. David Guerin writes thus of the psychology of the middle classes or the petty bourgeoisie: "The petty bourgeoisie is ordinarily of a peaceful temperament. As long as his economic situation is endurable, or he has hope that it can be improved, he is respectful of the established order and looks for the improvement of his condition through reforms. But when he must abandon all hope of improvement by legal and peaceful methods, when he perceives that the crisis from which he is suffering is not passing but is a crisis of the whole social system, and one that can be resolved only by a radical transformation of this system, then "he is easily enraged", as Trotsky says, and "ready to give himself "over to the most extreme measures."

Under these conditions the middle classes are quite capable of linking themselves with

the working classes. For this, however, they must acquire faith in the ability of the working class to achieve a radical transformation of society. The working class must be firm in its actions and show its readiness to take the offensive against the capitalist class. On the other hand if the proletarian parties fail to unite the working class, if they vacillate and contradict themselves, then the middle classes lose patience and turn against the workers. They fall a prey to the demagoguery of the bourgeoisie.

This is precisely what happened both in Italy and Germany. We have already referred to the role of labour aristocracy—the “Social Democracy”—in the working class struggles during the aftermath of the First World War. For from being firm in its actions and leading the masses towards the overthrow of capitalism, it temporised, it vacillated and finally led the workers back to the fold of the bourgeois republic. Unfortunately, the subsequent record of Stalinist parties was no better. They curbed the workers when the situation demanded a revolutionary offensive; they held back the spontaneous struggles of the workers against the fascist bands on the grounds of not frightening the liberal bourgeoisie. And when the tides of struggle had ebbed in Germany, they sought to isolate the Communist workers from the workers following the lead of the Social Democracy. The Social Democrats were declared to be “Social Fascists”. Stalin himself made the discovery that “the Social democracy and fascism are not antipodes but twins.” It is not the purpose of this paper to analyse the role of Stalinism vis-a-vis Fascism. The interested reader would do well to study the works of Leon Trotsky related to this period, in particular his pamphlet “The Only Road for Germany” 1932. (Lanka Sama Samaja Publication—1959).

It was in this tragic context that Fascism was able to attract to itself great masses of the petty bourgeoisie. “Fascism unites and arms the scattered masses. Out of human dust it organizes combat detachments. It thus gives the petty bourgeoisie the illusion of being an independent force. It begins to imagine that it will really command the state. It is not surprising that these illusions and hopes turn the head of the petty

bourgeoisie!” (Leon Trotsky—Whither France”—1934)

While the base of Fascism lay in the urban middle classes, it also drew support from certain other groups of the population: from sections of the peasantry, from the war veterans and particularly from the disillusioned and unemployed youth. Youth by its very nature is bold and unrestrained. It is idealistic and loves risk and sacrifice. It is therefore naturally attached to the boldest and most idealistic movements. If the socialist parties had proved themselves dynamic and determined in their efforts to overthrow the existing order, they might have won the youth. As things later turned out, it was Fascism that provided the dynamism and audacity to attract to itself the stratum of middle class youth.

Apart from these groups, Fascism also recruited the so-called **lumpen proletariat**—vagabonds, discharged criminals, pick-pockets, swindlers, gamblers, in short the dregs of society, grown numerous under the conditions of declining capitalism. Tramps and ex-convicts were recruited into Mussolini’s “action squadrons”. Guerin quotes a former fascist, Assiante, writing of 1924: “On that day I truly felt that Mussolini and Fascism had called upon the dregs of Society”. Such is the degradation of capitalism in its decay, of Imperialism—“the highest stage of capitalism!” This latter is not specifically a Italian or a German phenomenon. It is characteristic of every capitalism uncertain of itself. In America, imperialism surreptitiously finances groups of hoodlums such as the John Birch Society and even gangster organisations like the notorious Mafia in order to terrorise organised labour and the Negro movement. Even in Ceylon, on a minor key, we have instances of thugs and criminals being used during strikes and elections by the capitalist class.

These de-classed elements were first organised into anti-labour gangs, which were financed and used to terrorise the working class by big business interests. One of these in Italy—Mussolini’s “Combat Fasci”—absorbed all the rest, and incidentally, gave rise to the name “Fascism.” The same happened with Adolf

Hitler's group in Germany. The infamous "Black Shirts" in Italy and Hitler's "Storm Troops" owe their origins to these hoodlum gangs.

In its subsequent march to power, in order to win over the disillusioned middle classes, fascism freely used anti-imperialist slogans. In 1919 Mussolini wrote: "This is what we propose now to the Treasury: either the property owners expropriate themselves, or we summon the masses of war veterans to march against these obstacles and overthrow them." In Germany Goebbels exclaimed: "A few individuals should not have the right to use the national economy against the nation. But in reality a few monopolies dominate, a few individuals have amassed enormous fortunes. These individuals have unlimited means for taking away from the people its daily bread and robbing it of its labour...."

Fascism even claimed to support workers' economic strikes. In 1924 Mussolini's fascists supported a miners' strike in Italy and another strike of 30,000 marble workers. In Germany, the National Socialist Party supported the strike of 100,000 Berlin Metal workers in 1930. In fact Fascism simulated socialist phraseology as a means of attracting mass support to itself, only in order thereafter to show itself in its true colours. In power it brutally smashed up all working class organisations and parties and paved the way for the naked dictatorship of big capital.

Without seriously attacking capitalism, Fascism sought to convert the anti-capitalism of the masses into **nationalism**. To further protect its financial backers it diverted the anti-capitalism of the masses against the Jews. In Germany, particularly, the Jews played a considerable role in economic, political and intellectual life. It was easy to direct the anger of the pauperised middle-classes against the Jews, who played an important part in the Stock Exchange and in banks. The "Aryan race" was pitted against the so-called conspiracy of "World Jewry". Goebbels once wrote: "Socialism can be achieved only in opposition to the Jews, and it is because we want socialism that we are anti-semitic. "It would be worthwhile to recognise the shades of this technique in our

own country among those who espouse "Sinhala Socialism" and "Tamil Socialism" and find a scapegoat for economic ills in the "other race". The petty bourgeoisie can very easily be diverted on to the road of racialism or communalism, as we have seen from the bitter recent history of Ceylon. But socialism is international in its character and its goals. Racialism can only ultimately serve the interests of a decadent capitalism.

Fascism, finally, relies much on its knowledge of mass psychology, particularly the psychology of the miserable and the discontented. It develops mystic cults to appeal to the emotions of the masses—the cult of the "leader", the cult of the fatherland, the cult of the martyred dead, the cult of youth. For instance, it is no accident that the official anthem of Mussolini's fascists began with the words:

Youth, youth,
Springtime of beauty...."

This is a lesson that socialists can profitably learn. While Socialism is scientific and cannot obviously dabble in mysticism, it is important to understand that the masses are not necessarily influenced by statistics and economic facts alone. It is necessary to understand how these are reflected in the consciousness of men. Brilliant analysis alone will not attract the masses. It is necessary to penetrate their emotions and evoke their idealistic response. Attention to the mundane day-to-day problems of the masses must be accompanied by an emotional appeal, by a spirit of sacrifice, by the idealisation of socialist goals. Youth, in particular, looks for such inspiration, otherwise one could never explain how men like Che Guevara have captured the imagination of the world's youth.

At the beginning the Fascist bands are used as a kind of anti-labour militia to terrorise the organised workers. With the deepening of the economic crisis, however, big business sees in them a great possibility. With a deepening mass base, they are now set on the road to state power. With the achievement of state power, ably backed and financed by big business and heavy

industry, the character of fascism undergoes a change. It cynically abandons part of its demagogy, and begins a ruthless onslaught against the working class and its organisations. Trade unions and working class parties are smashed workers and their leaders are murdered by fascist gangs, by the black shirts and the storm troopers. To retain some degree of middle class support it continues its persecution of scape goats. Jews are arrested and slaughtered—during the war, by the millions. Still, Fascism is compelled to turn against part of its mass base, if it is to satisfy the demands of its capitalist backers. Having used the petty bourgeoisie it strangles it with its state power. Gradually it approaches other forms of military and police dictatorship. From a people's movement it is transformed into a police apparatus. Human lives and human values are ruthlessly subordinated to the demands of big business and profit. Germany, the most cultured nation in Europe, was brought to an unprecedented level of brutishness. The flower, of her intelligentsia,—the scientists, her artists, and her philosophers—were either decimated or sought exile in other countries. Such was the fate of Europe in the years between the two world wars—the logical consequence of an imperialism in decay, if the working class proves incapable of fulfilling its historical role and taking the power for itself.

While Fascism found naked expression in Italy and Germany for the historic reasons we have already described, similar tendencies were not absent in other imperialist countries. For instance, in France, on February 6th, 1934 the reactionary government of Doumergue was imposed upon the country with the help of Fascist bands armed with revolvers and clubs. This same period witnessed similar tendencies in the United States. Numerous Fascist groups manifested themselves, financed by big American capital. There were movements such as those led by Huey Long, by Father Coughlin, and the Silver Shirts of Pelley. Oswald Mosley and the British National League quite openly espoused a Nazi type regime in Britain.

If Fascism, however, did not take root in these other imperialisms it was not due to any difference in the character of their

ruling classes. Britain and France, being old imperialisms, could still ward off the gravest effects of the economic crisis with the spoils from their colonial empires. America was still a young imperialism with plenty of opportunities for development on the vast national territory. But the tendencies that manifested themselves prove that fascism is not a phenomenon limited to certain nations. It is the product of imperialism in its decay. The features of fascism may differ from country to country, and be determined by specific national characteristics. It would be dogmatic to assume that the cause of events in every imperialism must necessarily follow the pattern of Italy and of Germany. But what the past and the present prove is that imperialism in crisis will use every method at its disposal to suppress the masses and impose its naked rule. Even in America today democracy has become a hollow shell within which the ruthless offensive against the Negro and anti-war movements is the reality.

The Second World War, as did the first grew out of inter-imperialist rivalries to divide colonial spheres of influence and the world market. Fascism in Germany and Italy, with its militarism and its expansionist policy posed a threat to the older imperialisms allied with the fast-growing American imperialism. The sordid holocaust of human lives which resulted was conveniently cloaked in the demagogic slogans of "anti-fascism" and "making the world safe for democracy". Then and now imperialism in its decay retains its same basic features.

In the semi-colonial world, the bureaucratic military-police apparatus, aided by imperialism, has thus far proved sufficient in many countries to keep the masses in suppression. In the absence of any strong national capitalist sectors, it is, of course, futile to expect fascist movements of the German and the Italian variety. However, with imperialisms' assistance, communal and racialist movements could well develop fascistic forms. This is why it is necessary to ruthlessly expose every demagogic movement that seeks to exploit racialism as against nationalism, which, in the context of the anti-imperialist struggle,

(Continued on page 30)

'Neo-Imperialism' and 'Neo-Colonialism'

by DORIC de SOUZA

Marx, who died in 1883, did not live to see the tremendous upswing of capitalism, which completed its historical mission when it definitively established the world market and the international division of labour in the period 1880-1910. In Marx's time, the advanced countries still appeared to show more backward countries the mirror of their own future development. In the new epoch, however, the economies and the political regimes of the backward countries became entangled and 'grew together' with those of the advanced countries which took the former under control. Thus the whole world, and not merely this country and that, became the arena of capitalist exploitation, production and exchange. All the resources of the world, together with those of rapidly advancing science and technology were at the disposal of the world bourgeoisie. What would they make of them? Could they utilise them for the benefit of humanity in a planned and harmonious manner?

* * *

In 1916, Lenin published his critique of Imperialism which he called 'a popular outline'. In this short work he dealt with the structure of capitalism in its new stage of development (1880-1914), with special reference to the development of huge combines in Western Europe and the U.S.A. Lenin did not give the same attention to 'colonialism'—to the actual operation of Imperialism in colonial territories, to the political forms, economic processes and the new relationship of social classes in the backward countries resulting from capitalist domination and foreign control. In 1916, Lenin did not have enough information on these subjects, and we can find more about 'colonialism' in such a work as Trotsky's **Problems of the Chinese Revolution** written more than ten years later.

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Even as regards the ground Lenin covered in his study, the passage of fifty-four years

makes a new appraisal of the situation necessary. Many things have changed in this long period in a way that nobody could have exactly foreseen. On the basic nature of Imperialism, there is little that one can add to or change in Lenin's account.

He described Imperialism as 'capitalism at a definite and very high stage of development, when certain of its fundamental features began to be transformed into their opposites, when the features of a period of transition from capitalism to a higher social and economic system began to take shape and reveal themselves all along the line: economically, the main thing in this process is the substitution of capitalist monopolies for capitalist free competition. . . Monopoly is the transition from capitalism to a higher system.' Fifty-four years have only given this definition greater weight and significance.

* * *

Lenin listed five important features of Imperialism. They were:

- (i) The concentration of production and capital developed to such a high stage that it created monopolies which play a decisive role in economic life.
- (ii) The merging of bank capital with industrial capital, and the creation, on the basis of this 'finance-capital' of a financial oligarchy.
- (iii) The export of capital, which has become extremely important, as distinguished from the export of commodities.
- (iv) The formation of international capitalist monopolies which share the world among themselves.
- (v) The territorial division of the whole world among the greatest capitalist Powers is completed.

In regard to feature (v) the situation has obviously changed today. 1000 millions

of human beings, one third of the total human population live today in socialist countries where the Imperialist Powers exercise no control. Further, in a whole chain of colonial countries, direct Imperialist rule has been replaced by national regimes. Feature (iii) as we shall see, is no longer so important as it was in Lenin's time. The other features Lenin listed still serve to distinguish the Imperialist system

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Other writers, like Hobson and Kautsky, had given attention to the new developments in the capitalist world before Lenin wrote his critique. Kautsky thought that the international division of labour and the establishment of the world market, together with the growth of giant international monopolies would lead to the joint exploitation of the world by internationally combined finance capital. He foresaw an 'ultra-Imperialism' in which the Great Powers might cooperate.

Lenin, however, agreed with Hobson in thinking of the Imperialist era **not** in terms of a harmonious partnership on a world scale of the monopolist combines, but in terms of 'competing empires, each motivated by similar lusts of political aggrandisement and commercial gain.' In other words, Lenin saw the inevitability of Imperialist War. He also emphasised two other basic contradictions within the Imperialist system: the antagonism between labour and capital which, except in a few countries where the bourgeoisie might bribe sections of the proletariat temporarily, was bound to become sharper; and the inevitable struggle of the colonial peoples to throw off the yoke of foreign domination. The bourgeoisie could not utilise the resources at their disposal to better the condition of humanity. Their greed for profits and the contradictions of the Imperialist system stood in the way. The immediate prospect before the world, according to Lenin, was an epoch of wars and revolutions. Here Lenin has, in the past fifty-four years, been proved 100% right. Only the resolution of all the aforementioned contradictions through the socialist revolution, said Lenin, would pave the way for a planned and harmonious use of the world's resources,

as well as those of science and technology, for the benefit of humanity.

* * *

The primary cause of instability in the world, in Lenin's time, was the antagonism of rival Great Powers. This brought about World War I. As a consequence of this War, however, a proletarian state was established in a very large though backward country. This fact changed the pattern of international relations. Between 1918 and 1939, the common antagonism of all the Imperialist Powers to the Soviet State was at all times nearly as important, or as important a factor in international relations as the continuing antagonism of the rival Imperialist Powers. The new State in its turn influenced both the struggle of the workers against capitalism and the struggles for colonial independence in a number of ways. When the Second World War began, the Soviet Union, profiting from inter-Imperialist antagonism, was able to 'stand aside' from the great collision of Powers for a time, and then to enter the war as an ally of one group of Imperialist Powers. Ultimately, the Soviet Union emerged as one of the victors of World War II.

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The damage to Imperialism which followed World War I was serious, but the arena of Imperialist exploitation was not very much reduced. No weakening of economic Imperialism resulted directly from the Russian Revolution, nor did the Soviet Union pose a real threat to the big Imperialist nations in the sphere of Power Politics.

The damage caused to Imperialism as a result of World War II has been far more serious.

During the war itself, Germany and Japan began to dig the grave of the bourgeoisie in the territories they occupied. The indigenous bourgeoisie of Eastern Europe was crippled by Hitler. Japan crippled the bourgeoisie of China, and drove out the traditional Imperialist exploiters of South East Asia—the British, the French, the Dutch, and even the Americans. When

Germany and Japan were defeated, there was a vacuum to be filled in these regions, and the victorious Imperialists could not fill that vacuum.

The victories of the Red Army and the subsequent socialist revolution in the countries of Eastern Europe definitively cut these areas off from the arena of Imperialist exploitation. The rejection of Marshall Aid in 1947 signalled this fact. In China, the victory of the Revolution in 1949 cut off Imperialism finally from this vast sub-continent.

The desperate post-war attempts of the Imperialists to reoccupy and rule their colonies in South East Asia was equally desperately resisted by nationalist forces. In the end, though they saved a few strategic areas, the Imperialists had to abandon the idea of re-conquering many of their former colonies. National regimes established themselves in South East Asia. These developments soon had their logical sequels further west. India, Pakistan, Ceylon, a whole chain of Middle Eastern countries, and later a number of African nations won their political freedom. In none of these countries did national freedom lead—as it had led in China, N. Korea and N. Vietnam—to a socialist revolution. The Imperialists, though they abandoned the system of direct rule, did not cease to try to maintain their system of economic exploitation in these regions.

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In the first period after World War II—from 1945 to 1960 or so—the Imperialists suffered many defeats in their attempts to hold on to their economic domination of their former colonies. Many of the new national leaders—Sukarno, Nasser, Nkhuma and even Ne Win—showed themselves ready to strike big blows against Imperialist interests. In 1956, after the defeat of the French in Vietnam and the Anglo French debacle at Suez, the weakness of Imperialism in the colonial arena (outside South America) was signalled to the world. It seemed possible that the national revolutionary upsurge would, as in China, find its logical sequel in a socialist overturn, and that the working class might find its way to the helm in other colonial countries.

However, while the basic framework of capitalism remained intact in all these countries, the Imperialists found leeway to manoeuvre. Their political manoeuvres set one country against another, undermined progressive regimes, and strengthened reactionary feudal and capitalist forces more favourable to them. Their economic manoeuvres have been still more successful. Today, every colonial country is facing economic crisis.

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The fact remains that the arena of exploitation available to Imperialism has been severely curtailed by the loss of Eastern Europe and China, and that the Imperialists can no longer make direct use of the state power—as in the old days—for the purpose of exploitation.

After World War II, there were many who foretold that an economic crisis—exceeding that of 1929 in its intensity—would soon overwhelm the imperialist world because of the shrinkage of the area of exploitation of the abdication of political power in colonial territories.

However, things have worked out differently. Imperialism found the strength to rehabilitate the economies of the Western European countries and Japan. The economies of all these countries, as well as those of the U.S.A. and Britain, have been continuously buoyant since the War. The rate of economic growth in Japan has far exceeded that of any socialist country, while the growth in Germany and Italy has been as fast as that in most socialist countries (which started at a far lower level). The stability and growth of the economies of the U.S.A. Britain and France has been sustained without interruption.

Stalin and his economists predicted a 'structural' crisis in the U.S. economy would come in the 50's themselves. Far from this, even the regular 'conjunctural' crisis in the big capitalist countries—the 'recessions'—have never been disastrous or of long duration.

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The explanation of these facts should be realistically attempted by socialists. Sur-

prisingly enough, we find that Lenin had anticipated some of the developments that have taken place in the Imperialist countries.

Among the factors 'delaying' the development of economic crisis in the big capitalist countries in his own time, Lenin included: huge public investment in the social services, state investment in armaments, big investments of nationalised enterprises, the relative expansion of the sector producing capital goods and the effect of the technological revolution. Every one of these factors can be seen to be operative today in giving relative stability to the Imperialist economies. Today, the capitalist class has learnt how to make a much more intelligent use of the state for economic purposes than it did fifty years ago. Not least of the services rendered by the state to the capitalist class lies in **planning** and in exercising benevolent financial controls. The economies of the U.S.A. Britain, France, Germany, Japan and Italy are today 'planned economies' as much as those of socialist countries.

In their mutual relations today, the Imperialist countries present a picture more like Kautsky's than like Lenin's. In Lenin's time Imperialist rivalries were the prime cause of instability. Rivalries still exist, but the over-all picture of Imperialism is one of international partnership in the face of the socialist and colonial world. Politically, financially and economically all the Imperialist countries—some like France with grumbles and reservations—accept the leadership of the giant Imperialist nation—the U.S.A.

The phenomenon of 'pools'—as in the European Common Market—is also new. The big international cartels—the oil combines and giants like Unilever—no longer emphasise mutual antagonisms or drive their national states towards wars to eliminate rivals.

Finally, the explanation of the continued buoyance of the economies of the Imperialists must be sought in their renewed exploitation of the colonial world. We now turn to discuss the phenomenon of 'neo-colonialism' in the economic arena.

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The forms of colonial exploitation have changed considerably since Lenin's day, and it is useful to compare the 'classical' colonialism of the days before World War I with the 'neo-colonialism' of today.

In those days, the different countries of Asia, Africa and South America were largely either colonies proper or 'spheres of influence'. In the colonies a single Imperial Power directly ruled the territories, but in the spheres of influence the fiction of national independence was maintained. In both cases, one or other Imperialist Power claimed more or less exclusive rights, and the work of exploitation was carried on by big capitalists from the 'home' country who kept out rivals in various ways, including the use of the state power for the purpose.

The principal source of exploitation was the investment of capital which earned handsome dividends. In Ceylon, for instance, it was the plantations that gave the British capitalists their biggest returns. Another source of exploitation was trade. The 'home' countries drew on their subject territories for raw materials, and exported finished goods to them, making big profits both ways. Banking, insurance and shipping provided additional means of exploitation. The different limbs of the state as well as private enterprises provided lucrative employment for members of the ruling race. As the Imperialist system developed, it was inevitable that a native bourgeoisie also grew up in colonial areas. They were kept severely in their place, and were usually tied hand and foot to imperialist financiers.

Both in the colonies proper where they ruled, and in the 'spheres of influence' where they only 'supervised' the political regimes, the Imperialists unashamedly used the state power to further their interests and to keep out rivals. Thus in Ceylon the customs duties were rigged to protect British goods, and quotas were imposed on imports from other countries. The state obligingly provided the 'infra-structure' for the exploitative system in building roads, bridges, railways, etc. The state likewise guaranteed the safety of foreign investments—there could be no question of nationalisation, for example.

When capitalism first penetrated the countries of Asia and Africa, the foreign bourgeoisie attacked feudalism and broke down pre-capitalist forms of exploitation to make way for themselves. In the era of Imperialism, however, the foreign bourgeoisie often made alliances with feudal forces against the people and against native capitalists. Economically, capital found means of operating within feudal forms without breaking them down.

In the whole network of Imperialist exploitation, as Lenin emphasised, the main feature was **the export of capital**. The need to export capital provided one of the big driving forces of Imperialism. The "need to export capital" wrote Lenin "arose from the fact that a few countries were over-ripe...capital lacks opportunities for profitable investment." Capital was attracted to colonial territories because there "capital was scarce, the price of land was low, raw materials and labour were cheap, and so profits were high." The safety of investments was guaranteed by political means.

The other distinctive feature of classical colonialism was that each Imperialist Power, in the interest of 'its own' capitalists and combines, jealously sought to protect a two-way relationship between the colonial and the 'home' economies, without outside interference.

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Several things have changed in this picture over the last fifty years. Before we mention them, let us note some things which **have not changed**. **Firstly**, the backward colonial countries are still backward. Indeed, the gap between these countries and the big Imperialist nations has increased, and is **increasing**. In the twelve years ending in 1964, Pierre Jalee calculated that the average rate of growth of the gross domestic product in colonial countries has been less than 2% per annum. Whatever real growth takes place is offset largely by the increase of population which is on the average more than 2% per annum in the colonial countries. **Secondly**, the pattern of production in the colonial countries remains largely what it was in Lenin's time.

Agriculture engages the majority of the population—64% in Asia, 66% in Africa and 59% in South America. In the U.S.A. and Canada only 14% of the population are engaged in agriculture. They feed their home population and export food as well. Colonial agriculture has not become much more productive. Indeed, agricultural production **per capita** has remained stagnant or has fallen in most colonial countries in the last ten years or so, despite the technological revolutions that have occurred in agriculture. The pattern of industries has not changed much either. The colonial countries account for 26.6% of the **extractive** industries of the world outside the socialist countries, but for only 7.3% of manufactures and for only 5% of heavy manufactures. **Thirdly**, a large proportion of industrial undertakings in colonial countries is still owned or controlled by foreigners. **Fourthly** colonial industrial products are mainly exported—thus colonial countries produce 90% of the world's tin, but use only 11.5% in their own enterprises. **Fifthly**, each colonial economy still remains tied to one or other Imperialist economy—Ceylon to Britain, South American countries to the U.S.A. etc. Likewise each colonial country today as fifty years ago depends excessively on the export of one or two products only:—India exports tea to the extent of 50% of the value of its exports, Malaya exports rubber to the same extent, Thailand exports only rice and rubber, Ghana only cocoa and Ceylon only tea, rubber and coconut. The colonial countries still remain trade rivals with one another.

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We now list some of the features of colonial countries which have changed. The most important of these is the political regimes. Most colonial countries today have political independence. The state power can be "influenced by the Imperialists and their agencies, as the Ceylon Government was "influenced by the World Bank between 1965 and 1970. But the state power cannot be shamelessly used to favour Imperialist investments as in the past. The 'infra-structure' of the economy develops to a far greater extent than before under the pressure of the people, and not to serve foreign investors. The next most important feature, from the point of view of

the Imperialists, is that the political situation in the colonies is 'unstable'. At any time, socialist regimes based on the uprising people may take charge. Where the Imperialists parted peacefully with political power, they sought to establish solid native bourgeois or feudal regimes in their place. They have failed to do so in several countries. Socialism is a constant threat. The result of this is that the Imperialists feel that investments in such areas are not secure. Hence the flow of private investment to colonial territories has shrunk relatively to total investment. **The export of capital is no longer the main feature of economic Imperialism**, so far as the colonies are concerned.

There is no scarcity of capital, and a lot of capital is being exported from capitalist countries. But this goes mainly to other capitalist countries, and not to the colonies. U.S. exports of capital went up by 200% between 1951 and 1959 to Western Europe and Japan. But only 19% of all exports of capital went to colonial territories in 1959, and this went mainly to certain 'safe' colonial areas.

Four times the private capital that flowed in to colonial areas, has flowed into colonial areas as loans and donations from Governments and agencies like the World Bank. We shall deal with this 'foreign aid' later on.

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The patterns of trade of the colonial countries today show us the most distinctive features of 'neo-Imperialism', and 'neo-colonialism'.

In the modern world, the socialist countries are more or less separated from the rest. Only 15% of their products are exported to colonial countries, and only 20% to capitalist countries. It is perhaps one of the tragedies of the post-war world that trade ties between colonial and socialist countries have failed to develop. Pacts like Ceylon's rice-rubber pact with China are the exception rather than the rule.

An equally important fact is that today, the big capitalist countries trade **mainly**

with each other. Only 22% of exports from capitalist countries came to colonial countries in 1960 as against 32% in 1948.

Yet the colonial countries are even more dependent trade-wise on the capitalist countries than they have ever been. Today, they export 74% of their goods to capitalist countries, only 6% to socialist countries and 20% to other colonial countries.

The pattern of colonial exports and imports can be seen from the following figures.

Exports		Imports
30%	Foodstuffs	15%
30%	Raw Materials of Mineral Origin	8%
25%	Fuels	10%
5%	Base Metals	7%
10%	Manufactures and Machinery	60%

Note that it is not surprising that colonial countries import so many manufactured goods and so much machinery, but it is surprising that they have to import 15% of their food from capitalist countries. The foodstuffs imported from colonial countries by the capitalist countries are mainly beverages like tea, coffee and cocoa. But the colonial countries—mainly agricultural—have to import **foodgrains** essential to life from capitalist countries. Note also that the heavy dependence on capitalist countries for industrial goods is increasing so far as the colonial countries are concerned.

We may repeat that the colonial countries, in the sphere of trade, face each other as competitors. Collectively, they have a monopoly of many products which the capitalist countries import. But they have never been able to use this collective monopoly.

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The most important feature of 'neo-colonialism' is to be seen in the sphere of trade. This is the sharp and unfavourable alteration of the terms of trade against the colonial countries that has taken place in the last ten or fifteen years. It is as if the Imperialists now find the best way of squeezing the life-blood out of colonial countries.

Here are some of the basic facts.

Comparing 1950 and 1962, the capitalist countries paid 108 monetary units in 1962 for every ton of imports as against 100 in 1950. But they received 119 monetary units for every ton of exports in 1962 as against 100 in 1950. Their terms of trade have improved.

Colonial countries also paid 108 monetary units for every ton of imports in 1962 as against 100 in 1950. But for every ton of their exports, they received only 96 monetary units in 1962 as against 100 in 1952. The terms of trade have gone disastrously against the colonial countries.

The over-all terms of trade between capitalist and colonial countries worsened from 100 in 1950 to only 88 in 1962. To take price indices for various colonial exports, with 100 representing the prices in 1950-52, the index for Fruit was 95 in 1962, Cocoa, Coffee and Tea 79, Fats and Oils 87, Fibres 63 and Rubber 82.

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Development is the most urgent need in colonial countries. Development needs capital. The colonial countries which have broken away from capitalism are finding their road to development through heroic self-sacrifice, depending on their own resources. In those colonial countries which have remained within the framework of capitalism, development—as already shown—is negligible, and hardly keeps pace with the rise of consumption due to increase of population. Living standards have not risen much since the war, and the gap with the advanced countries is increasing.

One thing is clear; **trade** will not provide the colonial countries with development capital. The cost of development is sharply increasing because of the steady rise in price of machinery and other basic capital goods which have to be imported from capitalist countries.

The Imperialists still like to tell us that the investment of foreign capital gives the best promise of development in the colonies, and want us to provide a happy 'climate' for foreign investment: by renouncing

nationalisation, by giving tax concessions, guarantees of repatriation of capital and dividends, etc.

But as we have seen, private investment capital is not more than a trickle nowadays. In Ceylon, as a matter of fact, ever since the war, private capital has been going out faster than it has come in. There is a clear and continuous process of **disinvestment**. All our Governments have tried to improve the 'climate' for foreign investment: the foreign investors take advantage of all concessions **to take home their capital**.

The only possible form of foreign investment which we might rely on for development is therefore loans and grants from Governments and international agencies like the World Bank. Is there much hope we can place on this so-called 'aid'?

* * *

Let us look at the picture of 'aid' today. Almost all forms of capital flowing into colonial countries today is nowadays called 'aid'. We shall disregard private investment which only aids the investor, and is in any case 'shy' today. We shall also disregard the 'commodity aid' of the aid Clubs, which is only a polite name for trade credits. When a tradesman gives credit he 'aids' himself and in the long run increases his profits.

We deal only with donations and loans from foreign Governments and their agencies like the World Bank.

The practice of the big capitalist countries giving 'aid' to backward countries grew up in the 1950's and reached a peak about 1962. 'Aid' in the form of donations is hardly available today.

We can judge the over-all value of 'aid' from certain facts relating to the peak year, 1962. In that year, the net flow of donations and public loans—from the World Bank, etc.—amounted to only .6% of the gross internal product of the donor countries. In 1962, donations amounted to 2700 million dollars and loans to about 1500 million dollars, making a total of 4200 million dollars. It worked out to about 7

dollars per person of the donor countries, and about 3 dollars per person per year in the colonial countries, out of which 2 dollars will eventually be repaid. It amounted to only 3% of the gross internal capital formation of the donor countries. More significant, perhaps, is the fact that all 'aid' in the peak year came to only about 1.5% of the Gross National Product of the aided countries. With normal returns, this could raise this G.N.P. by about .25 to .5 per year only.

Thus the quantum of aid even in the peak year was not such as could make a difference to the rate of development of the colonial countries.

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What is the motivation of 'aid'. So far as donations are concerned, they have 'strings' tied to them. This aid goes most liberally to countries where the Imperialists have a political stake, countries like Formosa or South Vietnam. A large proportion of this aid is ear-marked for non-productive expenditure, e.g. military expenditure. It is significant that 'bi-lateral aid' from Government to Government was 10 times as large as 'multilateral' aid as given by the World Bank, because in bilateral pacts the strings can be tightly tied.

The World Bank is a big business agency. It will make profits and not losses. It is not an international institution—only Yugoslavia among the socialist countries is a member, and 50% of the shares are controlled by the U.S.A., U.K., France, Japan, West Germany and the American stooge Formosa. When the World Bank gives aid, it also gives economic dictation in the interests of big capital. They want the 'climate' to favour foreign investment and private enterprise generally: they dictate areas of investment like agriculture and tourism which don't endanger Imperialist interests. In Ceylon, for example, real aid for industrial development has come from the socialist countries and not from the World Bank.

Now that the peak of 'aid' has passed, the colonial countries are faced by problems of repayment. Jalee says that by 1967 "for the colonial countries as a whole, outpayments

in interest and dividends must pretty well have equalled new receipts in the form of public donations and loans and private investment".

The role of 'aid' as a developmental factor cannot be very significant.

From the point of view of our analysis of neo-Imperialism, the role of 'aid' cannot be compared with that of private investment in the past. Further, it is not economically necessary for the Imperialist countries to give aid.

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Because of the fall in the relative position of private capital investments in the colonial areas, and the fall in the relative importance of trade with the colonial areas for the capitalist countries (the colonial countries are helplessly dependent on this trade) some people have written as if the Imperialists are "disengaging" themselves from the colonies, as if colonial exploitation is ending.

This would amount to saying that whereas 50 years ago the whole world was an inadequate arena for the various Imperialist Powers, today a small part of the world where only 600 million live, as opposed to 1500 millions in the colonies and 1000 millions in socialist countries, will prove adequate as an arena of exploitation.

Is there any truth in the idea that since World Imperialism no longer shows a picture of internecine competition, since it has taken on a 'Kautskyian' aspect of partnership under U.S. hegemony, making a pool of its investments and trade, that there is no further need for colonial exploitation?

The answer is negative. Firstly, it is easy to show that the Imperialists necessarily rely on certain essential imports from colonial territories. Their economies cannot survive without them. Certainly some synthetic substitutes have been developed for some colonial products like rubber. But there remain a large number of essential raw materials of which God in his wisdom has given the colonial countries a monopoly or near monopoly.

Oil is one thing the Imperialists need as their own supplies are inadequate. All the politics of the Imperialists in the Middle East is not determined by the Cold War. There are many minerals which can only be mined in colonial areas. Finally, a number of essential consumer goods—tea, coffee, cocoa can come only from colonial countries.

When the ECM countries recently made a "pool" with 18 African countries, this was not dictated by benevolence, but by economic necessity. The presence of the U.S.A. in colonial areas is not dictated only by military considerations.

It would be an entirely mistaken view to believe that the present division of the world into distinct compartments—the Imperialist economies, the colonial territories, and the socialist world—can in any way be a lasting arrangement. On the contrary, this compartmentalisation will prove increasingly intolerable for all concerned.

The balance of power does not at present allow the Imperialists to try to reconquer the colonial world. It permits them only to manoeuvre so as to undermine progressive regimes, and to dictate paths of economic development where possible. Yet the logic of Imperialism must drive it towards desperate attempts to dominate the entire colonial world, and even to seek to break down the socialist framework created in the countries which have broken away from capitalism.

On the other hand, the socialist countries as they expand and develop their economies, cannot put up with their isolation either. We must note that the socialist world is not integrated economically. Already we see socialist countries like Czechoslovakia seeking to develop economic relations with countries in the capitalist world instead of

being content to remain in the orbit of the Soviet Union. Yugoslavia is likewise making connections with the capitalist and colonial world. The economic orbit of China is entirely distinct from that of the Soviet Union. In the future, there is no doubt that the socialist economies will **need** to develop connections with the outside world.

The fact is that the international division of labour and the world market created in the first era of Imperialism cannot be broken up into compartments without blocking economic development everywhere.

The colonial countries cannot for ever remain in the straight-jacket in which they find themselves hopelessly dependent on trade relations (themselves adverse) with the Imperialist countries, and unable to raise the capital needed for urgent development within the framework of capitalism.

Politically and economically, the world is today in a state of unstable equilibrium. Sooner or later, the forces of Imperialism, of the socialist countries and of the colonial upsurge must clash in a decisive way.

Here is the real answer to those who think that (a) Imperialism may disengage itself from the colonial world and (b) that the Imperialist countries can maintain for long a happy "partnership" relationship on the Kautskyian model. It is true that today the old Imperialist rivals are "pooling" their resources. Further, the modern monopolists are more willing to admit even black and brown capitalists into their combines. In many colonial countries the bourgeoisie has been permitted to enter as junior partners into the big international combines. But the "competing lusts" of the rival Imperialisms cannot be forever suppressed if the Imperialist system is not itself undermined.

How Lenin Studied Marx

by LEON TROTSKY

Unfortunately, no one has told us how Lenin pursued his Marxist studies. Nothing has come down to us except a few superficial and very limited observations. "He spent whole days studying Marx, making digests, copying passages, jotting down notes," wrote Yasneva. "It was then difficult to tear him away from his work."

Lenin's digest of *Capital* have not come down to us. The only basis for reconstructing this young athlete's work on Marx is provided by the notebooks he compiled in his studies during the subsequent years. While still in high school, Vladimir invariably began his compositions by first working out a finished plan which was later supplemented with arguments and suitable quotations. In this creative process he exhibited a quality which Ferdinand Lassalle correctly designated as the physical force of thought.

Study, which is not merely a mechanical repetition, also involves a creative effort, but of an inverse type. To summarise another man's work is to lay bare the skeletal framework of its logic stripping away the proofs, the illustrations and the digressions. Joyously and fervently Vladimir advanced along this difficult road, summarising each chapter, sometimes a single page, as he read and thought and verified the logical structure, the dialectical transitions, the terminology. Taking possession of the results, he assimilated the method. He climbed the successive rungs of another man's system as if he were himself constructing it anew. All of it became firmly lodged in his marvellously well-ordered brain beneath the powerful dome of the skull.

The Formative Stage

For the rest of his life, Lenin never departed from the Russian politico-economic territory which he assimilated or elaborated during the Samara period. This was not owing to obstinacy alone—although intellectual obstinacy was characteristic of him to the highest degree. It was because, from his earliest years, he became used to making

a strictly calculated choice, deliberating over each term in all of its various aspects until within his consciousness it had become fused with a whole cycle of concepts.

The first and second volumes of *Capital* were Vladimir's basic manuals at Alakayevka and Samara for the third volume had not yet appeared at the time; Marx's rough draft was just being put in order by the aged Engels. Vladimir had studied *Capital* so well that each time he returned to it thereafter, he was able to discover new ideas in it. As early as the Samara period he had learned, as he used to say in later years, to "take counsel" with Marx.

Before the books of the master, impertinence and banter automatically departed from this altered spirit who was capable of the deepest gratitude. To follow the development of Marx's thought, to feel its irresistible power, to discover deductions from incidental phrases or remarks, to renew each time his conviction of the truth and profundity of Marx's sarcasm and to bow down with gratitude before this relentless genius—this became for Vladimir not only a necessity but a joy. Marx never had a more attentive reader or one in closer harmony with him, nor did Marx have a better, more perceptive and grateful disciple.

"With him Marxism was not a conviction, but a religion," wrote Vodovosov. "In him one feels a degree of conviction, that is incompatible with a genuine scientific approach". For a philistine no sociology merits the designation "scientific" except the one which leaves intact his right to keep on vacillating. To be sure, Oulianov, as Vodovosov himself testifies, "was deeply interested in all the objections raised against Marxism and reflected upon them;" but he did so "not for the sake of seeking out the truth", but simply to uncover in these objections some error "of whose existence he was already convinced in advance".

There is an element of truth in this characterization, namely, Oulianov had acced-

ted Marxism as the ripest product of the entire previous evolution of human thought; he had no desire, after attaining this high level, to descend to a lower one; he defended with indomitable energy those ideas over which he had been pondering and which he was verifying every day of his life; and he regarded with preconceived mistrust the attempts of conceited ignoramuses and erudite mediocrities to substitute a more "acceptable" theory for Marxism.

When it comes to such fields as technology or medicine, routinism, dilettantism and medicine-man mumbo-jumbo are held in justifiable mistrust. But in the field of sociology these come to the fore in every instance in the guise of a free scientific spirit. Those for whom theory is merely a mental toy, flit easily from one revelation to another or more often still remain content with an agglomeration of crumbs from the different revelations. Infinitely more exacting, rigorous and well-balanced is he who views theory as a guide to action. A drawing room skeptic may scoff at medicine with impunity, but a surgeon cannot live in an atmosphere of scientific uncertainty. The greater is the revolutionist's need for theory as a guide to action, all the more intransigent is he in guarding it. Vladimir Oulianov mistrusted dilettantism and detested quacks. What he valued above all else in Marxism was the severe discipline and authority of its method.

In 1893 appeared the last books of V. Vorontsov (V.V.) and N. Danielson (Nikolai-on). These two Populist economists argued with enviable tenacity that capitalist development in Russia was impossible, just at a time when Russian Capitalism was preparing to take an especially vigorous leap forward. It is improbable that the fading Populists of that day read the tardy revelations of their theoreticians as attentively as did the young Marxist at Samara. Oulianov had to know his adversaries not only in order to be able to refute their writings. He was above all seeking an inward certainty for the struggle. It is true that he studied reality in a polemical spirit, directing all his arguments at the time against Populism which had out-lived itself; but to no one else was pure polemic as an end in itself more alien than to this future author of

twenty-seven volumes of polemical writings. He had to know life as it is.

The nearer Vladimir came to the problems of the Russian revolution and the more he became acquainted with Plekhanov, all the greater became his esteem for Plekhanov's critical works. The current falsifiers of the history of Russian Bolshevism (like Prēsniakov) write tomes on the topic of the "spontaneous birth of Marxism on Russian soil free from any direct influence of the emigre group and of Plekhanov"—and, it ought to be added, free from Marx himself, who was the emigre par excellence. And they convert Lenin into the founder of this genuinely native Russian "Marxism" from which the theory and practice of "socialism in one country" was later to flow.

The doctrine of the spontaneous birth of Marxism as a direct "reflection" of Russia's capitalist development is itself an execrable caricature of Marxism. The economic process does not find its reflection in "pure" consciousness in all its native ignorance; it finds its expression in the historic consciousness, enriched by all the past conquests of mankind. It was possible for the class struggle in capitalist society to lead to Marxism in the middle of the Nineteenth Century only because the dialectical method was then already at hand as the achievement of German classical philosophy; only because of the political economy of Adam Smith and David Ricardo in England, only because of the revolutionary and socialist doctrines of France which rose out of the Great Revolution. The internationalist character of Marxism inheres, therefore, in the very origins of its own birth. The growth of the power of well-to do peasants (kulaks) on the Volga and the development of metallurgy in the Urals were utterly inadequate to bring about independently the selfsame scientific results. It is not mere coincidence that the Emancipation of Labour Group came to be born abroad: Russian Marxism first saw the light of day not as an automatic product of Russian capitalism like sugar-beet crops and the poor cotton cloth (for the manufacture of which moreover, machines had to be imported), but as a complex of the entire experience of the Russian revolutionary struggle coupled with

the theory of scientific socialism originating in the West. The Marxist generation of the Nineties rose on the foundations laid by Plekhanov.

HOW SPIRITUAL PAUPERS "EXALT" LENIN

To appreciate Lenin's historic contribution there is no need whatever to try to show that from his early years he was obliged to break the virgin soil with a plow of his own. "There were almost no comprehensive works available", writes Elisarova parroting Kamenev and others. "It was necessary for him to study the original sources and draw from them his own deductions". Nothing could be more offensive to Lenin's own rigorous scientific scrupulousness than this claim that he took no account of his predecessors and teachers. Nor is it true that in the early Nineties Russian Marxism possessed no comprehensive works.

The publications of the Emancipation of Labour Group already constituted at the time an abridged encyclopaedia of the new tendency. After six years of brilliant and heroic struggle against the prejudices of the Russian intelligentsia, Plekhanov proclaimed in 1889 at the Socialist World Congress in Paris, "The revolutionary movement in Russia can triumph only as the revolutionary working class movement. There is and there can be no other way out for us." These words summed up the most important general conclusion from the entire preceding epoch and it was on the basis of this generalization of an "emigre" that Vladimir pursued his education on the Volga.

Vodovosov writes in his memoirs, "Lenin used to speak of Plekhanov with profound feeling, especially about (Plekhanov's book) *Our Differences*". "Lenin must have indeed expressed his feelings very vividly for Vodovosov to be able to recall them after a lapse of more than thirty years. The main strength of *Our Differences* lies in its treatment of revolutionary policy as indissolubly linked with the materialist conception of history and with the analysis of Russia's economic development. Oulianov's first pronouncements at Samara against the Populists are thus closely associated with

his warm appreciation of the work of the founder of the Russian Social Democracy. Next to Marx and Engels, Vladimir was most indebted to Plekhanov.

Towards the end of 1922, while referring in passing to the early Nineties, Lenin wrote: "Soon after this Marxism, as a tendency, began to broaden, moving in the Social-Democratic direction proclaimed much earlier in Western Europe by the Emancipation of Labour Group." These lines, which sum up the history of the development of an entire generation, also contain a part of Lenin's own autobiography. Starting out in the Marxist tendency with an economic and historical doctrine, he became a social Democrat under the influence of the ideas of the Emancipation of Labour Group which far outstripped the development of the Russian intelligentsia. Only spiritual paupers can imagine that they exalt Lenin by attributing to his natural father, the State Councillor Oulianov, revolutionary opinions which he never held, while at the same time minimizing the revolutionary role of the emigre Plekhanov, whom Lenin himself considered as his spiritual father.

At Kazan, Samara and Alakayevka, Vladimir thought of himself as pupil. But just as great painters in their youth display their own independent brush stroke even while copying pictures by old masters, just so Vladimir Oulianov brought to his apprenticeship such vigour of thought and initiative that it is difficult to draw a line of demarcation between what he assimilated from others and what he elaborated himself. During the final preparatory year at Samara, this line of demarcation became definitively obliterated; the apprentice becomes an independent investigator.

A HISTORIC CONTROVERSY

The controversy with Populists passed naturally to the field of current developments, of evaluating whether or not capitalism was continuing to grow in Russia. Diagrams representing the number of factory chimneys and of industrial workers as well as those showing the differentiation among the peasantry took on a special meaning. To determine the dynamics of the process it was necessary to compare

today's figures with those of yesterday. Economic statistics thus became the science of sciences. Columns of figures held the key to the mastery of Russia's destiny and that of its intelligentsia and of its revolution. Even the census of horses taken periodically by the military administration was called upon to give an answer to the question: Who was the stronger, Karl Marx or the Russian village commune?

The statistical material in Plekhanov's early works could not have been very rich, the statistics of the Zemstvos, of exceptional value for the study of village economy, became developed only during the Eighties; more-

over, the publication containing these statistics were rarely accessible to an emigre who was almost completely isolated from Russia during those years. Nevertheless, Plekhanov indicated with complete accuracy the general direction of scientific work to be undertaken on the basis of statistical data. The early statisticians of the new School followed this road. M. A. Hourwich, an American professor of Russian origin, published in 1886 and 1892 two essays on the Russian village which Vladimir Oulinaov valued highly and which he used as models. Lenin never let slip an opportunity to give recognition to the works of his predecessors.

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(Continued from page 17)

could possibly assume a progressive character.

One final lesson remains to be learned from the experience of fascism: When the social crisis takes an acute turn, the so-called "middle road" can only lead to the demoralisation of the masses and pave the way for

the naked dictatorship of the bourgeoisie. Only determined measures against capitalism can win over the vast masses of the discontented petty bourgeoisie. Either the working class, together with the oppressed masses, take over the power or the bourgeoisie will establish its naked dictatorship. In a social crisis there is no other way.



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